



Comprehensive Annual Financial Report

Fiscal Year End
June 30, 2018

OHIO AUDITOR OF STATE **KEITH FABER**



January 24, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

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Dave Yost • Auditor of State

Board of Education
Hilliard City School District
2140 Atlas Street
Columbus, Ohio 43228

We have reviewed the *Independent Auditor's Report* of the Hilliard City School District, Franklin County, prepared by Kennedy Cottrell Richards LLC, for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Hilliard City School District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 11, 2019

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Hilliard City School District

Hilliard, Ohio



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2018

Issued by:
Office of the Treasurer

Brian W. Wilson
Treasurer/C.F.O.

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HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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FRANKLIN COUNTY, OHIO

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Introductory Section

Blended Learning

In Hilliard City Schools, blended learning creates an environment where students and teachers learn and teach more effectively. Blended learning provides students with choice and voice in their learning and is dynamically customized for each student, reaching students of varying learning styles.



HILLIARD CITY SCHOOL DISTRICT

ELECTED OFFICIALS AND ADMINISTRATIVE STAFF AS OF JUNE 30, 2018

BOARD OF EDUCATION MEMBERS

President	Ms. Lisa Whiting
Vice President	Mr. Paul Lambert
Member	Mr. Mark Abate
Member	Mrs. Heather Kick
Member	Mrs. Nadia Long

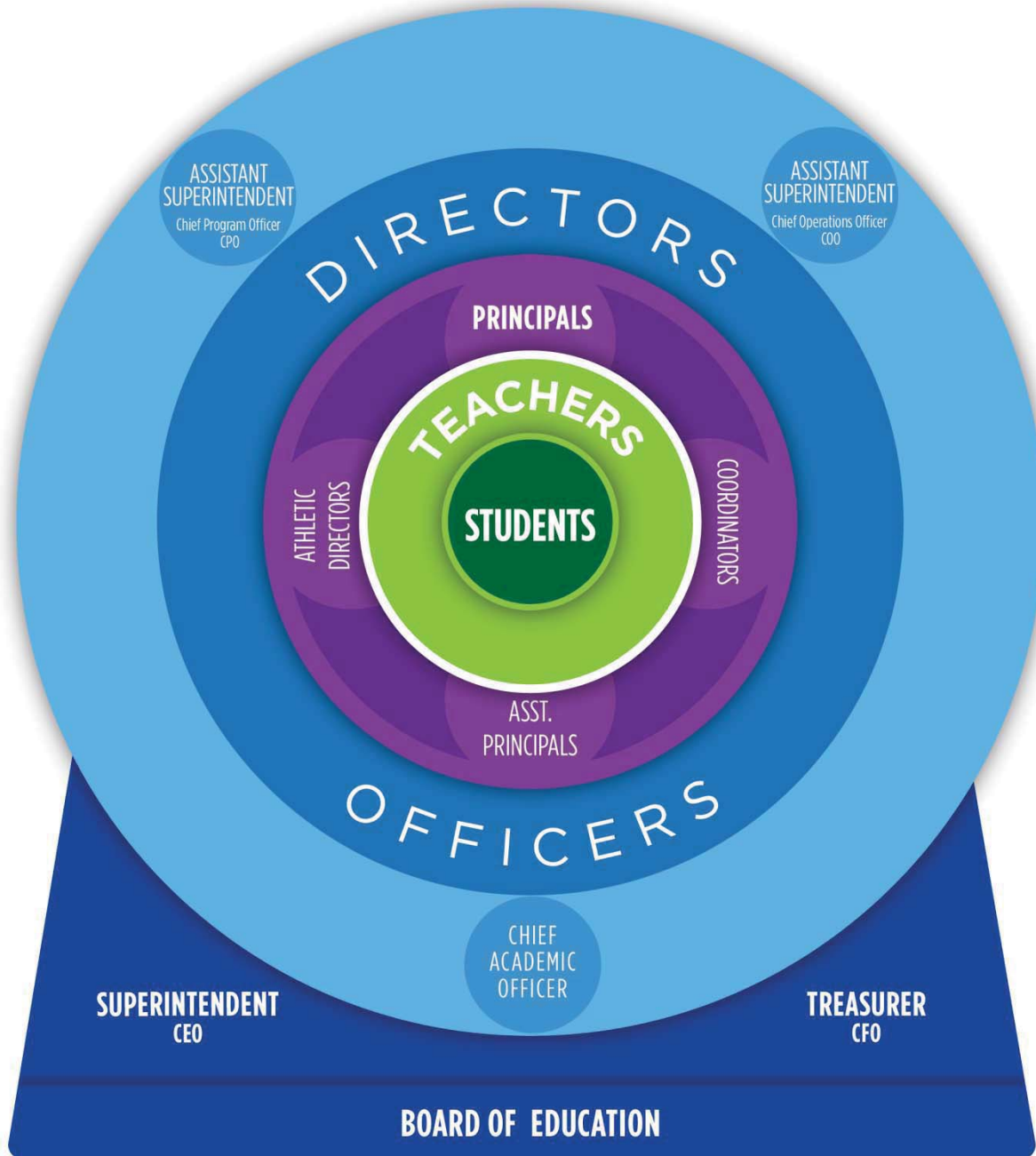
APPOINTED OFFICIALS

Superintendent	John Marschhausen, Ph.D.
Treasurer	Brian W. Wilson

ADMINISTRATIVE STAFF

Assistant Superintendent	Mike McDonough	Principal, Hilliard Davidson High School	Aaron Cookson
Assistant Superintendent	Vicki Clark	Principal, Hilliard Darby High School	Joyce Brickley
Assistant Treasurer	Anita Dalluge	Principal, Hilliard Bradley High School	Melinda Mordarski
Chief Technology Officer	Rich Boettner	Principal, Hilliard Heritage Middle School	Matthew Trombitas
Director, Business Affairs	Cliff Hetzel	Principal, Hilliard Memorial Middle School	Barry Bay
Director, Secondary Curriculum	John Bandow	Principal, Hilliard Weaver Middle School	Chad Schulte
Director, Middle Level Curriculum	Shannon Sayre	Principal, Innovative Learning Center	Craig Vroom
Director, Elementary Curriculum	Herbert Higginbotham	Principal, Hilliard Station Sixth Grade School	Lauren Schmidt
Director, Support Services	Jennifer Lowery	Principal, Hilliard Tharp Sixth Grade School	Jessica Rardon
Director of Professional Development	Cori Kindl	Principal, Alton Darby Elementary School	Samantha Chatman
Director, Human Resources	Roy Walker	Principal, Avery Elementary School	Kevin Landon
Director, Student Well-Being	Michael Abraham	Principal, Beacon Elementary School	Matthew Sparks
Director, Innovative Learning Center	Mark Tremayne	Principal, Britton Elementary School	Stephanie Borlaza
Director, Communications	Stacie VanDeusen	Principal, Brown Elementary School	Kathryn Miller
Director, Social & Emotional Learning	Molly Walker	Principal, Darby Creek Elementary School	Cindy Teske
Director, Instructional Technology	Mark Pohlman	Principal, Hilliard Crossing Elementary School	Kayla Pinnick
Coordinator, Human Resources	Greg Hennes	Principal, Hilliard Horizon Elementary School	Hilary Sloat
Coordinator, Payroll/Accountant	Amy Wesley	Principal, Hilliard Pre-School	Brian Hart
Coordinator, Administrative Technology	Jerry Drobnick	Principal, Hoffman Trails Elementary School	Katie Windham
Coordinator, Transportation	Andrea Cunningham	Principal, J.W. Reason Elementary School	Jaclyn Prati
Coordinator, Communications	Kelly Ramm	Principal 50%, Norwich Elementary School	Michael Heitzman
Coordinator, Custodial	Archie Armentrout	Principal 50%, Norwich Elementary School	Sharon Balduf
Coordinator, Gifted Services	Kelly Riley	Principal, Ridgewood Elementary School	Kevin Buchman
Coordinator, HVAC	John Kudart	Principal, Scioto Darby Elementary School	Tamar Campbell-Sauer
Coordinators, Maintenance	Dave Huston	Principal Washington Elementary	Samantha Althouse
	Gary Heyder	Coordinators, Special Education	Shelli Miller
	Keith Rabley		Deb Cochran
Network Administrators	Timothy Krile		Amy Case
	Timothy Harris		Deana Adams
	Ron Castle		Jamie Lennox

Organizational Chart



- [Adoption date: August 14, 2001]
- [Re-adoption date: January 24, 2005]
- [Re-adoption date: January 22, 2007]
- [Re-adoption date: April 27, 2009]
- [Re-adoption date: December 14, 2009]
- [Re-adoption date: February 13, 2012]
- [Re-adoption date: May 11, 2015]

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Hilliard City School District

John Marschhausen, PhD, Superintendent • Brian W. Wilson, Treasurer/CFO

December 21, 2018

To the Citizens and Board of Education of the Hilliard City School District:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Hilliard City School District (the "District"). This CAFR, which includes an unmodified opinion from the Auditor of the State of Ohio, conforms to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental entities. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rest with the District's management. To the best of our knowledge and belief, this CAFR and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the independent auditor's report.

This report includes all funds of the District. The District provides a full range of traditional and nontraditional educational programs, services and facilities. These include elementary and secondary curriculum at the general, college preparatory and vocational levels, a broad range of co-curricular and extracurricular activities, special education programs and facilities.

In addition to providing these general activities the District has administrative responsibility for state funds distributed to St. Brendan's School, Sunrise Academy and Dublin Prep Academy, private schools located within the District boundaries. In accordance with GASB Statement 24, this responsibility is included in the reporting entity as a special revenue fund. While these organizations share operational and service similarity with the District, all are separate and distinct entities. Because of their independent nature, these organizations' financial statements are not included in this report.

PROFILE OF THE SCHOOL DISTRICT

The District was organized in the late 1800's and is a fiscally independent political subdivision of the State of Ohio. The District is a public school system located primarily in Franklin County, with a small portion (less than 1%) extending into Union County. The District's area is approximately 60 square miles in and around the City of Hilliard. Also included are portions of the cities of Columbus and Dublin, as well as Norwich, Brown, Washington, Prairie, and Franklin Townships. Located approximately 15 miles northwest of the downtown area of the City of Columbus, the District is largely suburban in character and continues to be one of the faster growing school districts in the State of Ohio.

The Board of Education (the "Board") of the District is composed of five members elected at large by the citizens of the District. The Board serves as the taxing authority, contracting body, and policy

Ready For Tomorrow

2140 Atlas Street, Columbus, Ohio 43228 • Phone (614) 921-7000 • FAX (614) 921-7001

www.hilliardschools.org

HILLIARD CITY SCHOOL DISTRICT

initiator for the operation of the District. The Board is responsible for the adoption of the annual operating budget and the approval of all expenditures of the District. The Board is a body politic and corporate, as defined by Section 3313.02 of the Ohio Revised Code, and has only those powers and authority conferred upon it by the Code.

The District had an estimated enrollment of 16,524 students for the fiscal year end June 30, 2018 compared to 16,290 students for the fiscal year ended June 30, 2017. This makes the District the eighth largest public school district in the State of Ohio. These students are housed in 14 elementary schools (grades pre-k to 5), 2 sixth grade centers, 3 middle schools (grades 7 to 8), and 3 comprehensive high schools (grades 9 to 12). The age of buildings varies with the oldest built in 1956 and the latest which opened in the fall of 2009. Of the District's 22 instructional buildings, 13 have been built since 1989 of which 5 opened in 2002, 1 in 2007 and 1 in 2009. Additionally, the District operates a central administration/support services facility, a transportation depot and an innovative learning center. The District estimates enrollment to be 16,555; 16,501; and 16,573 for the fiscal years ended June 30, 2019, 2020, and 2021 respectively. The District's enrollment figures do not include students living within the District's attendance area who attend charter schools. Currently, the District has 324 students attending 39 different charter schools.

Economic Condition and Outlook

Local Economy - The District is in the Columbus, Ohio Metropolitan Statistical Area (MSA), which is comprised of the counties of Delaware, Fairfield, Franklin, Licking, Madison, Morrow, Pickaway and Union, and is the thirty-second largest MSA of 362 in the United States at the time of the 2010 census.

Employment in Franklin County has increased slightly with unemployment in June of 2018 of approximately 4.5% increasing from 4.2% as of June 2017. Employment in the District is diversified with a majority in the service sector. The two largest employers in the District are the District itself with 1,635 employees and Celco Partnership dba Verizon, a telecommunications service company, with 1,553 employees. The next two largest employers in the District are in the Columbus portion and they are Sedgwick Claims Management, an insurance claims company with approximately 871 employees and BMW Financial Services, an automotive financing company with approximately 680 employees. Employers in the Hilliard portion of the District include Echosphere LLC with 501 employees. Additionally, the District is home to many trucking and small manufacturing companies as a result of Interstates 270 and 70 intersecting the District.

The City of Columbus and the City of Hilliard are aggressive in recruiting new businesses and will make use of all economic incentives to increase the tax base. Both entities have made use of tax abatements and Tax Increment Financing to attract businesses. Through negotiations with the cities the District has been reimbursed for property taxes it would have otherwise collected ranging from complete reimbursements to the minimums required by law.

Long-term Financial Planning – The financial forecast of General Fund operations for the next five years demonstrates that the District's fiscal year 2019 ending General Fund cash balance is projected to be approximately at \$59,322,058. The District does not project any negative cash balances as of our May 2018 forecast, however, we forecast a rapidly declining fund balance by 2022 as we enter our next projected levy cycle.

The projected General Fund balance could be impacted by future negotiated agreements with our classified and certified unions. The current agreements expire in June 2021. Any impact from future negotiations is not known at this time.

The State of Ohio implemented a new funding model for FY2014. The State added a guarantee and a growth cap in the formula so that Districts would not be harmed by the new formula or would

HILLIARD CITY SCHOOL DISTRICT

not receive a windfall from the formula. Our District was impacted by the growth cap. For Fiscal Year 2018 School Foundation aid increased \$2.02 million. The funding model was modified again in the latest budget but we are still on the growth cap. For Fiscal Year 2019 with a growth cap of 3% the District should receive an increase of approximately \$1.45 million. Casino revenue is estimated to remain flat.

The State reimbursement of tangible tax revenues eliminated through House Bill 66 passed in June 2005, and as of FY 2018, was eliminated as a revenue source.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for 2018

Financial – The District received the Certificate of Achievement For Excellence in Financial Reporting from the Government Finance Officers Association for the twenty-second consecutive year and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the twelfth consecutive year. In addition, the District received the Meritorious Budget Award from the Association of School Business Officials International for the eleventh time for the FY2018 budget document.

Instruction – Based on the most recent ODE Local Report Card Data available, as of FY2018, Hilliard City Schools received the grade of A for Graduation Rates with 94.0% of students graduating within four years.

The District continues to expand offerings of the Innovative Learning Center through a variety of funding sources, mainly through the Straight A grant given by the state. Through the Innovative Learning Center, students are able to earn both college credits and professional certifications to prepare them for tomorrow.

Initiatives for 2019

Financial – The District will continue its focus on the implementation of new state and national standards during the 2018-2019 school year. Financial resources will continue to be used to accommodate needed professional development for teachers through this process and continue to inform our community on our financial status.

Instruction – During the 2015 school year, the District began implementing its “One2One” initiative. This blended learning program provides iPad devices to students to utilize both at school and at home during their enrollment with Hilliard Schools. This initiative is supported by research data that suggests that using devices of this type of technology in a school setting is one of the most significant ways to impact student motivation, increase learning and achievement, provide learning resources, and prepare students for their future. The initial phase of the “One2One” initiative in 2015 provided iPad mini devices to all students enrolled in the 6th grade and all 6th grade teachers received iPad Airs, with all middle school students and staff using this technology beginning with the 2016 school year. During the 2017 school year, all high school students and staff began to use iPad Air devices, and all elementary students and staff began using this technology in the classroom during the final phase of the One2One program in 2018.

Operations – In November 2016, voters approved a \$50 million bond levy. The primary focus of the \$50 million bond issue is the construction of the new Memorial Middle School which will open for the 2018-2019 school year. The remaining funds will be allocated to Warm, Safe and Dry capital improvements. Some examples are the repair/replacement of roofs, blacktop, security upgrades, and mechanical systems.

HILLIARD CITY SCHOOL DISTRICT

FINANCIAL INFORMATION

Internal Controls

The management of the District is responsible for establishing and maintaining internal controls designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management.

Budgetary Controls

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the alternative tax budget document, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control required by the Ohio Revised Code is at the fund level. The level of budgetary control imposed by the District (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level for all funds. Any budgetary modifications at these levels may only be made by resolution of the Board of Education. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts at year-end are carried forward to succeeding years and are not re-appropriated.

Independent Audit

The Uniform Guidance requires an annual audit by independent accountants. Kennedy Cotrell Richards conducted the District's 2018 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Uniform Guidance. The auditor's report on the basic financial statements is included in the financial section of this report.

Awards

GFOA Certificate of Achievement - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Hilliard City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.


In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for their review.

HILLIARD CITY SCHOOL DISTRICT

Acknowledgements

Preparation of this report could not have been accomplished without the support and hard work of the staff of the Treasurer's office, Superintendent's office, and the School-Community Relations office. Credit must also be given to the Board of Education. Without their leadership and commitment to excellence this report would not be possible.

Respectfully submitted,



Brian W. Wilson
Treasurer/CFO



John Marschhausen, PhD
Superintendent



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Hilliard City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Financial Section



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INDEPENDENT AUDITOR'S REPORT

Hilliard City School District
Franklin County
2140 Atlas Street
Columbus, Ohio 43228

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hilliard City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hilliard City School District, Franklin County, Ohio, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, during the year ended June 30, 2018, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include management's discussion and analysis, required budgetary comparison schedule, and schedules of net pension and other post-employment benefit liabilities, and schedules of pension and other post-employment benefit contributions as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of

America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

KENNEDY COTTRELL RICHARDS LLC



Gahanna, Ohio
December 21, 2018

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**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

As management of the Hilliard City School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the District's financial statement, which follow this section.

Financial Highlights

Key financial highlights for 2018 are as follows:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$112.8 million (negative net position).
- The District's total net position increased by \$117.1 million during the fiscal year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$134.7 million, a decrease of \$15.5 million in comparison with the prior fiscal year. Of this amount, \$34.4 million is available for spending at the District's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned balance for the general fund was \$35.2 million, or 18.2% of total general fund expenditures.

Reporting the District as a Whole

The Statement of Net Position and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps answer this question. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The change in net position provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds appears on the fund financial statements beginning with the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. These statements provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary, and fiduciary, use different accounting approaches as further described in the notes to the basic financial statements.

Governmental Funds

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Proprietary Funds

The District's proprietary fund is the Self Insurance Internal Service Fund used to account for interfund charges and claims payments applicable to the District's group health insurance plan. The activity of the self-insurance fund is included within governmental activities in the government-wide financial statements.

Fiduciary Funds

The District's fiduciary funds are Student-managed Activities and the District Administration agency funds. The District's fiduciary activities are reported in the Statement of Fiduciary Assets and Liabilities. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows exceeded assets and deferred outflows by \$112.8 million according to the Statement of Net Position at the close of the most recent fiscal year.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

A comparative analysis of fiscal year 2018 to 2017 follows from the Statements of Net Position:

Net Position		Governmental Activities	
	2018	Restated 2017	
Current and Other Assets	\$ 261,767,813	\$ 273,889,253	
Capital Assets	163,430,586	147,052,992	
Total Assets	425,198,399	420,942,245	
Unamortized Amount on Refunding	6,342,262	7,010,393	
Pension	78,670,599	66,545,797	
OPEB	2,528,948	262,030	
Total Deferred Outflows of Resources	87,541,809	73,818,220	
Current Liabilities	34,327,749	28,215,373	
Long-term Liabilities:			
Due Within One Year	16,876,258	15,399,446	
Due in More Than One Year:			
Net Pension Liability	246,227,044	339,237,170	
Net OPEB Liability	52,071,101	65,871,089	
Other Amounts	173,099,013	189,888,762	
Total Liabilities	522,601,165	638,611,840	
Property Taxes	86,961,609	86,028,192	
Pension	9,708,844	103,846	
OPEB	6,303,772	-	
Total Deferred Inflows of Resources	102,974,225	86,132,038	
Net Investment in Capital Assets	37,274,183	26,447,859	
Restricted	27,421,755	28,697,060	
Unrestricted	(177,531,120)	(285,128,332)	
Total Net Position	\$ (112,835,182)	\$ (229,983,413)	

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2018 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." For fiscal year 2018, the District adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," which significantly revises accounting for costs and liabilities related to other postemployment benefits (OPEB). For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension/OPEB plans and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension/OPEB benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should, accordingly, be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require, the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68 and GASB 75, the District's financial statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

As a result of implementing GASB 75, the District is reporting a net OPEB liability and deferred inflows/outflows of resources related to OPEB on the accrual basis of accounting. This implementation also had the effect of restating net position at June 30, 2017, from negative \$164.4 million to negative \$230.0 million.

The net pension and net OPEB liabilities and related deferred outflows and inflows of resources all fluctuated significantly in comparison with the prior fiscal year-end. These fluctuations are primarily the result of changes in benefit terms, changes in actuarial assumptions, and greater than expected returns on pension plan investments.

Current and Other Assets decreased significantly in comparison with the prior fiscal year-end while Capital Assets increased. These changes are primarily the result of the spending of bond proceeds on capital related building projects.

Long-term Liabilities decreased significantly in comparison with the prior fiscal year-end. This decrease is primarily the result of a decrease in total general obligation bonded debt as a result of debt principal reduction payments during the fiscal year.

A large portion of the District's net position reflects its investment in capital assets less depreciation and any related debt used to acquire those assets that is still outstanding. As of June 30, 2018 this portion of net position is positive which reflects the District has \$37.3 million more in capital assets, net of accumulated depreciation, than debt. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves usually are not used to liquidate these liabilities.

A portion of the District's net position (24.3%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the ongoing obligations to citizens and creditors. Unrestricted net position increased by 37.7% from 2017.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

Governmental Activities

Net position of the District's governmental activities increased by \$117.1 million. The details of this increase in net position are as follows:

	2018	2017
Program Revenues		
Charges for Services	\$ 8,759,306	\$ 8,955,570
Operating Grants	9,283,093	9,737,179
Capital Grants	15,058	-
General Revenues		
Property Taxes	151,442,430	148,940,515
Unrestricted Grants and Entitlements	65,816,549	64,126,938
Payments in Lieu of Taxes	3,844,522	3,397,470
Investment Earnings	1,248,862	758,828
Miscellaneous	1,576,912	1,290,609
Total Revenues	241,986,732	237,207,109
Program Expenses		
Instructional	53,508,825	135,032,565
Support Services	54,342,565	74,331,505
Food Service Operations	5,493,374	5,496,580
Community Services	3,392,268	3,227,229
Extracurricular Activities	2,303,442	6,036,158
Interest and Fiscal Charges	5,798,027	7,049,219
Total Expenses	124,838,501	231,173,256
Change in Net Position	117,148,231	6,033,853
Net Position at Beginning of Year, Restated	(229,983,413)	N/A
Net Position at End of Year	\$ (112,835,182)	\$ (229,983,413)

Several 2017 amounts have been reclassified to correlate with current year presentation.

Property taxes and payments in lieu of taxes both increased in comparison with the prior fiscal year. These increases are the result of an increase in assessed valuation.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
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The information necessary to restate the 2017 beginning balances and the 2017 OPEB expense amounts for the effects of the initial implementation of GASB 75 is not available. Therefore, 2017 functional expenses still include OPEB expense of \$262,030 computed under GASB 45. GASB 45 required recognizing pension expense equal to the contractually required contributions to the plan. Under GASB 75, OPEB expense represents additional amounts earned, adjusted by deferred inflows/outflows. The contractually required contribution is no longer a component of OPEB expense. Under GASB 75, the 2018 statements report negative OPEB expense of \$9.4 million. Consequently, in order to compare 2018 total program expenses to 2017, the following adjustments are needed:

Total 2018 operating expenses under GASB 75		\$ 124,838,501
Negative OPEB expense under GASB 75		9,384,228
2018 contractually required contribution		378,906
Adjusted 2018 operating expenses		134,601,635
Total 2017 operating expenses under GASB 45		231,173,256
Decrease in operating expenses not related to OPEB		\$ (96,571,621)

Total Expenses decreased significantly in comparison with the prior fiscal year. This decrease is primarily the result of a decrease in pension expense from \$28.2 million in fiscal year 2017 to negative \$78.8 million in fiscal year 2018. This decrease is primarily the result of changes in benefit terms, changes in actuarial assumptions, and greater than expected returns on pension plan investments.

The Statement of Activities shows the cost of program services and the charges for services and operating grants and contributions offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

Programs	Total Cost of Services		Net Cost of Services	
	2018	2017	2018	2017
Instructional	\$ 53,508,825	\$ 135,032,565	\$ 46,296,711	\$ 127,673,063
Support Services	54,342,565	74,331,505	53,854,242	73,376,545
Food Service	5,493,374	5,496,580	205,393	(284,122)
Community Services	3,392,268	3,227,229	(400,989)	(259,918)
Extracurricular Activities	2,303,442	6,036,158	1,270,967	5,166,509
Interest and Fiscal Charges	5,798,027	7,049,219	5,554,720	6,808,430
Total	\$ 124,838,501	\$ 231,173,256	\$ 106,781,044	\$ 212,480,507

Local property taxes make up 67.6% of total general revenues for governmental activities. The net services column reflects the need for \$106.8 million of support indicating the reliance on general revenues to support governmental activities.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

The District's Funds

The District's governmental funds reported a combined fund balance of \$134.7 million which represents a decrease of \$15.5 million as compared to last year according to the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. This is mainly due to spending of bond proceeds out of the Building Fund. The schedule below shows the fund balance and the total change in fund balance from June 30, 2017 to 2018.

