



**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2007



Mary Taylor, CPA
Auditor of State

HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2007

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed Through Ohio Department of Education</i>						
Food Donation	N/A	10.550	\$ -	\$ 185,125	\$ -	\$ 185,125
Nutrition Cluster						
School Breakfast Program	047019-05PU-2007	10.553	3,487	-	3,487	
National School Lunch Program	047019-LLP4-2006/2007	10.555	741,775	-	741,775	
Total Nutrition Cluster			745,262	-	745,262	-
Child and Adult Care Food Program	047019-CCMO-2006/2007	10.558	5,250	-	5,250	-
Total U.S. Department of Agriculture			750,512	185,125	750,512	185,125
U.S. DEPARTMENT OF EDUCATION						
<i>Direct</i>						
Fund for the Improvement of Education		84.215	99,961	-	99,961	-
<i>Passed Through Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	047019-C1S1-2006/2007	84.010	441,662	-	406,962	-
Special Education Cluster:						
Special Education Grants to States	047019-6BSF-2006/2007	84.027	2,696,249	-	2,623,932	-
Special Education Preschool Grants	047019-PGS1-2006/2007	84.173	42,631	-	42,627	-
Total Special Education Cluster			2,738,880	-	2,666,559	-
Safe and Drug Free Schools and Communities State Grants	047019-DRS1-2006/2007	84.186	43,974	-	47,456	-
State Grants for Innovative Programs	047019-C2S1-2007	84.298	25,271	-	27,571	-
Education Technology State Grants	047019-TJS1-2007	84.318	4,736	-	5,382	-
English Language Acquisition Grants - Limited English Proficient	047019-T3S1-2006/2007	84.365	162,351	-	157,252	-
English Language Acquisition Grants - Immigrant	047019-T3S2-2006/2007		5,655	-	8,474	-
Total English Language Acquisition Grants			168,006	-	165,726	-
Improving Teacher Quality State Grants	047019-TRS1-2006/2007	84.367	273,741	-	242,143	-
Hurricane Education Recovery	047019-HR01-2006/2007	84.938	17,500	-	17,500	-
Total U.S. Department of Education			3,813,731	-	3,681,260	-
Total Federal Awards			\$ 4,564,243	\$ 185,125	\$ 4,431,772	\$ 185,125

The accompanying notes are an integral part of this schedule.

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2007**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.

NOTE C – FOOD DONATION PROGRAM

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditures) is reported in the Schedule at the fair value of the commodities received.



Mary Taylor, CPA

Auditor of State

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

Hilliard City School District
Franklin County
5323 Cemetery Road
Hilliard, Ohio 43026

To the Board of Education:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hilliard City School District, Franklin County, Ohio (the District) as of and for the year ended June 30, 2007 which collectively comprise the District's basic financial statements and have issued our report thereon dated October 8, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: Finding number 2007-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe finding number 2007-001 is also a material weakness.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated October 8, 2007

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, providing an opinion 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*.

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated October 8, 2007.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 8, 2007



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

Hilliard City School District
Franklin County
5323 Cemetery Road
Hilliard, Ohio 43026

To the Board of Education:

Compliance

We have audited the compliance of Hilliard City School District, Franklin County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2007. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the Hilliard City School District, Franklin County, Ohio, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2007. In a separate letter to the District's management dated October 8, 2007 we reported another matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Receipts and Expenditures Schedule

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Hilliard City School District, Franklin County, Ohio as of and for the year ended June 30, 2007, and have issued our report thereon dated October 8, 2007. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying federal awards receipts and expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We intend this report solely for the information and use of the audit committee, management, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

October 8, 2007

**HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Special Education Cluster, CFDA #84.027 and #84.173 Improving Teacher Quality, CFDA #84.367.
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	No

HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2007
(Continued)

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

FINDING NUMBER 2007-001

Significant Deficiency/Material Weakness

Financial Reporting

The District utilizes the Uniform School Accounting System and currently has monitoring controls over daily cash-basis transactions entered into the system. At year-end the cash basis information from the accounting system is converted into the Comprehensive Annual Financial Report reported under Generally Accepted Accounting Principles. Accrual information is prepared by the District and is submitted to an outside accountant to prepare the trial balances and basic financial statements.

Modifications or audit adjustments and reclassifications were necessary to the District's basic financial statements to accurately reflect account balances reported. Although the accountant prepares the basic financial statements, management is responsible for the presentation of the basic financial statements and accordingly should implement review procedures and controls over the financial statement preparation and reporting process.

We recommend the District implement additional procedures to provided assurance over the completeness and accuracy of financial information reported within the Comprehensive Annual Financial Report. Such procedures may include review of the financial statements including the notes to the financial statements by a member of management and an analytical comparison of the current year annual report to the prior year annual report for obvious errors or omissions.

Officials' Response:

Additional written procedures to account for year-end transactions will be created so that whoever performs cash based transactions at year-end will understand the necessary steps needed.

Additional steps in year-end procedures will also be created for employees supervising those entering cash based transactions in order to eliminate potential errors.

3. FINDINGS FOR FEDERAL AWARDS

None.

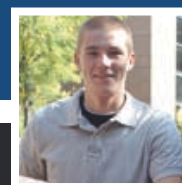
HILLIARD CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2006-001	Cash Management – Special Education Cluster	Partially	Repeat in Management Letter

Comprehensive Annual Financial Report

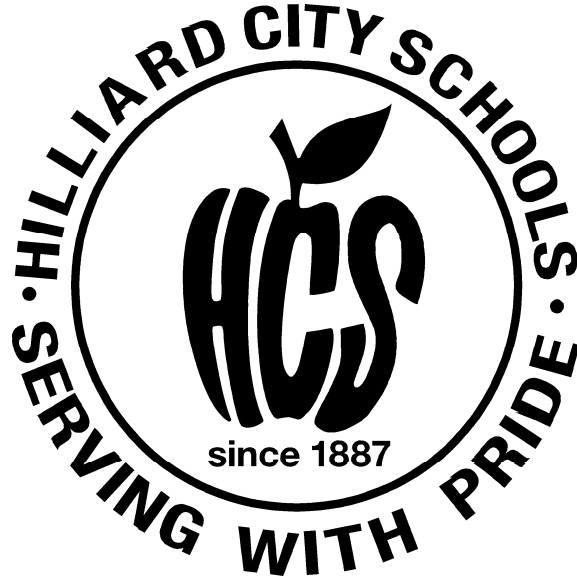
Hilliard City School District | Board of Education | Hilliard, Ohio



For Fiscal Year Ended
June 30, 2007

Hilliard City School District

Hilliard, Ohio



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2007

Issued by:
Office of the Treasurer

Brian W. Wilson
Treasurer/C.F.O

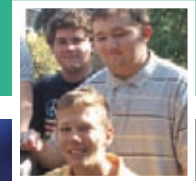
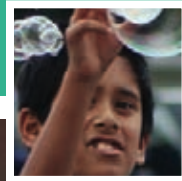
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Hilliard City School District

Hilliard, Ohio



Introductory Section



HILLIARD CITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT JUNE 30, 2007

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**Hilliard City School District
Elected Officials and Administrative Staff
as of June 30, 2007**

BOARD OF EDUCATION MEMBERS

President
Vice President
Member
Member
Member

Mr. Doug Maggied
Mr. Dick Hammond
Mrs. Denise Bobbitt
Mrs. Cheryl Ryan
Mr. Andy Teater

APPOINTED OFFICIALS

Superintendent
Treasurer

Dale A. McVey
Brian W. Wilson

ADMINISTRATIVE STAFF

Assistant Superintendent
Assistant Superintendent
Assistant Superintendent
Assistant Treasurer
Director, Business Affairs
Director, Secondary Curriculum
Director, Elementary Curriculum
Director, Pupil Services
Director, Gifted Services
Director, Assessment and Research
Director of Professional Development
Director of Technology
Director, Human Resources
Coordinator, Human Resources
Coordinator, Payroll/Accountant
Director, School Age Child Care
Coordinator, Instructional Technology
Coordinator, Administrative Technology
Coordinator, School Business Partnerships
Coordinator, Transportation
Coordinator, Custodial
Coordinator, HVAC
Coordinator, Maintenance
Coordinators, School Community Relations

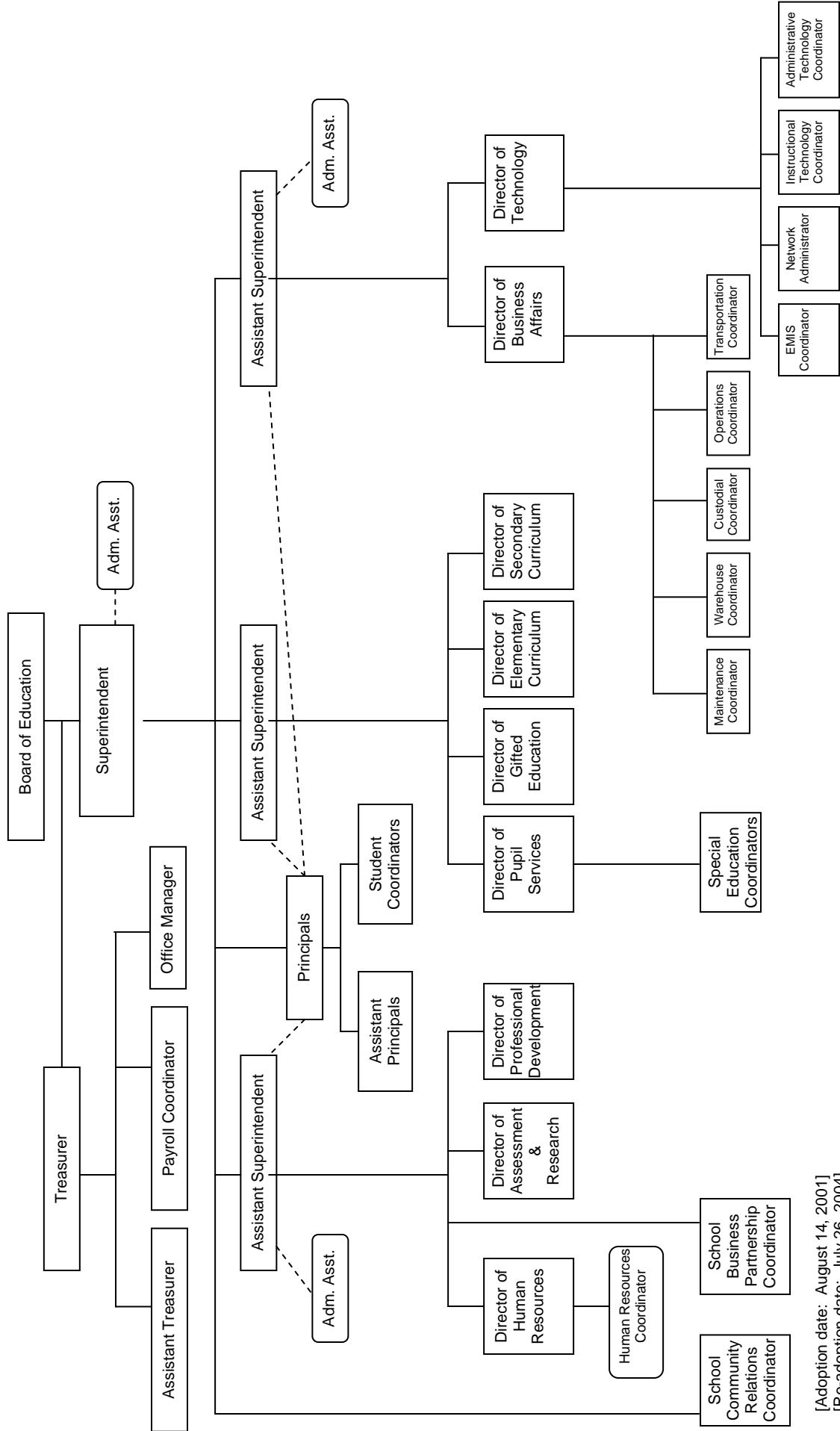
Network Administrators

Leslie McNaughton
Tim Hamilton
Andy Riggle
Melissa McArtor
Jeff Franklin
Thomas Tucker
Jill Menchhofer
Nancy Schott
Roger Yoder
Pam Holden
Linda Romano
Garry Orr
Roy Walker
Debra Sawyer
Anita Dalluge
Camille Bates
Rich Boettner
Jerry Drobnick
Christy Farnbauch
Terry Timlin
Archie Armentrout
Marc Lovett
Dave Huston
Michelle Wray
Carrie Bartunek
Steve Hoyda
Marty Hugo

Principal, Hilliard Davidson High School
Principal, Hilliard Darby High School
Principal, Hilliard Heritage Middle School
Principal, Hilliard Memorial Middle School
Principal, Hilliard Weaver Middle School
Principal, Hilliard Station Sixth Grade School
Principal, Hilliard Tharp Sixth Grade School
Coordinator, Alton Darby Preschool
Principal, Alton Darby Elementary School
Principal, Avery Elementary School
Principal, Beacon Elementary School
Principal, Britton Elementary School
Principal, Brown Elementary School
Principal, Darby Creek Elementary School
Principal, Hilliard Crossing Elementary School
Principal, Hilliard Horizon Elementary School
Principal, Hoffman Trails Elementary School
Principal, J.W. Reason Elementary School
Principal, Norwich Elementary School
Principal, Ridgewood Elementary School
Principal, Scioto Darby Elementary School
Coordinators, Special Education

John Bandow
David Stewart
Suzanne McCoy
Doug Lowery
Steve Estep
Bruce Stephanic
Craig Heath
Sharon Balduf
Barbara Orr
Kathy Curtis
Craig Vroom
Pat Farrenkopf
Brian Blum
Vicky Clark
Cindi Montgomery
Mary Rykowski
Denny Thompson
Greg Hennes
Karen Lehrer
Jennifer Wash
Robert Spicer
Mike Abraham
Melva Bobbitt
Deb Cochran
Jill Donahue

Hilliard City School District Organizational Chart



[Adoption date: August 14, 2001]
 [Re-adoption date: July 26, 2004]
 [Re-adoption date: January 24, 2005]
 [Re-adoption date: January 22, 2007]

CROSS REF.: CCB, Line and Staff Relations

Hilliard City School District, Hilliard, Ohio



HILLIARD CITY SCHOOL DISTRICT

Dale A. McVey, Superintendent • Brian W. Wilson, Treasurer/CFO

October 8, 2007

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 unqualified opinion from the Ohio Auditor of State, 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, rests with 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 MD&A and should be read in conjunction with it. The District's MD&A, can be found immediately following the report of the independent accountants.