	Fund Balance June 30, 2018	Restated Fund Balance June 30, 2017	Increase/ (Decrease)
General Fund	\$ 93,011,091	\$ 81,769,753	\$ 11,241,338
Bond Retirement Fund	21,539,032	21,217,410	321,622
Building Fund	13,236,375	40,762,356	(27,525,981)
Other Governmental Funds	6,932,952	6,517,249	415,703
Total	<u>\$ 134,719,450</u>	<u>\$ 150,266,768</u>	<u>\$ (15,547,318)</u>

General Fund

The District's General Fund balance increased as a result of revenues exceeding expenditures due to a new operating levy passed in November 2016.

	2018	2017	Change
Revenues by Source:			
Property Taxes	\$ 131,707,770	\$ 128,647,282	2.4%
Payments in Lieu of Taxes	3,844,522	3,397,470	13.2%
Intergovernmental	64,480,035	62,967,278	2.4%
Interest Earnings	718,497	626,698	14.6%
Other Revenue	3,633,381	3,268,494	11.2%
Total Revenues	<u>\$ 204,384,205</u>	<u>\$ 198,907,222</u>	<u>2.8%</u>

As the table below indicates, the largest portion of General Fund expenditures at 61.9% is for instruction.

	2018	2017	Change
Expenditures by Function:			
Instruction	\$ 119,420,801	\$ 112,610,498	6.0%
Support Services	68,537,366	66,048,093	3.8%
Community Services	43,326	7,961	444.2%
Extracurricular Activities	4,064,428	4,643,704	-12.5%
Capital Outlay	511,525	295,500	73.1%
Debt Service	277,500	277,500	0.0%
Total Expenditures	<u>\$ 192,854,946</u>	<u>\$ 183,883,256</u>	<u>4.9%</u>

Expenditures are up 4.9% over the prior year. This is due to the negotiated bargaining agreements and pay increases.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

Bond Retirement Fund

The Bond Retirement fund balance has increased by \$321,622 due to revenue collections and transfers in from the General fund exceeding principal and interest payments. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenditures of the fund include principal and interest payments as well as county auditor and treasurer fees.

Building Fund

The building fund is established to record the bond issuance and associated costs with constructing a new middle school along with renovation to current buildings. In 2018, the decrease in fund balance of \$27.5 million is due to the spending of bond proceeds on building projects.

Other Funds

Other governmental funds consist of the Permanent Improvement fund and Special Revenue funds. The aggregate fund balance of these funds showed an increase of \$415,703. This is mainly due to our permanent improvement fund, our latchkey program, and our District-managed student activities.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced. During fiscal year 2018, the District amended its General fund appropriations once. Original appropriations of \$190.7 million were increased by \$560,000 during 2018 to \$191.2 million.

The District uses the five-year forecast as the original document from which to form the operating budget. After updating the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school building level. Each school building in the District receives a per pupil allocation augmented with resources for special education students in the specific buildings. Budgets are reviewed periodically to ensure management becomes aware of any variations during the year.

For Fiscal Year 2018, the District budgeted for \$196.3 million in revenues and \$191.2 million in expenditures and a net increase in fund balance of \$5.1 million. Due in part to passage of a new operating levy, the District collected \$5.3 million more in revenue than budgeted. The District's spending was pretty much in line with what was budgeted. When taken together, the District actually experienced a net increase of \$11.5 million in fund balances.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018
UNAUDITED

Capital Assets

At fiscal year-end, the District had \$163.4 million (net of accumulated depreciation) invested in land, buildings and improvements, improvements other than buildings, equipment and vehicles, an increase of \$16.4 million in comparison with the prior fiscal year. This increase represents the amount in which current year additions of \$26.0 million exceeded current year depreciation and disposals of \$9.6 million.

See note 7 to the basic financial statements for additional information on Capital Assets.

Debt Administration

At fiscal year-end, the District had \$174.6 million in outstanding general obligation bonds and taxable Qualified School Construction Energy Conservation Bonds and \$930,000 in outstanding tax anticipation notes including unamortized premiums and accretion. These amounts represent decreases of \$14 million and \$900,000, respectively, and represent the amount in which current year principal payments and amortization, totaling \$16.8 million, exceeded current year accretion of \$1.9 million.

During fiscal year 2018, the outstanding amount of the District's Tax Anticipation Notes, Series 2008 S&P rating has been upgraded from AA to AA+.

See note 8 to the basic financial statements for additional information on long-term obligations.

Economic Conditions and Outlook

The financial stability of the District is currently in good shape. One challenge facing the District in the near term will be the potential for a new school funding formula in the next State budget that will go into effect July 1 of 2019. At this time, we have no idea whether a new school funding formula will benefit or penalize the District as it compares to the current school funding formula. We anticipate that State and Federal funding increases will be modest in nature.

The District completed new contracts with both labor unions that go into effect July 1 of 2018. Modest increases in salaries with slight changes in health benefits will help to maintain the financial stability of the District.

Request for Information

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show accountability for the money it receives. Questions concerning any information provided in this report should be addressed to the Treasurer of the Hilliard City School District, 2140 Atlas Street, Columbus, Ohio 43228.

BASIC FINANCIAL STATEMENTS



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**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

		Governmental Activities
Assets:		
Cash and Cash Equivalents	\$	100,856,250
Investments		6,731,362
Receivables:		
Property Taxes		152,011,292
Accounts		130,686
Accrued Interest		137,130
Due From Other Governments		1,827,206
Materials and Supplies Inventory		73,887
Nondepreciable Capital Assets		42,890,821
Depreciable Capital Assets, Net		120,539,765
Total Assets		<u>425,198,399</u>
Deferred Outflows of Resources:		
Unamortized Amount on Refunding		6,342,262
Pension		78,670,599
OPEB		2,528,948
Total Deferred Outflows of Resources		<u>87,541,809</u>
Liabilities:		
Accounts Payable		6,077,187
Accrued Wages and Benefits Payable		20,832,225
Due to Other Governments		2,819,668
Retainage Payable		420,738
Accrued Interest Payable		459,910
Claims Payable		3,718,021
Long-Term Liabilities:		
Due Within One Year		16,876,258
Due in More Than One Year:		
Net Pension Liability		246,227,044
Net OPEB Liability		52,071,101
Other Amounts Due in More Than One Year		173,099,013
Total Liabilities		<u>522,601,165</u>
Deferred Inflows of Resources:		
Property and Other Local Taxes		86,961,609
Pension		9,708,844
OPEB		6,303,772
Total Deferred Inflows of Resources		<u>102,974,225</u>
Net Position:		
Net Investment in Capital Assets		37,274,183
Restricted:		
Debt Service		21,211,350
Capital Projects		3,306,104
Non-instructional Services		1,939,625
Locally Funded Programs		21,650
Extracurricular Activities		870,809
State Funded Programs		66,856
Federally Funded Programs		5,361
Unrestricted		(177,531,120)
Total Net Position	\$	<u>(112,835,182)</u>

See accompanying notes to the basic financial statements.

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**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental Activities:					
Instruction					
Regular	\$ 39,322,614	\$ 1,490,954	\$ 237,602	\$ 15,058	\$ (37,579,000)
Special	10,969,099	297,047	2,982,163	-	(7,689,889)
Vocational	179,355	30,831	319,420	-	170,896
Other	3,037,757	130,786	1,708,253	-	(1,198,718)
Support Services					
Pupils	6,833,616	-	74,563	-	(6,759,053)
Instructional Staff	5,563,454	-	86,368	-	(5,477,086)
Board of Education	442,208	-	-	-	(442,208)
Administration	5,451,022	-	113,474	-	(5,337,548)
Fiscal	4,327,887	-	-	-	(4,327,887)
Business	726,148	-	-	-	(726,148)
Operation and Maintenance of Plant	19,116,086	-	162,315	-	(18,953,771)
Pupil Transportation	9,724,704	-	12,003	-	(9,712,701)
Central	2,157,440	-	39,600	-	(2,117,840)
Food Service Operations	5,493,374	3,045,418	2,242,563	-	(205,393)
Community Services	3,392,268	2,840,730	952,527	-	400,989
Extracurricular Activities	2,303,442	923,540	108,935	-	(1,270,967)
Interest and Fiscal Charges	5,798,027	-	243,307	-	(5,554,720)
Total Governmental Activities	\$ 124,838,501	\$ 8,759,306	\$ 9,283,093	\$ 15,058	(106,781,044)
General Revenues:					
Property Taxes Levied for:					
					130,020,599
					17,093,293
					4,328,538
					3,844,522
					65,816,549
					1,248,862
					1,576,912
Total General Revenues					223,929,275
Change in Net Position					117,148,231
Net Position Beginning of Year, Restated					(229,983,413)
Net Position End of Year					\$ (112,835,182)

See accompanying notes to the basic financial statements.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2018

	General Fund	Bond Retirement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 60,934,319	\$ 14,237,076	\$ 11,587,854	\$ 7,411,314	\$ 94,170,563
Investments	-	-	6,731,362	-	6,731,362
Receivables:					
Property Taxes	130,121,435	17,365,386	-	4,524,471	152,011,292
Accounts	99,458	-	-	31,228	130,686
Accrued Interest	119,276	-	17,854	-	137,130
Due From Other Governments	549,425	-	-	1,277,781	1,827,206
Materials and Supplies Inventory	-	-	-	73,887	73,887
Due From Other Funds	464,285	-	-	-	464,285
Total Assets	<u>\$ 192,288,198</u>	<u>\$ 31,602,462</u>	<u>\$ 18,337,070</u>	<u>\$ 13,318,681</u>	<u>\$ 255,546,411</u>
Liabilities:					
Current Liabilities:					
Accounts Payable	\$ 852,364	\$ -	\$ 4,663,943	\$ 560,626	\$ 6,076,933
Accrued Wages and Benefits Payable	20,067,613	-	-	764,612	20,832,225
Due to Other Governments	2,619,133	-	-	200,535	2,819,668
Retainage Payable	-	-	420,738	-	420,738
Compensated Absences Payable	159,922	-	-	-	159,922
Due To Other Funds	-	-	-	464,285	464,285
Tax Anticipation Notes Payable	-	-	-	930,000	930,000
Total Liabilities	<u>23,699,032</u>	<u>-</u>	<u>5,084,681</u>	<u>2,920,058</u>	<u>31,703,771</u>
Deferred Inflows of Resources:					
Property and Other Local Taxes	74,442,566	9,931,202	-	2,587,841	86,961,609
Unavailable Revenue	1,135,509	132,228	16,014	877,830	2,161,581
Total Deferred Inflows of Resources	<u>75,578,075</u>	<u>10,063,430</u>	<u>16,014</u>	<u>3,465,671</u>	<u>89,123,190</u>
Fund Balances:					
Nonspendable:					
Inventory	-	-	-	73,887	73,887
Restricted:					
Debt Service	-	21,539,032	-	-	21,539,032
Capital Projects	-	-	13,236,375	2,671,147	15,907,522
Non-instructional Services	-	-	-	1,865,738	1,865,738
Locally Funded Programs	-	-	-	21,650	21,650
Extracurricular Activities	-	-	-	870,809	870,809
State Funded Programs	-	-	-	66,856	66,856
Committed:					
Latchkey	-	-	-	2,177,209	2,177,209
Assigned:					
Future Appropriations	55,279,652	-	-	-	55,279,652
Instructional Services	235,073	-	-	-	235,073
Support Services	823,670	-	-	-	823,670
Extracurricular Activities	5,000	-	-	-	5,000
Capital Projects	234,903	-	-	-	234,903
Special Building Trust	256,174	-	-	-	256,174
Rotary Services	225,914	-	-	-	225,914
Public School Support	751,858	-	-	-	751,858
Underground Storage Tank	11,000	-	-	-	11,000
Unassigned	35,187,847	-	-	(814,344)	34,373,503
Total Fund Balances	<u>93,011,091</u>	<u>21,539,032</u>	<u>13,236,375</u>	<u>6,932,952</u>	<u>134,719,450</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 192,288,198</u>	<u>\$ 31,602,462</u>	<u>\$ 18,337,070</u>	<u>\$ 13,318,681</u>	<u>\$ 255,546,411</u>

See accompanying notes to the basic financial statements.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

Total Governmental Fund Balances	\$ 134,719,450
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	163,430,586
Other long-term assets are not available to pay for current period expenditures and therefore are reported as deferred inflows in the funds.	
Property Taxes Receivable	1,110,814
Intergovernmental Receivable	813,496
Interest Receivable	122,528
Accounts Receivable	114,743
An internal service fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	2,967,412
The net pension liability and net OPEB liability are not due and payable in the current period; therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	78,670,599
Deferred Inflows - Pension	(9,708,844)
Net Pension Liability	(246,227,044)
Deferred Outflows - OPEB	2,528,948
Deferred Inflows - OPEB	(6,303,772)
Net OPEB Liability	(52,071,101)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds Payable	(174,555,720)
Unamortized Amount on Refunding	6,342,262
Accrued Interest Payable	(459,910)
Compensated Absences	(14,329,629)
 Net Position of Governmental Activities	 <u><u>\$ (112,835,182)</u></u>

See accompanying notes to the basic financial statements.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General Fund	Bond Retirement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 131,707,770	\$ 17,329,324	\$ -	\$ 4,396,169	\$ 153,433,263
Payments in Lieu of Taxes	3,844,522	-	-	-	3,844,522
Tuition	1,549,983	-	-	2,849,967	4,399,950
Investment Earnings	718,497	27,941	585,034	37,405	1,368,877
Other Local Revenues	1,425,481	-	-	113,275	1,538,756
Intergovernmental - State	64,177,210	1,785,024	-	1,290,340	67,252,574
Intergovernmental - Federal	302,825	-	-	7,695,975	7,998,800
Classroom Materials and Fees	503,596	-	-	-	503,596
Extracurricular Activities	154,321	-	-	769,219	923,540
Food Services	-	-	-	3,045,418	3,045,418
Total Revenues	<u>204,384,205</u>	<u>19,142,289</u>	<u>585,034</u>	<u>20,197,768</u>	<u>244,309,296</u>
Expenditures:					
Current:					
Instruction:					
Regular	91,326,128	-	1,930,829	2,016,191	95,273,148
Special	18,195,174	-	-	2,820,351	21,015,525
Vocational	1,888,457	-	-	-	1,888,457
Other	8,011,042	-	-	2,015,451	10,026,493
Support services:					
Pupils	14,874,215	-	-	82,046	14,956,261
Instructional Staff	11,472,191	-	-	93,079	11,565,270
Board of Education	443,723	-	-	-	443,723
Administration	9,649,673	-	-	118,022	9,767,695
Fiscal Services	4,146,612	252,474	1,250	66,351	4,466,687
Business	779,966	-	-	-	779,966
Operation and Maintenance of Plant	15,054,811	-	3,123,255	93,762	18,271,828
Pupil Transportation	9,829,192	-	-	31,716	9,860,908
Central	2,286,983	-	-	39,600	2,326,583
Food Service Operations	-	-	-	5,678,611	5,678,611
Community Services	43,326	-	-	3,592,480	3,635,806
Extracurricular Activities	4,064,428	-	-	735,720	4,800,148
Capital Outlay	511,525	-	23,055,681	2,404,759	25,971,965
Debt service:					
Principal Retirement	-	13,570,000	-	-	13,570,000
Interest and Fiscal Charges	277,500	5,311,070	-	51,750	5,640,320
Total Expenditures	<u>192,854,946</u>	<u>19,133,544</u>	<u>28,111,015</u>	<u>19,839,889</u>	<u>259,939,394</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,529,259	8,745	(27,525,981)	357,879	(15,630,098)
Other Financing Sources (Uses):					
Sale of Capital Assets	25,823	-	-	70,785	96,608
Refund of Prior Year Receipts	(867)	-	-	(12,961)	(13,828)
Transfers In	-	312,877	-	-	312,877
Transfers Out	(312,877)	-	-	-	(312,877)
Total Other Financing Sources (Uses)	<u>(287,921)</u>	<u>312,877</u>	<u>-</u>	<u>57,824</u>	<u>82,780</u>
Net Change in Fund Balances	11,241,338	321,622	(27,525,981)	415,703	(15,547,318)
Fund Balance Beginning of Year, Restated	81,769,753	21,217,410	40,762,356	6,517,249	150,266,768
Fund Balance End of Year	<u>\$ 93,011,091</u>	<u>\$ 21,539,032</u>	<u>\$ 13,236,375</u>	<u>\$ 6,932,952</u>	<u>\$ 134,719,450</u>

See accompanying notes to the basic financial statements.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Net Change in Fund Balances - Total Governmental Funds \$ (15,547,318)

Amounts reported for governmental activities in the statement of activities are different

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital Outlay	25,971,965
Depreciation	(8,369,128)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations).

Disposals	(1,240,301)
Donations	15,058

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	(1,990,833)
Tuition	(9,237)
Investment Earnings	(120,015)
Intergovernmental Revenues	(265,007)
Classroom Materials and Fees	(103,961)
Other Revenues	54,823

Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows.

Pension	16,759,099
OPEB	378,906

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.

Pension	78,770,831
OPEB	9,384,228

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal Repayments	13,570,000
Amortization and Capital Appreciation Bond Accretion	(194,548)
Accrued Interest Payable	36,841

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds.

Compensated Absences	146,117
Retirement Incentive	168,000

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.

(267,289)

Change in Net Position of Governmental Activities \$ 117,148,231

See accompanying notes to the basic financial statements.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

STATEMENT OF NET POSITION
PROPRIETARY FUND
AS OF JUNE 30, 2018

	Governmental Activities
	Internal Service Fund
Current Assets:	
Cash and Cash Equivalents	\$ 6,685,687
Total Assets	6,685,687
Current Liabilities:	
Claims Payable	3,718,021
Accounts Payable	254
Total Liabilities	3,718,275
Net Position:	
Unrestricted	2,967,412
Total Net Position	\$ 2,967,412

See accompanying notes to the basic financial statements.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities
	Internal Service Fund
Operating Revenues:	
Charges for Services	\$ 29,698,179
Other	454,774
Total Operating Revenues	30,152,953
Operating Expenses:	
Purchased Services	2,641,943
Claims and Benefits	27,778,299
Total Operating Expenses	30,420,242
Operating Loss and Change in Net Position	(267,289)
Net Position, Beginning of Year	3,234,701
Net Position, End of Year	\$ 2,967,412

See accompanying notes to the basic financial statements.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities	
Cash Received from Charges for Services	\$ 29,698,179
Cash Received from Other	454,774
Cash Payments for Purchased Services	(2,641,689)
Cash Payments for Claims	(27,161,701)
Net Cash Provided by Operating Activities	349,563
 Increase in Cash and Cash Equivalents	 349,563
 Cash and Cash Equivalents, Beginning of Year	 6,336,124
Cash and Cash Equivalents, End of Year	\$ 6,685,687
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:	
 Operating Loss	 \$ (267,289)
 Change in Assets and Liabilities:	
Claims Payable	616,598
Accounts Payable	254
Net Cash Provided by Operating Activities	\$ 349,563

See accompanying notes to the basic financial statements.

HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
AS OF JUNE 30, 2018

	Agency Fund
Assets	
Cash and Cash Equivalents	\$ 601,468
Total Assets	<u>\$ 601,468</u>
Liabilities	
Accounts Payable	\$ 4,448
Due To Others	597,020
Total Liabilities	<u>\$ 601,468</u>

See accompanying notes to the basic financial statements.

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**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 – REPORTING ENTITY

The Hilliard City School District (the District) was organized in 1870 and is a fiscally independent political subdivision of the State of Ohio. The District is governed by a five-member board of education (the Board) elected by the citizens of the District.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *“The Financial Reporting Entity”*, as amended by GASB Statement No. 39, *“Determining Whether Certain Organizations are Component Units”*, and GASB Statement No. 61, *“The Financial Reporting Entity Omnibus – an amendment to GASB Statement No. 14 and 34”*, in that the financial statements include all organizations, activities, and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e., there are no component units).

JOINTLY GOVERNED ORGANIZATIONS:

The District is a participant among over 200 educational-focused entities in a jointly governed organization to operate the Metropolitan Educational Technology Association (META). META was formed for the purpose of applying modern technology, with the aid of computers and other electronic equipment, to administrative and instructional functions among member districts. META is governed by a board of directors consisting of a member of the board of education and a member of the administrative staff from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for META. Financial statements for META can be obtained from META administrative offices at 2100 City Gate Dr., Columbus, Ohio 43219. During fiscal year 2018, the District paid META \$27,087 for services.

Tolles Career & Technical Center in Madison County is a jointly governed organization of the District. The District's Board of Education appoints one member of the seven-member Board of Education of Tolles. However, the financial statements of Tolles are not included within the District's reporting entity as the District cannot impose its will and there is no financial benefit, financial burden relationship or related party transactions between the District and Tolles.

The District's reporting entity includes the following:

St. Brendan's School – Within the District's boundaries, St. Brendan School is operated as a private school. Current State legislation provides funding to the parochial school. The monies are received and disbursed on behalf of the parochial school by the Treasurer of the District, as directed by the parochial school. The activity is reflected in a special revenue fund of the District.

Sunrise Academy – Within the District's boundaries, Sunrise Academy is operated as a private school. Current State legislation provides funding to the Academy. The monies are received and disbursed on behalf of the Academy by the Treasurer of the District, as directed by the Academy. The activity is reflected in a special revenue fund of the District.

Dublin Prep Academy – Within the District's boundaries, Dublin Prep Academy is operated as a private school. Past State legislation provided funding to the Academy, received and disbursed on behalf of the Academy by the Treasurer of the District, as directed by the Academy. Effective September 2017, H.B. 49 changed the way non-religious non-public schools receive their funding, and only a portion of the Academy's funds were received and disbursed by the District on their behalf during fiscal year 2018 and the activity is reflected in a special revenue fund of the District. All future funding is to be paid directly to the Academy.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

A. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all non-fiduciary activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. Likewise, the primary government is reported separately from legal component units for which the primary government is financially accountable. The District (primary government) has no business-type activities or component units.

The statement of activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to those who benefit from the goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

B. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary and proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, payment in lieu of taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 4). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing resources) and uses (i.e., expenditures and other financing uses) of current financial resources. The approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statement for the governmental funds.

The District reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

Bond Retirement Fund – The Bond Retirement Fund, a debt service fund, is used to account for the accumulation of resources restricted for the payment of general long-term debt principal, interest and related costs.

Building Fund – The Building Fund, a capital projects fund, is used to account for debt proceeds and associated costs with the construction of a new middle school building and renovations to existing buildings throughout the District.

The District's non-major governmental funds include the following fund types:

Permanent Improvement Fund – The Permanent Improvement Fund, a capital projects fund, is used to account for permanent improvement tax levy receipts and other resources restricted to expenditure for acquiring, constructing, or improving major capital facilities.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes other than debt service or capital projects.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Additionally, the District reports the following fund types:

Proprietary Fund – The District’s proprietary fund consists of an internal service fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District or to other governments on a cost reimbursement basis. The Self Insurance Internal Service Fund accounts for the interfund charges and claim payments applicable to the District’s group health insurance plan.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. This consists of Agency Funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are primarily used for the District’s student activities and the District Administration Fund.

C. Cash, Cash Equivalents and Investments

The majority of cash received by the District is pooled in a central bank account with individual fund balance integrity retained throughout. For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the District are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

During the fiscal year, the District had funds invested in the State Treasury Asset Reserve of Ohio (STAR Ohio). STAR Ohio is an investment pool managed by the State Treasurer’s Office, which allows governments within the State to pool their funds for investments purposes. STAROhio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, “Certain External Investment Pools and Pool Participants.” The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes, money market and other obligations; bank certificates of deposit; banker’s acceptances; commercial paper notes rated prime and issued by United States corporations; and STAROhio. It is management’s policy to invest in all of the above types of investments.

Investment earnings are allocated as authorized by State statute or as governed by Board policy. Interest revenue credited to the General Fund during the fiscal year amounted to \$718,497 which includes \$69,071 assigned from other District funds.

D. Inventory

All inventories are valued at cost using the first in, first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. At fiscal year-end, inventory consists of donated food and purchased food. Donated commodities are presented at their entitlement value.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Capital Assets and Depreciation

General capital assets are those assets not specifically related to activities reported in the governmental funds. These assets are reported in the government-wide statement of net position but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition values as of the date received. Intangible assets are those that lack physical substance, are non-financial in nature and have an initial useful life extending beyond a single reporting period. Intangible assets are capitalized at cost. The District's policy is to capitalize all assets with a cost of \$5,000 or more and a useful life of more than one year. The District has no infrastructure.

All reported capital assets, with the exception of land and intangible assets with an indefinite useful life, are depreciated. Intangible assets that are to be depreciated are included in the appropriate category below following the same depreciation schedule. Improvements are depreciated over the remaining useful life of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	20
Buildings & Improvements	20-50
Furniture, Fixtures and Equipment	5-20
Buses, Autos and Trucks	5-10

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditure/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. These transfers are eliminated from the statement of activities.

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds", and receivables and payables resulting from long-term interfund loans are classified as "advances to/from other funds". These amounts are eliminated in the statement of net position.

G. Compensated Absences/Retirement Incentive

The District has implemented the provisions of GASB Statement No. 16, "*Accounting for Compensated Absences*". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, state laws and past experience.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Administrators and classified staff who work twelve month contracts are granted vacation leave. The leave amount is based on length of service and position. The District accrues vacation leave benefits as earned. Accrued vacation may be carried forward for the next fiscal year. Administrators may carry over an amount of vacation equal to 20 days without approval from the Superintendent. With approval from the Superintendent an administrator may carry-over an additional 10 days for a total of 30 days. The maximum classified staff may carry over is the amount of vacation earned, but not used, during the preceding two years of continued employment by the District. District employees earn sick leave at fifteen days per year, which, if not taken, accumulates to a maximum of 255 days. Upon retirement, an employee is paid one-fourth of the accumulated sick leave up to a maximum of 60 days for certified and administrative staff and 63 and $\frac{3}{4}$ days for classified staff. The General Fund is primarily responsible for liquidating the liability.