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 School 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.

HILLIARD CITY SCHOOL DISTRICT

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 fastest 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 initiator for the operation of the District. The Board is responsible for the adoption of the tax budget, 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 15,029 students for the fiscal year end June 30, 2007 compared to 14,851 students for the fiscal year ended June 30, 2006. This makes the District the ninth largest public school district in the state of Ohio. These students are housed in 13 elementary schools (grades pre-k to 5), 2 sixth grade centers, 3 middle schools (grades 7 to 8), and 2 comprehensive high schools (grades 9 to 12). The age of buildings varies with the oldest built in 1956 and the latest which opened in 2002. Of the District's 20 instructional buildings, 12 have been built since 1989 of which 4 opened in 2002. Additionally, the District operates an administration building, a maintenance/resource center facility, a transportation compound and a support services center. The District estimates enrollment to be 15,198; 16,274; and 18,354 for the fiscal years ended June 30, 2008, 2011, and 2016 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 160 students attending 28 different charter schools.

Economic Condition and Outlook

Local Economy - The School 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-first largest MSA of 362 in the United States at the time of the 2000 census.

Employment in Franklin County has worsened slightly with unemployment in June of 2006 of approximately 5.1% increasing to 5.3% as of June 2007. Employment in the District is diversified with a majority in the service sector. One of the largest employers in the District with nearly 1,000 employees is Boehringer Ingelheim Roxane, Inc., a pharmaceutical company located in the Columbus portion of the District. Another employer within the Columbus portion of the District is UPS with approximately 891 employees. Employers in the Hilliard portion of the District include Verizon Business Network with approximately 553 employees and BMW with approximately 572 employees. Additionally, the District is home to many trucking and small manufacturing companies as a result of Interstates 270 and 70 intersecting the District.

HILLIARD CITY SCHOOL DISTRICT

The District was happy to welcome BMW Financial Services NA, LLC as the newest employer in the District during the first quarter of 2006. BMW constructed a \$23 million 220,000 square foot office complex to house their operations in the City of Hilliard. The District looks forward to welcoming the Credit Union of Ohio as the next business to locate in this planned unit development. Construction began in the first quarter of 2007. Hopefully many other businesses will locate in the Britton Central 282 acre mixed use Planned Unit Development.

The Trueman Boulevard project, which opened over 100 acres to new commercial development and was completed in December of 2004, now has a Home Depot, Target, Cheeseburger in Paradise Restaurant, Carrabbas Restaurant and several other shops with more to open in 2007. The latest addition is the 30,000 square feet Cardinal Orthopedic Institute completed in the spring of 2007.

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 2008 ending General Fund cash balance is projected to be approximately \$12.9 million. However, negative ending cash balances are projected beginning in fiscal year 2009.

The projected declining General Fund cash balance is a reflection of the challenge of Ohio school district financing. The District has been flat-funded (no increase in state funding) since 2005. In addition, there is no permanent reimbursement plan to replace tangible tax revenues eliminated through House Bill 66 passed in June 2005, and possible further eroding of the Districts tax base through future legislation. While HB 66 contained a reimbursement plan for school districts for lost tangible taxes, these reimbursements will begin to be phased out in 2011 until they are entirely eliminated in 2018 calendar year. This could mean a loss of approximately \$12 million dollars annually to Hilliard City Schools. With student population continuing to grow and no additional assistance from the state, it is likely that the District will have to place an operating levy on the ballot in the spring of 2008.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Accomplishments for 2007

Financial – The District received the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association for the twelfth consecutive year, and the Award for Outstanding Achievement in Popular Annual Financial Reporting for the second consecutive year. In addition, the District received the Meritorious Budget Award from the Association of School Business Officials International for the first time for the FY2007 budget document.

Instruction – The District met 93%, or 28 out of 30, performance indicators of the State of Ohio Local Report Card. The District's performance index score once again exceeded 100, indicating that a large percentage of our students scored in the accelerated and advanced ranges on the Ohio Achievement and Graduation Tests.

HILLIARD CITY SCHOOL DISTRICT

Eighteen of the District's twenty schools earned a rating of either effective or excellent. Meeting the ever-increasing AYP, or "adequate yearly progress" requirements continued to present a challenge for the District. However, when compared to the previous school year, a larger percentage of students in several AYP subgroups passed the Ohio Achievement and Graduation Tests. Finally, over 95% of our students with disabilities who were assessed with alternative assessments earned a passing score.

Initiatives for 2007

Financial – The District will apply to receive the Certificate of Excellence in Financial Reporting for its 2007 CAFR and the Award for Outstanding Achievement in Popular Financial Reporting for its 2007 PAFR from the GFOA.

The District will also submit its 2008 Budget Document to the Association of School Business Officials International for the Meritorious Budget Award.

Instruction - The revision process for the K-12 Math Curriculum will begin during the 2007-2008 school year with full implementation scheduled for the fall of 2009.

The High School 2020 Committee will finalize their work from the 2006-2007 school year. Recommendations from this committee for high school restructuring will be submitted to the Superintendent in the fall of 2007. These recommendations will be based on the knowledge and skills that high school graduates should possess in order to be competitive in a global economy.

An early literacy intervention program for kindergarten students will be implemented at the beginning of the 2007-2008 school year. This program will allow kindergarten students who are struggling with literacy development to receive intervention assistance along with their regular kindergarten experience during an extended school day.

Short cycle online assessments will again be expanded to 11 schools during the 2007-2008 school year. These reading and math assessments will allow teachers to periodically evaluate student learning progress in order to assist them with their instructional design and student remediation.

FINANCIAL POLICIES AND 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.

HILLIARD CITY SCHOOL DISTRICT

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 tax budget, 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 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.

Risk Management

The District is enrolled in a retrospective rating plan for worker's compensation. In this plan, the individual premium rate is calculated based on the worker's compensation experience of the District. Additionally, 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, and medical coverage for employees is provided through a conventional healthcare plan.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, U.S. agency securities or obligations, State Treasury Asset Reserve of Ohio (STAR Ohio), commercial paper and repurchase agreements. As of June 30, 2007 the maturities of investments ranged from 1 day to more than one year, with a weighted average maturity of the pooled funds of 0.58 years or 211.7 days. The weighted average yield to maturity at June 30 was 5.20%.

Independent Audit

Office of Management and Budget Circular A-133 requires an annual audit by independent accountants. The Ohio Auditor of State conducted the District's 2007 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 Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. 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, 2006.

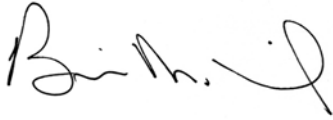
HILLIARD CITY SCHOOL DISTRICT

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.

ACKNOWLEDGMENTS

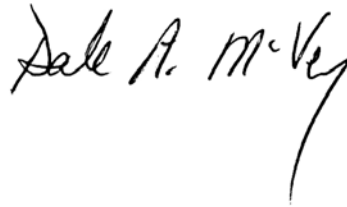
Preparation of this report could not have been accomplished without the support and hard work of the staff of the Treasurer's office, Superintendent's office, and the School-Community Relations office. Credit must also be given to the Board of Education. Without their leadership and commitment to excellence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

Respectfully submitted,



Brian W. Wilson

Treasurer/CFO



Dale A. McVey

Superintendent

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, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

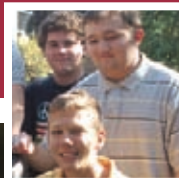
President

Jeffrey R. Emer

Executive Director

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Financial Section



Financial Section



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Hilliard City School District
Franklin County
5323 Cemetery Road
Hilliard, Ohio 43026

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Hilliard City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

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 Hilliard City School District, Franklin County, Ohio, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2007, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis and the budgetary comparison for the General Fund are not a required part of the basic financial statements but are supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. 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 tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

October 8, 2007

Hilliard City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2007
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, 2007. 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 statements, which follow this section.

Financial Highlights

Key financial highlights for 2007 are as follows:

- In total, net assets of governmental activities increased \$13,810,716 which represents a 29.53% increase from 2006.
- General revenues accounted for \$172,980,714 in revenue or 93.82% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$11,395,427 or 6.18 % of total revenues of \$184,376,141.
- The District had \$170,565,425 in expenses related to governmental activities; only \$11,395,427 of these expenses was offset by program specific charges for services, grants or contributions. General revenues supporting governmental activities (primarily taxes and unrestricted grants and entitlements) of \$172,980,714 were sufficient to provide for these programs.
- As of June 30, 2007 the General Fund reported a positive fund balance of \$33,237,377, which represents a 53.95% increase from 2006.

Reporting the District as a Whole

The Statement of Net Assets 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 activities?" The Statement of Net Assets 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 and liabilities 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 assets and changes in them. The change in net assets 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.

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. A schedule showing the fund balance and the total change in fund balance from June 30, 2006 to 2007 for the District's major funds appears on page 6. 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 two types of funds, governmental, and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

Hilliard City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

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 Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Fiduciary Funds

The District's fiduciary funds are Student-managed Activities and the Vision 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 assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$60,577,095 according to the Statement of Net Assets at the close of the most recent fiscal year.

A portion of the District's net assets (18.79%) reflects its investment in capital assets less depreciation and any related debt used to acquire those assets that is still outstanding. 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 comparative analysis of fiscal year 2007 to 2006 follows from the Statements of Net Assets:

Hilliard City School District		
Net Assets		
	Governmental Activities	
	2007	2006
Current assets	\$ 205,003,149	\$ 210,742,100
Capital assets	139,079,971	126,501,765
Total assets	344,083,120	337,243,865
Current liabilities	93,106,147	93,679,080
Long-term liabilities	190,399,878	196,798,406
Total liabilities	283,506,025	290,477,486
 Net Assets:		
Invested in capital, net of debt	11,382,412	8,600,044
Restricted	19,649,575	13,142,113
Unrestricted	29,545,108	25,024,222
Total net assets	\$ 60,577,095	\$ 46,766,379

Hilliard City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

A portion of the District's net assets (32.44%) represents resources subject to external restrictions on how they may be used. The increase in "invested in capital assets, net of debt" is attributable to the addition of construction in progress related to the construction of a new elementary school slated to open in September, 2007.

Hilliard City School District
Changes in Net Assets

	Governmental Activities	Governmental Activities
	2007	2006
Program revenues:		
Charges for services	\$ 6,157,676	\$ 5,929,144
Federal grants	4,369,588	4,724,052
State grants	868,163	717,431
General revenues:		
Property taxes	112,876,947	102,530,771
State entitlements	51,582,809	49,168,376
Investment income	5,606,814	1,594,740
Other	2,914,144	4,712,774
Total revenues	<u>184,376,141</u>	<u>169,377,288</u>
Program expenses:		
Instructional	98,600,754	92,328,634
Support services	52,509,197	48,118,112
Community services	1,959,881	1,770,217
Food service	3,987,232	3,847,634
Extracurricular Activities	3,573,573	3,506,953
Other Operations	-	22,724
Interest and Fiscal Charges	9,932,681	7,860,106
Miscellaneous	2,107	-
Total expenses	<u>170,565,425</u>	<u>157,454,380</u>
Increase(decrease) in net assets	<u>\$ 13,810,716</u>	<u>\$ 11,922,908</u>

Governmental Activities

Net assets of the District's governmental activities increased by \$13,810,716. The increase in net assets is a direct result of the 9.5 mill new property tax passed in March of 2004 and increased investment earnings.