The District, on June 6, 2011, approved a voluntary retirement incentive plan for employees belonging to the HEA (Hilliard Education Association) Union. Employees who are HEA members and were eligible to retire under STRS (State Teachers Retirement System) as of June 30, 2012 received a \$40,000 incentive by providing their irrevocable written notice of intent to retire on or before June 30, 2012. The letter must have been received by the Treasurer no later than February 1, 2012. Those who were one year away from meeting STRS eligibility rules or who were at 24, 29 or 34 years of STRS service as of June 30, 2012 may extend their retirement no later than June 30, 2013. Their irrevocable letter of intent to retire must still have been received by February 1, 2012. The incentive payment was in addition to payment for their accrued but unused sick leave discussed previously. The incentive payment will be made over a 5 year period in equal installments the first pay period of each January subsequent to their retirement date. The final payment for the retirement incentive took place in January 2018.

The entire compensated absences liability and retirement incentive liability is reported on the entity- wide financial statements. Governmental fund financial statements report a liability for compensated absences and the retirement incentive to the extent the liabilities mature each period and are expected to be paid using expendable available financial resources.

H. Accrued Liabilities and Long-term Debt

All payables, accrued liabilities and long-term debt are reported in the entity-wide financial statements. For governmental fund financial statements, accrued liabilities are generally reported if payment is due as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments, termination benefits and compensated absences paid from governmental funds are reported as a fund liability only to the extent they are expected to be paid from expendable available financial resources. Long-term liabilities or liabilities with a maturity of more than one year paid from governmental funds are not recognized within the fund financial statements until payment is due.

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide statement of net position for deferred amount on refunding, pension and OPEB. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the District, deferred inflows of resources include property taxes, accounts receivable, pension, OPEB and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2018, but which were levied to finance fiscal year 2019 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes delinquent property taxes, intergovernmental revenues, and interest income. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 23. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide Statement of Net Position (Sees Note 10 and 11).

J. Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

K. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable: The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

Restricted: Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Committed: The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assigned: Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. Although no specific resolution has been made, the District Board of Education authorizes the Treasurer to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget.

Unassigned: Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

L. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

M. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

None of the District's reported net position at June 30, 2018 was restricted by enabling legislation.

N. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items reported during the current fiscal year.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond issuance costs are expensed in the period in which they are incurred.

On the governmental fund financial statements, governmental fund types recognize bond premiums and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 3 – DEPOSITS AND INVESTMENTS

State statutes classify monies held by the District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

A. Cash, Cash Equivalents and Investments

The deposit and investment of the District's monies is governed by the provisions of the Ohio Revised Code (ORC). In accordance with these statutes, the District is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; banker acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and STAROhio.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

B. Deposits

Custodial credit risk for deposits is the risk that, in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At fiscal year-end, the carrying amount of the District's deposits was \$3,382,826 exclusive of \$45,827 in cash on hand. The combined bank balance was \$5,849,839, of which \$250,000 was covered by Federal Deposit Insurance Corporation (FDIC) and the remaining balance was uninsured and collateralized. The District's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System.

The District has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

1. Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or
2. Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State.

C. Investments

As of June 30, 2018, the District had the following investments and maturities.

Investment Type	Credit Rating	Amount	Percent of Total	Investment Maturities	
				Within 1 Year	More than 1 Year
STAR Ohio	AAA	\$ 51,054,878	48.73%	\$ 51,054,878	\$ -
FHLB	AAA	2,700,730	2.58%	1,490,963	1,209,767
FHLMC	AAA	16,275,051	15.54%	1,633,723	14,641,328
FNMA	AAA	11,868,702	11.33%	5,436,125	6,432,577
Certificates of Deposit	Not Rated	2,388,811	2.28%	445,660	1,943,151
Money Market Funds	Not Rated	1,580,908	1.51%	1,580,908	-
Commercial Paper	Not Rated	18,891,347	18.03%	18,891,347	-
Total		<u>\$ 104,760,427</u>	<u>100.00%</u>	<u>\$ 80,533,604</u>	<u>\$ 24,226,823</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's fair value measurements are valued using Level 2 inputs.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3 – DEPOSITS AND INVESTMENTS (continued)

Interest Rate Risk: The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Board policy dictates that the Treasurer may take no more than 25% of the funds to a maximum maturity of five years from the date of purchase as long as cash flow requirements allow the securities to be held to maturity.

Diversification Requirements: The following securities are authorized under both the District's policy and the Ohio Revised Code. District policy requires diversification of the portfolio to avoid incurring unreasonable risks inherent in over investing in specific instruments, individual financial institutions or maturities.

Diversification by Instrument	Maximum Percent of Portfolio
U.S. Treasurer Obligations (bills, notes and bonds)	100%
U.S. Government Agency/Instrumentalities	75%
Certificates of Deposit/Bank Deposits (collateralized)	75%
Repurchase Agreements (repos)	25%
State and Local Government Securities	20%
State of Ohio Investment Pool	75%
Commercial Paper/Banker's Acceptance	25%

Credit Risk: The Ohio Revised Code requires that investments in commercial paper are rated at the time of purchase in the highest classification. In addition, as noted above, the District's investment policy and the Ohio Revised Code place limitations on the types of investments allowed by the District. The District's investments and STAR Ohio were rated AAA by Standard & Poor's.

Concentration of Credit Risk: The District places limits on the amount the District may invest in any one issuer as disclosed above under diversification requirements. The District investments are in U.S. Government Agency (FHLB, FHLMC and FNMA), Commercial Paper, Broker CDs, STAR Ohio and money market funds. These investments are 29.45%, 18.04%, 2.27%, 48.73% and 1.51% respectively, of the District's total investments, for the amounts listed above. For meeting District diversification requirements certificates of deposit and savings accounts must also be taken into consideration. When taking into account the \$5,849,839 in cash (regular CDs, savings accounts and checking accounts) the District holds, the concentration of credit risk goes to insured/collateralized deposits, U.S. Government Agency (FFCB, FHLMC, FNMA and FHLB), Commercial Paper, Brokered CDs, STAR Ohio and money market funds. These percentages of concentration are 27.88%, 17.08%, 2.16%, 46.16%, and 1.43% respectively.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility property, and tangible personal property (used in business) located in the District. Real property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Real property taxes received in calendar year 2018 were levied after April 1, 2017, on the assessed values as of January 1, 2017, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2018 represent the collection of calendar year 2017 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien on December 31, 2016, were levied after April 1, 2017, and are collected in 2018 with real property taxes. Public utility real property is assessed at twenty-five percent of true value.

The District receives property taxes from Franklin County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2018, are available to finance fiscal year 2018 operations. The amount available to be advanced can vary based on the date the tax bills are sent. Accrued property taxes receivable includes personal property and public utility taxes, and the late June personal property settlement which are measurable as of June 30, 2018 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property tax settlement were levied to finance current fiscal year operations.

On a full accrual basis, collectible delinquent property taxes and the amount available as an advance have been recorded as a receivable and revenue while the rest of the receivable is deferred. On a modified accrual basis, only the amount available as an advance is recognized as revenue.

The assessed values upon which the fiscal year 2018 taxes were collected are:

	2017 Second Half		2018 First Half	
	Amount	Percent	Amount	Percent
Real Estate	\$ 2,436,010,490	96.61%	\$ 2,678,037,180	96.66%
Public Utility Personal	85,495,620	3.39%	92,459,760	3.34%
Total	<u>\$ 2,521,506,110</u>	<u>100.00%</u>	<u>\$ 2,770,496,940</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	94.35		93.75	

The Franklin County Treasurer collects property taxes on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected. These tax "advances" are based on historical cash flow collection rates. Final "settlements" are made each February and August.

Accrued property taxes receivables represent real property, personal property and public utility taxes which were measurable but not available as of June 30, 2018. However, monies legally available as an advance to the District as of June 30, 2018 are recognized as revenue as they are both measurable and available. The District is prohibited by law from appropriating this amount in accordance with Ohio Revised Code Section 5705.35.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 5 – TAX ABATEMENTS

Under Community Reinvestment Area (CRA) and other property tax abatements entered into by the City of Hilliard and the City of Columbus, the District's property tax revenues were reduced by \$788,860 and \$279,748 during the fiscal year, respectively. Compensation payments received from the cities during the fiscal year totaled \$243,846.

NOTE 6 – INTERFUND TRANSACTIONS

Due To/From Other Funds:

An interfund receivable and payable of \$464,285 reported within the General Fund and Other Governmental Funds respectively, represents the amount due to the General Fund from Special Revenue Funds for negative cash balances. The negative cash balances reported within the Special Revenue Funds is due to the timing of grant receipts and allowable grant expenditures.

Interfund Transfers:

The following is a summary of transfers in and out between all funds during the current fiscal year:

Fund	Transfers Out	Transfers In
General Fund	\$ 312,877	\$ -
Bond Retirement Fund	-	312,877
Totals	<u>\$ 312,877</u>	<u>\$ 312,877</u>

Transfer are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and/or (b) to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 7 – CAPITAL ASSETS

A summary of capital asset activity for the fiscal year follows:

Governmental Activities	Beginning Balance	Additions/ Transfers In	Disposals/ Transfers Out	Ending Balance
Nondepreciable Capital Assets				
Land	\$ 14,010,734	\$ -	\$ -	\$ 14,010,734
Construction in Progress	10,139,775	23,520,442	(4,780,130)	28,880,087
Total Nondepreciable Assets	24,150,509	23,520,442	(4,780,130)	42,890,821
Depreciable Capital Assets				
Land Improvements	35,621,021	3,682,467	-	39,303,488
Buildings and Improvements	208,805,208	226,844	-	209,032,052
Furniture, Fixtures and Equipment	12,668,167	839,923	(43,619)	13,464,471
Vehicles	13,275,202	1,281,789	(778,135)	13,778,856
Total Depreciable Assets	270,369,598	6,031,023	(821,754)	275,578,867
Less accumulated depreciation				
Land Improvements	(19,945,314)	(1,622,353)	-	(21,567,667)
Buildings and Improvements	(109,060,814)	(5,202,441)	-	(114,263,255)
Furniture, Fixtures and Equipment	(9,040,979)	(568,334)	37,209	(9,572,104)
Vehicles	(9,420,008)	(976,000)	759,932	(9,636,076)
Total accumulated depreciation	(147,467,115)	(8,369,128)	797,141	(155,039,102)
Depreciable Capital Assets, Net of accumulated depreciation	122,902,483	(2,338,105)	(24,613)	120,539,765
Capital Assets, Net	\$ 147,052,992	\$ 21,182,337	\$ (4,804,743)	\$ 163,430,586

Depreciation expense was charged to governmental functions as follows:

	Amount
Regular Instruction	\$ 5,854,345
Special Instruction	14,387
Vocational Instruction	9,111
Pupils	657
Instructional Staff	3,849
Administration	265,966
Business Operations	35,443
Operations and Maintenance of Plant	937,358
Pupil Transportation	927,308
Central Services	44,709
Food Service	76,589
Community Service	2,556
Extracurricular Activities	196,850
Total Depreciation Expense	\$ 8,369,128

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 – LONG-TERM OBLIGATIONS

During the fiscal year, the following changes occurred in long-term obligations:

	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>General Obligation Debt</u>						
School Improvement - Series 2000	6.689%					
Capital Appreciation Bonds		3,135,960	-	(1,120,278)	2,015,682	1,046,808
Accretion on CABs		6,955,924	581,666	(2,599,722)	4,937,868	2,549,130
CABs - Unamortized Premium		-	41,967	(23,660)	18,307	
Refunding Bonds - Series 2005	4.353%					
Capital Appreciation Bonds		3,786,258	-	(1,017,765)	2,768,493	959,770
Accretion on CABs		5,371,391	645,192	(1,167,251)	4,849,332	1,156,043
CABs - Unamortized Premium		-	363,958	(124,601)	239,357	
School Improvement - Series 2009A	4.469%					
Serial Bonds		2,290,000	-	-	2,290,000	-
Capital Appreciation Bonds		594,993	-	(184,212)	410,781	208,371
Accretion on CABs		462,174	70,409	(155,788)	376,795	191,133
Unamortized Discount		74,899	-	(134,051)	(59,152)	
CABs - Unamortized Premium		-	37,473	(20,831)	16,642	
Refunding Bonds - Series 2009B	4.059%					
Serial Bonds		1,155,000	-	(390,000)	765,000	380,000
Capital Appreciation Bonds		3,319,972	-	(1,029,834)	2,290,138	1,079,290
Accretion on CABs		1,290,938	186,623	(440,166)	1,037,395	495,538
Unamortized Premium		114,122	-	(81,729)	32,393	
CABs - Unamortized Premium		-	12,879	(8,077)	4,802	
CABs - Unamortized Discount		-	-	(2,500)	(2,500)	
Energy Conservation - Series 2011	5.550%					
Serial Bonds		5,000,000	-	-	5,000,000	-
Refunding Bonds - Series 2012	4.512%					
Serial Bonds		8,265,000	-	(2,250,000)	6,015,000	2,355,000
Term Bonds		950,000	-	-	950,000	-
Unamortized Premium		1,305,924	-	(118,720)	1,187,204	
Refunding Bonds - Series 2013A	2.107%					
Serial Bonds		46,750,000	-	(3,155,000)	43,595,000	3,970,000
Capital Appreciation Bonds		244,983	-	-	244,983	-
Accretion on CABs		657,902	251,367	(116,971)	792,298	-
Unamortized Premium		6,194,068	-	(1,860,838)	4,333,230	
CABs - Unamortized Premium		-	991,674	(220,372)	771,302	
Refunding Bonds - Series 2013B	2.892%					
Serial Bonds		19,150,000	-	(35,000)	19,115,000	260,000
Capital Appreciation Bonds		279,929	-	-	279,929	-
Accretion on CABs		582,083	206,765	(97,208)	691,640	-
Unamortized Premium		2,040,411	-	(1,137,621)	902,790	
CABs - Unamortized Premium		-	737,561	(163,902)	573,659	

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

	Interest Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Refunding Bonds - Series 2014	4.757%					
Serial Bonds		5,605,000	-	-	5,605,000	-
Unamortized Premium		706,215	-	(306,367)	399,848	
Refunding Bonds - Series 2015	3.430%					
Serial Bonds		8,830,000	-	(25,000)	8,805,000	25,000
Unamortized Premium		872,732	-	(92,679)	780,053	
School Improvement - Series 2016	3.683%					
Serial Bonds		7,860,000	-	-	7,860,000	25,000
Term Bonds		1,445,000	-	-	1,445,000	-
Unamortized Premium		680,717	-	(24,829)	655,888	
School Improvement - Series 2017	3.875%					
Serial Bonds		23,840,000	-	-	23,840,000	100,000
Term Bonds		16,855,000	-	-	16,855,000	-
Unamortized Premium		1,932,248	-	(65,685)	1,866,563	-
Total General Obligation Debt		188,598,843	4,127,534	(18,170,657)	174,555,720	14,801,083
<u>Special Obligation Debt</u>						
Tax Anticipation Notes	2.5 - 3.75%	1,830,000	-	(900,000)	930,000	930,000
Unamortized Premium		460	-	(460)	-	-
Total Special Obligation Debt		1,830,460	-	(900,460)	930,000	930,000
<u>Net Pension Liability</u>						
SERS		53,393,109	-	(11,220,465)	42,172,644	-
STRS		285,844,061	-	(81,789,661)	204,054,400	-
Total Net Pension Liability		339,237,170	-	(93,010,126)	246,227,044	-
<u>Net OPEB Liability</u>						
SERS		20,201,422	-	(1,644,858)	18,556,564	-
STRS		45,669,667	-	(12,155,130)	33,514,537	-
Total Net OPEB Liability		65,871,089	-	(13,799,988)	52,071,101	-
Capital Lease		-	-	-	-	-
Compensated Absences		14,690,905	460,801	(662,155)	14,489,551	1,145,175
Total Other Long-Term Debt		14,690,905	460,801	(662,155)	14,489,551	1,145,175
Total Governmental Activities		\$ 610,228,467	\$ 4,588,335	\$ (126,543,386)	\$ 488,273,416	\$ 16,876,258

Long-Term obligations of the District are included in the Statement of Net Position. Payments of principal and interest relating to these liabilities are recorded as expenditures in the General, Bond Retirement and Permanent Improvement Funds. There is no repayment schedule for the net pension liability and net OPEB liability; however, employer pension and OPEB contributions are made from the fund benefiting from the employee's service. For additional information related to the net pension liability and net OPEB liability see notes 10 and 11

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

Series 2000 School Improvement

Issued to construct two elementary schools, renovate a sixth grade school, improve existing facilities and acquire land.

Series 2005 Refunding

Advance refunded portions of the 1996 School Improvement Issue and the 2000 School Improvement Issue. The bond proceeds were invested in obligations guaranteed as to both principal and interest by the United States Government and were placed in an irrevocable escrow account which, including interest earned, was used to pay the principal and interest of the refunded bonds.

Series 2009A School Improvement

Issued to retire a bond anticipation note (BAN) in the amount of \$10,000,000. The BAN was issued for construction purposes and to purchase various capital assets for school improvement.

Series 2009B Refunding

Issued to current refund portions of the 2000 School Improvement Issue, 2006 School Improvement Issue, 2001 Refunding Issue and 2005 Refunding Issue to reduce current year obligations within the debt service fund to maintain the 6.3 bond millage rate assessed on taxpayers in 2009.

Series 2011 Energy Conservation

Issued as federally taxable QSCBs (Qualified School Construction Energy Conservation Bonds) under the American Recovery and Reinvestment Act of 2009 for the purpose of installing, modifying and remodeling school buildings to conserve energy. The term bonds mature December 1, 2025 and are subject to mandatory sinking fund requirements. The District will receive direct federal subsidy payments for interest due equal to the lesser of 100% of the interest due or the tax credit rate published daily by the U.S. Treasury, for municipal tax- credit bonds as of the date the bonds are issued. The bonds are subject to extraordinary redemption prior to maturity by either mandatory redemption or optional redemption. Mandatory redemption will occur should the District fail to spend the proceeds within the 3-year period or, if applicable, IRS approved extended period. The mandatory redemption prior to maturity, in whole or part, would occur within 90 days following the close of the three-year period or extended period. The bonds would be redeemed for 100% of the principal plus any interest accrued up to the redemption date. Optional redemption prior to maturity is at the sole discretion of the District in the event QSCB direct payments cease or are reduced. Redemption, in whole or part, will be equal to 100% of the principal amount redeemed plus any accrued interest to the redemption date.

Series 2012 Refunding

Issued to advance refund 2001A and 2001B term bonds. The bond proceeds were invested in obligations guaranteed as to both principal and interest by the United States Government and were placed in an irrevocable escrow account which, including interest earned, will be used to pay the principal and interest of the refunded bonds. As a result, the 2001A and 2001B term bonds are not reported as a long-term liability of the District since the District has in-substance satisfied its obligations through the advance refunding. The difference between the reacquisition price and net carrying amount of the old debt is \$544,272. The refunding resulted in a decrease of debt service payments in the amount of \$2,516,087 with an economic gain of \$2,299,199. The amount of defeased debt as of June 30, 2018 is \$9,800,000.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

Series 2013A Refunding

Issued to advance refund a portion of the 2006A (F) serial bonds. The bond proceeds were invested in obligations guaranteed as to both principal and interest by the United States Government and placed in an escrow account which will use principal and earned interest to pay the interest and principal of the refunded portion of the debt. As a result, the District has in-substance satisfied its obligations through the advance refunding of the serial bonds. The refunding resulted in a decrease of debt service payments of \$3,614,663 with an economic gain of \$3,460,536. The amount of defeased debt as of June 30, 2018 is \$46,995,000.

Series 2013B Refunding

Issued to advance refund a portion of the 2005 (B) refunding bonds. The bond proceeds were invested in obligations guaranteed as to both principal and interest by the United States Government and placed in an escrow account which will use principal and earned interest to pay the interest and principal of the refunded portion of the debt. As a result, the District has in-substance satisfied its obligations through the advance refunding of the serial bonds. The refunding resulted in a decrease of debt service payments of \$1,521,002 with an economic gain of \$1,441,546. The amount of defeased debt as of June 30, 2018 is \$19,430,000.

Series 2014 Refunding

Advance refunded portion of 2006 School Improvement Bonds. The bond proceeds were invested in obligations guaranteed as to both principal and interest by the United States Government and placed in an escrow account which will use principal and earned interest to pay the interest and principal of the refunded portion of the debt. As a result, the District has in-substance satisfied its obligations through the advance refunding of the serial bonds. The refunding resulted in a decrease of debt service payments of \$917,982 with an economic gain of \$922,139. The defeased amount of the debt at June 30, 2018 is \$5,635,000.

Series 2015 Refunding

Partial current refunding of Series 2005 and partial advance refunding of Series 2009A. The proceeds from the refunding will be placed in escrow accounts for each respective issue refunded which will use principal and earned interest to pay the interest and principal of the refunded portion of the debt. As a result, the District has in-substance satisfied its obligations through the refunding of the serial bonds. The refunding resulted in a decrease in debt service payments of \$1,244,811 and an economic gain of \$108,364. The amount of defeased debt at June 30, 2018 is \$8,945,000.

Series 2016 School Improvement

Issued as a portion of the November 2016 bond levy to construct a new middle school and to renovate and improve existing facilities, part of a \$50,000,000 bond levy passed by the voters in November 2016.

Series 2017 School Improvement

Issued as the remainder of the November 2016 bond levy to construct a new middle school and to renovate and improve existing facilities, part of a \$50,000,000 bond levy passed by the voters in November 2016.

Tax Anticipation Notes

Issued in anticipation of permanent improvement tax levy money to acquire, construct, enlarge, renovate and finance permanent improvement.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 8 – LONG-TERM OBLIGATIONS (continued)

The following is a summary of future annual debt service requirements for maturity for the general obligation bonds:

Fiscal Year	General Obligation Bonds		Tax Anticipation Notes		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 14,801,083	\$ 5,575,298	\$ 930,000	\$ 17,438	\$ 15,731,083	\$ 5,592,736
2020	14,239,796	5,764,073	-	-	14,239,796	5,764,073
2021	10,195,605	5,908,628	-	-	10,195,605	5,908,628
2022	8,373,850	7,656,062	-	-	8,373,850	7,656,062
2023	11,755,000	4,320,250	-	-	11,755,000	4,320,250
2024-2028	63,405,000	13,978,668	-	-	63,405,000	13,978,668
2029-2033	8,135,000	7,075,212	-	-	8,135,000	7,075,212
2034-2038	9,495,000	5,341,963	-	-	9,495,000	5,341,963
2039-2043	11,520,000	3,291,344	-	-	11,520,000	3,291,344
2044-2047	10,915,000	893,187	-	-	10,915,000	893,187
Total	<u>\$ 162,835,334</u>	<u>\$ 59,804,685</u>	<u>\$ 930,000</u>	<u>\$ 17,438</u>	<u>\$ 163,765,334</u>	<u>\$ 59,822,123</u>

Debt Limitation

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that, exclusive of certain "exempt debt," unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The code additionally states that unvoted indebtedness related to energy conservation debt shall not exceed 9/10 of 1% of the property valuation of the District. The effects of these debt limitations at fiscal year-end are voted debt limit of \$249,344,725 and an unvoted debt limit of \$2,770,497. The District's debt outstanding was within these limits.

Compensated Absences

Compensated absences represent accumulated vacation and an estimated severance liability for employees both eligible to retire and those expected to become eligible in the future. The entire compensated absences balance is reported on the entity-wide financial statements. For governmental fund financial statements, the compensated absences are reported only to the extent they have matured and will be paid with current financial resources. The noncurrent portion of the liability is not reported.

The District pays obligations related to employee compensation from the fund benefitting from their service, except for compensated absences for governmental funds, which are paid from the General Fund.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 9 – SELF-INSURANCE FUND AND RISK MANAGEMENT

The District carries all-risk property insurance on buildings and contents, fleet insurance on all rolling stock, liability and excess liability insurance coverage as well as officers' liability insurance, employee benefits liability and workers' compensation intentional acts defense coverage. All employees are covered by the District's blanket bond. There have been no changes in the aforementioned insurance coverage. Additionally, there were no settlements in excess of insurance coverage over the past three years.

The District became self-insured for workers' compensation costs effective July 1, 2014. The District uses actuarial evaluations to establish the charges adequate to cover all incurred claims and build a reserve against future claims. The District maintains reinsurance for claims over \$400,000 with Midwest Employers Casualty Company.

The District has a limited risk management program for employee health benefits. The premiums are paid into the Self-Insurance Internal Service Fund by the participating District funds. Premiums are based on the District's claims experience. An excess coverage insurance policy covers individual claims in excess of \$250,000 and aggregate claims in excess of the aggregate stop loss amount which is calculated as 120% of expected claims, divided by the expected number of participants at the beginning of the plan year, divided by the number of months in the policy year. The maximum benefit amount that will be paid for claims in excess of the aggregated stop loss amount is \$1,000,000 for the plan year. Additionally, effective January 1, 2014, the District is self-insuring dental insurance provided to employees. Rates for insurance are based on actuarial projections.

The liability for unpaid claims of \$3,718,021 reported in the Self Insurance Fund at June 30, 2018, is based on existing unpaid claims and an estimate for incurred but unreported claims at year end. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the Self-Insurance Fund's claim liability amount as of June 30, 2018 and 2017 are:

	2018	2017	Change
Medical Self Insurance			
Claims Liability at July 1	\$ 2,966,514	\$ 2,179,526	\$ 786,988
Incurred Claims	25,982,573	25,421,854	560,719
Claims Paid	<u>(25,372,287)</u>	<u>(24,634,866)</u>	(737,421)
Claims Liability at June 30	<u>\$ 3,576,800</u>	<u>\$ 2,966,514</u>	\$ 610,286
Dental Self Insurance			
Claims Liability at July 1	\$ 133,416	\$ 137,344	\$ (3,928)
Incurred Claims	1,701,613	1,712,292	(10,679)
Claims Paid	<u>(1,694,899)</u>	<u>(1,716,220)</u>	21,321
Claims Liability at June 30	<u>\$ 140,130</u>	<u>\$ 133,416</u>	\$ 6,714
Workers Comp Self Insurance			
Claims Liability at July 1	\$ 1,493	\$ 411	\$ 1,082
Incurred Claims	94,113	59,164	34,949
Claims Paid	<u>(94,515)</u>	<u>(58,082)</u>	(36,433)
Claims Liability at June 30	<u>\$ 1,091</u>	<u>\$ 1,493</u>	\$ (402)

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Net Pension Liability

Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term net pension liability on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description – School Employees Retirement System (SERS)

Plan Description - District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

The cost-of-living adjustment was changed from a fixed 3.00% to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2018, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining 0.5 percent was allocated to the Health Care Fund.

The District's contractually required contribution to SERS was \$3,284,594 for fiscal year 2018. Of this amount \$253,080 is reported as due to other governments.

Plan Description – State Teachers Retirement System (STRS)

Plan Description - District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at www.strsoh.org.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective July 1, 2017, the cost-of-living adjustment was reduced to zero. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 26 years of service, or 31 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2018, the employer rate was 14 percent and the plan members were also required to contribute 14 percent of covered salary. The fiscal year 2018 contribution rates were equal to the statutory maximum rates.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

The District's contractually required contribution to STRS was \$13,474,505 for fiscal year 2018. Of this amount, \$2,059,494 is reported as due to other governments.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$42,172,644	\$204,054,400	\$246,227,044
Proportion of the Net Pension Liability - Current Measurement Date	0.7058444%	0.85898783%	
Proportion of the Net Pension Liability - Prior Measurement Date	<u>0.7295060%</u>	<u>0.85395375%</u>	
Change in Proportionate Share	-0.0236616%	0.00503408%	
Pension Expense	(\$1,982,212)	(\$76,788,619)	(\$78,770,831)

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**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$1,814,964	\$7,879,623	\$9,694,587
Changes of assumptions	2,180,779	44,628,939	46,809,718
Changes in proportionate share	8,248	5,398,947	5,407,195
District contributions subsequent to the measurement date	<u>3,284,594</u>	<u>13,474,505</u>	<u>16,759,099</u>
Total Deferred Outflows of Resources	<u><u>\$7,288,585</u></u>	<u><u>\$71,382,014</u></u>	<u><u>\$78,670,599</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$1,644,599	\$1,644,599
Net difference between projected and actual earnings on pension plan investments	200,184	6,734,034	6,934,218
Changes in proportionate share	<u>1,130,027</u>	<u>0</u>	<u>1,130,027</u>
Total Deferred Inflows of Resources	<u><u>\$1,330,211</u></u>	<u><u>\$8,378,633</u></u>	<u><u>\$9,708,844</u></u>

\$16,759,099 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2019	\$1,217,263	\$11,288,796	\$12,506,059
2020	2,098,523	20,449,402	22,547,925
2021	341,124	13,930,541	14,271,665
2022	(983,130)	3,860,137	2,877,007
2023	0	0	0
Thereafter	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u><u>\$2,673,780</u></u>	<u><u>\$49,528,876</u></u>	<u><u>\$52,202,656</u></u>

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - SERS

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2017, are presented below:

Wage Inflation	3 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates. Mortality among disable members were based upon the RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five-year period ended June 30, 2015.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' Statement of Investment Policy. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted averaged of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	\$58,524,670	\$42,172,644	\$28,474,487

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent effective July 1, 2017

Actuarial valuation, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.50
Alternatives	17.00	1.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
 Total	 <u>100.00 %</u>	

*The 10-Year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25% and does not include investment expenses. Over a 30-year period, STRS Ohio's investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**HILLIARD CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2017. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2017.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
District's proportionate share of the net pension liability	\$292,505,038	\$204,054,400	\$129,547,995

Changes Between Measurement Date and Report Date The Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75% to 7.45%, the inflation assumption was lowered from 2.75% to 2.50%, the payroll growth assumption was lowered to 3.00%, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

Benefit Term Changes Since the Prior Measurement Date Effective July 1, 2017, the Cost of Living Adjustment was reduced to zero.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by School Employees Retirement System or State Teachers Retirement System have an option to choose Social Security. As of June 30, 2018, no members of the Board of Education have elected Social Security. The District's liability is 6.2 percent of wages paid.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT OPEB PLANS

Net OPEB Liability

The net OPEB liability reported on the statement of net position represents a liability to employees for OPEB. OPEB is a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for OPEB is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net OPEB liability represents the District's proportionate share of each OPEB plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each OPEB plan's fiduciary net position. The net OPEB liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting these estimates annually.

Ohio Revised Code limits the District's obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which OPEB are financed; however, the District does receive the benefit of employees' services in exchange for compensation including OPEB.

GASB 75 assumes the liability is solely the obligation of the employer, because they benefit from employee services. OPEB contributions come from these employers and health care plan enrollees which pay a portion of the health care costs in the form of a monthly premium. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. Any change to benefits or funding could significantly affect the net OPEB liability. Resulting adjustments to the net OPEB liability would be effective when the changes are legally enforceable. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The proportionate share of each plan's unfunded benefits is presented as a long-term net OPEB liability on the accrual basis of accounting. Any liability for the contractually-required OPEB contribution outstanding at the end of the year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting.

Plan Description – School Employees Retirement System (SERS)

Health Care Plan Description – The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2018, 0.50 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2018, this amount was \$23,700. Statutes provide that no employer shall pay a health care surcharge greater than 2.00 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.50 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2018, the District's surcharge obligation was \$257,254.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$378,906 for fiscal year 2018. Of this amount \$266,623 is reported as a due to other governments.

Plan Description – State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2018, STRS did not allocate any employer contributions to post-employment health care.

**HILLIARD CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net OPEB Liability	\$18,556,564	\$33,514,537	\$52,071,101
Proportion of the Net OPEB Liability - Current Measurement Date	0.6914449%	0.85898783%	
Proportion of the Net OPEB Liability - Prior Measurement Date	0.7087298%	0.85395375%	
Change in Proportionate Share	<u>-0.0172849%</u>	<u>0.00503408%</u>	
OPEB Expense	\$788,749	(\$10,172,977)	(\$9,384,228)

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$0	\$1,934,664	\$1,934,664
Change in proportionate share	0	215,378	215,378
District contributions subsequent to the measurement date	378,906	0	378,906
Total Deferred Outflows of Resources	<u>\$378,906</u>	<u>\$2,150,042</u>	<u>\$2,528,948</u>
Deferred Inflows of Resources			
Net difference between projected and actual earnings on pension plan investments	\$49,003	\$1,432,491	\$1,481,494
Changes of assumptions	1,760,922	2,699,704	4,460,626
Change in proportionate share	361,652	0	361,652
Total Deferred Inflows of Resources	<u>\$2,171,577</u>	<u>\$4,132,195</u>	<u>\$6,303,772</u>

\$378,906 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

Fiscal Year Ending June 30:	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
2019	(\$781,299)	(\$495,538)	(\$1,276,837)
2020	(781,299)	(495,538)	(1,276,837)
2021	(596,729)	(495,538)	(1,092,267)
2022	(12,250)	(495,539)	(507,789)
2023	0	0	0
Thereafter	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>(\$2,171,577)</u>	<u>(\$1,982,153)</u>	<u>(\$4,153,730)</u>

Actuarial Assumptions - SERS

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2017, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.56 percent
Prior Measurement Date	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation:	
Measurement Date	3.63 percent
Prior Measurement Date	2.98 percent
Medical Trend Assumption	
Medicare	5.50 to 5.00 percent
Pre-Medicare	7.50 to 5.00 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five-year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015 and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00 %	0.50 %
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	10.00	3.00
Total	<u>100.00 %</u>	

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2017 was 3.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2017 was 2.98 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.56 percent, as of June 30, 2017 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.63 percent) and higher (4.63 percent) than the current discount rate (3.63 percent). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.50 percent decreasing to 4.00 percent) and higher (8.50 percent decreasing to 6.00 percent) than the current rate.

	<u>1% Decrease (2.63%)</u>	<u>Current Discount Rate (3.63%)</u>	<u>1% Increase (4.63%)</u>
District's proportionate share of the net OPEB liability	\$22,409,414	\$18,556,564	\$15,504,123

**HILLIARD CITY SCHOOL DISTRICT
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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

	1% Decrease (6.50% decreasing to 4.00%)	Current Discount Rate (7.50% decreasing to 5.00%)	1% Increase (8.50% decreasing to 6.00%)
District's proportionate share of the net OPEB liability	\$15,057,261	\$18,556,564	\$23,187,952

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2017, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.00 percent, effective July 1, 2017
Blended Discount Rate of Return	4.13 percent
Health Care Cost Trends	6.00 to 11.00 percent initial, 4.50 percent ultimate

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2017, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)" and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

Also, since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.10 percent to 1.90 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. Subsequent to the current measurement date, the date for discontinuing remaining Medicare Part B premium reimbursements was extended to January 2020.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actual rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was not projected to be sufficient to make all projected future benefit payments of current plan members. The OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2037. Therefore, the long-term expected rate of return on OPEB plan assets was used to determine the present value of the projected benefit payments through the fiscal year ending June 30, 2036 and the Bond Buyer 20-year municipal bond rate of 3.58 percent as of June 30, 2017 (i.e. municipal bond rate), was used to determine the present value of the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments, was used to measure the total OPEB liability as of June 30, 2017. A blended discount rate of 3.26 percent which represents the long term expected rate of return of 7.75 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 2.85 percent for the unfunded benefit payments was used to measure the total OPEB liability at June 30, 2016.

**HILLIARD CITY SCHOOL DISTRICT
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NOTE 11 – DEFINED BENEFIT OPEB PLANS (continued)

Sensitivity of the District’s Proportionate Share of the Net OPEB Liability to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB liability as of June 30, 2017, calculated using the current period discount rate assumption of 4.13 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13 percent) or one percentage point higher (5.13 percent) than the current assumption. Also shown is the net OPEB liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share of the net OPEB liability	\$44,992,726	\$33,514,537	\$24,443,014
	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$23,284,463	\$33,514,537	\$46,978,508

NOTE 12 – CONTINGENCIES

Litigation - The District is party to various legal proceedings seeking damages or injunction relief generally incidental to its operations and pending projects. The ultimate disposition of such proceedings is not presently determinable, but will not, in the opinion of District Management, have a material adverse effect on the financial condition of the District

Grants - The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. This also encompasses the Auditor of State’s ongoing review of student attendance data. However, the effects of any such disallowed claims on the overall financial position of the District at June 30, 2018, if applicable, cannot be determined at this time.

Foundation Funding - District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2018 are not finalized, however, due to the District’s calculated funding being significantly over the funding cap, any FTE adjustments would not result in a decrease of funding to the District.

**HILLIARD CITY SCHOOL DISTRICT
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NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 13 – OTHER COMMITMENTS

A. Construction Commitments

As of June 30, 2018, the District had the following commitments with respect to the District's energy conservation, roof replacement and new middle school projects:

<u>Project</u>	<u>Contractor</u>	<u>Amount Remaining</u>	<u>Estimated Completion Date</u>
Building Roofs	Garland	\$ 260,578	August 2018
Building Roofs	K & W Roofing	266,839	August 2018
Paving Projects	McMillen Paving	1,282,288	August 2018
Athletic Track Renovation	Fisher Tracks	255,712	September 2018
New Building - Electrical	Accurate Electric	623,687	August 2018
New Building - General	Chemcote	638,515	August 2018
New Building - General	John Eramo, Inc	367,851	August 2018
New Building - Concrete	Milcon	243,701	August 2018
New Building - General	Miles McClellan	982,188	August 2018
New Building - HVAC	M W Mielke, Inc	535,586	August 2018
New Building - General	Stronecreek	332,094	August 2018
		<u>\$ 5,789,039</u>	

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Encumbrances are reported as a component of assigned, restricted, or committed fund balances since they do not constitute expenditures or liabilities. Outstanding encumbrances in governmental funds as of June 30, 2018 were as follows:

<u>Fund Type</u>	<u>Encumbrances</u>
General	\$ 1,623,583
Building Fund	11,655,222
Other Governmental	618,081
Total	<u>\$ 13,896,886</u>

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 14 – ACCOUNTABILITY AND COMPLIANCE

Fund balances at fiscal year-end included the following individual deficits:

<u>Other Governmental</u>	<u>Deficit Fund Balances</u>
Title VI-B IDEA	\$ (451,246)
Title III Limited English Proficiency	(40,415)
Title I Grant	(245,374)
IDEA Preschool Grants for the Handicapped	(10,954)
Improving Teacher Quality	(62,515)
Miscellaneous Federal Grants	(3,840)

The GAAP basis deficit balances in the Other Governmental Funds are a result of the application of accounting principles generally accepted in the United States of America. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

NOTE 15 – SET-ASIDES

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. State law has set the amount for the set-aside at the number of students times 3% of the average cost per pupil.

The following cash basis information describes the changes in the fiscal year end set-aside amounts:

	<u>Capital Acquisition</u>
Set-aside cash balance as of July 1, 2017	\$ -
Current fiscal year set-aside requirement	2,811,755
Qualifying Disbursements	<u>(4,591,107)</u>
Total	<u>(1,779,352)</u>
Set-aside balance at June 30, 2018	<u>\$ -</u>

Amounts listed as qualifying disbursements in this table are the total amounts for the year. The District had an excess of qualifying disbursements, however, the set-aside cash balance carried forward is \$0 for capital acquisition.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 16 – RESTATEMENT AND RECLASSIFICATION OF FUND BALANCE

The District's Permanent Improvement Fund fund balance has been restated to record the balance of Tax Anticipation notes as a fund liability, rather than an other financing source. In addition, the District's Permanent Improvement Fund was not required to be reported as a major fund in fiscal year 2018. Therefore, the District reclassified the Permanent Improvement Fund from a major fund to Other Governmental Funds. The restatement and reclassification of the fund balance resulted in changes to beginning of year balances as detailed below:

	Permanent Improvement Fund	Other Governmental Funds
Fund Balance, June 30, 2017	\$ 3,459,496	\$ 4,887,753
Tax Anticipation Notes Payable	(1,830,000)	-
Reclassification of Fund	(1,629,496)	1,629,496
Fund Balance, July 1, 2017	\$ -	\$ 6,517,249

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

For fiscal year ending June 30, 2018, the District has implemented the following:

GASB Statement No. 75 "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*" improves accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB) and improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities by establishing new accounting and financial reporting requirements for OPEB plans. The implementation of this statement had the following effect on net position as reported June 30, 2017:

	Governmental Activities
Net Position June 30, 2017	(164,374,354)
Adjustments:	
Net OPEB Liability	(65,871,089)
Deferred Outflows - Payments Subsequent to Measurement Date	262,030
Restated Net Position June 30, 2017	(229,983,413)

GASB Statement No. 81 "*Irrevocable Split-Interest Agreements*" improves financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The implementation of this statement did not have an effect on the financial statements of the District.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 17 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

(continued)

GASB Statement No. 85 "*Omnibus 2017*" addresses practice issues that have been identified during implementation and application of certain GASB Statements. Specific issues discussed relate to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits [OPEB]). The implementation of this statement did not have a significant effect on the financial statements of the District.

GASB Statement No. 86 "*Certain Debt Extinguishment Issues*" improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The implementation of this statement did not have an effect on the financial statements of the District.

REQUIRED SUPPLEMENTARY INFORMATION



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**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance Over/(Under)
Revenues:				
Property Taxes	\$ 126,850,000	\$ 126,850,000	\$ 129,246,666	\$ 2,396,666
Payments in Lieu of Taxes	2,470,000	2,470,000	3,844,522	1,374,522
Tuition	750,000	750,000	1,216,016	466,016
Investment Earnings	650,000	650,000	1,311,428	661,428
Other Local Revenues	423,000	423,000	972,192	549,192
Intergovernmental - State	64,329,000	64,329,000	64,210,043	(118,957)
Intergovernmental - Federal	416,000	416,000	302,825	(113,175)
Classroom Materials and Fees	400,000	400,000	501,973	101,973
Extracurricular Activities	7,000	7,000	7,210	210
Total Revenues	<u>196,295,000</u>	<u>196,295,000</u>	<u>201,612,875</u>	<u>5,317,875</u>
Expenditures:				
Current:				
Instruction:				
Regular	88,628,568	88,891,088	89,865,810	(974,722)
Special	17,559,442	17,611,604	17,658,525	(46,921)
Vocational	2,260,864	2,267,579	1,914,092	353,487
Other	7,101,143	7,122,238	6,897,085	225,153
Support services:				
Pupils	15,177,258	15,222,327	14,865,256	357,071
Instructional Staff	11,580,505	11,613,961	11,594,694	19,267
Board of Education	410,984	412,125	461,895	(49,770)
Administration	9,609,032	9,637,455	9,429,383	208,072
Fiscal Services	4,210,248	4,222,638	4,158,186	64,452
Business	929,204	931,857	837,128	94,729
Operation and Maintenance of Plant	15,711,631	15,757,361	15,088,152	669,209
Pupil Transportation	9,834,983	9,864,045	9,722,731	141,314
Central	2,234,444	2,240,911	2,358,240	(117,329)
Extracurricular Activities	3,997,682	4,009,487	4,054,876	(45,389)
Capital Outlay	682,809	684,121	549,216	134,905
Debt service:				
Interest and Fiscal Charges	277,500	277,500	277,500	-
Total Expenditures	<u>190,206,297</u>	<u>190,766,297</u>	<u>189,732,769</u>	<u>1,033,528</u>
Excess of Revenues Over (Under) Expenditures	<u>6,088,703</u>	<u>5,528,703</u>	<u>11,880,106</u>	<u>6,351,403</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	-	-	25,823	25,823
Transfers Out	(453,000)	(453,000)	(452,877)	123
Total Other Financing Sources (Uses)	<u>(453,000)</u>	<u>(453,000)</u>	<u>(427,054)</u>	<u>25,946</u>
Net Change in Fund Balance	<u>5,635,703</u>	<u>5,075,703</u>	<u>11,453,052</u>	<u>6,377,349</u>
Fund Balances at Beginning of Year	46,851,206	46,851,206	46,851,206	-
Prior Year Encumbrances Appropriated	1,419,341	1,419,341	1,419,341	-
Fund Balances at End of Year	<u>\$ 53,906,250</u>	<u>\$ 53,346,250</u>	<u>\$ 59,723,599</u>	<u>\$ 6,377,349</u>

See accompanying notes to the required supplementary information.

**HILLIARD CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

LAST FIVE FISCAL YEARS (1)

	2018	2017	2016	2015	2014
District's Proportion of the Net Pension Liability	0.7058444%	0.7295060%	0.7319530%	0.7314370%	0.7314370%
District's Proportionate Share of the Net Pension Liability	\$ 42,172,644	\$ 53,393,109	\$ 41,765,965	\$ 37,017,610	\$ 43,496,211
District's Covered Payroll	\$ 23,655,293	\$ 22,655,743	\$ 23,542,700	\$ 19,546,896	\$ 19,013,828
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	178.28%	235.67%	177.41%	189.38%	228.76%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Information prior to 2014 is not available.

Amounts presented for each fiscal year were determined as of the District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**HILLIARD CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST FIVE FISCAL YEARS (1)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.85898783%	0.85395375%	0.84340698%	0.82222460%	0.82222460%
District's Proportionate Share of the Net Pension Liability	\$ 204,054,400	\$ 285,844,061	\$ 233,093,020	\$ 199,993,478	\$ 238,230,923
District's Covered Payroll	\$ 94,435,183	\$ 89,824,869	\$ 85,432,486	\$ 84,714,756	\$ 83,426,168
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	216.08%	318.22%	272.84%	236.08%	285.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Information prior to 2014 is not available.

Amounts presented for each fiscal year were determined as of the District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**HILLIARD CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 3,284,594	\$ 3,311,741	\$ 3,171,804	\$ 3,102,928
Contributions in Relation to the Contractually Required Contribution	<u>\$ 3,284,594</u>	<u>\$ 3,311,741</u>	<u>\$ 3,171,804</u>	<u>\$ 3,102,928</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 24,330,322	\$ 23,655,293	\$ 22,655,743	\$ 23,542,700
Contributions as a Percentage of Covered Payroll	13.50%	14.00%	14.00%	13.18%

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 2,709,200	\$ 2,631,514	\$ 2,708,875	\$ 2,542,530	\$ 2,849,020	\$ 1,936,693
<u>\$ 2,709,200</u>	<u>\$ 2,631,514</u>	<u>\$ 2,708,875</u>	<u>\$ 2,542,530</u>	<u>\$ 2,849,020</u>	<u>\$ 1,936,693</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,546,896	\$ 19,013,828	\$ 20,140,332	\$ 20,226,969	\$ 21,041,506	\$ 19,681,842
13.86%	13.84%	13.45%	12.57%	13.54%	9.84%

**HILLIARD CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ 13,474,505	\$ 13,220,926	\$ 12,575,482	\$ 11,960,548
Contributions in Relation to the Contractually Required Contribution	<u>\$ 13,474,505</u>	<u>\$ 13,220,926</u>	<u>\$ 12,575,482</u>	<u>\$ 11,960,548</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 96,246,467	\$ 94,435,183	\$ 89,824,869	\$ 85,432,486
Contributions as a Percentage of Covered Payroll	14.00%	14.00%	14.00%	14.00%

See accompanying notes to the required supplementary information.

2014	2013	2012	2011	2010	2009
\$ 11,012,918	\$ 10,845,402	\$ 11,453,245	\$ 11,643,907	\$ 11,341,126	\$ 10,694,809
<u>\$ 11,012,918</u>	<u>\$ 10,845,402</u>	<u>\$ 11,453,245</u>	<u>\$ 11,643,907</u>	<u>\$ 11,341,126</u>	<u>\$ 10,694,809</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 84,714,756	\$ 83,426,168	\$ 88,101,883	\$ 89,568,514	\$ 87,239,433	\$ 82,267,761
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

**HILLIARD CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

LAST TWO FISCAL YEARS (1)

	<u>2018</u>	<u>2017</u>
District's Proportion of the Net OPEB Liability	0.6914449%	0.7087298%
District's Proportionate Share of the Net OPEB Liability	\$ 18,556,564	\$ 20,201,422
District's Covered Payroll	\$ 23,655,293	\$ 22,655,743
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	78.45%	89.17%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.46%	11.49%

(1) Information prior to 2017 is not available.

Amounts presented for each fiscal year were determined as of the District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**HILLIARD CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST TWO FISCAL YEARS (1)

	<u>2018</u>	<u>2017</u>
District's Proportion of the Net OPEB Liability	0.85898783%	0.85395375%
District's Proportionate Share of the Net OPEB Liability	\$ 33,514,537	\$ 45,669,667
District's Covered Payroll	\$ 94,435,183	\$ 89,824,869
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	35.49%	50.84%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.10%	37.30%

(1) Information prior to 2017 is not available.

Amounts presented for each fiscal year were determined as of the District's measurement date, which is the prior fiscal year-end.

See accompanying notes to the required supplementary information.

**HILLIARD CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution (1)	\$ 378,906	\$ 262,030	\$ 209,793	\$ 376,235
Contributions in Relation to the Contractually Required Contribution	<u>\$ 378,906</u>	<u>\$ 262,030</u>	<u>\$ 209,793</u>	<u>\$ 376,235</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 24,330,322	\$ 23,655,293	\$ 22,655,743	\$ 23,542,700
Contributions as a Percentage of Covered Payroll	1.56%	1.11%	0.93%	1.60%

(1) Includes Surcharge

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 447,389	\$ 452,745	\$ 533,095	\$ 721,213	\$ 553,103	\$ 1,244,246
<u>\$ 447,389</u>	<u>\$ 452,745</u>	<u>\$ 533,095</u>	<u>\$ 721,213</u>	<u>\$ 553,103</u>	<u>\$ 1,244,246</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,546,896	\$ 19,013,828	\$ 20,140,332	\$ 20,226,969	\$ 21,041,506	\$ 19,681,842
2.29%	2.38%	2.65%	3.57%	2.63%	6.32%

**HILLIARD CITY SCHOOL DISTRICT
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS
STATE TEACHERS RETIREMENT SYSTEM OF OHIO**

LAST TEN FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually Required Contribution	\$ -	\$ -	\$ -	\$ -
Contributions in Relation to the Contractually Required Contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 96,246,467	\$ 94,435,183	\$ 89,824,869	\$ 85,432,486
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 847,148	\$ 834,262	\$ 881,019	\$ 895,685	\$ 872,394	\$ 822,678
<u>\$ 847,148</u>	<u>\$ 834,262</u>	<u>\$ 881,019</u>	<u>\$ 895,685</u>	<u>\$ 872,394</u>	<u>\$ 822,678</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 84,714,756	\$ 83,426,168	\$ 88,101,883	\$ 89,568,514	\$ 87,239,433	\$ 82,267,761
1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

**NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 – BUDGETARY PROCESS

All governmental funds are subject to annual expenditures budgets. The Board follows the procedures outlined below in establishing the expenditures budget data:

1. Beginning in fiscal year 2011 the Franklin County Auditor eliminated the tax budget requirement. Alternative information must be filed by January 20th with the County Auditor. Board action is not required for the alternative document.
2. The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.
3. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end and encumbered appropriations are carried over to the following fiscal year and need not be re-appropriated. The Hilliard Board of Education adopted its 2018 permanent appropriation measure at its June 19, 2017 regular meeting. The Board of Education adopted at the June 11, 2018 regular meeting a permanent appropriation measure for fiscal year 2019. The appropriation measure may be amended or supplemented during the year as new information becomes available. Individual buildings and/or departments may transfer funds within their budgets. Revised appropriations are presented during the year and include the transfers requested by staff and any amendments to fund unanticipated expenditures. Appropriations may not exceed estimated resources and expenditures may not exceed appropriations at the fund level.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

**NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 2 – RECONCILING BUDGET BASIS AND GAAP

The District prepares its budget on a basis of accounting that differs from accounting principles generally accepted in the United States of America (GAAP). The actual column presented on the Budgetary Comparison Schedule – General Fund is prepared in accordance with the budget basis of accounting.