The Statement of Activities shows the cost of program services and the charges for services and grants 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.

Hilliard City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

<u>Programs</u>	<u>Total Cost of Services</u> 2007	<u>Net Cost of Service</u> 2007
Instructional services	\$ 98,600,754	\$ 94,571,997
Support services	52,509,197	51,703,086
Community services	1,959,881	(62,077)
Food services	3,987,232	69,032
Extracurricular Activities	3,573,573	2,953,172
Miscellaneous	2,107	2,107
Interest and Fiscal Charges	9,932,681	9,932,681
Total	<u>\$ 170,565,425</u>	<u>\$ 159,169,998</u>

Local property taxes make up 65.26% of total general revenues for governmental activities. The net services column reflecting the need for \$159,169,998 of support indicates the reliance on general revenues to support governmental activities.

The District's Funds

The District's governmental funds reported a fund balance of \$104,669,111, which represents a decrease of \$5,418,888 as compared to last year's total of \$110,087,999 according to the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The schedule below shows the fund balance and the total change in fund balance from June 30, 2007 to 2006.

	Fund Balance at June 30, 2007	Fund Balance at June 30, 2006	Increase (Decrease)
General Fund	\$ 33,237,377	\$ 21,589,792	\$ 11,647,585
Bond Retirement Fund	13,902,046	13,455,316	446,730
Permanent Improvement Fund	3,248,062	1,398,647	1,849,415
Building Fund	52,205,037	71,636,798	(19,431,761)
Other Governmental Funds	2,076,589	2,007,446	69,143
Total	<u>\$ 104,669,111</u>	<u>\$ 110,087,999</u>	<u>\$ (5,418,888)</u>

General Fund

The District's General Fund balance increased as a result of revenues exceeding expenditures.

Revenues	2007	2006	% Change
Property taxes	\$ 93,712,438	\$ 87,237,234	7.42%
Intergovernmental	49,845,795	47,736,965	4.42%
Investment income	5,231,972	1,218,074	329.53%
Other revenue	3,267,094	2,745,636	18.99%
Total	<u>\$ 152,057,299</u>	<u>\$ 138,937,909</u>	<u>9.44%</u>

Hilliard City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

The increase in property tax revenues is primarily due to the passage of a new 9.5 mill property tax in March of 2004. The increase in investment income is due to a higher cash balance allowing for more investment opportunities and an increase in interest rates.

As the table below indicates, the largest portion of General Fund expenditures at 61.54% is for instructional services.

Expenditures by Function	<u>2007</u>	<u>2006</u>	<u>% Change</u>
Instructional services	\$ 86,480,082	\$ 82,348,492	5.02%
Support services	50,174,195	45,455,507	10.38%
Food Service	27,935	-	100.00%
Community Services	1,768	-	100.00%
Extra Curricular student activities	2,808,148	2,823,360	-0.54%
Other Facilities Acquisition and Construction	367,308	152,850	140.31%
Capital outlay	125,380	-	100.00%
Miscellaneous	2,107	9,963	-78.85%
Debt service	548,171	189,115	189.86%
Total	<u>\$ 140,535,094</u>	<u>\$ 130,979,287</u>	<u>7.30%</u>

Expenditures are up 7.30% over the prior year due to the hiring of additional staff and salary and benefit increases associated with existing staff. District enrollment has increased by 483 students over the past two years.

Bond Retirement Fund

The Debt service fund balance has increased by just over \$440 thousand due to an increase in property taxes. 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 expenses of the fund include principal and interest payments as well as county auditor and treasurer fees.

Permanent Improvement Fund

The Permanent Improvement fund is used to account for significant capital projects. In 2007, the increase in revenues and the related increase in fund balance of more than \$1.8 million are related to the collection of a 2 mill property tax levy which began in calendar year 2007 to fund the improvement of capital facilities.

Building Fund

The building fund is used to account for significant capital projects. In 2007, the decrease in fund balance of more than \$19 million is related to an overall increase in expenditures of more than \$17.5 million over the previous fiscal year for building acquisition, construction and improvement costs. The most significant construction project associated with these expenditures is the construction of a new elementary school which is slated to open in September 2007.

Other Funds

Other governmental funds consist of Special Revenue funds. The aggregate fund balance of these funds showed a increase of just under \$70 thousand dollars.

Hilliard City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

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. In 2007, there were no updates made to general fund appropriations.

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 level. Each school 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.

Capital Assets

At June 30, 2007 the District has \$139,079,971 invested in capital assets net of accumulated depreciation. The following table shows fiscal year 2007 and 2006 balances:

	Governmental Activities		Increase (Decrease)
	2007	2006	
Land	\$ 18,875,932	\$ 15,917,327	\$ 2,958,605
Construction in progress	14,822,000	-	14,822,000
Land improvements	14,136,344	14,119,899	16,445
Building and improvements	145,884,987	145,329,787	555,200
Furniture, fixtures and equipment	7,656,574	7,702,729	(46,155)
Buses, autos and trucks	10,334,515	11,049,535	(715,020)
Less: Accumulated depreciation	(72,630,381)	(67,617,512)	(5,012,869)
Totals	\$ 139,079,971	\$ 126,501,765	\$ 12,578,206

The primary increase in land and construction in progress is related to the acquisition of land for a future third high school and the construction of a new elementary school slated to open in September 2007.

Additional information on the District's capital assets can be found in the notes to the financial statements. (Note 7)

Debt

On June 30, 2007, the District had \$181,152,798 in outstanding bonds. The District paid \$9,165,000 in principal on bonds outstanding and \$6,435,000 in interest payments during the 2007 fiscal year. The District also both issued and retired \$10,000,000 in bond anticipation notes during the fiscal year to retire outstanding notes from the prior year. Detailed information regarding both long-term and short-term debt activity is included in the notes to the basic financial statements (Note 8 and Note 9).

Hilliard City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2007
Unaudited

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total taxable valuation of real and personal property. As of June 30, 2007, the District's general obligation debt was below the legal limit.

Economic Conditions and Outlook

The future financial stability of the District is not without challenges. The biggest challenge facing the District is the growth in student enrollment and how to house the additional students. Currently the two high schools combined are more than 700 students over capacity. The District is also experiencing capacity issues at the middle school buildings. In May 2006, the District passed a \$75 million bond levy for the construction of a third high school and fourteenth elementary.

The other challenge facing the District is the future of state funding. In the State's current biennium budget that began July 1 of 2007 the District's funding from the state is flat funded for a fourth straight year. The District's student enrollment is projected to increase approximately 130 students over the next year but it will see no increased funding from the state. We do not know at this time how state funding will change in the next biennium budget. We are anticipating that there will probably be no significant increases in state funding which will place a greater burden on local taxpayers.

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, 5323 Cemetery Road, Hilliard, Ohio 43026.

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BASIC FINANCIAL STATEMENTS



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Hilliard City School District
Statement of Net Assets
June 30, 2007

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$37,744,754
Investments	57,393,349
Receivables	
Taxes - Current	101,925,443
Taxes - Delinquent	7,444,671
Accounts	22,294
Accrued Interest	410,966
Due from:	
Other Governments	5,145
Materials & Supplies Inventory	56,527
Land	18,875,932
Construction in Progress	14,822,000
Other Capital Assets, Net	105,382,039
Total Assets	344,083,120
Liabilities	
Accounts Payable	596,909
Contracts Payable	3,361,827
Accrued Wages and Benefits	12,615,124
Due to Other:	
Governments	2,722,374
Interest Payable	578,961
Unearned Revenue	63,230,952
Notes Payable	10,000,000
Long-Term Liabilities	
Due within One Year	11,032,915
Due in More Than One Year	179,366,963
Total Liabilities	283,506,025
Net Assets	
Invested in Capital Assets, Net of Related Debt	11,382,412
Restricted for:	
Debt Service	13,323,085
Capital Projects	4,249,901
Other Puposos	2,076,589
Unrestricted	29,545,108
Total Net Assets	\$60,577,095

The notes to the financial statements are an integral part of this statement.

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Hilliard City School District
Statement of Activities
For the Fiscal Year Ended June 30, 2007

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities				
Instruction				
Regular	\$ 80,768,738	\$ 240,537	\$ 248,895	\$ (80,279,306)
Special	16,412,601	232,404	3,306,921	(12,873,276)
Vocational	1,419,415	-	-	(1,419,415)
Support Services				
Pupils	9,685,260	653	138,917	(9,545,690)
Instructional Staff	8,996,674	2,862	13,076	(8,980,736)
General Administration	9,412,344	-	-	(9,412,344)
Board of Education	306,505	188,449	68	(117,988)
Fiscal Services	3,385,951	-	-	(3,385,951)
Business	654,354	204,219	-	(450,135)
Operation & Maintenance of Plant	11,697,001	2,404	-	(11,694,597)
Pupil Transportation	7,838,069	142,806	2,878	(7,692,385)
Central	533,039	-	109,779	(423,260)
Community Services	1,959,881	1,448,208	573,750	62,077
Food Service Operations	3,987,232	3,074,733	843,467	(69,032)
Extra Curricular Activities	3,573,573	620,401	-	(2,953,172)
Interest and Fiscal Charges	9,932,681	-	-	(9,932,681)
Miscellaneous	2,107	-	-	(2,107)
Totals	\$ 170,565,425	\$ 6,157,676	\$ 5,237,751	\$ (159,169,998)
General Revenues				
Property Taxes Levied for:				
General Purposes				93,656,960
Debt Service				14,947,957
Permanent Improvement				4,272,030
Grants & Entitlements not Restricted to Specific Programs				51,582,809
Investment Earnings				5,606,814
Miscellaneous				2,914,144
Total General Revenues				172,980,714
Change in Net Assets				13,810,716
Net Assets Beginning of Year				46,766,379
Net Assets End of Year				\$60,577,095

The notes to the financial statements are an integral part of this statement.

Hilliard City School District
Balance Sheet
Governmental Funds
June 30, 2007

	General	Bond Retirement Fund	Permanent Improvement Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash and cash equivalents	\$ 16,996,820	\$ 8,564,780	\$ 1,696,962	\$ 7,828,572	\$ 2,657,620	\$ 37,744,754
Investments	-	-		57,393,349	-	57,393,349
Receivables (net of allowances for uncollectibles)						
Taxes - Current	84,073,583	13,539,752	4,312,108	-	-	101,925,443
Taxes - Delinquent	6,089,976	1,026,869	327,826	-	-	7,444,671
Accounts	18,832	-	-	-	3,462	22,294
Accrued Interest	90,475	-	-	320,491	-	410,966
Due from Other:						
Governments	-	-	-	-	5,145	5,145
Funds	1,633	-	-	-	-	1,633
Materials and Supplies Inventory	-	-	-	-	56,527	56,527
Total assets	<u>107,271,319</u>	<u>23,131,401</u>	<u>6,336,896</u>	<u>65,542,412</u>	<u>2,722,754</u>	<u>205,004,782</u>
Liabilities:						
Accounts Payable	520,132	-	11,881	1,459	63,437	596,909
Contracts Payable	-	-	140,930	3,220,897	-	3,361,827
Retainage Payable	-	-	-	-	-	-
Accrued Wages and Benefits	12,152,449	-	-	-	462,675	12,615,124
Due to other funds	-	-	-	-	1,633	1,633
Due to other governments	2,603,954	-	-	-	118,420	2,722,374
Compensated Absences Payable	197,076	-	-	-	-	197,076
Deferred Revenue	58,560,331	9,229,355	2,936,023	115,019	-	70,840,728
Notes Payable	-	-	-	10,000,000	-	10,000,000
Total Liabilities	<u>74,033,942</u>	<u>9,229,355</u>	<u>3,088,834</u>	<u>13,337,375</u>	<u>646,165</u>	<u>100,335,671</u>
Fund Balances						
Reserved						
Encumbrances	1,383,439	-	940,746	61,448,620	243,776	64,016,581
Unreserved						
Designated for next fiscal year	31,653,314	5,337,266	1,703,911	-	-	38,694,491
Undesignated, Reported in:						
General fund	200,624	-	-	-	-	200,624
Special Revenue funds	-	-	-	-	1,832,813	1,832,813
Debt Service fund	-	8,564,780	-	-	-	8,564,780
Capital Projects fund	-	-	603,405	(9,243,583)	-	(8,640,178)
Total fund balances	<u>33,237,377</u>	<u>13,902,046</u>	<u>3,248,062</u>	<u>52,205,037</u>	<u>2,076,589</u>	<u>104,669,111</u>
Total liabilities and fund balances	<u>\$ 107,271,319</u>	<u>\$ 23,131,401</u>	<u>\$ 6,336,896</u>	<u>\$ 65,542,412</u>	<u>\$ 2,722,754</u>	<u>\$ 205,004,782</u>

The notes to the financial statements are an integral part of this statement.

Hilliard City School District, Ohio
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 June 30, 2007

Total Governmental Fund Balances	\$104,669,111
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	139,079,971
Other assets are not available to pay for current period expenditures and therefore are deferred in the funds.	7,609,776
Other liabilities are not to be paid from current period resources and are not reported in the funds.	
Interest Payable	(578,961)
Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences	(8,576,813)
General Obligation Debt	(181,152,798)
Capital Lease Obligations	(473,191)
	<u>(190,202,802)</u>
 Net Assets of Governmental Activities	 <u><u>\$60,577,095</u></u>

The notes to the financial statements are an integral part of this statement.

Hilliard City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2007

	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Permanent Improvement Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
From local sources						
Taxes	\$ 93,712,438	\$ 14,823,334	\$ 3,944,204	\$ -	\$ -	\$ 112,479,976
Tuition	230,037	-	-	-	1,713,536	1,943,573
Earnings on Investments	5,231,972	-	-	287,799	15,061	5,534,832
Other local	2,034,737	-	-	152,668	236,063	2,423,468
Intergovernmental - State	49,779,243	1,522,303	214,711	-	868,163	52,384,420
Intergovernmental - Federal	66,552	-	-	-	4,369,588	4,436,140
Classroom Materials & Fees	926,316	-	-	-	-	926,316
Other revenue	76,004	723	-	-	41,247	117,974
Extracurricular Activities	-	-	-	-	581,556	581,556
Food Services	-	-	-	-	3,074,733	3,074,733
Total Revenues	<u>152,057,299</u>	<u>16,346,360</u>	<u>4,158,915</u>	<u>440,467</u>	<u>10,899,947</u>	<u>183,902,988</u>
Expenditures:						
Current:						
Instruction						
Regular	72,056,397	-	500,448	616,285	555,727	73,728,857
Special	12,993,626	-	-	-	3,395,879	16,389,505
Vocational	1,430,059	-	-	-	-	1,430,059
Support Services						
Pupils	9,523,580	-	-	-	150,034	9,673,614
Instructional Staff	8,965,801	-	-	-	29,306	8,995,107
General Administration	8,651,641	-	28,006	338,164	166,626	9,184,437
Board of Education	306,505	-	-	-	-	306,505
Fiscal Services	3,193,119	169,230	31,441	-	-	3,393,790
Business	636,323	-	-	-	-	636,323
Operation & Maintenance of Plant	11,976,836	-	-	-	2,297	11,979,133
Pupil Transportation	6,477,120	-	343,450	-	27,131	6,847,701
Central	443,270	-	-	-	109,779	553,049
Community Services	1,768	-	-	-	1,958,071	1,959,839
Food Service Operations	27,935	-	-	-	3,932,794	3,960,729
Extra Curricular Activities	2,808,148	-	-	-	503,160	3,311,308
Facilities Acquisition & Construction Services						
Site Acquisition	-	-	-	2,948,605	-	2,948,605
Architecture & Engineering Services	-	-	-	6,734	-	6,734
Building Acquisition & Construction Services	-	-	-	12,906,425	-	12,906,425
Building Improvement Services	-	-	1,393,237	989,808	-	2,383,045
Other Facilities Acquisition & Construction	367,308	-	12,918	2,066,207	-	2,446,433
Miscellaneous	2,107	-	-	-	-	2,107
Capital Outlay	125,380	-	-	-	-	125,380
Debt Service:						
Principal Retirement	448,989	8,845,000	-	-	-	9,293,989
Interest and Fiscal Charges	99,182	6,885,400	-	-	-	6,984,582
Total Expenditures	<u>140,535,094</u>	<u>15,899,630</u>	<u>2,309,500</u>	<u>19,872,228</u>	<u>10,830,804</u>	<u>189,447,256</u>
Excess (deficiency) of revenue over expenditures	11,522,205	446,730	1,849,415	(19,431,761)	69,143	(5,544,268)
Other Financing Sources (Uses)						
Proceeds from capital lease	125,380	-	-	-	-	125,380
Total other financing sources (uses)	<u>125,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125,380</u>
Net Change in Fund balances	11,647,585	446,730	1,849,415	(19,431,761)	69,143	(5,418,888)
Fund balances, July 1	21,589,792	13,455,316	1,398,647	71,636,798	2,007,446	110,087,999
Fund balances, June 30	<u>\$ 33,237,377</u>	<u>\$ 13,902,046</u>	<u>\$ 3,248,062</u>	<u>\$ 52,205,037</u>	<u>\$ 2,076,589</u>	<u>\$ 104,669,111</u>

The notes to the financial statements are an integral part of this statement.

Hilliard City School District, 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, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ (5,418,888)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
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. This is the amount by which capital outlays exceeded depreciation in the current period.	12,465,940
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Taxes	396,971
Earnings on Investments	71,982
Miscellaneous	4,200
Repayment of bond principal and leases payable are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities.	9,293,989
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	(2,948,099)
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 governmental funds.	
Compensated Absences	(55,379)
<i>Change in Net Assets of Governmental Activities</i>	\$13,810,716

The notes to the financial statements are an integral part of this statement.

Hilliard City School District
Statement of Fiduciary Assets and Liabilities
June 30, 2007

	<u>Agency</u>
Assets:	
Cash and cash equivalents	\$ 313,263
Total assets	<u>\$ 313,263</u>
Liabilities:	
Accounts Payable	7,049
Due to:	
Other	306,214
Total Liabilities	<u>\$ 313,263</u>

The notes to the financial statements are an integral part of this statement.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements
June 30, 2007

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*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, 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 financial burden on the District. The District has no component units.

The Metropolitan Educational Council (MEC) is a jointly governed organization of the District. The organization 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. Districts participating in the MEC are within the boundaries of Franklin, Delaware, Union, Pickaway, Madison and Fairfield counties. MEC 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. Financial statements for MEC can be obtained from Metropolitan Educational Council administrative offices at 2100 City Gate Drive, Columbus, OH 43219.

The Central Ohio Joint Vocational School District (COJVS) 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 COJVS. However, the financial statements of COJVS 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 COJVS.

The Central Ohio Special Education Resource Center (COSERC) is a jointly governed organization of the District. The District's Board of Education appoints one member of the seventy member Governing Board of COSERC. However, the financial statements of COSERC 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 COSERC.

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 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.

Dublin Prep Academy-- Within the District's boundaries, Dublin Prep Academy 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.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

2. Summary of Significant Accounting Policies

The basic 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 Governmental Accounting Standards Board (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 assets and the statement of changes in net assets) report information on all of the 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 support. Likewise, the *primary government* is reported separately from legally separate *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 the 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District has no proprietary funds.

(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 fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related to 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.

Government 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 are generally recorded when a liability is incurred, as under accrual accounting. However, debt service principal expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied, provided they are collected and certified by the county auditor by the fiscal year-end. Additionally, taxes collected more than 30 days after fiscal year-end are recorded as a receivable with an offset to deferred revenue for amounts not collected and available for advance on June 30 by the county auditor. Tuition, grants, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as a receivable or revenue, or deferred revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the District.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

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 for, and 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 other receipts and related expenditures for the purpose of acquisition and construction of capital facilities including real property.

Permanent Improvement – This Permanent Improvement fund, a capital projects fund, is used to account for the permanent improvement tax levy receipts and related expenditures for the purpose of acquiring, constructing, or improving of major capital facilities.

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

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

Additionally, the District reports the following fund type:

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 includes 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 as an agent for the District's student organizations.

Amounts reported as program revenues include 1) charges to those who benefit from the goods, services, or privileges provided, and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

(c) *Cash and Investments*

The majority of monies received by the District are pooled in a central bank account with individual fund balance integrity retained throughout, except for investments separately held by the building fund. In 1998, the District adopted GASB Statement No. 31 (GASB 31), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records its investments at fair value. Repurchase agreements and investments with maturities of one year or less from the date of purchase are valued at amortized cost.

(d) *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 reservations of fund balance, since they do not constitute expenditures or liabilities. The District had \$64,016,581 in outstanding encumbrances at year end.

(e) *Inventory*

Inventory is valued at cost (first-in, first-out). The cost of inventory is recorded as an expenditure/expense at the time individual inventory items are consumed.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

(f) *Capital Assets and Depreciation*

General capital assets are those assets specifically related to activities reported in the governmental funds. These assets are reported in the government-wide statement of net assets 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 fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$5,000 and a useful life of less than one year. The District does not possess any infrastructure.

All reported capital assets, with the exception of land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives 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 and Equipment	5-20
Vehicles	8

(g) *Interfund Activity*

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/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.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets.

(h) *Compensated Absence*

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 right to receive compensation is 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, and state laws.

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. Twelve month staff with the consent of the superintendent may carry over from one employment year to the next, an amount of vacation equal to 10 days. The maximum that classified staff may carry over is the amount of vacation leave earned, but not used, during the preceding two full years of continued employment by the District. District employees earn sick leave at fifteen days per year, which, if not taken, accumulates on an unlimited basis until retirement. Upon retirement, an employee is paid one-fourth of the accumulated sick leave up to a maximum of 60 days for certificated staff and 63 and $\frac{3}{4}$ days for classified staff. The general fund is primarily responsible for liquidating the liability.

The entire compensated absence liability is reported on the entity-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent that the amounts are expected to be paid using expendable available financial resources to the extent that the liabilities mature each period.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

(i) *Accrued Liabilities and Long-term Debt*

All accrued liabilities and long-term debt are reported in the entity-wide financial statements. For governmental fund financial statements, these accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term liabilities paid from governmental funds are not recognized as a liability in the fund financial statements until due.

(j) *Fund Balance Reserves / Designated*

The District records designations for portions of fund equity, which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation. Fund balance designated for next fiscal year represents taxes recorded as revenue under the GAAP basis, not available for appropriation under state statute. Unreserved fund balance indicates the portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances.

(k) *Net Assets*

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are 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 or regulations of other governments.

The District policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

(l) *Management Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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.

3. Cash 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.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

Cash and Investments:

In 1998, the District adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, and records all its investments at fair value, except repurchase agreements, and investments with maturities of one year or less from the date of purchase, which are reported at amortized cost.

The investment and deposit of the District's monies is governed by the provisions of the 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. Earnings on investments are credited to the General Fund except earnings specifically related to the Capital Projects Building Fund, and certain Special Revenue Funds, which is in compliance with ORC Section 3315.01. In fiscal 2007 investment income of \$5,231,972 was recorded in the General Fund.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2007.

Deposits:

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned. The District has no deposit policy for custodial risk beyond the requirements of state statute. According to state law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name. During 2007, the District and public depositories complied with the provisions of these statutes.

At year-end, the District carried account balances at four banks. The carrying amount of all District deposits was \$25,625,281, exclusive of \$4,050 in cash on hand. The combined bank balance was \$27,784,051 of which \$329,523 was covered by FDIC insurance and \$27,454,528 was uninsured. Of the remaining uninsured bank balance, all was collateralized with securities held by the pledging institution's trust department, not in the District's name.

Investments:

Investments are reported at fair value. As of June 30, 2007, the District had the following investments:

Type	Fair Value	Weighted Average Maturity(Years)
FHLB	\$ 16,075,180	1.01
FNMA	27,401,820	0.59
FHLMC	998,064	0.63
FFCB	4,899,828	0.91
Commercial Paper	7,810,853	0.45
STAR Ohio	102,271	current
Repurchase Agreement	<u>12,429,000</u>	current
Total Fair Value	<u>\$ 69,717,016</u>	
Portfolio Weighted Average Maturity		0.58

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

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.

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

Credit Risk

The District's investments except for the Repurchase Agreement, as discussed above, and STAR Ohio were rated AAA by Standard & Poor's. Its investment in Star Ohio was 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. No more than 25% may be invested in Commercial Paper/Banker's Acceptance and no more than 75% may be invested in Certificates of Deposit/Bank Deposits. At least 5 % of the District's total investments are in FHLB, FNMA, FFCB, commercial paper, and repurchase agreements. These investments are 23.06%, 39.30%, 7.03%, 11.20% and 17.83% respectively, of the District's total investments, for the amounts listed above. Included in the District's investment totals are building fund specific investments. The diversification of building fund investments included 5.31% in repurchase agreements, 23.10% in Certificates of Deposit, 43.56% in FNMA, 8.08% in FFCB, and 19.95% in FHLB.