The major differences between the budgetary basis of accounting and GAAP are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
2. Expenditures are recorded when encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis);
3. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to an assignment of fund balance (GAAP basis);
4. Due to the implementation of GASB 54, some funds were reclassified to the General Fund. These funds are not required to be included in the General Fund Budgetary Statement. Therefore, the activity from these funds is excluded with an adjustment for their change in fund balance.

A reconciliation of the General Fund results of operations at the end of the year on the GAAP basis to the budget basis follows:

Net Change in Fund Balance

Budget Basis	\$ 11,453,052
Net Adjustments:	
Revenue and Other Financing Sources Accruals	1,860,095
Expenditure and Other Financing Uses Accruals	(3,866,391)
Encumbrances	1,574,364
Funds Budgeted as Other Funds	220,218
GAAP Basis	<u>\$ 11,241,338</u>

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 3 – NET PENSION LIABILITY

School Employees Retirement System

Changes in benefit terms:

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00% to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.5% with a floor of 0% beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

Changes in assumptions:

There were no changes in methods and assumptions used in the calculation of actuarially determined contributions for fiscal year 2018.

State Teachers Retirement System

Changes in benefit terms:

For fiscal year 2018, the COLA was reduced to zero.

Changes in assumptions:

For fiscal year 2018, the STRS Board adopted several assumption changes, including changes to:

- Inflation assumption lowered from 2.75% to 2.50%;
- Investment return assumption lowered from 7.75% to 7.45%;
- Total salary increases rates lowered by decreasing merit component of the individual salary increases, as well as by 0.25% due to lower inflation;
- Payroll growth assumption lowered to 3.00%;
- Updated the healthy and disabled mortality assumption to the “RP-2014” mortality tables with generational improvement scale MP-2016; and
- Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 4 – NET OPEB LIABILITY

School Employees Retirement System

Changes in Assumptions:

Amounts reported for fiscal year 2018 incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

State Teachers Retirement System

Changes in Assumptions:

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under *GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Also for fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019.

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SUPPLEMENTARY INFORMATION



HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES
GOVERNMENTAL FUNDS

Bond Retirement Fund - A fund used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

Building Fund - A fund used to account for the debt proceeds (excluding premiums) and accompanying expenditures to construct a new school building and provide capital renovations across the district.

Non-major Governmental Funds

Non-major Governmental Funds are established to account for revenues from specific sources, which legally, or otherwise, are restricted or committed to expenditures for specific purposes. A description of the District's Non-major Governmental Funds follows:

Capital Projects Funds

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. A description of the District's Non-major Capital Project Funds follows:

Permanent Improvement Fund - A fund used to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as are authorized by Section 5705, Ohio Revised Code.

Special Revenue Funds

Special Revenue funds are established to account for revenues from specific sources, which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Non-major Special Revenue Funds follows:

Food Service - A fund used to record financial transactions related to the District's food service operation.

Latchkey - A fund provided to account for revenues and expenditures made in connection with the District's school age care program.

Miscellaneous Local Grants - A fund used to account for the proceeds of specific revenue sources, except for state and federal grants that are legally restricted to expenditures for specified purposes.

District-Managed Student Activities - A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services - A special revenue fund used to account for monies which provide services and materials to pupils attending non-public schools, located within the District.

Data Communications - A fund used to account for the monies received from the State of Ohio with expenditures for installation and support costs for data communication links to connect schools to the Data Acquisition Sites, and to help offset upgrade and support costs necessary to increase data communication links.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES
GOVERNMENTAL FUNDS

Miscellaneous State Grants - A fund used to account for other state grants, not required to be accounted for in another fund.

Title VI-B IDEA - A fund used to account for Provision of grants received to assist states in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

Title III - Limited English Proficiency - A fund provided to account for the Foreign Language Grant program, which is funded with U.S. Department of Education grant monies.

Title I Grant - A fund provided to account for financial assistance to State and Local Educational Agencies, to meet the special literacy and math needs of economically disadvantaged children.

IDEA Preschool Grants for the Handicapped - A fund used to account for revenues and expenditures related to the Preschool Grant Program, Section 69 of Public Law 99-457, addresses the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

Improving Teacher Quality - A fund to account for grants providing financial assistance to State and Local Educational Agencies to improve teacher quality, increasing the number of highly qualified teachers in classrooms and reducing class size.

Miscellaneous Federal Grants - A fund used to account for Federal funds not required to be accounted for in a separate fund.

The following Special Revenue Funds are reported within the General Fund for GAAP purposes due to GASB 54. However, they are reported separately on the schedule of budgetary expenditures only.

Special Building Trust - A fund used to account for building contributions and can be fully expended for district/building purposes.

Rotary Services - A fund used to report any activity for which a fee is charged to external users for goods or services and tend to be curricular in nature.

Public School Support - A fund provided to account for specific local revenue sources, other than taxes or expendable trusts, which are assigned to expenditures for specified purposes approved by board resolution.

Underground Storage Tanks - A fund used to account for the deductible amount as required by the Ohio Bureau of Underground Storage Tank Regulation. The District has 3 underground petroleum tanks at its transportation facility.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2018

	Permanent Improvement	Food Services	Latchkey	Miscellaneous Local Grants
Assets:				
Cash and Cash Equivalents	\$ 1,808,901	\$ 2,371,062	\$ 2,178,748	\$ 21,650
Receivables:				
Property Taxes	4,524,471	-	-	-
Accounts	-	-	31,228	-
Due From Other Governments	-	-	-	-
Materials and Supplies Inventory	-	73,887	-	-
Total Assets	<u>\$ 6,333,372</u>	<u>\$ 2,444,949</u>	<u>\$ 2,209,976</u>	<u>\$ 21,650</u>
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 110,475	\$ 403,951	\$ 974	\$ -
Accrued Wages and Benefits Payable	-	-	-	-
Due to Other Governments	-	101,373	1,368	-
Due To Other Funds	-	-	-	-
Tax Anticipation Notes Payable	930,000	-	-	-
Total Liabilities	<u>1,040,475</u>	<u>505,324</u>	<u>2,342</u>	<u>-</u>
Deferred Inflows of Resources:				
Property and Other Local Taxes	2,587,841	-	-	-
Unavailable Revenue	33,909	-	30,425	-
Total Deferred Inflows of Resources	<u>2,621,750</u>	<u>-</u>	<u>30,425</u>	<u>-</u>
Fund Balances:				
Nonspendable:				
Inventory	-	73,887	-	-
Restricted:				
Capital Projects	2,671,147	-	-	-
Non-instructional Services	-	1,865,738	-	-
Locally Funded Programs	-	-	-	21,650
Extracurricular Activities	-	-	-	-
State Funded Programs	-	-	-	-
Committed:				
Latchkey	-	-	2,177,209	-
Unassigned	-	-	-	-
Total Fund Balances	<u>2,671,147</u>	<u>1,939,625</u>	<u>2,177,209</u>	<u>21,650</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,333,372</u>	<u>\$ 2,444,949</u>	<u>\$ 2,209,976</u>	<u>\$ 21,650</u>

District Managed Student Activities	Auxiliary Services	Data Communications	Miscellaneous State Grants	Title VI-B IDEA	Title III Limited English Proficiency
\$ 895,637	\$ 135,316	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	714,510	57,075
-	-	-	-	-	-
<u>\$ 895,637</u>	<u>\$ 135,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,510</u>	<u>\$ 57,075</u>
\$ 24,321	\$ 11,138	\$ -	\$ -	\$ -	\$ -
-	50,933	-	-	400,297	35,548
507	6,389	-	-	50,949	4,867
-	-	-	-	258,727	16,747
-	-	-	-	-	-
<u>24,828</u>	<u>68,460</u>	<u>-</u>	<u>-</u>	<u>709,973</u>	<u>57,162</u>
-	-	-	-	-	-
-	-	-	-	455,783	40,328
-	-	-	-	<u>455,783</u>	<u>40,328</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
870,809	-	-	-	-	-
-	66,856	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(451,246)	(40,415)
<u>870,809</u>	<u>66,856</u>	<u>-</u>	<u>-</u>	<u>(451,246)</u>	<u>(40,415)</u>
<u>\$ 895,637</u>	<u>\$ 135,316</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 714,510</u>	<u>\$ 57,075</u>

(Continued)

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2018
(CONTINUED)

	Title I Grant	IDEA Preschool Grants for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants
Assets:				
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property Taxes	-	-	-	-
Accounts	-	-	-	-
Due From Other Governments	406,246	16,463	66,074	17,413
Materials and Supplies Inventory	-	-	-	-
Total Assets	\$ 406,246	\$ 16,463	\$ 66,074	\$ 17,413
Liabilities:				
Current Liabilities:				
Accounts Payable	\$ 5,927	\$ -	\$ -	\$ 3,840
Accrued Wages and Benefits Payable	212,556	9,683	55,595	-
Due to Other Governments	26,891	1,271	6,920	-
Due To Other Funds	160,193	5,488	9,681	13,449
Tax Anticipation Notes Payable	-	-	-	-
Total Liabilities	405,567	16,442	72,196	17,289
Deferred Inflows of Resources:				
Property and Other Local Taxes	-	-	-	-
Unavailable Revenue	246,053	10,975	56,393	3,964
Total Deferred Inflows of Resources	246,053	10,975	56,393	3,964
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted:				
Capital Projects	-	-	-	-
Non-instructional Services	-	-	-	-
Locally Funded Programs	-	-	-	-
Extracurricular Activities	-	-	-	-
State Funded Programs	-	-	-	-
Committed:				
Latchkey	-	-	-	-
Unassigned	(245,374)	(10,954)	(62,515)	(3,840)
Total Fund Balances	(245,374)	(10,954)	(62,515)	(3,840)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 406,246	\$ 16,463	\$ 66,074	\$ 17,413

Total
Non-Major
Governmental
Funds

\$ 7,411,314

4,524,471

31,228

1,277,781

73,887

\$ 13,318,681

\$ 560,626

764,612

200,535

464,285

930,000

2,920,058

2,587,841

877,830

3,465,671

73,887

2,671,147

1,865,738

21,650

870,809

66,856

2,177,209

(814,344)

6,932,952

\$ 13,318,681

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Permanent Improvement	Food Services	Latchkey	Miscellaneous Local Grants
Revenues:				
Property Taxes	\$ 4,396,169	\$ -	\$ -	\$ -
Tuition	-	-	2,849,967	-
Investment Earnings	-	34,640	-	-
Other Local Revenues	-	-	-	4,340
Intergovernmental - State	487,423	38,308	14,404	-
Intergovernmental - Federal	-	2,208,222	2,509	-
Extracurricular Activities	-	-	-	-
Food Services	-	3,045,418	-	-
Total Revenues	4,883,592	5,326,588	2,866,880	4,340
Expenditures:				
Current:				
Instruction:				
Regular	1,774,653	-	-	3,432
Special	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	10,046	-	-
Instructional Staff	-	-	-	3,622
Administration	-	-	-	-
Fiscal Services	66,351	-	-	-
Operation and Maintenance of Plant	93,465	-	-	-
Pupil Transportation	16,531	-	-	-
Central	-	-	-	-
Food Service Operations	-	5,678,611	-	-
Community Services	-	-	2,642,462	-
Extracurricular Activities	633	-	-	-
Capital Outlay	1,909,343	447,680	3,000	10,000
Debt service:				
Interest and Fiscal Charges	51,750	-	-	-
Total Expenditures	3,912,726	6,136,337	2,645,462	17,054
Excess (Deficiency) of Revenues Over (Under) Expenditures	970,866	(809,749)	221,418	(12,714)
Other Financing Sources (Uses):				
Sale of Capital Assets	70,785	-	-	-
Refund of Prior Year Receipts	-	(3,490)	-	-
Total Other Financing Sources (Uses)	70,785	(3,490)	-	-
Net Change in Fund Balances	1,041,651	(813,239)	221,418	(12,714)
Fund Balance Beginning of Year, Restated	1,629,496	2,752,864	1,955,791	34,364
Fund Balance End of Year	\$ 2,671,147	\$ 1,939,625	\$ 2,177,209	\$ 21,650

District Managed Student Activities	Auxiliary Services	Data Communications	Miscellaneous State Grants	Title VI-B IDEA	Title III Limited English Proficiency
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	2,765	-	-	-	-
108,935	-	-	-	-	-
-	708,105	39,600	2,500	-	-
-	-	-	-	2,863,504	229,065
769,219	-	-	-	-	-
-	-	-	-	-	-
<u>878,154</u>	<u>710,870</u>	<u>39,600</u>	<u>2,500</u>	<u>2,863,504</u>	<u>229,065</u>
-	-	-	2,500	-	-
-	-	-	-	2,759,618	-
-	-	-	-	-	226,780
-	-	-	-	72,000	-
-	-	-	-	42,500	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	39,600	-	-	-
-	-	-	-	-	-
-	684,188	-	-	42,848	-
735,087	-	-	-	-	-
34,736	-	-	-	-	-
-	-	-	-	-	-
<u>769,823</u>	<u>684,188</u>	<u>39,600</u>	<u>2,500</u>	<u>2,916,966</u>	<u>226,780</u>
108,331	26,682	-	-	(53,462)	2,285
-	-	-	-	-	-
-	(9,471)	-	-	-	-
<u>-</u>	<u>(9,471)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
108,331	17,211	-	-	(53,462)	2,285
762,478	49,645	-	-	(397,784)	(42,700)
<u>\$ 870,809</u>	<u>\$ 66,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (451,246)</u>	<u>\$ (40,415)</u>

(Continued)

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

	Title I Grant	IDEA Preschool Grants for the Handicapped	Improving Teacher Quality	Miscellaneous Federal Grants
Revenues:				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Tuition	-	-	-	-
Investment Earnings	-	-	-	-
Other Local Revenues	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	1,615,330	58,862	325,720	392,763
Extracurricular Activities	-	-	-	-
Food Services	-	-	-	-
Total Revenues	<u>1,615,330</u>	<u>58,862</u>	<u>325,720</u>	<u>392,763</u>
Expenditures:				
Current:				
Instruction:				
Regular	-	-	-	235,606
Special	-	60,733	-	-
Other	1,453,093	-	335,578	-
Support services:				
Pupils	-	-	-	-
Instructional Staff	19,996	-	-	26,961
Administration	16,314	-	-	101,708
Fiscal Services	-	-	-	-
Operation and Maintenance of Plant	-	-	-	297
Pupil Transportation	15,185	-	-	-
Central	-	-	-	-
Food Service Operations	-	-	-	-
Community Services	175,441	-	15,510	32,031
Extracurricular Activities	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,680,029</u>	<u>60,733</u>	<u>351,088</u>	<u>396,603</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(64,699)	(1,871)	(25,368)	(3,840)
Other Financing Sources (Uses):				
Sale of Capital Assets	-	-	-	-
Refund of Prior Year Receipts	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(64,699)	(1,871)	(25,368)	(3,840)
Fund Balance Beginning of Year, Restated	(180,675)	(9,083)	(37,147)	-
Fund Balance End of Year	<u>\$ (245,374)</u>	<u>\$ (10,954)</u>	<u>\$ (62,515)</u>	<u>\$ (3,840)</u>

Total
Non-Major
Governmental
Funds

\$ 4,396,169
2,849,967
37,405
113,275
1,290,340
7,695,975
769,219
3,045,418

20,197,768

2,016,191
2,820,351
2,015,451

82,046
93,079
118,022
66,351
93,762
31,716
39,600
5,678,611
3,592,480
735,720
2,404,759

51,750

19,839,889

357,879

70,785
(12,961)

57,824

415,703

6,517,249

\$ 6,932,952

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HILLIARD CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Over/(Under)
Bond Retirement			
Total Revenues and Other Sources	\$ 18,609,982	\$ 19,467,466	\$ 857,484
Total Expenditures and Other Uses	<u>19,255,000</u>	<u>19,133,548</u>	<u>121,452</u>
Net Change in Fund Balance	(645,018)	333,918	978,936
Fund Balances - July 1	13,903,158	13,903,158	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 13,258,140</u>	<u>\$ 14,237,076</u>	<u>\$ 978,936</u>

Building

Total Revenues and Other Sources	\$ 150,000	\$ 488,240	\$ 338,240
Total Expenditures and Other Uses	<u>43,467,370</u>	<u>37,678,836</u>	<u>5,788,534</u>
Net Change in Fund Balance	(43,317,370)	(37,190,596)	6,126,774
Fund Balances - July 1	15,097,377	15,097,377	-
Prior Year Encumbrances Appropriated	28,767,370	28,767,370	-
Fund Balances - June 30	<u>\$ 547,377</u>	<u>\$ 6,674,151</u>	<u>\$ 6,126,774</u>

Permanent Improvement

Total Revenues and Other Sources	\$ 4,910,451	\$ 5,068,426	\$ 157,975
Total Expenditures and Other Uses	<u>6,498,445</u>	<u>6,112,096</u>	<u>386,349</u>
Net Change in Fund Balance	(1,587,994)	(1,043,670)	544,324
Fund Balances - July 1	880,067	880,067	-
Prior Year Encumbrances Appropriated	1,798,445	1,798,445	-
Fund Balances - June 30	<u>\$ 1,090,518</u>	<u>\$ 1,634,842</u>	<u>\$ 544,324</u>

HILLIARD CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Over/(Under)
Food Service			
Total Revenues and Other Sources	\$ 5,411,000	\$ 4,972,277	\$ (438,723)
Total Expenditures and Other Uses	<u>6,233,190</u>	<u>5,649,242</u>	<u>583,948</u>
Net Change in Fund Balance	(822,190)	(676,965)	145,225
Fund Balances - July 1	2,706,171	2,706,171	-
Prior Year Encumbrances Appropriated	8,190	8,190	-
Fund Balances - June 30	<u>\$ 1,892,171</u>	<u>\$ 2,037,396</u>	<u>\$ 145,225</u>

Latchkey			
Total Revenues and Other Sources	\$ 2,627,500	\$ 2,866,546	\$ 239,046
Total Expenditures and Other Uses	<u>3,117,920</u>	<u>2,665,234</u>	<u>452,686</u>
Net Change in Fund Balance	(490,420)	201,312	691,732
Fund Balances - July 1	1,974,436	1,974,436	-
Prior Year Encumbrances Appropriated	3,000	3,000	-
Fund Balances - June 30	<u>\$ 1,487,016</u>	<u>\$ 2,178,748</u>	<u>\$ 691,732</u>

Miscellaneous Local Grants			
Total Revenues and Other Sources	\$ 20,000	\$ 4,340	\$ (15,660)
Total Expenditures and Other Uses	<u>45,000</u>	<u>17,054</u>	<u>27,946</u>
Net Change in Fund Balance	(25,000)	(12,714)	12,286
Fund Balances - July 1	34,364	34,364	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 9,364</u>	<u>\$ 21,650</u>	<u>\$ 12,286</u>

HILLIARD CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Over/(Under)
District-Managed Student Activities			
Total Revenues and Other Sources	\$ 900,000	\$ 878,154	\$ (21,846)
Total Expenditures and Other Uses	<u>1,225,489</u>	<u>775,887</u>	<u>449,602</u>
Net Change in Fund Balance	(325,489)	102,267	427,756
Fund Balances - July 1	761,147	761,147	-
Prior Year Encumbrances Appropriated	15,489	15,489	-
Fund Balances - June 30	<u>\$ 451,147</u>	<u>\$ 878,903</u>	<u>\$ 427,756</u>
Auxiliary Services			
Total Revenues and Other Sources	\$ 707,000	\$ 710,870	\$ 3,870
Total Expenditures and Other Uses	<u>819,878</u>	<u>781,039</u>	<u>38,839</u>
Net Change in Fund Balance	(112,878)	(70,169)	42,709
Fund Balances - July 1	35,999	35,999	-
Prior Year Encumbrances Appropriated	109,405	109,405	-
Fund Balances - June 30	<u>\$ 32,526</u>	<u>\$ 75,235</u>	<u>\$ 42,709</u>
Data Communications			
Total Revenues and Other Sources	\$ 39,600	\$ 39,600	\$ -
Total Expenditures and Other Uses	<u>39,600</u>	<u>39,600</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balances - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HILLIARD CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Over/(Under)
Miscellaneous State Grants			
Total Revenues and Other Sources	\$ 2,500	\$ 2,500	\$ -
Total Expenditures and Other Uses	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balances - July 1	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Title VI-B IDEA			
Total Revenues and Other Sources	\$ 3,000,000	\$ 2,610,854	\$ (389,146)
Total Expenditures and Other Uses	<u>2,882,000</u>	<u>2,867,126</u>	<u>14,874</u>
Net Change in Fund Balance	118,000	(256,272)	(374,272)
Fund Balances - July 1	(6,078)	(6,078)	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u><u>\$ 111,922</u></u>	<u><u>\$ (262,350)</u></u>	<u><u>\$ (374,272)</u></u>
Title III Limited English Proficiency			
Total Revenues and Other Sources	\$ 234,000	\$ 212,318	\$ (21,682)
Total Expenditures and Other Uses	<u>234,000</u>	<u>230,781</u>	<u>3,219</u>
Net Change in Fund Balance	-	(18,463)	(18,463)
Fund Balances - July 1	1,716	1,716	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u><u>\$ 1,716</u></u>	<u><u>\$ (16,747)</u></u>	<u><u>\$ (18,463)</u></u>

HILLIARD CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Over/(Under)
	<u> </u>	<u> </u>	<u> </u>
Title I Grant			
Total Revenues and Other Sources	\$ 1,725,000	\$ 1,457,224	\$ (267,776)
Total Expenditures and Other Uses	<u>1,711,769</u>	<u>1,625,876</u>	<u>85,893</u>
Net Change in Fund Balance	13,231	(168,652)	(181,883)
Fund Balances - July 1	(18,858)	(18,858)	-
Prior Year Encumbrances Appropriated	16,769	16,769	-
Fund Balances - June 30	<u>\$ 11,142</u>	<u>\$ (170,741)</u>	<u>\$ (181,883)</u>
IDEA Preschool Grants for the Handicapped			
Total Revenues and Other Sources	\$ 73,000	\$ 53,374	\$ (19,626)
Total Expenditures and Other Uses	<u>72,500</u>	<u>72,364</u>	<u>136</u>
Net Change in Fund Balance	500	(18,990)	(19,490)
Fund Balances - July 1	2	2	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 502</u>	<u>\$ (18,988)</u>	<u>\$ (19,490)</u>
Improving Teacher Quality			
Total Revenues and Other Sources	\$ 329,000	\$ 316,170	\$ (12,830)
Total Expenditures and Other Uses	<u>328,500</u>	<u>325,720</u>	<u>2,780</u>
Net Change in Fund Balance	500	(9,550)	(10,050)
Fund Balances - July 1	(131)	(131)	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 369</u>	<u>\$ (9,681)</u>	<u>\$ (10,050)</u>

HILLIARD CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Final Budget	Actual	Variance Over/(Under)
Miscellaneous Federal Grants			
Total Revenues and Other Sources	\$ 448,000	\$ 387,199	\$ (60,801)
Total Expenditures and Other Uses	<u>440,000</u>	<u>398,637</u>	<u>41,363</u>
Net Change in Fund Balance	8,000	(11,438)	(19,438)
Fund Balances - July 1	(7,881)	(7,881)	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 119</u>	<u>\$ (19,319)</u>	<u>\$ (19,438)</u>
Special Building Trust			
Total Revenues and Other Sources	\$ 55,000	\$ 118,671	\$ 63,671
Total Expenditures and Other Uses	<u>84,000</u>	<u>33,353</u>	<u>50,647</u>
Net Change in Fund Balance	(29,000)	85,318	114,318
Fund Balances - July 1	169,204	169,204	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 140,204</u>	<u>\$ 254,522</u>	<u>\$ 114,318</u>
Rotary Services			
Total Revenues and Other Sources	\$ 373,000	\$ 521,799	\$ 148,799
Total Expenditures and Other Uses	<u>565,355</u>	<u>516,696</u>	<u>48,659</u>
Net Change in Fund Balance	(192,355)	5,103	197,458
Fund Balances - July 1	216,768	216,768	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 24,413</u>	<u>\$ 221,871</u>	<u>\$ 197,458</u>

HILLIARD CITY SCHOOL DISTRICT

INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/(Under)</u>
Public School Support			
Total Revenues and Other Sources	\$ 477,000	\$ 407,881	\$ (69,119)
Total Expenditures and Other Uses	<u>652,292</u>	<u>301,959</u>	<u>350,333</u>
Net Change in Fund Balance	(175,292)	105,922	281,214
Fund Balances - July 1	597,056	597,056	-
Prior Year Encumbrances Appropriated	28,732	28,732	-
Fund Balances - June 30	<u>\$ 450,496</u>	<u>\$ 731,710</u>	<u>\$ 281,214</u>

Underground Storage Tanks

Total Revenues and Other Sources	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-
Fund Balances - July 1	11,000	11,000	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balances - June 30	<u>\$ 11,000</u>	<u>\$ 11,000</u>	<u>\$ -</u>

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES
PROPRIETARY FUND

Internal Service Fund

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to another department or agency on a cost reimbursement basis. A description of the District's Internal Service Fund follows:

Employee Benefit Self-Insurance - A fund provided to account for monies received from other funds as payment for providing medical, hospitalization, life and dental insurance. Payments are made to a third party administrator for claims payments, claims administration and stop-loss coverage.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

**INDIVIDUAL FUND SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Final Budget	Actual	Variance Over/(Under)
Employee Benefit Self Insurance			
Total Revenues and Other Sources	\$ 29,395,000	\$ 30,174,041	\$ 779,041
Total Expenses and Other Uses	31,181,357	29,831,878	1,349,479
Net Change in Fund Balance	(1,786,357)	342,163	2,128,520
Fund Balance - July 1	6,077,267	6,077,267	-
Prior Year Encumbrances Appropriated	258,857	258,857	-
Fund Balance - June 30	<u>\$ 4,549,767</u>	<u>\$ 6,678,287</u>	<u>\$ 2,128,520</u>

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**
COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES
FIDUCIARY FUNDS

Agency Funds

Agency Funds are used to account for assets held by a government as an agent for individuals, private organizations, other governments and/or other funds. A description of the District's Fiduciary Funds follows:

District Administration Fund - An agency fund established to account for the employee vision insurance and flexible spending account contributions and resulting expenditures to a third party administrator of the plan. The fund also accounts for STRS activity to true up the expenditures in the fund financial statements. At year end, there is a receivable as a result of the STRS activity.