4. Receivables

Receivables at June 30, 2007 consist of the following:

	<u>Taxes</u>	<u>Other</u>	<u>Totals</u>
Governmental activities:			
General	\$ 90,163,559	\$ 109,307	\$ 90,272,866
Bond retirement fund	14,566,621	-	14,566,621
Permanent Improvement fund	4,639,934	-	4,639,934
Building fund	-	320,491	320,491
Other governmental funds	-	<u>3,462</u>	<u>3,462</u>
Total	<u>\$ 109,370,114</u>	<u>\$ 433,260</u>	<u>\$ 109,803,374</u>

5. Due from Other Governments

Due from Other Governments at June 30, 2007 consist of the following:

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

	<u>Federal</u>	<u>Totals</u>
Governmental activities:		
Other governmental funds	5,145	5,145
Total	\$ 5,145	\$ 5,145

6. Interfund Receivables and Payables

Interfund balances at June 30, 2007 consist of the following:

	<u>Receivable</u>	<u>Payable</u>
Governmental activities:		
General	\$ 1,633	-
Other governmental funds	-	1,633
Total	\$ 1,633	\$ 1,633

The purpose of the interfund balances is primarily the result of short-term interfund loans made by the General Fund while the other funds await for reimbursement for goods or services already provided.

7. Property, Plant and Equipment

A summary of changes in general capital assets for the year ended June 30, 2007, follows:

	<u>Balance</u> <u>June 30, 2006</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2007</u>
<i><u>Governmental Activities</u></i>				
Capital Assets, not being Depreciated:				
Land	\$ 15,917,327	\$ 2,958,605	\$ -	\$ 18,875,932
Construction in progress	-	14,822,000	-	14,822,000
Total Capital Assets, not Being Depreciated	15,917,327	17,780,605	-	33,697,932
Capital Assets, being Depreciated:				
Land improvements	14,119,899	16,445	-	14,136,344
Building and improvements	145,329,787	555,200	-	145,884,987
Furniture, fixtures and equipment	7,702,729	136,793	182,948	7,656,574
Buses, autos and trucks	11,049,535	560,349	1,275,369	10,334,515
Total Capital Assets, Being Depreciated	178,201,950	1,268,787	1,458,317	178,012,420
Less Accumulated Depreciation:				
Land improvements	7,343,519	652,534	-	7,996,053
Building and improvements	49,473,666	4,242,485	-	53,716,151
Furniture, fixtures and equipment	4,186,230	487,244	115,098	4,558,376
Buses, autos and trucks	6,614,097	1,021,073	1,275,369	6,359,801
Total accumulated depreciation	67,617,512	6,403,336	1,390,467	72,630,381
Capital assets, net	\$ 126,501,765	\$ 12,646,056	\$ 67,850	\$ 139,079,971

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

Depreciation expense was charged to governmental functions as follows:

Instructional services:	
Regular	\$ 4,542,691
Special	25,820
Support services:	
Pupils	640
Instructional staff	40,128
General administration	330,962
Business	2,888
Operation and maintenance of plant	192,090
Student Transportation	968,674
Food services	35,363
Community services	1,282
 Extracurricular student activities	 262,798
 Total Depreciation	 <u><u>\$ 6,403,336</u></u>

8. Long-Term Obligations

A summary for changes in long-term obligations for the year ended June 30, 2007, follows:

	Balance June 30, 2006	Additions	Reductions	Balance June 30, 2007
Accrued liabilities:				
Severance	\$ 8,704,942	\$ 548,315	\$ 479,368	\$ 8,773,889
Capital lease obligation	500,898	125,380	153,087	473,191
General obligation bonds payable	<u>187,592,566</u>	<u>2,725,232</u>	<u>9,165,000</u>	<u>181,152,798</u>
	<u>\$ 196,798,406</u>	<u>\$ 3,398,927</u>	<u>\$ 9,797,455</u>	<u>\$ 190,399,878</u>

Amounts Due In One Year

Severance	\$ 752,724
Capital lease obligation	135,191
General obligation bonds payable	<u>10,145,000</u>
	<u><u>\$ 11,032,915</u></u>

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

General obligation bonds are direct obligations and pledges of the full faith and credit of the District. These bonds generally are issued as serial bonds, except for refunding issues. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Accretion in 2007</u>	<u>Total Bonds Outstanding</u>
Refunding Issue (1)	12/01/97	12/01/13	4.7568	185,218	6,019,202
Refunding Issue (2)	05/10/93	12/01/06	5.1874	29,996	0
Refunding Issue (3)	06/15/01	12/01/19	4.7807	165,055	24,589,419
Refunding Issue (7)	06/01/04	12/01/12	5.3509	24,102	2,717,908
Refunding Issue (8)	03/01/05	12/01/28	4.3531	511,155	41,436,008
School Improvement (4)	02/01/96	12/01/20	5.4360	206,093	3,188,400
School Improvement (5)	03/01/00	12/01/28	6.6890	1,256,952	32,065,050
School Improvement (6)	06/15/01	12/01/28	4.6548	31,277	4,541,471
School Improvement (9)	04/28/06	12/01/10	3.1000	-	1,280,000
School Improvement (10)	06/30/06	12/01/28	4.3600	<u>315,384</u>	<u>65,315,340</u>

Total \$2,725,232 \$181,152,798

- (1) Included construction of two new elementary schools and one additional middle school. Additions and renovations to one elementary school. Provided for furnishings and equipment for new buildings, new additions and existing school buildings. Advance refunded 1995 School Improvement bonds.
- (2) Included construction of new sixth grade school building, administration building and additions to three elementary buildings. Provide for furnishings and equipment for new buildings, new additions and existing school buildings. Advance refunded 1990 bonds.
- (3) Included construction of a new middle school, a new elementary school and additions to the existing elementary schools, middle school and bus garage. Initial construction and site work for a new high school and district wide technology improvements. Also provided furnishings and equipment for new buildings, new additions and existing school buildings. Defeased 1995 bonds. As of June 30, 2007 the refunded bonds have an outstanding balance of \$17,130,000, not included on the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.
- (4) Included construction of second high school, athletic facility and an elementary school. Also provided for various permanent improvements to be made at existing facilities.
- (5) Included construction of two new elementary schools and renovation of a sixth grade school. Also provided for various permanent improvements to be made at existing facilities and land acquisition.
- (6) Included construction of two new elementary schools and renovation of a sixth grade school. Also provided for various permanent improvements to be made at existing facilities and land acquisition.
- (7) Issued to current refund the serial bond portion of issue (2).
- (8) Issued to defease the serial bond portion of issue (4) & (5). As of June 30, 2007, the 2000 bonds have a balance of \$23,940,000, not included in the District's outstanding debt since the District has in-substance satisfied its obligations through the advance refunding.
- (9) Included energy conservation improvements.
- (10) Included construction of third high school and new elementary school

In the opinion of management, the District has complied with all bond covenants.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

The annual maturities of the general obligation bonds as of June 30, 2007, and related interest payments are as follows:

<u>Year ending June 30,</u>	<u>Interest rate (%)</u>	<u>Principal</u>	<u>Interest</u>
2008	3.1000-6.689	\$ 10,145,000	\$ 6,280,703
2009	3.1000-6.689	10,442,127	5,872,264
2010	3.1000-6.689	11,126,300	5,400,337
2011	3.1000-6.689	8,629,560	8,060,929
2012	3.1000-6.689	7,522,432	9,105,845
2013-2017	3.1000-6.689	34,188,181	47,889,826
2018-2022	3.1000-6.689	37,451,996	30,808,166
2023-2027	3.1000-6.689	38,565,000	8,973,207
2028-2029	3.1000-6.689	16,610,000	770,197
Total		<u>\$ 174,680,596</u>	<u>\$ 123,161,474</u>

The District issued general obligation bonds for the construction and improvement of District buildings. These bonds include current interest serial bonds, capital appreciation bonds, and current interest term bonds. For fiscal year 2007, the capital appreciation bonds accreted \$2,725,232.

The Ohio Revised Code (ORC) provides that the net debt of a school district, whether or not approved by the people, shall not exceed 9.0% of the total value of all property in the school district as listed and assessed for taxation. In addition, the unvoted net debt of a school district cannot exceed 0.1% of the total assessed value of property. The District had no unvoted debt at June 30, 2007, except for energy conservation bonds. The statutory limitations on debt are measured by a direct ratio of net debt to tax valuation and expressed in terms of a percentage. At June 30, 2007 the District's net debt was approximately 7.38% of the total assessed value of all property within the District.

9. Notes Payable

A summary of bond anticipation note (BAN) transactions for the fiscal year ended June 30, 2007 follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Notes Issue Date</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired in 2007</u>	<u>Outstanding 6/30/2007</u>
BAN	4.500%	6/14/2006	6/14/2007	\$10,000,000	\$10,000,000	\$ -
BAN	4.000%	6/13/2007	6/12/2008	\$10,000,000	\$ -	\$10,000,000

The District both retired and issued \$10,000,000 in bond anticipation notes during in fiscal year 2007. The BAN's issued are to be used to fund construction and other capital issues. The government-wide and fund financial statements reflect notes payable as \$10 million.

10. Capital Lease Obligation

The Hilliard City School District entered into capital leases for copiers. These leases met the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

Capital assets consisting of copiers have been capitalized in the Governmental Activities Statement of Net Assets in the amount of \$623,059. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the Statement of Net Assets. Principal payments in fiscal year 2007 totaled \$128,989. The District disposed of copiers obtained under a capital lease agreement during 2007 resulting in the reduction of capital lease liabilities in the amount of \$24,098. The District acquired new copiers under a lease agreement which resulted in an addition to capital lease liabilities of \$125,380.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2007:

Fiscal Year Ending June 30,	Capital Lease Obligations
2008	\$ 176,110
2009	170,036
2010	168,303
2011	31,973
2012	<u>7,971</u>
Total minimum lease payments	\$ 554,394
Less: amount representing interest	<u>(81,203)</u>
Present value of minimum lease payments	<u>\$ 473,191</u>

The principal portion of the capital lease obligation due during fiscal year 2008, \$135,191 has been reported on the Statement of Net Assets as a long-term liability due in one year. The remaining capital lease obligation principal amount of \$338,000 has been reported as a long-term liability due in more than one year.

11. Lease Commitments and Leased Property

The District leases fourteen modular classroom buildings, which are presently being used at the two high schools. The lease term is currently thirty-six months, commencing March 2005. Total rental expenditures on the lease for the year ended June 30, 2007, were \$67,200.

The following is a schedule by year of the future minimum rental payments required for operating leases, as the remaining lease term is in excess of one year as of June 30, 2007:

Fiscal Year Ending June 30,	Operating Lease
2008	<u>39,200</u>
Total minimum lease payments	<u>\$ 39,200</u>

12. Defined Benefit Pension Plans

State Teachers Retirement System

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2007, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2007, 2006, and 2005 were \$10,738,434, \$10,037,216, and \$9,466,310, respectively; 87.06 percent has been contributed for fiscal year 2007 and 100 percent for fiscal years 2006 and 2005. \$1,389,941 representing the unpaid contribution for fiscal year 2007 is recorded as a liability within the respective funds.

School Employees Retirement System

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006, (the most recent information available) 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2007, 2006 and 2005 were \$2,568,265, \$2,634,357, and \$2,459,404, respectively; 48.12 percent has been contributed for fiscal year 2007 and 100 percent for

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

fiscal years 2006 and 2005. \$1,332,433 representing unpaid the contribution for fiscal year 2007 is recorded as a liability within the respective funds.

13. Postemployment Benefits Other Than Pension Benefits

The Hilliard City School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006 (the latest information available), the STRS Ohio Board allocated employer contributions equal to one percent of covered payroll to the Health Care Reserve Fund. For the District, this amount represented \$767,031 for the fiscal year ended June 30, 2007.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the year ended June 30, 2006, net health care costs paid by STRS Ohio were \$282,743,000 and STRS Ohio had 119,184 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006, (the most recent information available) employer contributions to fund health care benefits were 3.42 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2007, the minimum pay was established at \$35,800. However, the surcharge is capped at two percent of each employer's SERS salaries. For the School District, the amount contributed to fund health care benefits during the 2007 fiscal year equaled \$1,021,750.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2006 (the latest information available), were \$158,751,207. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295.6 million. SERS has 59,492 participants currently eligible to receive health care benefits.

14. Property Taxes

Property Taxes include amounts levied against all real, public utility and tangible (used in business) property located in the school district. Due and collection dates, as established by Franklin County, were January 20, 2007 and June 20, 2007, for those taxes due during 2007.

Real property and tangible personal property taxes collected during 2007 had a lien and levy date of January 1, 2006 and December 31, 2006, respectively.

Assessed values are established by State law at 35% of appraised market value for Real Estate and Public Utility and at 25% for Tangible Personal. A reappraisal of all property is required to be completed no less than

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

every six years. A revaluation of all property is required to be completed no less than every three years. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at true value (normally 50% of cost). The assessed values for collection in 2007, upon which the 2006 levies were based, were as follows:

Real estate	\$ 2,254,686,370
Public utility	55,970,360
Tangible personal	<u>91,572,454</u>
Total	<u>\$2,402,229,184</u>

Ohio law prohibits taxation of property from all taxing authorities in excess of 1% of assessed value without a vote of the people. Under current procedures, the District's share is .445% (4.45 mills) of assessed value.

The Franklin County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Hilliard City School District. The Franklin County Auditor periodically remits to the District its portion of the taxes collected. Property taxes may be paid on either an annual or semiannual basis.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2007. Although total property tax collections for the next fiscal year are measurable, they are not (exclusive of advances) intended to finance current year operations. The net receivable (total receivable less amount available intended to finance the current year) is therefore offset by a credit to unearned revenue.

15. Set-Aside Calculations

The School District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount 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 change in the year-end set-aside amounts for textbooks and capital acquisition reserves. Disclosure of this information is required by State statute.

	Textbook Reserve	Capital Acquisition Reserve
Set-aside balance, July 1, 2006	\$ -	\$ -
Current year set-aside requirement	2,215,213	2,215,213
Qualifying expenditures	(3,089,726)	(16,991,919)
Total	<u>(874,513)</u>	<u>(14,776,706)</u>
Set-aside balance, June 30, 2007	<u>\$ -</u>	<u>\$ -</u>

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

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

16. Construction Commitments

As of June 30, 2007, the District had the following commitments with respect to building projects:

<u>Building Project</u>	<u>Amount Remaining</u>	<u>Estimated Completion Date</u>
Washington Elementary	\$ 3,913,569	August 2007
Hilliard Bradley High School	60,056,758	August 2009
TOTAL	<u><u>\$ 63,970,327</u></u>	

17. Contingent Liabilities

The Hilliard City School District is party to various legal proceedings seeking damages or injunctive 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 the District's Management, have a material adverse effect on the financial condition of the District.

18. Federal and State Grants

The Federal and State Grants remain subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District's administration believes such disallowances, if any, would be immaterial.

19. 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, and medical coverage for employees is provided through a conventional healthcare plan, as well as a health maintenance organization plan offered by the District.

There have been no changes in the aforementioned insurance coverage. Additionally, there were no settlements in excess of insurance coverage over the past three fiscal years.

The District is enrolled in the retrospective rating plan for worker's compensation. In this plan, the individual premium rate is calculated based on the worker's compensation experience of the District.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2007

20. Compliance and Accountability

The following funds had deficit fund balances as of June 30, 2007:

<u>Special Revenue Funds</u>	<u>Deficit Fund Balance</u>
	\$
Part B, IDEA	(1,604)
Title III	(11,138)
Title I	(8,924)
Title V	(1,611)
Preschool Grant	(2,263)
Title II-A	(14,894)

The deficit fund balances are the result of the application of generally accepted accounting principles. The General Fund provides advances to cover deficit fund balances; however, this is done when cash is needed rather than when accruals occur.

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REQUIRED SUPPLEMENTARY INFORMATION



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**Hilliard City School District
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive/ (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	85,714,448	85,526,904	85,538,161	11,257
Intergovernmental:				
Federal-				
Unrestricted grants-in-aid	80,000	80,000	85,897	5,897
State-				
Unrestricted grants-in-aid	50,332,070	50,283,397	49,583,705	(699,692)
Restricted grants-in-aid	195,500	195,500	195,538	38
Investment income	4,300,000	4,300,000	5,153,467	853,467
Tuition fees	245,615	245,615	240,177	(5,438)
Classroom materials & fees	898,992	898,992	926,555	27,563
Miscellaneous	1,370,686	1,370,686	2,070,942	700,256
Total revenues	143,137,311	142,901,094	143,794,442	893,348
EXPENDITURES:				
Instructional services:				
Regular	72,745,873	72,745,873	72,237,149	508,724
Special	12,990,344	12,990,344	12,899,500	90,844
Vocational	1,345,186	1,345,186	1,335,779	9,407
Total instructional services	87,081,403	87,081,403	86,472,428	608,975
Support services:				
Pupils	9,031,280	9,031,280	8,968,123	63,157
Instructional staff	8,809,234	8,809,234	8,747,630	61,604
Board of education	329,580	329,580	327,275	2,305
General administration	8,674,466	8,674,466	8,613,804	60,662
Fiscal services	3,188,859	3,188,859	3,166,559	22,300
Business	621,758	621,758	617,410	4,348
Operation and maintenance of plant	12,247,482	12,247,482	12,161,833	85,649
Student transportation	6,425,714	6,425,714	6,380,778	44,936
Central services	473,318	473,318	470,008	3,310
Total support services	49,801,691	49,801,691	49,453,420	348,271
Food service operations	28,132	28,132	27,935	197
Extracurricular student activities	2,807,502	2,807,502	2,787,869	19,633
Facility acquisition and improvement	376,425	376,425	373,793	2,632
Debt service	552,031	552,031	548,171	3,860
Total expenditures	140,647,184	140,647,184	139,663,616	983,568
Excess (deficiency) of revenues over expenditures	2,490,127	2,253,910	4,130,826	1,876,916
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of equipment	23,800	23,800	53,276	29,476
Refund of prior year expenditure	-	-	39,793	39,793
Refund of prior year receipt	-	-	(2,107)	(2,107)
Transfers in	-	-	-	-
Advances - net	-	(548,913)	12,141	561,054
Total other financing sources (uses)	23,800	(525,113)	103,103	628,216
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	2,513,927	1,728,797	4,233,929	2,505,132
Fund balances at beginning of year	11,149,397	11,149,397	11,149,397	-
Fund balances (deficit) at end of year	13,663,324	12,878,194	15,383,326	2,505,132

See accompanying footnotes to the required supplementary information.

HILLIARD CITY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2007

A. Budgetary Information

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

- (1) A Tax Budget of estimated cash receipts and disbursements is submitted to the Franklin County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the fiscal year commencing the following July 1. The Hilliard Board of Education holds a budget hearing when it normally adopts the Tax Budget at the first regular meeting in January, following the budget hearing.
- (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 reported as expenditures in the current year. The Hilliard Board of Education adopted its 2006 permanent appropriation measure at its September 11, 2006 regular meeting. The Board of Education adopted at the June 12, 2006 regular meeting a temporary appropriation measure to allow the District to operate until its annual appropriations were adopted. 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.

B. Reconciling Budgetary Basis and GAAP

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual results of operations are presented in the Budgetary Comparison Schedule—General Fund in accordance with the budget basis of accounting.

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

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- B. Expenditures are recorded when encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis); and
- C. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance (GAAP basis).

HILLIARD CITY SCHOOL DISTRICT
Notes to the Required Supplementary Information, Continued
For the Year Ended June 30, 2007

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	\$ 11,647,585
Adjustments	
Due to revenues	(8,262,857)
Due to expenditures	871,478
Due to other financing sources	(22,277)
Excess of revenues and other financing sources over expenditures and other financing uses (Budget Basis)	<u>\$ 4,233,929</u>

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SUPPLEMENTAL DATA



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Hilliard City School District

MAJOR GOVERNMENTAL FUNDS (Other than General Fund)

BOND RETIREMENT FUND

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

PERMANENT IMPROVEMENT FUND

A fund provided 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.

BUILDING FUND

The Building Fund is used to account for financial resources to be used for the acquisition and/or construction of major capital facilities and/or the acquisition of land.

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HILLIARD CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2007

MAJOR GOVERNMENTAL FUNDS

	Final Budget	Actual	Variance with Final Budget positive (negative)
Bond Retirement Fund			
Total Revenues and Other Sources	\$ 22,566,087	24,456,175	1,890,088
Total Expenditures and Other Uses	25,943,500	25,899,631	43,869
Net Change in Fund Balance	(3,377,413)	(1,443,456)	1,933,957
Fund Balance, July 1	10,008,236	10,008,236	-
Fund Balance, June 30	<u>\$ 6,630,823</u>	<u>8,564,780</u>	<u>1,933,957</u>
Permanent Improvement Fund			
Total Revenues and Other Sources	\$ 2,415,000	2,905,004	490,004
Total Expenditures and Other Uses	3,799,652	3,688,166	111,486
Net Change in Fund Balance	(1,384,652)	(783,162)	601,490
Fund Balance, July 1	1,398,647	1,398,647	-
Fund Balance, June 30	<u>\$ 13,995</u>	<u>615,485</u>	<u>601,490</u>
Building Fund			
Total Revenues and Other Sources	\$ 5,000,000	186,752	(4,813,248)
Total Expenditures and Other Uses	81,627,349	81,320,907	306,442
Net Change in Fund Balance	(76,627,349)	(81,134,155)	(4,506,806)
Fund Balance, July 1	81,627,349	81,627,349	-
Fund Balance, June 30	<u>\$ 5,000,000</u>	<u>493,194</u>	<u>(4,506,806)</u>

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Hilliard City School District

NONMAJOR OTHER GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

PUBLIC SCHOOL SUPPORT FUND

A fund provided to account for specific local revenue sources, other than taxes (i.e., profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

OTHER GRANTS FUND

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.

UNDERGROUND STORAGE TANKS FUND

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.

STUDENT ACTIVITY FUND

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.

OTHER LOCAL FUND

A fund used to account for assets held by a school system in a trustee capacity or as an agent for individuals, private organizations, and other governmental and/or other funds. Principal and interest may be expended for the benefit of the District in accordance with trust agreements.

FOOD SERVICE FUND

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

ROTARY SPECIAL SERVICES FUND

A fund provided to account for income and expenses made in connection with goods and services provided by a school district. Activities using this fund tend to be curricular in nature.

EDUCATIONAL MANAGEMENT INFORMATION SYSTEM GRANT (EMIS)

A fund provided to account for the monies received and expended for the implementation of EMIS required by Ohio legislation.

OHIO EDUCATION COMPUTER NETWORK (OECN Data Comm.)

A fund 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

OTHER STATE GRANTS

A fund used to account for revenues and expenditures related to grants received by the District for SchoolNet Professional Development, Timeline Mini Mural Grant, Ohio Reads Volunteer Fund, Safe School Help Line, Entry Year Teacher Grant, Student Assistance Program, Promising Practice Grant SIRI Professional Development and Government Highway Safety.

EDUCATION OF HANDICAPPED CHILDREN ACT TITLE VI-B FUND (Part B-IDEA)

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 FUND

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

TITLE I FUND

To provide financial assistance to State and Local Educational Agencies to meet the special reading needs of educationally deprived children.

TITLE V

To consolidate various programs into a single authorization of grants to States to be used in accordance with the educational needs and priorities of the state and local agencies. The District allocates these funds toward math remediation.

DRUG FREE GRANT

To provide funds to local educational agencies and consortia of these agencies to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

EHA PRESCHOOL GRANTS FOR THE HANDICAPPED (Preschool Grant)

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.

TITLE II-A

A fund to account for grants providing financial assistance to State and Local Educational Agencies to improve teacher quality.

OTHER FEDERAL GRANTS

A fund used to currently account for revenues and expenditures related to grants received for Heritage Middle School Family & School Partnership.

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 School District.