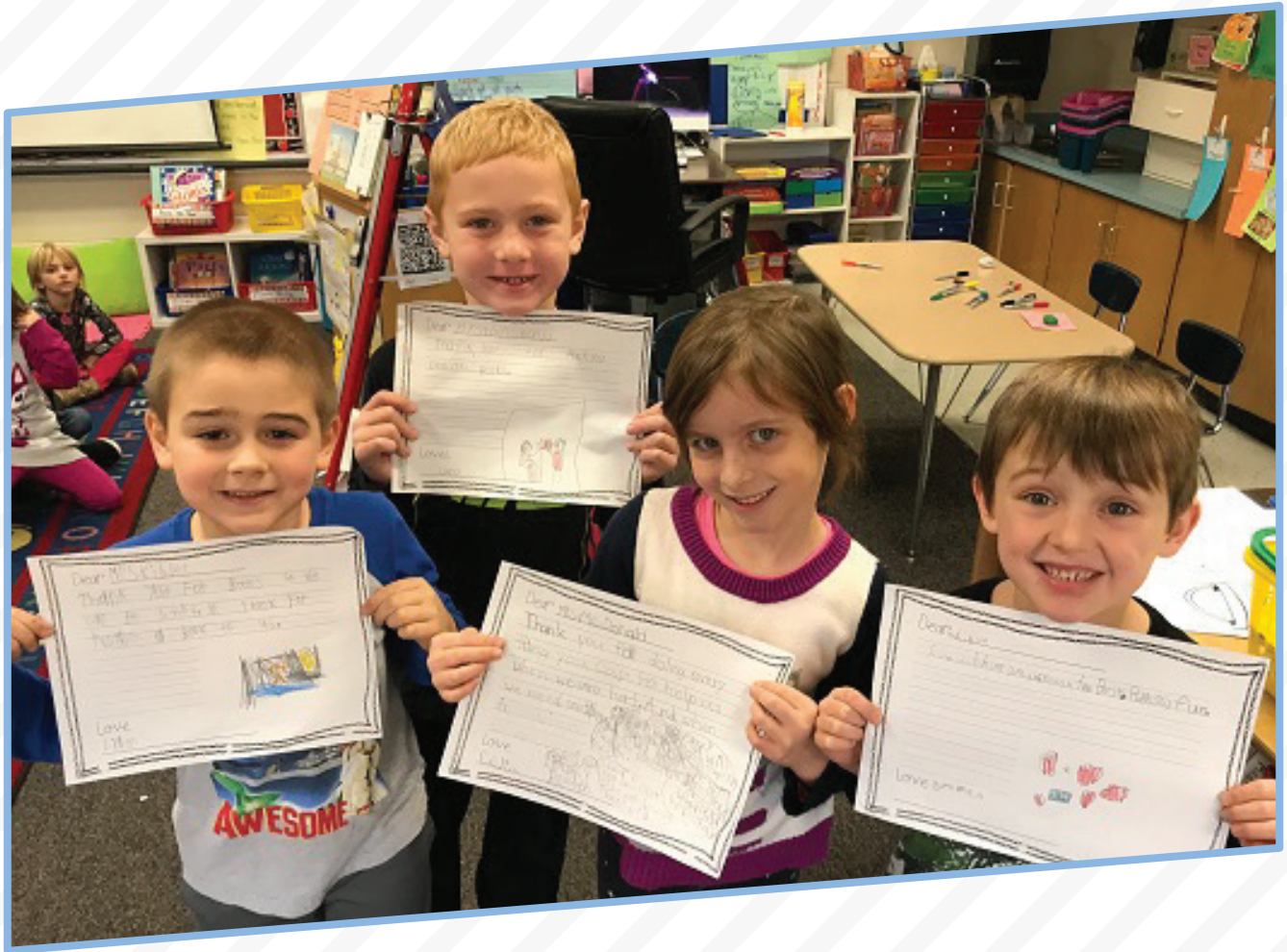
Student Activities Fund - An agency fund provided to account for those student activity programs, which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities, which consist of a student body, student president, student treasurer and faculty advisor.

HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
DISTRICT ADMINISTRATION FUND				
Assets				
Cash and Cash Equivalents	\$ -	\$ 15,347,235	\$ (15,292,924)	\$ 54,311
Total Assets	<u>\$ -</u>	<u>\$ 15,347,235</u>	<u>\$ (15,292,924)</u>	<u>\$ 54,311</u>
Liabilities				
Due to Others	-	15,347,235	(15,292,924)	54,311
Total Liabilities	<u>\$ -</u>	<u>\$ 15,347,235</u>	<u>\$ (15,292,924)</u>	<u>\$ 54,311</u>
STUDENT ACTIVITIES FUND				
Assets				
Cash and Cash Equivalents	\$ 485,558	\$ 556,524	\$ (494,925)	\$ 547,157
Total Assets	<u>\$ 485,558</u>	<u>\$ 556,524</u>	<u>\$ (494,925)</u>	<u>\$ 547,157</u>
Liabilities				
Accounts Payable	\$ 9,048	\$ 4,448	\$ (9,048)	\$ 4,448
Due to Others	476,510	552,076	(485,877)	542,709
Total Liabilities	<u>\$ 485,558</u>	<u>\$ 556,524</u>	<u>\$ (494,925)</u>	<u>\$ 547,157</u>
TOTAL				
Assets				
Cash and Cash Equivalents	\$ 485,558	\$ 15,903,759	\$ (15,787,849)	\$ 601,468
Total Assets	<u>\$ 485,558</u>	<u>\$ 15,903,759</u>	<u>\$ (15,787,849)</u>	<u>\$ 601,468</u>
Liabilities				
Accounts Payable	\$ 9,048	\$ 4,448	\$ (9,048)	\$ 4,448
Due to Others	476,510	15,899,311	(15,778,801)	597,020
Total Liabilities	<u>\$ 485,558</u>	<u>\$ 15,903,759</u>	<u>\$ (15,787,849)</u>	<u>\$ 601,468</u>

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Statistical Section



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**HILLIARD CITY SCHOOL DISTRICT
STATISTICAL SECTION**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<u>Contents</u>	<u>Page</u>
<i>Financial Trends</i>	120-129
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
<i>Revenue Capacity</i>	130-135
These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	
<i>Debt Capacity</i>	136-141
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	
<i>Demographic and Economic Information</i>	142-145
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
<i>Operating Information</i>	146-155
These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

HILLIARD CITY SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Net investment in capital assets	\$ 37,274,183	\$ 26,447,859	\$ 25,811,174	\$ 21,959,216
Restricted	27,421,755	28,697,060	24,258,948	28,202,700
Unrestricted	<u>(177,531,120)</u>	<u>(285,128,332)</u>	<u>(220,478,329)</u>	<u>(227,989,609)</u>
Total governmental activities net position	<u>\$ (112,835,182)</u>	<u>\$ (229,983,413)</u>	<u>\$ (170,408,207)</u>	<u>\$ (177,827,693)</u>

Note: Fiscal year 2014 has been restated for the implementation of GASB 68.

Note: Fiscal year 2017 has been restated for the implementation of GASB 75.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ (8,121,617)	\$ (1,635,849)	\$ (2,460,276)	\$ (5,565,570)	\$ (4,211,910)	\$ 4,242,923
20,267,242	20,130,187	22,977,705	28,151,321	27,606,826	23,210,974
<u>(207,073,070)</u>	<u>37,382,509</u>	<u>37,776,426</u>	<u>28,246,896</u>	<u>32,276,105</u>	<u>33,600,143</u>
<u>\$ (194,927,445)</u>	<u>\$ 55,876,847</u>	<u>\$ 58,293,855</u>	<u>\$ 50,832,647</u>	<u>\$ 55,671,021</u>	<u>\$ 61,054,040</u>

HILLIARD CITY SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2018	2017	2016	2015
Expenses				
Governmental Activities:				
Instruction				
Regular	\$ 39,322,614	\$ 111,614,080	\$ 116,218,842	\$ 95,102,748
Special	10,969,099	21,037,258	20,199,336	16,564,476
Vocational	179,355	2,381,227	2,505,223	2,206,843
Other	3,037,757	-	-	-
Support Services				
Pupils	6,833,616	15,758,812	15,769,006	12,703,659
Instructional Staff	5,563,454	11,524,816	12,144,287	9,683,587
Board of Education	442,208	10,461,721	10,464,016	9,195,349
General Administrative	5,451,022	354,419	343,483	330,816
Fiscal Services	4,327,887	4,835,755	4,412,504	4,446,147
Business	726,148	911,981	828,153	839,653
Operation & Maintenance of Plant	19,116,086	17,385,604	16,442,726	14,162,837
Pupil Transportation	9,724,704	10,599,087	9,845,289	9,506,593
Central	2,157,440	2,499,310	1,763,742	1,488,994
Community Services	5,493,374	3,227,229	2,908,701	2,892,732
Food Service Operations	3,392,268	5,496,580	5,436,729	5,442,641
Extra Curricular Activities	2,303,442	6,036,158	5,546,211	4,847,363
Interest and Fiscal Charges	5,798,027	7,049,219	7,432,983	7,939,505
Miscellaneous	-	-	-	-
Total Governmental Activities	<u>124,838,501</u>	<u>231,173,256</u>	<u>232,261,231</u>	<u>197,353,943</u>
Expenses				
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction				
Regular	\$ 1,490,954	\$ 1,821,217	\$ 1,959,823	\$ 1,932,859
Special	297,047	191,423	168,157	169,363
Vocational	30,831	21,667	20,856	22,564
Other	130,786	-	-	-
Support Services				
Pupils	-	-	-	21,620
Instructional Staff	-	-	-	-
Board of Education	-	-	-	-
General Administrative	-	-	-	-
Fiscal Services	-	-	-	-
Business	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Pupil Transportation	-	200,559	-	-
Central	-	-	-	-
Community Services	3,045,418	2,704,259	2,443,107	2,319,092
Food Service Operations	2,840,730	3,146,795	3,186,892	3,175,578
Extra Curricular Activities	923,540	869,650	1,110,556	952,095
Miscellaneous	-	-	-	-
Operating Grants and Contributions	9,283,093	9,737,179	9,393,280	10,734,614
Capital Grants and Contributions	15,058	-	-	-
Total Governmental Activities	<u>18,057,457</u>	<u>18,692,749</u>	<u>18,282,671</u>	<u>19,327,785</u>
Program Revenues				
Net (Expense)/Revenue				
Governmental Activities	\$ (106,781,044)	\$ (212,480,507)	\$ (213,978,560)	\$ (178,026,158)

2014	2013	2012	2011	2010	2009
\$ 92,979,628	\$ 88,134,477	\$ 89,643,622	\$ 93,677,503	\$ 93,413,678	\$ 88,191,190
18,044,104	17,336,817	24,053,702	20,208,756	19,298,827	17,026,624
1,463,815	6,643,022	1,112,666	1,442,162	1,350,631	1,035,569
-	-	-	-	-	-
12,496,611	12,363,839	12,565,375	10,625,989	10,047,902	9,622,713
8,911,666	8,461,569	9,024,280	8,385,670	9,854,465	9,351,098
353,808	392,731	8,339,886	11,145,918	10,214,620	10,054,745
9,184,869	8,453,457	307,354	276,592	438,072	296,409
4,464,183	5,617,968	3,046,569	3,849,167	3,831,070	3,743,879
1,072,724	800,665	770,869	1,035,375	971,255	919,294
15,445,577	17,294,230	14,659,261	16,893,977	16,420,139	14,726,606
9,279,309	8,233,115	8,441,721	8,522,165	7,997,969	7,845,830
1,355,218	1,602,582	694,076	712,997	673,108	609,281
2,828,520	2,901,940	2,645,637	2,730,639	2,556,229	2,490,233
5,424,534	4,846,102	5,582,177	5,108,862	4,774,193	4,787,269
4,883,018	4,705,386	4,443,274	4,664,946	4,924,554	4,191,362
8,081,667	9,755,664	10,985,896	10,822,788	11,204,471	10,450,932
-	-	-	-	-	105,061
<u>196,269,251</u>	<u>197,543,564</u>	<u>196,316,365</u>	<u>200,103,506</u>	<u>197,971,183</u>	<u>185,448,095</u>
\$ 1,854,719	\$ 1,919,533	\$ 1,483,516	\$ 1,679,389	\$ 1,538,363	\$ 1,348,163
182,556	170,386	183,235	133,848	123,065	145,737
14,278	65,288	10,771	13,588	12,373	9,947
-	-	-	-	-	-
12,549	-	738	1,676	5,710	-
-	16,067	1	869	22,044	6,884
-	-	-	2,801	26,296	216,709
-	-	-	-	-	-
-	-	2,315	5,475	4,222	-
-	-	-	-	-	221,632
-	-	22,328	555,959	225,873	133,808
-	-	-	1,221	11,262	28,647
-	-	-	-	25,326	-
2,457,955	2,176,647	2,000,354	2,082,628	1,824,209	1,594,139
3,289,006	3,208,563	3,363,808	3,415,428	3,353,215	3,435,693
939,886	842,171	720,859	731,532	738,491	795,366
487,348	1,555	-	-	-	1,324
9,094,822	8,066,269	9,558,097	13,593,714	11,301,014	7,460,389
-	-	-	-	-	-
<u>18,333,119</u>	<u>16,466,480</u>	<u>17,346,023</u>	<u>22,218,128</u>	<u>19,211,463</u>	<u>15,398,438</u>
\$ (177,936,132)	\$ (181,077,084)	\$ (178,970,342)	\$ (177,885,378)	\$ (178,759,720)	\$ (170,049,657)

HILLIARD CITY SCHOOL DISTRICT
CHANGES IN NET POSITION (continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Revenues and Other				
Changes in Net Position				
Governmental Activities				
Property Taxes Levied for:				
General Purposes	\$ 130,020,599	\$ 127,009,643	\$ 105,623,435	\$ 108,595,687
Debt Service	17,093,293	17,306,062	15,088,715	14,997,594
Permanent Improvement	4,328,538	4,624,810	4,106,154	4,214,850
Payments in Lieu of Taxes	3,844,522	-	-	-
Grants and Entitlements not				
Restricted to Specific Programs	65,816,549	64,126,938	65,123,271	63,102,610
Investment Earnings	1,248,862	758,828	574,775	234,322
Miscellaneous	<u>1,576,912</u>	<u>4,688,079</u>	<u>4,130,808</u>	<u>3,980,847</u>
Total Governmental Activities	<u>223,929,275</u>	<u>218,514,360</u>	<u>194,647,158</u>	<u>195,125,910</u>
Change in Net Position				
Governmental Activities	<u>\$ 117,148,231</u>	<u>\$ 6,033,853</u>	<u>\$ (19,331,402)</u>	<u>\$ 17,099,752</u>

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
\$ 109,762,468	\$ 101,300,569	\$ 106,363,533	\$ 93,209,760	\$ 93,523,208	\$ 103,839,779
15,042,636	13,800,506	14,458,043	13,720,546	13,571,060	14,819,019
4,260,901	3,946,788	4,174,035	4,217,280	4,222,950	4,660,001
-	-	-	-	-	-
59,418,666	55,711,006	56,437,892	58,010,452	59,245,699	58,265,356
140,830	156,411	209,521	265,473	477,848	1,584,812
<u>5,496,686</u>	<u>3,744,796</u>	<u>4,788,525</u>	<u>3,623,493</u>	<u>2,335,936</u>	<u>2,543,682</u>
<u>194,122,187</u>	<u>178,660,076</u>	<u>186,431,549</u>	<u>173,047,004</u>	<u>173,376,701</u>	<u>185,712,649</u>
<u>\$ 16,186,055</u>	<u>\$ (2,417,008)</u>	<u>\$ 7,461,207</u>	<u>\$ (4,838,374)</u>	<u>\$ (5,383,019)</u>	<u>\$ 15,662,992</u>

HILLIARD CITY SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2018	2017	2016	2015
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Assigned	57,823,244	3,262,507	3,155,665	1,497,811
Unassigned	35,187,847	78,507,246	63,806,229	62,702,854
Total General Fund	\$ 93,011,091	\$ 81,769,753	\$ 66,961,894	\$ 64,200,665
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special Revenue Funds	-	-	-	-
Debt Service Fund	-	-	-	-
Permanent Improvement Fund	-	-	-	-
Building Fund	-	-	-	-
Nonspendable	73,887	38,506	26,635	6,364
Restricted	40,271,607	67,170,107	20,519,755	22,111,886
Committed	2,177,209	1,955,791	1,623,640	1,267,668
Assigned	-	-	-	-
Unassigned	(814,344)	(667,389)	(632,592)	(262,752)
Total All Other Governmental Funds	\$ 41,708,359	\$ 68,497,015	\$ 21,537,438	\$ 23,123,166

* - Restated for implementation of GASB 54 during fiscal year 2011. The District has elected to not restate prior fund balance amounts for fiscal years prior to implementation.

Note: Amounts for fiscal years 2017 and prior have been restated. See Note 16 for information.

2014	2013	2012	2011	2010 *	2009
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,632,959
-	-	-	-	-	36,268,191
1,026,079	1,540,114	2,422,109	1,036,373	1,025,108	-
55,539,623	45,527,185	43,770,852	34,640,821	39,071,706	-
<u>\$ 56,565,702</u>	<u>\$ 47,067,299</u>	<u>\$ 46,192,961</u>	<u>\$ 35,677,194</u>	<u>\$ 40,096,814</u>	<u>\$ 37,901,150</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,226,908
-	-	-	-	-	2,123,150
-	-	-	-	-	11,843,799
-	-	-	-	-	(1,538,439)
-	-	-	-	-	(10,012,055)
67,961	67,961	67,961	71,297	52,898	-
17,477,169	16,151,022	19,224,863	20,070,323	19,265,762	-
1,008,827	732,714	682,063	2,419,864	2,142,959	-
-	-	-	-	-	-
(381,843)	(305,665)	(224,659)	(503,894)	(922,280)	-
<u>\$ 18,172,114</u>	<u>\$ 16,646,032</u>	<u>\$ 19,750,228</u>	<u>\$ 22,057,590</u>	<u>\$ 20,539,339</u>	<u>\$ 5,643,363</u>

HILLIARD CITY SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2018	2017	2016	2015
Revenues				
From Local Sources				
Taxes	\$ 153,433,263	\$ 150,885,669	\$ 123,945,400	\$ 129,218,235
Payments in Lieu of Taxes	3,844,522	-	-	-
Tuition	4,399,950	3,477,355	3,438,429	3,284,514
Earning on Investments	1,368,877	666,343	465,952	237,651
Other Local	1,538,756	4,731,101	126,090	28,970
Intergovernmental - State	67,252,574	65,733,395	66,749,999	66,334,585
Intergovernmental - Federal	7,998,800	8,080,854	7,402,305	7,580,453
Classroom Materials & Fees	503,596	1,173,366	1,078,395	1,164,301
Other Revenue	-	-	3,891,123	3,258,494
Extracurricular Activities	923,540	869,650	1,110,556	1,002,536
Food Services	3,045,418	3,146,795	3,186,892	3,175,578
Total Revenues	<u>244,309,296</u>	<u>238,764,528</u>	<u>211,395,141</u>	<u>215,285,317</u>
Expenditures				
Current:				
Instruction				
Regular	95,273,148	97,465,122	92,187,093	91,365,919
Special	21,015,525	19,595,343	17,773,010	17,401,298
Vocational	1,888,457	2,184,288	2,035,371	2,199,076
Other Instruction	10,026,493	-	-	-
Support Services				
Pupils	14,956,261	14,743,162	13,724,524	13,285,576
Instructional Staff	11,565,270	10,766,514	10,450,698	9,982,621
Board of Education	443,723	354,419	343,483	330,816
General Administration	9,767,695	9,503,845	8,969,730	9,207,189
Fiscal Services	4,466,687	4,748,614	4,382,779	4,477,279
Business	779,966	830,520	777,660	882,095
Operation & Maintenance of Plant	18,271,828	15,882,673	15,379,369	13,926,016
Pupil Transportation	9,860,908	9,145,385	8,749,588	9,037,167
Central	2,326,583	2,260,340	1,698,411	1,493,327
Community Services	5,678,611	3,177,265	2,849,395	2,908,704
Food Service Operations	3,635,806	5,413,167	5,349,708	5,362,676
Extra Curricular Activities	4,800,148	5,430,208	4,672,919	4,771,517
Miscellaneous	-	-	-	-
Capital Outlay	25,971,965	11,861,827	3,795,070	2,135,850
Debt Service				
Principal Retirement	13,570,000	13,295,000	12,965,000	12,235,000
Interest and Fiscal Charges	5,640,320	5,067,234	4,382,748	4,483,587
Total Expenditures	<u>\$ 259,939,394</u>	<u>\$ 231,724,926</u>	<u>\$ 210,486,556</u>	<u>\$ 205,485,713</u>
Excess (deficiency) of revenue over (under) expenditures	\$ (15,630,098)	\$ 7,039,602	\$ 908,585	\$ 9,799,604
Other Financing (Sources) Uses				
Refund of prior year expenditure/receipt (net)	(13,828)	-	-	-
Transfers In	312,877	320,591	328,352	331,100
Transfers (out)	(312,877)	(320,591)	(328,352)	(331,100)
Insurance Recovery	-	-	-	-
Proceeds from Sale of Fixed Assets	96,608	2,080,559	99,637	2,263,720
Premium on Bonds Issued	-	2,647,275	1,019,475	706,225
Bonds Issued	-	50,000,000	-	-
Refunding Bonds Issued	-	-	8,855,000	5,605,000
Payments to Refunded Bond Escrow	-	-	(9,707,196)	(6,200,578)
Total Other Financing (Sources) Uses	<u>82,780</u>	<u>54,727,834</u>	<u>266,916</u>	<u>2,374,367</u>
Net Change in Fund Balance	<u>\$ (15,547,318)</u>	<u>\$ 61,767,436</u>	<u>\$ 1,175,501</u>	<u>\$ 12,173,971</u>
Debt Service as a Percentage of Noncapital Expenditures	8.21%	8.35%	8.39%	8.22%

Note: Amounts for fiscal years 2017 and prior have been restated. See Note 16 for information.

2014	2013	2012	2011	2010	2009
\$ 129,124,414	\$ 119,645,337	\$ 124,561,285	\$ 111,760,961	\$ 112,954,990	\$ 122,283,939
-	-	-	-	-	-
3,148,206	3,225,320	2,721,616	2,819,341	2,324,020	2,183,931
127,775	180,793	189,390	263,188	560,884	1,694,614
371,678	339,874	3,875,611	3,815,281	2,980,635	3,158,909
61,048,870	56,489,713	57,632,156	58,970,417	59,971,902	59,150,778
7,366,554	7,164,610	9,433,081	11,940,550	10,469,544	5,616,327
1,097,211	1,101,860	922,624	934,866	897,395	903,599
5,988,989	3,364,205	-	-	-	127,992
824,806	715,050	695,956	669,710	674,030	666,000
3,289,006	3,208,563	3,363,808	3,415,428	3,353,215	3,435,693
<u>212,387,509</u>	<u>195,435,325</u>	<u>203,395,527</u>	<u>194,589,742</u>	<u>194,186,615</u>	<u>199,221,782</u>
87,593,486	81,091,077	80,862,121	86,826,416	86,028,126	82,763,446
18,383,419	17,414,250	23,650,479	20,166,794	19,149,813	16,921,131
1,445,717	6,513,919	1,140,440	1,448,326	1,347,615	1,029,274
-	-	-	-	-	-
12,716,233	12,243,664	12,346,639	10,653,853	9,889,608	9,632,199
9,066,018	8,528,419	9,006,121	8,413,999	9,676,792	9,215,489
353,808	392,731	307,354	276,592	438,072	296,409
9,011,498	8,384,587	8,007,011	10,882,076	9,877,254	9,739,605
4,453,492	5,616,389	3,038,120	3,860,110	3,825,655	3,735,261
1,080,101	757,218	755,267	1,011,884	966,153	911,239
15,198,189	14,432,290	14,279,069	16,708,894	16,124,551	12,919,323
8,536,016	7,328,457	7,572,840	7,715,064	7,124,289	7,608,970
1,338,044	1,446,040	642,462	678,564	665,286	609,952
2,844,926	2,909,959	2,638,112	2,741,814	2,553,223	2,472,220
5,343,594	4,763,766	5,501,044	5,028,995	4,695,145	4,729,538
4,702,757	4,504,183	4,257,601	4,466,193	4,630,561	3,946,561
-	-	-	-	-	105,061
2,756,645	3,097,070	4,063,632	4,102,437	1,813,259	26,941,614
12,035,000	13,465,000	12,075,000	11,904,561	2,316,225	10,643,522
4,504,081	5,643,800	6,310,520	5,848,628	6,271,802	6,299,309
<u>\$ 201,363,024</u>	<u>\$ 198,532,819</u>	<u>\$ 196,453,832</u>	<u>\$ 202,735,200</u>	<u>\$ 187,393,429</u>	<u>\$ 210,520,123</u>
\$ 11,024,485	\$ (3,097,494)	\$ 6,941,695	\$ (8,145,458)	\$ 6,793,186	\$ (11,298,341)
-	306,776	926,946	-	-	-
331,820	332,252	333,333	-	10,073,118	659,993
(331,820)	(332,252)	(333,333)	-	(10,073,118)	(659,993)
-	-	45,713	22,370	39,863	213,591
-	21,000	103,800	221,719	33,000	29,250
-	11,666,702	1,899,524	-	421,807	-
-	-	-	5,000,000	9,999,993	-
-	66,424,912	13,885,000	-	9,029,972	-
-	(77,551,753)	(15,594,273)	-	(9,226,181)	-
-	867,637	1,266,710	5,244,089	10,298,454	242,841
<u>\$ 11,024,485</u>	<u>\$ (2,229,857)</u>	<u>\$ 8,208,405</u>	<u>\$ (2,901,369)</u>	<u>\$ 17,091,640</u>	<u>\$ (11,055,500)</u>
9.08%	10.84%	10.57%	9.81%	4.85%	10.17%

**HILLIARD CITY SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN COLLECTION YEARS**

Collection Year	Real Property (a)		Tangible Personal Property (b)	
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value
2018	\$ 2,678,037,180	\$ 7,651,534,800	\$ -	\$ -
2017	2,436,010,490	6,960,029,971	-	-
2016	2,370,824,420	6,773,784,057	-	-
2015	2,332,367,080	6,663,905,943	-	-
2014	2,278,811,240	6,510,889,257	-	-
2013	2,279,187,380	6,511,963,943	-	-
2012	2,274,409,700	6,498,313,429	-	-
2011	2,367,466,070	6,764,188,771	-	-
2010	2,371,857,150	6,776,734,714	2,026,288	2,026,288
2009	2,338,363,870	6,681,039,629	4,055,232	64,883,712

Source : Franklin County Auditor

- (a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (b) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. The rate decreased by 6.25% to 18.75% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate continued to decrease by 6.25% in 2008 and will reach 0 in 2009. Personal property assessed for collection year 2010 is for delinquent taxes outstanding.
- (c) Assumes public utilities are assessed at true value which is 35%.
- (d) Tax rates are per \$1,000 of assessed value.

Public Utility (c)		Total		Tax Rate (d)
Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
\$ 92,459,760	\$ 264,170,743	\$ 2,770,496,940	\$ 7,915,705,543	93.75
85,495,620	244,273,200	2,521,506,110	7,204,303,171	94.35
75,996,270	217,132,200	2,446,820,690	6,990,916,257	89.55
71,514,850	204,328,143	2,403,881,930	6,868,234,086	89.55
65,485,990	187,102,829	2,344,297,230	6,697,992,086	89.45
62,558,580	178,738,800	2,341,745,960	6,690,702,743	89.45
57,421,280	164,060,800	2,331,830,980	6,662,374,229	89.35
54,840,830	156,688,086	2,422,306,900	6,920,876,857	82.95
49,401,120	141,146,057	2,423,284,558	6,919,907,059	82.85
48,651,380	139,003,943	2,391,070,482	6,884,927,284	82.79

**HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING
LAST TEN COLLECTION YEARS
(Per \$1000 Assessed Value)**

Collection Year	Hilliard City School District				Franklin County	Union County	Cities		
	General Fund	Bond Fund	Permanent Improvement	Total Direct			Hilliard	Dublin	Columbus
2009	74.55	6.24	2.00	82.79	18.02	10.85	1.60	2.95	3.14
2010	74.55	6.30	2.00	82.85	18.07	10.85	1.60	2.95	3.14
2011	74.55	6.40	2.00	82.95	18.07	10.85	1.60	2.95	3.14
2012	80.45	6.90	2.00	89.35	18.07	10.85	1.60	2.95	3.14
2013	80.45	7.00	2.00	89.45	18.47	10.85	1.60	2.95	3.14
2014	80.45	7.00	2.00	89.45	18.47	10.85	1.60	2.95	3.14
2015	80.45	7.10	2.00	89.55	18.47	10.85	1.60	2.95	3.14
2016	80.45	7.10	2.00	89.55	18.47	10.85	1.60	2.95	3.14
2017	84.95	7.40	2.00	94.35	18.47	10.85	1.60	2.95	3.14
2018	84.95	6.80	2.00	93.75	18.92	11.10	1.60	2.95	3.14
(Res/Agric)	(47.70)	(6.80)	(1.78)	(56.28)	(16.82)	(8.59)	(1.60)	(1.93)	(3.14)
(Comm/Ind)	(56.47)	(6.80)	(1.83)	(65.10)	(17.71)	(10.80)	(1.60)	(2.05)	(3.14)

Source: County Auditor, Franklin County and Union County

Figures in parentheses reflect "Effective" millage for residential/agricultural (upper) and commercial/industrial (lower) for the current collection year only. All other figures are voted millage.

Note: The Hilliard City School District consists of sixteen taxing Districts:
Hilliard City School District - City of Hilliard (District #050)
Hilliard City School District - City of Hilliard/Washington Township (District #052)
Hilliard City School District - City of Hilliard/Brown Township (District #053)
Hilliard City School District - Brown Township (District #120)
Hilliard City School District - Brown Township/City of Columbus (District #125)(Effective Fiscal Year 2006)
Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Franklin Township/City of Columbus (District #145)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Norwich Township/City of Columbus (District #203)(Effective Fiscal Year 2004)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Prairie Township/City of Columbus (District #245)(Effective Fiscal Year 2004)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - Washington Township/City of Columbus (District #277)(Effective Fiscal Year 2004)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township

Townships					Tolles JVS	Columbus Metropolitan Library
Brown	Franklin	Norwich	Prairie	Washington		
12.80	25.20	21.60	18.20	14.48	1.30	2.20
12.80	25.20	21.60	18.20	15.45	1.30	2.20
12.80	25.20	21.60	18.20	15.45	1.30	2.80
12.80	25.20	21.60	18.20	15.45	1.60	2.80
12.80	25.20	21.60	18.20	15.45	1.60	2.80
12.80	25.20	25.72	18.20	15.45	1.60	2.80
17.92	25.20	25.72	18.20	15.45	1.60	2.80
17.92	25.20	25.72	18.20	15.45	1.60	2.80
17.89	31.09	25.72	18.20	15.45	1.60	2.80
17.92	35.19	25.72	18.20	15.45	1.60	2.80
(11.11)	(26.73)	(14.15)	(15.85)	(9.15)	(1.60)	(2.80)
(10.82)	(30.87)	(16.75)	(17.01)	(9.88)	(1.60)	(2.80)

**HILLIARD CITY SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
COLLECTION YEARS 2018 AND 2009**

			<u>Collection Year 2018</u>	
			Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities				
1 .	Ohio Power Company	\$	65,101,150	2.35%
2 .	AEP Ohio Transmission		14,203,090	0.51%
3 .	Columbia Gas of Ohio, Inc		7,924,840	0.29%
Real Estate				
1 .	Villages at Britton LTD		16,450,010	0.59%
2 .	Hilliard Station Apartments, Inc.		14,497,610	0.52%
3 .	West-Ward Columbus*		13,293,260	0.48%
4 .	MCI International		10,902,930	0.39%
5 .	LSREF 3 Bravo (Ohio) LLC		9,975,000	0.36%
6 .	Edwards Arlington Park LLC		8,750,000	0.32%
7 .	M-BM LLC		8,664,670	0.31%
8 .	Icon Owner Pool 3		8,085,010	0.29%
9 .	River Oaks Apartment Management		7,665,010	0.28%
10 .	TSP Roberts Dearborn Industrial LLC		7,472,520	0.27%
ALL OTHERS			<u>2,577,511,840</u>	<u>93.04%</u>
TOTAL ASSESSED VALUATION			<u>\$ 2,770,496,940</u>	<u>100.00%</u>

* - Formerly Boehringer-Ingelheim

			<u>Collection Year 2009</u>	
			Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities				
1 .	Columbus Southern Power Company	\$	39,390,230	1.65%
Real Estate				
1 .	RPH Industrial		11,518,250	0.48%
2 .	Westpointe Plaza LP		8,472,240	0.35%
3 .	G&I Heritage Green LLC		7,238,000	0.30%
4 .	Avalon Oaks LLC		7,120,580	0.30%
5 .	Kenhio LLC		6,835,500	0.29%
6 .	Tanglewood Park LLC		6,661,390	0.28%
7 .	Boehringer Ingelheim		6,512,350	0.27%
8 .	DDRM Hilliard Rome LLC		5,989,200	0.25%
9 .	JAL Realty Co		5,848,240	0.24%
10 .	Fristcal Industrial 2		5,329,030	0.22%
Tangible Personal Property*				
1 .	Boehringer Ingelheim Roxaned Inc.		2,952,780	0.14%
2 .	Cincinnati SMSA Ltd Partnership		2,811,270	0.12%
3 .	Ohio Bell Telephone Company		1,985,390	0.08%
4 .	Ball Metal Food Container Corp		1,472,130	0.06%
5 .	Rich Products Manufacturing Corp		1,265,660	0.05%
6 .	Meadowbrook Meat Company, Inc		1,225,610	0.05%
7 .	R J F International Corporation		1,186,740	0.05%
8 .	Simpson Strong-tie Company, Inc		1,186,490	0.05%
9 .	Dave and Busters Inc		980,240	0.04%
10 .	ISP Chemicals Inc		963,420	0.04%
ALL OTHERS			<u>2,264,125,742</u>	<u>94.69%</u>
TOTAL ASSESSED VALUATION			<u>\$ 2,391,070,482</u>	<u>100.00%</u>

Source : Franklin County Auditor's Office

* House Bill 66 initiated the phase out of Tangible Personal Property Tax (TPP) in FY 2006, completed in FY 2009. Personal property values are for reference only due to the phase out of personal property tax.

**HILLIARD CITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN COLLECTION YEARS**

Collection Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2018	\$ 164,984,606	\$ 163,472,958	99.08%	\$3,260,771	\$ 166,733,729	101.06%	\$ 3,033,940	1.84%
2017	162,119,060	158,814,296	97.96%	2,380,194	161,194,490	99.43%	3,756,330	2.32%
2016	145,510,238	143,342,430	98.51%	2,451,959	145,794,389	100.20%	2,945,185	2.02%
2015	143,193,064	138,706,438	96.87%	2,939,392	141,645,830	98.92%	3,358,187	2.35%
2014	141,855,033	135,462,243	95.49%	2,946,929	138,409,172	97.57%	4,173,897	2.94%
2013	144,323,651	141,829,577	98.27%	3,202,758	145,032,335	100.49%	5,584,000	3.87%
2012	141,669,349	138,421,761	97.71%	2,921,237	141,342,998	99.77%	7,096,740	5.01%
2011	127,139,109	124,153,543	97.65%	4,258,548	128,412,091	101.00%	4,855,851	3.82%
2010	126,703,268	124,125,387	97.97%	3,540,962	127,666,349	100.76%	5,805,557	4.58%
2009	124,514,778	119,664,873	96.10%	5,122,995	124,787,868	100.22%	6,418,931	5.16%

Note: The information above is for real estate, public utilities and tangible personal property collections and levies.

Source: Office of the County Auditor, Franklin County, Ohio

**HILLIARD CITY SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Year	Governmental Activities			(c) Percentage of Personal Income	(c) Per Capita	(c) Per Enrollment
	(a) Gross Bonded Debt	(b) Capital Leases	Total Primary Government			
2018	\$ 175,485,720	\$ -	\$ 175,485,720	6.13%	\$ 2,053	\$ 10,620
2017	190,429,302	-	190,429,302	6.65%	2,228	11,690
2016	150,752,624	-	150,752,624	5.09%	1,706	9,387
2015	161,980,512	-	161,980,512	5.50%	1,843	10,095
2014	172,088,762	-	172,088,762	5.89%	1,974	10,848
2013	172,305,885	-	172,305,885	5.94%	1,990	10,935
2012	181,795,586	-	181,795,586	6.27%	2,100	11,596
2011	189,699,924	7,840	189,707,764	8.04%	2,292	12,134
2010	192,334,849	37,401	192,372,250	8.62%	2,457	12,422
2009	180,071,136	193,626	180,264,762	8.16%	2,325	11,883

Sources :

- (a) See schedule "Ratios of Net General Bonded Debt Outstanding" for net bonded debt information
- (b) See notes to the financial statements regarding the District's capital leases payable
- (c) See Schedule "Demographic and Economic Statistics, Last Ten Years" for personal income, population and enrollment information

**HILLIARD CITY SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Year	(a) Assessed Value	(b) Gross Bonded Debt	(c) Less Debt Service	Net Bonded Debt	% of Net Bonded Debt to Assessed Valuation	(d) Net Bonded Debt Per Capita	(d) Net Bonded Debt Per Enrollment
2018	\$ 2,770,496,940	\$ 175,485,720	\$ 21,539,032	\$ 153,946,688	5.56%	\$ 1,801	\$ 9,317
2017	2,521,506,110	190,429,302	21,217,410	169,211,892	6.71%	1,979	10,387
2016	2,446,820,690	150,752,624	17,048,368	133,704,256	5.46%	1,513	8,326
2015	2,403,881,930	161,980,512	16,758,931	145,221,581	6.04%	1,652	9,051
2014	2,344,297,230	172,088,762	15,765,970	156,322,792	6.67%	1,793	9,854
2013	2,341,745,960	172,305,885	14,365,511	157,940,374	6.74%	1,824	10,023
2012	2,331,830,980	181,795,586	16,648,139	165,147,447	7.08%	1,908	10,534
2011	2,422,306,900	189,699,924	17,845,205	171,854,719	7.09%	2,076	10,992
2010	2,423,284,558	192,334,849	19,579,638	172,755,211	7.13%	2,206	11,155
2009	2,391,070,482	180,071,136	11,843,799	168,227,337	7.04%	2,170	11,089

Sources :

(a) County Auditor

(b) General Obligation debt outstanding end of fiscal year. School District Records

(c) Balance of General Obligation Bond Retirement fund at end of fiscal year

(d) See Schedule "Demographic and Economic Statistics, Last Ten Years" for population and enrollment information

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**HILLIARD CITY SCHOOL DISTRICT
COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
AS OF JUNE 30, 2018**

Governmental Unit	<u>Gross Debt Outstanding</u>	<u>Percent Applicable to School Dist.</u>	<u>Amount Applicable to Hilliard City School District</u>
Hilliard City School District	\$ 175,485,720	100.000%	\$175,485,720
Franklin County	208,385,000	9.190%	19,150,582
Union County	41,215,000	0.020%	8,243
City of Columbus	1,442,265,000	7.060%	101,823,909
City of Dublin	56,020,000	9.830%	5,506,766
City of Hilliard	22,090,000	99.800%	22,045,820
Prarie Township	9,500,000	27.800%	2,641,000
Solid Waste Authority of Central Ohio	<u>49,545,000</u>	8.760%	<u>4,340,142</u>
Total Direct	175,485,720		175,485,720
Total Overlapping	<u>1,829,020,000</u>		<u>155,516,462</u>
Total Direct and Overlapping	<u>\$ 2,004,505,720</u>		<u>\$331,002,182</u>

Note: Percent applicable to Hilliard City School District calculated using assessed valuation of the School District area value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

Overlapping governments with no outstanding debt are not reflected.

Source: Ohio Municipal Advisory Council

**HILLIARD CITY SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Assessed Valuation	2,770,496,940	2,521,506,110	2,446,820,690	2,403,881,930
Voted Debt Limit - 9% of Assessed Valuation	249,344,725	226,935,550	220,213,862	216,349,374
Net Indebtedness (a)	175,485,720	190,429,302	150,752,624	161,980,512
Less Exempted Debt (b)	<u>(930,000)</u>	<u>(1,830,000)</u>	<u>(2,695,000)</u>	<u>(3,530,000)</u>
Net Voted Indebtedness	174,555,720	188,599,302	148,057,624	158,450,512
Legal Debt Margin	74,789,005	38,336,248	72,156,238	57,898,862
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	70%	83%	67%	73%
Unvoted Debt Limit - 1% of Assessed Valuation (General Limitation)	27,704,969	25,215,061	24,468,207	24,038,819
Unvoted Net Indebtedness	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Legal Debt Margin	22,704,969	20,215,061	19,468,207	19,038,819
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	18%	20%	20%	21%
Unvoted Debt Limit - 9/10 of 1% of Assessed Valuation (energy conservation limit)	24,934,472	22,693,555	22,021,386	21,634,937
Unvoted Net Indebtedness	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Legal Debt Margin	19,934,472	17,693,555	17,021,386	16,634,937
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	20%	22%	23%	23%

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of 1% for unvoted debt exclusive of certain exemptions and exceptions.

* - Calculation updated for FY2010 to exclude GAAP basis information

(a) - See schedule of Ratios of Net General Bonded Debt Outstanding

(b) - Exempt debt of District is for tax anticipation notes issued under 133.04(B)(1)

Source: Franklin County Auditor and Bond Counsel

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010 *</u>	<u>2009</u>
2,344,297,230	2,341,745,960	2,331,830,980	2,422,306,900	2,423,284,558	2,391,070,482
210,986,751	210,757,136	209,864,788	218,007,621	218,095,610	215,196,343
172,088,762	172,305,885	181,795,586	189,699,924	192,334,849	180,071,136
<u>(4,340,000)</u>	<u>(5,120,000)</u>	<u>(5,875,000)</u>	<u>(6,605,000)</u>	<u>(7,635,000)</u>	<u>(640,000)</u>
167,748,762	167,185,885	175,920,586	183,094,924	184,699,849	179,431,136
43,237,989	43,571,251	33,944,202	34,912,697	33,395,761	35,765,207
80%	79%	84%	84%	85%	83%
23,442,972	23,417,460	23,318,310	24,223,069	24,232,846	23,910,705
<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>320,000</u>	<u>-</u>
18,442,972	18,417,460	18,318,310	19,223,069	23,912,846	23,910,705
21%	21%	21%	21%	1%	0%
21,098,675	21,075,714	20,986,479	21,800,762	21,809,561	21,519,634
<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>320,000</u>	<u>640,000</u>
16,098,675	16,075,714	15,986,479	16,800,762	21,489,561	20,879,634
24%	24%	24%	23%	1%	3%

**HILLIARD CITY SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Year	(a) Estimated Population	(b) Per Capita Income	Personal Income	(c) Unemployment Rate *	(b) % of Population 25 Years and Older with Bachelor's Degree or Higher	(d) Enrollment Membership
2018	85,484	\$ 33,513	\$ 2,864,825,292	4.5%	46.03%	16,524
2017	85,484	33,513	2,864,825,292	4.4%	46.03%	16,290
2016	88,345	33,514	2,960,794,330	4.0%	46.03%	16,059
2015	87,904	33,514	2,946,014,656	4.2%	46.03%	16,045
2014	87,193	33,514	2,922,186,202	5.5%	46.03%	15,864
2013	86,567	33,514	2,901,206,438	6.4%	46.03%	15,758
2012	86,567	33,514	2,901,206,438	6.5%	46.03%	15,677
2011	82,776	28,496	2,358,784,896	8.2%	46.10%	15,635
2010	78,297	28,496	2,231,151,312	9.2%	46.10%	15,487
2009	77,520	28,496	2,209,009,920	9.0%	46.10%	15,170

Sources :

(a) Population for the District is estimated based on estimates from Mid-Ohio Regional Planning Commission
2013 Information not available at time of publication, 2012 number used.

(b) US Census Bureau: For 2011 and before, 2000 Census Demographic Profiles for the City of Hilliard
For 2012 and after, 2010 US Census Bureau Fact Finder

(c) June Data of Ohio Department of Jobs and Family Services

* Specific employment figures for the Hilliard City School District area are not available.
Unemployment figures presented are for Franklin County.

(d) Educational Management Information System

**HILLIARD CITY SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2018	
	Employees	Type of Business
Hilliard City Schools#	1,635	Public School District
Cellco Partnership dba Verizon	1,553	Telecommunication Services
Sedgwick Claims Mgmt, Inc	871	Insurance Claims
BMW Financial Services	680	Automotive Financing
Echosphere LLC	501	Dish Network
Micro Center, Inc.	325	Distributor/Wholesaler Computer Equipment
RE Rich Family Holding Corp	272	Food Products
Verizon Business Network Services	253	Telecommunication Services
Advanced Drainage Systems	175	Water Management
City of Hilliard	155	Municipality
	<u>6,420</u>	

- This is a count of employees, not FTEs as presented in Table 15

Employer	2009	
	Employees	Type of Business
Hilliard City Schools	1,724	Public School District
Boehringer Ingelheim Roaxane Inc.	982	Pharmaceuticals
United Parcel Service Inc.	903	Package Delivery Service
BMW Financial Services	560	Automotive Financing
Micro Center, Inc.	412	Distributor/Wholesaler Computer Equipment
Redemtech, Inc.	411	Technology Recovery, Recycling & Disposition
City of Hilliard	327	Municipality
Norwich Township	327	Township Government
Verizon Business Network	219	Telecommunication Services
Honda of America	204	Automotive Parts Manufacturing
	<u>6,069</u>	

Source: Cities of Hilliard Tax Department, City of Columbus - Economic Development Division, and Individual Employers

**HILLIARD CITY SCHOOL DISTRICT
STAFFING STATISTICS - FULLT TIME EQUIVALENTS (FTE) BY TYPE AND FUNCTION
LAST TEN FISCAL YEARS**

	2018	2017	2016	2015
Professional Staff:				
Teaching Staff				
Regular Education Teaching	796.50	754.17	741.67	745.67
Special Education Teaching	118.50	150.50	149.04	145.00
Vocational Education Teaching	18.50	20.00	10.00	10.00
Tutors/Small Group Instruction	89.50	101.67	92.36	87.50
Administrators				
District/Building	70.00	69.00	68.00	69.00
Auxiliary Positions				
Psychologists	11.75	14.36	15.16	13.75
Counseling	27.50	30.50	27.50	26.00
Nurses	9.50	9.50	10.50	9.00
Speech	15.45	14.46	14.46	13.45
Adapted Phys Ed/Occupational Therapist	9.23	11.10	10.10	10.20
Physical Therapist	2.74	2.74	2.74	3.04
Social Work	-	-	-	-
Librarian/Media	15.00	15.00	15.00	15.00
Planning, Curriculum	22.00	22.00	21.50	18.00
Other Professional	23.00	22.42	36.50	33.23
Support Staff				
Secretarial	92.50	92.50	89.38	88.50
Teaching Aides	116.97	112.00	108.55	112.93
Accounting, Auditing, Editing	6.50	6.50	7.00	7.00
Technical	26.50	23.75	22.00	24.50
Messenger	2.00	2.00	2.00	2.00
Custodial	92.00	92.00	94.00	89.00
Maintenance	24.00	27.00	23.00	27.00
Grounds	9.00	9.00	9.00	9.00
Bus Drivers	114.00	125.00	122.00	132.00
Mechanics	5.00	5.00	5.00	4.00
Total	<u>1,717.64</u>	<u>1,732.17</u>	<u>1,696.46</u>	<u>1,694.77</u>

Function	2018	2017	2016	2015
Governmental Activities				
Instruction				
Regular and Special	1,097.04	1,100.38	1,068.00	1,069.50
Support Services				
Pupils	131.35	137.26	137.76	131.54
Instructional Staff	90.47	82.75	81.38	79.75
School Administration	76.00	75.00	76.00	78.00
Fiscal	9.50	9.50	9.50	9.50
Business	6.00	6.00	6.00	7.00
Maintenance	128.00	131.00	133.00	136.50
Transportation	147.00	158.00	156.00	155.00
Central	15.00	15.00	13.00	12.00
Community Service	8.28	8.28	6.82	6.98
Extra Curricular Activities	9.00	9.00	9.00	9.00
Total Governmental Activities	<u>1,717.64</u>	<u>1,732.17</u>	<u>1,696.46</u>	<u>1,694.77</u>
Total Primary Government	<u>1,717.64</u>	<u>1,732.17</u>	<u>1,696.46</u>	<u>1,694.77</u>

Source - School District EMIS (Education Management Information System) Records

2014	2013	2012	2011	2010	2009
742.48	775.82	784.63	783.66	770.38	747.18
136.24	115.50	118.11	123.50	122.99	115.38
10.00	9.00	9.00	11.25	12.25	8.75
107.04	89.74	88.18	89.08	92.16	70.83
67.00	66.00	65.00	69.48	68.48	69.64
17.81	13.70	13.70	17.35	16.95	14.65
27.00	27.10	27.00	27.50	27.50	27.25
11.00	9.50	9.50	12.00	12.00	12.00
13.95	13.45	15.45	13.45	14.35	14.65
10.70	10.20	10.20	9.20	9.20	9.20
2.54	2.54	2.54	2.54	2.54	1.15
-	-	-	1.00	2.00	2.00
15.00	15.00	15.00	22.00	22.00	23.30
8.00	10.00	10.00	17.50	19.50	16.25
32.45	26.29	18.29	22.00	19.00	61.88
88.50	88.00	89.00	89.81	91.81	88.50
101.50	108.36	113.49	113.50	110.75	96.64
6.50	6.50	8.50	8.50	7.50	7.50
26.00	25.00	26.00	29.00	27.00	23.00
2.00	1.50	1.50	1.00	2.00	2.00
94.00	85.00	89.00	92.00	90.00	84.00
27.00	26.00	32.00	29.00	28.00	26.00
9.00	10.00	10.00	10.00	9.00	7.00
124.00	129.00	118.00	117.50	119.50	67.00
5.00	4.00	4.00	4.00	4.00	4.00
1,684.71	1,667.20	1,678.09	1,715.82	1,700.86	1,599.75

2014	2013	2012	2011	2010	2009
1,065.63	1,065.95	1,076.42	1,116.61	1,094.90	1,038.78
137.58	154.67	157.20	107.73	105.48	159.03
76.00	68.25	75.48	94.25	100.25	79.80
74.50	74.00	77.00	108.00	109.00	108.50
9.50	9.50	9.50	9.50	9.50	9.50
7.00	6.00	6.00	6.00	6.00	7.00
131.50	127.25	124.99	130.75	128.75	117.00
155.00	134.00	129.00	124.50	128.50	77.00
12.00	11.00	10.00	2.00	2.00	3.00
7.00	7.60	6.50	7.00	5.00	-
9.00	8.98	6.00	9.48	11.48	-
1,684.71	1,667.20	1,678.09	1,715.82	1,700.86	1,599.61
1,684.71	1,667.20	1,678.09	1,715.82	1,700.86	1,599.61