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Hilliard City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	SPECIAL REVENUE FUNDS				
	Public School Support	Other Grants	Underground Storage Tanks	Student Activity	Other Local
Assets:					
Cash and investments	\$ 220,162	\$ 50,922	\$ 11,000	\$ 379,140	\$ 14,695
Receivables (net of allowances for uncollectibles)					
Accounts Receivable	-	-	-	150	-
Due from Other:					
Governments	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	220,162	50,922	11,000	379,290	14,695
Liabilities:					
Accounts Payable	6,278	1,387	-	8,737	511
Accrued wages and benefits	-	-	-	-	-
Due to Other:					
Funds	-	-	-	-	-
Governments	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	6,278	1,387	-	8,737	511
Fund Balances					
Reserved for encumbrances	13,770	10,362	-	19,256	161
Unreserved, Undesignated	200,114	39,173	11,000	351,297	14,023
Total fund balances	213,884	49,535	11,000	370,553	14,184
Total liabilities and fund balances	\$ 220,162	\$ 50,922	\$ 11,000	\$ 379,290	\$ 14,695

Hilliard City School District

SPECIAL REVENUE FUNDS

<u>Food Services</u>	<u>Rotary Special Services</u>	<u>EMIS</u>	<u>OECN Data Comm.</u>	<u>Other State</u>
\$ 360,744	\$ 999,195	\$ -	\$ -	\$ 25,602
-	3,312	-	-	-
-	-	-	-	-
56,527	-	-	-	-
<u>417,271</u>	<u>1,002,507</u>	<u>-</u>	<u>-</u>	<u>25,602</u>
-	1,778	-	-	1,333
-	13,161	-	-	7,254
-	-	-	-	1,633
28,076	27,009	-	-	995
-	-	-	-	-
<u>28,076</u>	<u>41,948</u>	<u>-</u>	<u>-</u>	<u>11,215</u>
24,490	9,228	-	-	1,683
364,705	951,331	-	-	12,704
<u>389,195</u>	<u>960,559</u>	<u>-</u>	<u>-</u>	<u>14,387</u>
<u>\$ 417,271</u>	<u>\$ 1,002,507</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,602</u>

continued

Hilliard City School District
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2007

SPECIAL REVENUE FUNDS

	<u>Part B, IDEA</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug-Free Grant</u>
Assets:					
Cash and investments	\$ 367,758	\$ 13,852	\$ 48,659	\$ 2,283	\$ 754
Accounts Receivable	-	-	-	-	-
Due From Other:					
Governments	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	367,758	13,852	48,659	2,283	754
Liabilities:					
Accounts Payable	7,729	-	9,112	383	361
Accrued wages and benefits	318,041	21,976	42,626	3,087	-
Due to Other:					
Funds	-	-	-	-	-
Governments	43,592	3,014	5,845	424	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	369,362	24,990	57,583	3,894	361
Fund Balances					
Reserved for encumbrances	55,865	-	7,998	-	1,939
Unreserved, Undesignated	(57,469)	(11,138)	(16,922)	(1,611)	(1,546)
Total fund balances	(1,604)	(11,138)	(8,924)	(1,611)	393
Total liabilities and fund balances	\$ 367,758	\$ 13,852	\$ 48,659	\$ 2,283	\$ 754

Hilliard City School District

SPECIAL REVENUE FUNDS

Preschool Grant	Title II-A	Other Federal	Auxiliary Services	Total Special Revenue Funds
\$ 3,360	\$ 26,695	\$ 199	\$ 132,600	\$ 2,657,620
-	-	-	-	3,462
-	-	5,145	-	5,145
-	-	-	-	56,527
<u>3,360</u>	<u>26,695</u>	<u>5,344</u>	<u>132,600</u>	<u>2,722,754</u>
-	-	3,778	22,050	63,437
4,944	36,571	-	15,015	462,675
-	-	-	-	1,633
679	5,018	-	3,768	118,420
-	-	-	-	-
<u>5,623</u>	<u>41,589</u>	<u>3,778</u>	<u>40,833</u>	<u>646,165</u>
-	-	10,036	88,988	243,776
(2,263)	(14,894)	(8,470)	2,779	1,832,813
<u>(2,263)</u>	<u>(14,894)</u>	<u>1,566</u>	<u>91,767</u>	<u>2,076,589</u>
<u>\$ 3,360</u>	<u>\$ 26,695</u>	<u>\$ 5,344</u>	<u>\$ 132,600</u>	<u>\$ 2,722,754</u>

Hilliard City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	SPECIAL REVENUE FUNDS			
	Public School <u>Support</u>	Other <u>Grants</u>	Underground Storage <u>Tanks</u>	Student <u>Activity</u>
Revenues:				
From local sources				
Tuition	\$ -	\$ -	\$ -	\$ -
Other local	222,133	-	-	13,930
Intergovernmental - State	-	44,023	-	-
Intergovernmental - Federal	-	-	-	-
Investment Income	-	-	-	-
Other revenue	-	125	-	-
Extracurricular Activities	-	-	-	581,556
Food Services	-	-	-	-
Total Revenues	<u>222,133</u>	<u>44,148</u>	<u>-</u>	<u>595,486</u>
Expenditures:				
Current:				
Instruction				
Regular	8,182	2,261	-	-
Special	241	-	-	-
Support Services				
Pupils	-	7,604	-	-
Instructional Staff	2,498	256	-	-
Board of Education	-	-	-	-
General Administration	141,799	-	-	-
Fiscal Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Pupil Transportation	1,356	-	-	-
Central	-	-	-	-
Community Services	18,053	-	-	-
Enterprise Operations	-	-	-	-
Extra Curricular Activities	21,745	-	-	478,415
Food Service Operations	-	-	-	-
Total Expenditures	<u>193,874</u>	<u>10,121</u>	<u>-</u>	<u>478,415</u>
Excess (deficiency) of revenue over expenditures	28,259	34,027		117,071
Net Change in Fund Balance	28,259	34,027		117,071
Fund balances, July 1	185,625	15,508	11,000	253,482
Fund balances, June 30	<u>\$ 213,884</u>	<u>\$ 49,535</u>	<u>\$ 11,000</u>	<u>\$ 370,553</u>

Hilliard City School District

SPECIAL REVENUE FUNDS					
<u>Other Local</u>	<u>Food Services</u>	<u>Rotary Special Services</u>	<u>EMIS</u>	<u>OECN Data Comm.</u>	<u>Other State</u>
\$ -	\$ -	\$ 1,713,536	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	27,887	4,454	49,779	60,000	195,768
-	815,580	-	-	-	-
-	11,150	-	-	-	-
15,509	-	23,941	-	-	-
-	-	-	-	-	-
-	3,074,733	-	-	-	-
<u>15,509</u>	<u>3,929,350</u>	<u>1,741,931</u>	<u>49,779</u>	<u>60,000</u>	<u>195,768</u>
-	-	220,894	-	-	185,701
-	-	1,998	-	-	-
-	-	625	-	-	96,523
6,352	-	-	-	-	20,200
-	-	-	-	-	-
-	-	24,827	-	-	-
-	-	-	-	-	-
-	-	2,297	-	-	-
-	-	22,667	-	-	-
-	-	-	49,779	60,000	-
2,608	-	1,364,116	-	-	-
-	-	-	-	-	-
3,000	-	-	-	-	-
-	3,932,794	-	-	-	-
<u>11,960</u>	<u>3,932,794</u>	<u>1,637,424</u>	<u>49,779</u>	<u>60,000</u>	<u>302,424</u>
3,549	(3,444)	104,507	-	-	(106,656)
3,549	(3,444)	104,507	-	-	(106,656)
10,635	392,639	856,052	-	-	121,043
<u>\$ 14,184</u>	<u>\$ 389,195</u>	<u>\$ 960,559</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,387</u>

continued

Hilliard City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2007

	SPECIAL REVENUE FUNDS				
	<u>Part B, IDEA</u>	<u>Title III</u>	<u>Title I</u>	<u>Title V</u>	<u>Drug-Free Grant</u>
Revenues:					
From local sources					
Tuition	\$ -	\$ -	\$ -	\$ -	\$ -
Other local	-	-	-	-	-
Intergovernmental - State	-	-	-	-	-
Intergovernmental - Federal	2,567,609	150,172	398,692	19,498	35,152
Investment Income	-	-	-	-	-
Other revenue	-	-	-	-	-
Extracurricular Activities	-	-	-	-	-
Food Services	-	-	-	-	-
Total Revenues	<u>2,567,609</u>	<u>150,172</u>	<u>398,692</u>	<u>19,498</u>	<u>35,152</u>
Expenditures:					
Current:					
Instruction					
Regular	-	-	-	21,022	-
Special	2,509,118	145,689	416,438	-	33,734
Support Services					
Pupils	45,282	-	-	-	-
Instructional Staff	-	-	-	-	-
Board of Education	-	-	-	-	-
General Administration	-	-	-	-	-
Fiscal Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Pupil Transportation	-	-	-	-	3,108
Central	-	-	-	-	-
Community Services	53,904	26,151	621	2,670	1,999
Enterprise Operations	-	-	-	-	-
Extra Curricular Activities	-	-	-	-	-
Food Service Operations	-	-	-	-	-
Total Expenditures	<u>2,608,304</u>	<u>171,840</u>	<u>417,059</u>	<u>23,692</u>	<u>38,841</u>
Excess (deficiency) of revenue over expenditures	(40,695)	(21,668)	(18,367)	(4,194)	(3,689)
Net Change in Fund Balance	(40,695)	(21,668)	(18,367)	(4,194)	(3,689)
Fund balances, July 1	39,091	10,530	9,443	2,583	4,082
Fund balance, June 30	<u>\$ (1,604)</u>	<u>\$ (11,138)</u>	<u>\$ (8,924)</u>	<u>\$ (1,611)</u>	<u>\$ 393</u>

Hilliard City School District

SPECIAL REVENUE FUNDS				Total Special Revenue Funds
<u>Preschool Grant</u>	<u>Title II-A</u>	<u>Other Federal</u>	<u>Auxiliary Services</u>	
\$ -	\$ -	\$ -	\$ -	\$ 1,713,536
-	-	-	-	236,063
-	-	-	486,252	868,163
32,105	228,867	121,913	-	4,369,588
-	-	-	3,911	15,061
-	-	-	1,672	41,247
-	-	-	-	581,556
-	-	-	-	3,074,733
<u>32,105</u>	<u>228,867</u>	<u>121,913</u>	<u>491,835</u>	<u>10,899,947</u>
-	-	117,667	-	555,727
34,945	248,917	4,799	-	3,395,879
-	-	-	-	150,034
-	-	-	-	29,306
-	-	-	-	-
-	-	-	-	166,626
-	-	-	-	-
-	-	-	-	2,297
-	-	-	-	27,131
-	-	-	-	109,779
6,927	-	506	480,516	1,958,071
-	-	-	-	-
-	-	-	-	503,160
-	-	-	-	3,932,794
<u>41,872</u>	<u>248,917</u>	<u>122,972</u>	<u>480,516</u>	<u>10,830,804</u>
(9,767)	(20,050)	(1,059)	11,319	69,143
(9,767)	(20,050)	(1,059)	11,319	69,143
7,504	5,156	2,625	80,448	2,007,446
<u>\$ (2,263)</u>	<u>\$ (14,894)</u>	<u>\$ 1,566</u>	<u>\$ 91,767</u>	<u>\$ 2,076,589</u>

HILLIARD CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget positive (negative)
SPECIAL REVENUE FUNDS			
Public School Support			
Total Revenues and Other Sources	\$ 200,000	222,133	22,133
Total Expenditures and Other Uses	254,168	209,430	44,738
Net Change in Fund Balance	(54,168)	12,703	66,871
Fund Balance, July 1	263,265	263,265	-
Fund Balance, June 30	\$ 209,097	\$ 275,968	\$ 66,871
Other Grants			
Total Revenues and Other Sources	\$ 45,000	44,148	(852)
Total Expenditures and Other Uses	20,500	20,483	17
Net Change in Fund Balance	24,500	23,665	(835)
Fund Balance, July 1	15,508	15,508	-
Fund Balance, June 30	\$ 40,008	\$ 39,173	\$ (835)
Underground Storage Tanks			
Total Revenues and Other Sources	\$ -	-	-
Total Expenditures and Other Uses	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	11,000	11,000	-
Fund Balance, June 30	\$ 11,000	11,000	-
Student Activity Fund			
Total Revenues and Other Sources	\$ 480,000	595,337	115,337
Total Expenditures and Other Uses	562,703	501,597	61,106
Net Change in Fund Balance	(82,703)	93,740	176,443
Fund Balance, July 1	265,189	265,189	-
Fund Balance, June 30	\$ 182,486	358,929	176,443
Other Local Fund			
Total Revenues and Other Sources	\$ 15,000	15,509	509
Total Expenditures and Other Uses	18,900	11,610	7,290
Net Change in Fund Balance	(3,900)	3,899	7,799
Fund Balance, July 1	10,635	10,635	-
Fund Balance, June 30	\$ 6,735	14,534	7,799

HILLIARD CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget positive (negative)
Food Service Fund			
Total Revenues and Other Sources	\$ 3,700,000	3,859,032	159,032
Total Expenditures and Other Uses	4,157,725	4,011,776	145,949
Net Change in Fund Balance	(457,725)	(152,744)	304,981
Fund Balance, July 1	488,997	488,997	-
Fund Balance, June 30	\$ 31,272	336,253	304,981
Rotary Special Services			
Total Revenues and Other Sources	\$ 1,700,000	1,754,716	54,716
Total Expenditures and Other Uses	1,913,241	1,634,412	278,829
Net Change in Fund Balance	(213,241)	120,304	333,545
Fund Balance, July 1	869,660	869,660	-
Fund Balance, June 30	\$ 656,419	989,964	333,545
Educational Management Information Systems (EMIS Grant)			
Total Revenues and Other Sources	\$ 60,000	53,345	(6,655)
Total Expenditures and Other Uses	53,346	53,345	1
Net Change in Fund Balance	6,654	-	(6,654)
Fund Balance, July 1	-	-	-
Fund Balance, June 30	\$ 6,654	-	(6,654)
Ohio Education Computer Network (O.E.C.N.)			
Total Revenues and Other Sources	\$ 60,000	60,000	-
Total Expenditures and Other Uses	60,000	60,000	-
Net Change in Fund Balance	-	-	-
Fund Balance, July 1	-	-	-
Fund Balance, June 30	\$ -	-	-
Other State			
Total Revenues and Other Sources	\$ 227,000	195,771	(31,229)
Total Expenditures and Other Uses	330,772	304,333	26,439
Net Change in Fund Balance	(103,772)	(108,562)	(4,790)
Fund Balance, July 1	131,146	131,146	-
Fund Balance, June 30	\$ 27,374	22,584	(4,790)