**HILLIARD CITY SCHOOL DISTRICT
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2018	2017	2016	2015
Governmental Activities				
Instruction				
Regular and Special				
Support Services				
Pupil				
Enrollment (Students)	16,524	16,290	16,059	16,045
Graduates	1,215	1,157	1,159	1,205
% of Students with Disabilities	13.6%	13.6%	13.3%	11.9%
% of Limited English Proficient Students	7.1%	6.6%	6.8%	7.4%
Instructional Staff				
Information Technology Services				
Work Orders Completed	11,355	6,977	6,288	6,037
School Administration				
Student Attendance Rate	95.7%	94.9%	95.6%	95.9%
Fiscal				
Purchase Orders Processed	5,263	6,570	6,399	6,714
Nonpayroll Checks Issued	7,392	6,936	8,811	8,776
Maintenance				
District Square Footage Maintained by				
Custodians and Maintenance Staff	2,317,437	2,159,610	2,159,610	2,159,610
District Acreage Maintained by				
Grounds Staff	387	387	387	387
Transportation				
Avg. Public and Parochial Students				
Transported Daily (includes special education)	8,257	8,218	8,420	8,145
Avg. Daily Bus Fleet Mileage	8,157	7,916	10,056	9,130
Number of Buses in District Fleet	157	157	157	157
Community Services				
Number of Students Enrolled in District				
Latchkey Program	1,132	1,098	1016*	978
Extra Curricular Activities				
High School Varsity Teams	78	78	78	78
Business-Type Activities				
Food Service Operations				
Meals Served to Students				
Lunch	1,145,524	1,177,779	1,540,177	1,535,972
Breakfast	265,871	279,110	275,543	246,611

N/A - Information not available at time of publication

* - Added two buildings so capacity increased in 2016

Source - School District Records and Ohio Department of Education Report Card Data

2014	2013	2012	2011	2010	2009
15,864	15,758	15,677	15,635	15,487	15,170
1,117	1,116	1,127	1,099	1,001	1,018
12.9%	12.1%	12.1%	11.4%	11.2%	11.2%
6.7%	5.9%	6.9%	7.3%	8.4%	7.2%
5,831	5,177	4,287	2,965	3,977	3,655
96.3%	96.2%	96.4%	96.0%	96.0%	96.2%
6,557	6,730	6,821	7,081	7,231	7,271
9,322	9,638	9,497	9,615	10,627	9,328
2,159,610	2,159,610	2,159,610	2,159,610	2,159,610	2,159,610
387	387	387	387	387	246
8,394	8,434	9,185	9,399	9,244	9,273
8,595	8,801	8,240	8,104	7,697	8,064
157	157	156	156	127	144
919	N/A	857	875	877	880
78	78	78	78	78	52
1,812,336	1,853,646	1,945,097	1,947,405	1,876,701	1,868,200
228,485	225,074	183,753	166,783	138,307	117,961

**HILLIARD CITY SCHOOL DISTRICT
CAPITAL ASSETS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Activities				
Regular Instruction				
Land and Improvements	\$ 47,827,851	\$ 44,145,384	\$ 46,358,915	\$ 44,499,972
Buildings and Improvements	195,294,720	195,074,898	195,074,896	195,061,738
Furniture Fixtures and Equip.	6,614,343	6,119,095	5,892,155	5,875,059
Buses, autos and Trucks	21,585	21,585	-	-
Special Instruction				
Land and Improvements	221,537	221,537	221,537	221,537
Buildings and Improvements	74,101	74,101	74,101	74,101
Furniture Fixtures and Equip.	36,853	36,853	36,853	24,712
Buses, autos and trucks	65,060	65,060	65,060	65,060
Pupil Support				
Furniture Fixtures and Equip.	23,501	23,501	23,501	23,501
Instructional Staff Support				
Furniture Fixtures and Equip.	678,131	678,131	678,131	671,033
General and School Administration				
Land and Improvements	498,647	498,647	498,647	498,647
Buildings and Improvements	7,531,701	7,524,681	7,524,681	7,545,581
Furniture Fixtures and Equip.	882,488	887,810	1,026,661	1,033,661
Buses, autos and trucks	20,300	20,300	20,300	20,300
Business				
Buildings and Improvements	32,048	32,048	32,048	32,048
Furniture Fixtures and Equip.	222,823	248,442	235,716	140,546
Buses, autos and trucks	66,916	42,105	84,105	84,105
Operations and Maintenance				
Land and Improvements	22,071	22,071	22,071	22,071
Buildings and Improvements	3,653,042	3,653,042	3,653,042	3,653,042
Furniture Fixtures and Equip.	1,575,002	1,421,742	1,281,380	1,186,394
Buses, autos and trucks	1,171,591	984,238	1,056,420	1,022,717
Pupil Transportation				
Land and Improvements	316,247	316,247	316,247	316,247
Buildings and Improvements	555,008	555,008	555,008	555,008
Furniture Fixtures and Equip.	148,689	137,378	137,378	27,429
Buses, autos and trucks	12,433,404	12,141,914	11,908,886	11,785,037
Central				
Furniture Fixtures and Equip.	890,462	890,462	890,462	890,462
Food Service Operations				
Buildings and Improvements	26,787	26,787	26,787	26,787
Furniture Fixtures and Equip.	1,726,486	1,706,830	1,695,066	1,600,036
Community Services				
Buildings and Improvements	-	-	32,054	32,054
Furniture Fixtures and Equip.	23,315	23,315	14,342	14,342
Extracurricular Activities				
Land and Improvements	4,427,869	4,427,869	4,427,869	4,427,869
Buildings and Improvements	1,864,645	1,864,645	1,864,645	1,636,145
Furniture Fixtures and Equip.	642,378	494,608	477,705	454,483
Total Governmental Activities				
Capital Assets	<u>\$ 289,589,601</u>	<u>\$ 284,380,334</u>	<u>\$ 286,206,669</u>	<u>\$ 283,521,724</u>

Source: School District capital asset records

	2014	2013	2012	2011	2010	2009
\$	46,081,278	\$ 45,300,125	\$ 44,248,136	\$ 43,338,144	\$ 43,079,128	\$ 42,730,306
	195,020,369	195,012,925	194,998,683	194,953,534	194,953,534	194,876,558
	5,618,305	5,049,729	9,629,096	7,832,565	5,193,528	5,101,562
	-	-	-	-	-	-
	221,537	221,537	221,537	221,537	221,537	237,847
	74,101	74,101	74,101	74,101	74,101	74,101
	24,712	24,712	24,712	24,712	24,712	24,712
	65,060	65,060	65,060	65,060	65,060	65,060
	23,501	23,501	23,501	23,501	18,246	18,246
	671,033	665,563	665,563	610,772	610,772	435,422
	498,647	498,647	498,647	498,647	498,647	498,647
	7,545,581	7,545,581	7,545,581	7,545,581	7,545,581	7,545,581
	1,026,711	1,026,711	1,010,742	893,702	875,702	867,585
	20,300	20,300	-	-	-	-
	-	-	-	-	-	-
	124,836	101,755	67,596	42,309	36,914	11,295
	84,105	84,105	84,105	64,595	64,595	-
	22,071	22,071	22,071	22,071	22,071	22,071
	3,653,042	3,653,042	1,756,031	1,726,731	1,726,731	1,726,731
	1,147,796	1,125,915	1,050,854	980,227	927,553	910,312
	979,360	1,031,147	936,670	937,006	937,006	892,102
	316,247	316,247	316,247	718,154	718,154	718,154
	555,008	555,008	555,008	555,008	555,008	555,008
	27,429	27,429	27,429	27,429	27,429	27,429
	11,639,168	11,316,650	11,744,866	11,559,947	11,336,185	10,768,891
	890,462	890,462	890,462	890,462	-	-
	-	-	-	-	-	-
	1,549,339	1,536,919	1,494,269	1,446,000	1,412,034	1,346,803
	32,054	32,054	32,054	32,054	32,054	32,054
	14,342	14,342	14,342	14,342	14,342	-
	4,435,621	4,435,621	4,435,621	4,435,621	4,435,621	4,435,621
	1,636,145	1,636,145	1,636,145	1,667,208	1,667,208	1,661,631
	386,375	384,395	349,995	349,996	343,951	277,853
	<u>\$ 284,384,535</u>	<u>\$ 282,691,799</u>	<u>\$ 284,419,125</u>	<u>\$ 281,551,016</u>	<u>\$ 277,417,404</u>	<u>\$ 275,861,582</u>

**HILLIARD CITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016 @</u>	<u>2015</u>
Alton Darby Elementary (2002)				
Square Feet	60,247	60,247	60,247	60,247
Capacity (Students)	600	600	600	600
Enrollment	517	495	461	453
Avery Elementary (1960)				
Square Feet	45,745	45,745	45,745	45,745
Capacity (Students)	600	500	500	600
Enrollment	408	400	391	378
Beacon Elementary (1968)				
Square Feet	46,200	46,200	46,200	46,200
Capacity (Students)	600	500	500	600
Enrollment	489	498	507	479
Britton Elementary (1968)				
Square Feet	70,338	70,338	70,338	70,338
Capacity (Students)	600	600	600	600
Enrollment	475	473	456	493
Brown Elementary (1965)				
Square Feet	48,323	48,323	48,323	48,323
Capacity (Students)	600	600	600	600
Enrollment	573	567	570	562
Darby Creek Elementary (1998)				
Square Feet	61,000	61,000	61,000	61,000
Capacity (Students)	600	600	600	600
Enrollment	454	479	469	489
Hilliard Crossing Elementary (1993)				
Square Feet	54,552	54,552	54,552	54,552
Capacity (Students)	600	600	600	600
Enrollment	542	508	490	512
Hilliard Horizon Elementary (1997)				
Square Feet	67,500	67,500	67,500	67,500
Capacity (Students)	600	600	600	600
Enrollment	605	619	639	633
Hoffman Trails Elementary (2002)				
Square Feet	60,247	60,247	60,247	60,247
Capacity (Students)	600	600	600	600
Enrollment	601	630	596	573
J.W. Reason Elementary (1958)				
Square Feet	44,295	44,295	44,295	44,295
Capacity (Students)	600	600	600	600
Enrollment	481	505	467	480
Norwich Elementary (1993)				
Square Feet	54,552	54,552	54,552	54,552
Capacity (Students)	600	600	600	600
Enrollment	541	547	538	546
Ridgewood Elementary (1961)				
Square Feet	45,404	45,404	45,404	45,404
Capacity (Students)	600	600	600	600
Enrollment	580	566	568	557
Scioto Darby Elementary (1989)				
Square Feet	64,897	64,897	64,897	64,897
Capacity (Students)	600	600	600	600
Enrollment	460	425	459	474
Washington Elementary (2007)				
Square Feet	60,247	60,247	60,247	60,247
Capacity (Students)	600	600	600	600
Enrollment	426	423	424	416
Hilliard Station Sixth Grade School (2002)				
Square Feet	56,515	56,515	56,515	56,515
Capacity (Students)	650	650	650	650
Enrollment	573	579	599	596

2014	2013	2012	2011	2010	2009
60,247	60,247	60,247	60,247	60,247	60,247
600	600	600	600	600	600
446	465	463	491	509	573
45,745	45,745	45,745	45,745	45,745	45,745
600	600	600	600	600	600
399	407	452	501	508	524
46,200	46,200	46,200	46,200	46,200	46,200
600	600	600	600	600	600
495	524	518	537	522	530
70,338	70,338	70,338	70,338	70,338	70,338
600	600	600	600	600	600
409	432	398	356	363	360
48,323	48,323	48,323	48,323	48,323	48,323
600	600	600	600	600	600
570	525	541	552	563	523
61,000	61,000	61,000	61,000	61,000	61,000
600	600	600	600	600	600
536	573	576	614	610	569
54,552	54,552	54,552	54,552	54,552	54,552
600	600	600	600	600	600
540	564	581	564	563	587
67,500	67,500	67,500	67,500	67,500	67,500
600	600	600	600	600	600
609	588	577	585	619	533
60,247	60,247	60,247	60,247	60,247	60,247
600	600	600	600	600	600
537	534	514	503	494	474
44,295	44,295	44,295	44,295	44,295	44,295
600	600	600	600	600	600
489	448	446	394	358	387
54,552	54,552	54,552	54,552	54,552	54,552
600	600	600	600	600	600
544	540	540	522	513	495
45,404	45,404	45,404	45,404	45,404	45,404
600	600	600	600	600	600
576	564	611	576	523	490
64,897	64,897	64,897	64,897	64,897	64,897
600	600	600	600	600	600
493	478	477	508	512	524
60,247	60,247	60,247	60,247	60,247	60,247
600	600	600	600	600	600
431	433	403	388	360	327
56,515	56,515	56,515	56,515	56,515	56,515
650	650	650	650	650	650
571	569	574	558	528	548

**HILLIARD CITY SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION (continued)
LAST TEN FISCAL YEARS**

	<u>2018</u>	<u>2017</u>	<u>2016 @</u>	<u>2015</u>
Hilliard Tharp Sixth Grade School (2002)				
Square Feet	62,000	62,000	62,000	62,000
Capacity (Students)	650	650	650	650
Enrollment	678	667	627	615
Hilliard Heritage Middle School (1996)				
Square Feet	125,405	125,405	125,405	125,405
Capacity (Students)	800	800	800	800
Enrollment	783	780	777	794
Hilliard Memorial Middle School (1956) (a)				
Square Feet	140,000	140,000	140,000	140,000
Capacity (Students)	900	900	800	800
Enrollment	872	846	838	830
Hilliard Weaver Middle School (1994)				
Square Feet	124,785	124,785	124,785	124,785
Capacity (Students)	800	800	800	800
Enrollment	915	931	918	889
Hilliard Darby High School (1997)				
Square Feet	276,553	276,553	276,553	276,553
Capacity (Students)	1,800	1,800	1,800	1,800
Enrollment	1,593	1,595	1,579	1,551
Hilliard Davidson High School (1989)				
Square Feet	245,000	245,000	245,000	245,000
Capacity (Students)	1,800	1,800	1,800	1,800
Enrollment	1,834	1,760	1,711	1,703
Hilliard Bradley High School (2009)				
Square Feet	309,000	309,000	309,000	309,000
Capacity (Students)	1,800	1,800	1,800	1,800
Enrollment	1,716	1,652	1,629	1,619
Hilliard Preschool (2002)				
Square Feet	18,640	18,640	18,640	18,640
Capacity (Students)	200	200	200	200
Enrollment	407	345	346	403
Innovative Learning Center (1990) #				
Square Feet	20,520	20,520	20,520	20,520
Innovative Learning Center Annex (1990)				
Square Feet	6,000	6,000	6,000	6,000
Maintenance (1991)				
Square Feet	701	701	701	701
Administrative and Support Services (2003)				
Square Feet	82,000	82,000	82,000	82,000
Transportation (1989)				
Square Feet	9,000	9,000	9,000	9,000

Source: School District Records

Note: Year of original construction in parentheses. Increases in square footage and capacity are the result of renovations and additions. Capacity is the "program " capacity and can increase/decrease as a result of changes in federal, state, or local standards.

(a) A portion of Memorial Middle School was used as the District's Sixth grade building until the Hilliard Station conversion was completed and Hilliard Tharp was built, both of which opened in 2002. At this time, the building began functioning as a middle school.

N/A - Not available, building was not open

* In 2005-06 modularity were added to both of the District's high schools to help in accommodating growth. 5 modularity were added at Davidson and 9 were added at Darby. Modularity were removed as of 6/30/09.

** Redistricting at the elementary level went into effect for the 2007-08 school year, with the opening of Washington Elementary.

*** The District took possession of Bradley High School as of June 30, 2009. Students will begin attending in FY 2010.

- Formerly Central Office

@-Capacity re-evaluated and updated in summer 2016

2014	2013	2012	2011	2010	2009
62,000	62,000	62,000	62,000	62,000	62,000
650	650	650	650	650	650
668	627	595	592	652	636
125,405	125,405	125,405	125,405	125,405	125,405
800	800	800	800	800	800
772	771	747	737	732	858
140,000	140,000	140,000	140,000	140,000	140,000
800	800	800	800	800	800
817	833	763	783	775	713
124,785	124,785	124,785	124,785	124,785	124,785
800	800	800	800	800	800
837	801	852	866	886	704
276,553	276,553	276,553	276,553	276,553	276,553 *
1,800	1,800	1,800	1,800	1,800	1,800
1,548	1,496	1,431	1,423	1,607	2,318
245,000	245,000	245,000	245,000	245,000	245,000 *
1,800	1,800	1,800	1,800	1,800	1,800
1,740	1,788	1,777	1,805	1,873	2,159
309,000	309,000	309,000	309,000	309,000	309,000
1,800	1,800	1,800	1,800	1,800	1,800
1,529	1,485	1,532	1,434	1,096	- **
18,640	18,640	18,640	18,640	18,640	18,640
200	200	200	200	200	200
308	311	301	346	321	332
20,520	20,520	20,520	20,520	20,520	20,520
6,000	6,000	6,000	6,000	6,000	6,000
701	701	701	701	701	701
82,000	82,000	82,000	82,000	82,000	82,000
9,000	9,000	9,000	9,000	9,000	9,000

**HILLIARD CITY SCHOOL DISTRICT
EDUCATIONAL AND OPERATING STATISTICS
LAST TEN SCHOOL YEARS**

	2017-2018	2016-2017	2015-2016	2014-2015
ACT Scores (Averages)				
Hilliard	21.8	23.4	23.7	23.5
Ohio	20.3	22	22.0	22.0
National	20.8	21	20.8	21.0
SAT Scores (Averages)				
Hilliard				
Verbal/Critical Reading	552	N/A	556	552
Mathematics	547	N/A	592	575
Writing	(a)	N/A	525	519
Ohio				
Verbal/Critical Reading	536	N/A	556	557
Mathematics	531	N/A	563	563
Writing	(a)	N/A	534	537
National				
Verbal/Critical Reading	544	N/A	494	495
Mathematics	538	N/A	508	511
Writing	(a)	N/A	482	484
National Merit Scholars				
Finalist	13	N/A	16	8
Semi-Finalist	0	N/A	16	8
Commended Scholars	13	N/A	10	17
State Testing Indicators				
Total Number of Indicators	24	25	N/A	33
Hilliard Met	5	3	N/A	31
State Average Met	N/A	N/A	N/A	N/A
Performance Index Score *				
	74.4	90.6	90.3	95.9
ODE Per Pupil Costs #				
Hilliard	\$ 10,278	\$ 10,037	\$ 9,736	\$ 11,260
State Avg.	\$ 9,353	\$ 9,149	\$ 8,711	N/A
Average Teacher Salary				
Hilliard	\$ 76,702	\$ 75,842	\$ 73,858	\$ 72,555
State Avg.	\$ 58,266	\$ 56,865	\$ 55,140	\$ 52,381
Average Teacher Years' Experience				
	16	16	15	N/A
Percentage of Teachers with a Master's Degree or Higher				
	63.3%	64.9%	66.5%	N/A
Percentage of Students on Free/Reduced Lunch @				
	23.70%	24.27%	24.20%	23.39%

N/A - Information not available at the time of this document's preparation.

(a) - New SAT scoring method combines Critical Reading/Writing into a single score as of 2018.

- Per Pupil for 2014 and 2013 not available from ODE, calculated based on ADM and modified accrual expenditures, excluding debt payments

@ - Information based on Title I Eligibility From CCIP

* - The Performance Index Score reflects the achievement of every tested student. The score is a weighted average of all tested subjects in grades 3-8 and 10. The most weight is given to advanced students (1.2) and the weights decrease for each performance level. This creates a scale of 0 to 120 points, with 100 being the goal.

Source : School District Student Records and Ohio Department of Education

2013-2014	2012-2013	2011-12	2010-11	2009-10	2008-09
23.8	23.4	23.3	23.2	23.2	22.9
22.0	21.8	21.8	21.8	21.8	21.7
21.0	20.9	21.1	21.1	21.0	21.1
564	541	536	529	533	511
597	570	571	553	555	543
546	521	515	501	510	502
555	548	543	539	538	537
562	556	552	545	548	546
535	531	525	522	522	523
497	496	496	497	501	501
513	514	514	514	516	515
487	488	488	489	492	493
0	0	0	0	5	2
1	8	6	4	5	1
8	21	8	7	7	6
24	24	26	26	26	30
24	24	26	26	26	29
N/A	20	22	18	18	19
104.3	103.6	104.4	103.5	101.9	101.5
\$ 11,651	\$ 11,386	\$ 11,336	\$ 11,398	\$ 11,475	\$ 10,697
N/A	N/A	N/A	N/A	N/A	\$ 10,184
\$ 72,646	\$ 69,798	\$ 70,025	\$ 69,870	\$ 69,369	\$ 64,703
\$ 53,783	\$ 54,010	\$ 54,140	\$ 56,715	\$ 55,958	\$ 54,656
13.59	15	16	14.4	15	13.8
80.8%	73.3%	75.3%	61.7%	63.9%	74.2%
22.79%	24.50%	21.04%	19.62%	17.44%	16.20%



**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY, OHIO**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2018

HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY
JUNE 30, 2018

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**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Disbursements
U.S. DEPARTMENT OF AGRICULTURE		
<i>Passed Through Ohio Department of Education</i>		
Nutrition Cluster		
Non-Cash Assistance (Food Distribution)		
School Breakfast Program	10.553	64,112
National School Lunch Program	10.555	287,725
Cash Assistance:		
School Breakfast Program	10.553	337,819
National School Lunch Program	10.555	1,516,092
Total Nutrition Cluster		2,205,748
Total U.S. Department of Agriculture		2,205,748
U.S. DEPARTMENT OF EDUCATION		
<i>Passed Through Ohio Department of Education</i>		
Title I Grants to Local Educational Agencies	84.010	1,615,331
Special Education Cluster:		
Special Education Grants to States	84.027	2,863,503
Special Education Preschool Grants	84.173	58,864
Total Special Education Cluster		2,922,367
English Language Acquisition Grants - Limited English Proficient	84.365	230,782
Improving Teacher Quality State Grants	84.367	325,720
Twenty-first Century Community Learning Centers	84.287	364,529
Title IV-A Student Support and Academic Enrichment	84.424	28,236
Total U.S. Department of Education		5,486,965
Total Federal Awards		\$ 7,692,713

The accompanying notes are an integral part of this schedule.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Hilliard City School District's (the District's) under programs of the federal government for the year ended June 30, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87 *Cost Principles for State, Local, and Indian Tribal Governments* (codified in 2 CFR Part 225), or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

NOTE D – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Hilliard City School District
Franklin County
2140 Atlas Street
Columbus, Ohio 43228

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hilliard City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2018, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2018-001 to be a significant deficiency.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying *Corrective Action Plan*. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

KENNEDY COTTRELL RICHARDS LLC



Gahanna, Ohio
December 21, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Hilliard City School District
Franklin County
2140 Atlas Street
Columbus, Ohio 43228

To the Board of Education:

Report on Compliance for each Major Federal Program

We have audited the Hilliard City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of the District's major federal programs for the year ended June 30, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on each Major Federal Program

In our opinion, the Hilliard City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Hilliard City School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 21, 2018, wherein we noted the District adopted *Governmental Accounting Standard No. 75*. We conducted our audit to opine on the District's' basic financial statements as a whole. The accompanying schedule of

expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements.

We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KENNEDY COTTRELL RICHARDS LLC

A handwritten signature in black ink that reads "Kennedy Cottrell Richards LLC". The signature is written in a cursive, flowing style.

Gahanna, Ohio
December 21, 2018

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	84.287 - 21 st Century Community Learning Centers Special Education Cluster 84.027 – Special Education Grants to States 84.173 – Special Education Preschool Grants
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR §200.520?	No

HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2018
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

Finding Number: 2018-001

Financial Reporting – Significant Deficiency

The presentation of materially correct financial statements and the related footnotes is the responsibility of management. Thus, it is important that management develop and implement control procedures related to drafting financial statements and footnotes that enable management to prevent and detect potential misstatements in the financial statements and footnotes prior to audit.

As a result of audit procedures performed, we detected the following financial statement misstatements in the District's Building Fund, which although not material, are significant enough to warrant communication to the District's governing Board.

Accounts Payable - understated by \$400,224
Capital Outlay - understated by \$400,224

In this case, the District should have recorded payables for work completed by contractors prior to the end of the fiscal year but not paid for until after fiscal year-end. These misstatements are an indication the District's internal control procedures over the financial reporting process are not working as intended.

We recommend the District design and implement additional internal control procedures capable of preventing future financial statement misstatements. Additional procedures with respect to the above misstatement could consist of an additional review of payments made subsequent to year end to ensure proper cutoff of expenditures and payables.

Official's Response: See Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

None.



Hilliard City School District

John Marschhausen, Ph.D., Superintendent • Brian W. Wilson, Treasurer/CFO

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR § 200.511(b) JUNE 30, 2018

Finding Number	Finding Summary	Status
2017-001	Material Weakness: Financial Reporting	Corrective Action Taken and Finding is Fully Corrected
2017-002	Noncompliance/Significant Deficiency: Reporting – Child Nutrition Cluster - CFDA 10.553 and 10.555	Corrective Action Taken and Finding is Fully Corrected

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Hilliard City School District

John Marschhausen, Ph.D., Superintendent • Brian W. Wilson, Treasurer/CFO

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) June 30, 2018

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	Explained to the Business Manager that he cannot sit on disputed invoices. Invoices need to be turned into the Treasurer's office within 5 business days, then he can ask us to not pay the invoice. We also had 67% turnover in our accounts payable department. Staff now understands that invoice dates are required when entered into the system. Moving forward this will be explained to all new staff in the department.	December 12, 2018	Brian Wilson

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www.hilliardschools.org

OHIO AUDITOR OF STATE
KEITH FABER



HILLIARD CITY SCHOOL DISTRICT

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 24, 2019**