HILLIARD CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget positive (negative)
Part B - IDEA			
Total Revenues and Other Sources	\$ 2,920,000	2,707,150	(212,850)
Total Expenditures and Other Uses	3,137,957	2,698,429	439,528
Net Change in Fund Balance	(217,957)	8,721	226,678
Fund Balance, July 1	222,330	222,330	-
Fund Balance, June 30	\$ 4,373	231,051	226,678
Title III			
Total Revenues and Other Sources	\$ 200,000	177,914	(22,086)
Total Expenditures and Other Uses	204,621	175,634	28,987
Net Change in Fund Balance	(4,621)	2,280	6,901
Fund Balance, July 1	11,572	11,572	-
Fund Balance, June 30	\$ 6,951	13,852	6,901
Title I			
Total Revenues and Other Sources	\$ 540,000	484,607	(55,393)
Total Expenditures and Other Uses	548,146	469,017	79,129
Net Change in Fund Balance	(8,146)	15,590	23,736
Fund Balance, July 1	15,960	15,960	-
Fund Balance, June 30	\$ 7,814	31,550	23,736
Title V			
Total Revenues and Other Sources	\$ 50,000	25,466	(24,534)
Total Expenditures and Other Uses	33,567	28,149	5,418
Net Change in Fund Balance	16,433	(2,683)	(19,116)
Fund Balance, July 1	4,583	4,583	-
Fund Balance, June 30	\$ 21,016	1,900	(19,116)
Drug-Free Grant			
Total Revenues and Other Sources	\$ 80,000	69,789	(10,211)
Total Expenditures and Other Uses	81,840	75,570	6,270
Net Change in Fund Balance	(1,840)	(5,781)	(3,941)
Fund Balance, July 1	4,235	4,235	-
Fund Balance, June 30	\$ 2,395	(1,546)	(3,941)

HILLIARD CITY SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2007

	Final Budget	Actual	Variance with Final Budget positive (negative)
Preschool Grant			
Total Revenues and Other Sources	\$ 46,000	42,666	(3,334)
Total Expenditures and Other Uses	48,441	42,662	5,779
Net Change in Fund Balance	(2,441)	4	2,445
Fund Balance, July 1	3,355	3,355	-
Fund Balance, June 30	\$ 914	3,359	2,445
Title II-A			
Total Revenues and Other Sources	\$ 300,000	275,895	(24,105)
Total Expenditures and Other Uses	295,598	249,201	46,397
Net Change in Fund Balance	4,402	26,694	22,292
Fund Balance, July 1	-	-	-
Fund Balance, June 30	\$ 4,402	26,694	22,292
Other Federal Grants			
Total Revenues and Other Sources	\$ 300,000	137,099	(162,901)
Total Expenditures and Other Uses	292,670	147,818	144,852
Net Change in Fund Balance	7,330	(10,719)	(18,049)
Fund Balance, July 1	845	845	-
Fund Balance, June 30	\$ 8,175	(9,874)	(18,049)
Auxiliary Services			
Total Revenues and Other Sources	\$ 485,000	491,835	6,835
Total Expenditures and Other Uses	636,098	621,374	14,724
Net Change in Fund Balance	(151,098)	(129,539)	21,559
Fund Balance, July 1	151,101	151,101	-
Fund Balance, June 30	\$ 3	21,562	21,559

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Hilliard City School District

FIDUCIARY FUND TYPE

Agency Funds

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

VISION ADMINISTRATION FUND

A fund established to account for the employee vision insurance contributions and resulting expenditures to a third party administrator of the plan.

STUDENT ACTIVITY AGENCY FUND

A 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.

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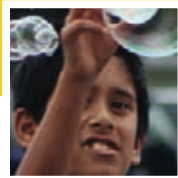
Hilliard City School District
Combining Schedule of Assets and Liabilities - Agency Funds
June 30, 2007

	<u>Vision Administration Fund</u>	<u>Student Activity Agency Fund</u>	<u>Total Agency Funds</u>
Assets:			
Cash and cash equivalents	\$ 18,056	\$ 295,207	\$ 313,263
Total assets	<u>\$ 18,056</u>	<u>\$ 295,207</u>	<u>\$ 313,263</u>
Liabilities:			
Accounts Payable	-	7,049	7,049
Due to:			
Other	18,056	288,158	306,214
Total Liabilities	<u>\$ 18,056</u>	<u>\$ 295,207</u>	<u>\$ 313,263</u>

Hilliard City School District, Ohio
Combining Statement of Changes in Assets & Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2007

	Beginning Balance <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2007</u>
Vision Administration				
Assets				
Cash and cash equivalents	\$ 5,187	\$ 12,869	\$ -	\$ 18,056
Accounts Receivable	17,066	-	17,066	-
Total Assets	<u>\$ 22,253</u>	<u>\$ 12,869</u>	<u>\$ 17,066</u>	<u>\$ 18,056</u>
Liabilities				
Due to External Party	\$ 17,066	\$ -	\$ 17,066	\$ -
Due to Other	5,187	12,869	-	18,056
Total Liabilities	<u>\$ 22,253</u>	<u>\$ 12,869</u>	<u>\$ 17,066</u>	<u>\$ 18,056</u>
Student Activity				
Assets				
Cash and cash equivalents	\$ 303,471	\$ -	\$ 8,264	\$ 295,207
Accounts Receivable	556	-	556	-
Total Assets	<u>\$ 304,027</u>	<u>\$ -</u>	<u>\$ 8,820</u>	<u>\$ 295,207</u>
Liabilities				
Accounts Payable	\$ 15,489	\$ -	\$ 8,440	\$ 7,049
Due to External Party	7,236	-	7,236	-
Due to Other	281,302	6,856	-	288,158
Total Liabilities	<u>\$ 304,027</u>	<u>\$ 6,856</u>	<u>\$ 15,676</u>	<u>\$ 295,207</u>
Total Agency Funds				
Assets				
Cash and cash equivalents	\$ 308,658	\$ 12,869	\$ 8,264	\$ 313,263
Accounts Receivable	17,622	-	17,622	-
Total Assets	<u>\$ 326,280</u>	<u>\$ 12,869</u>	<u>\$ 25,886</u>	<u>\$ 313,263</u>
Liabilities				
Accounts Payable	\$ 15,489	\$ -	\$ 8,440	\$ 7,049
Due to External Party	24,302	-	24,302	-
Due to Other	286,489	19,725	-	306,214
Total Liabilities	<u>\$ 326,280</u>	<u>\$ 19,725</u>	<u>\$ 32,742</u>	<u>\$ 313,263</u>

Statistical Section



STATISTICAL SECTION

This part of the Hilliard City School 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>
Financial Trends	72
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	80
These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	
Debt Capacity	94
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.	
Demographic and Economic Information	98
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	100
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. The District implemented GASB Statement 34 for the year ended June 30, 2003; schedules presenting government-wide information include information beginning in that year.

Hilliard City School District
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities					
Invested in Capital Assets, Net of Related Debt	\$ 11,382,412	\$ 8,600,044	\$ 12,536,822	\$ 5,937,505	\$ 25,451,988
Restricted	19,649,575	13,142,113	21,988,141	21,886,461	6,048,566
Unrestricted	<u>29,545,108</u>	<u>25,024,222</u>	<u>318,508</u>	<u>(1,312,307)</u>	<u>3,988,279</u>
Total governmental activities Net Assets	<u>\$ 60,577,095</u>	<u>\$ 46,766,379</u>	<u>\$ 34,843,471</u>	<u>\$ 26,511,659</u>	<u>\$ 35,488,833</u>

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Hilliard City School District
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses:					
Governmental Activities:					
Instruction					
Regular	\$ 80,768,738	\$ 75,248,613	\$ 69,555,707	\$ 64,587,894	\$ 59,425,864
Special	16,412,601	15,860,883	15,225,235	13,521,829	12,433,387
Vocational	1,419,415	1,219,138	1,007,262	840,016	789,702
Other	-	-	-	65,402	324,425
Support Services					
Pupils	9,685,260	8,364,608	8,403,900	7,602,064	6,831,418
Instructional Staff	8,996,674	7,099,637	8,674,563	8,677,728	9,327,248
General Administrative	9,412,344	8,917,487	8,484,849	8,106,716	7,485,472
Board of Education	306,505	535,760	214,327	455,554	477,574
Fiscal Services	3,385,951	2,924,253	2,823,240	3,052,360	3,592,887
Business	654,354	588,133	405,766	706,361	553,300
Operation & Maintenance of Plant	11,697,001	11,322,766	9,814,371	10,256,386	9,868,347
Pupil Transportation	7,838,069	7,845,387	5,964,869	5,200,507	6,388,867
Central	533,039	520,081	1,004,185	394,074	482,814
Community Services	1,959,881	1,770,217	1,667,847	1,553,777	1,596,524
Food Service Operations	3,987,232	3,847,634	3,374,943	3,301,938	3,348,203
Extra Curricular Activities	3,573,573	3,506,953	2,430,606	2,866,754	2,663,286
Enterprise Operations	-	22,724	25,806	4,891	-
Facilities Acquisition & Construction	-	-	-	796,466	-
Interest and Fiscal Charges	9,932,681	7,860,106	6,678,285	7,697,400	6,201,510
Miscellaneous	2,107	-	-	8,073	-
Total Governmental Activities					
Expenses	<u>170,565,425</u>	<u>157,454,380</u>	<u>145,755,761</u>	<u>139,696,190</u>	<u>131,790,828</u>

Hilliard City School District
Changes in Net Assets (continued)
Last Five Fiscal Years
(accrual basis of accounting)

	2007	2006	2005	2004	2003
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction					
Regular	\$ 240,537	\$ 204,640	\$ 200,677	\$ 303,709	\$ 936,881
Special	232,404	255,403	914,892	329,001	-
Support Services					
Pupils	653	5,864			
Instructional Staff	2,862	25,364			
Board of Education	188,449	134,168			
Business	204,219	160,620			
Operation & Maintenance of Plant	2,404	137,558			
Pupil Transportation	142,806	109,553			
Community Services	1,448,208	1,399,826	1,264,415	1,285,973	1,327,114
Food Service Operations	3,074,733	2,965,175	2,704,845	2,625,788	2,499,615
Extra Curricular Activities	620,401	530,973	476,383	494,569	442,997
Operating Grants and Contributions	5,237,751	5,441,483	5,054,067	4,369,772	3,842,993
Total Governmental Activities	<u>11,395,427</u>	<u>11,370,627</u>	<u>10,615,279</u>	<u>9,408,812</u>	<u>9,049,600</u>
Program Revenues					
Net (Expense)/Revenue					
Governmental Activities	\$ (159,169,998)	\$ (146,083,753)	\$ (135,140,482)	\$ (130,287,378)	\$ (122,741,228)
General Revenues and Other					
Changes in Net Assets					
Governmental Activities					
Property Taxes Levied for:					
General Purposes	\$ 93,656,960	\$ 89,822,463	\$ 79,739,497	\$ 70,555,812	\$ 58,037,278
Debt Service	14,947,957	12,708,308	12,599,625	13,060,846	10,743,494
Permanent Improvement	4,272,030	-	-	-	-
Grants and Entitlements not					
Restricted to Specific Programs	51,582,809	49,168,376	47,324,508	43,475,009	40,443,840
Investment Earnings	5,606,814	1,594,740	754,324	337,270	1,029,779
Miscellaneous	2,914,144	4,712,774	1,402,787	1,086,917	721,144
Total Governmental Activities	<u>172,980,714</u>	<u>158,006,661</u>	<u>141,820,741</u>	<u>128,515,854</u>	<u>110,975,535</u>
Change in Net Assets					
Governmental Activities	<u>\$ 13,810,716</u>	<u>\$ 11,922,908</u>	<u>\$ 6,680,259</u>	<u>\$ (1,771,524)</u>	<u>\$ (11,765,693)</u>

Hilliard City School District
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund				
Reserved	\$ 1,383,439	\$ 1,433,453	\$ 22,890,540	\$15,431,474
Unreserved	<u>31,853,938</u>	<u>20,156,339</u>	<u>(9,259,370)</u>	<u>(6,796,417)</u>
Total General Fund	<u>\$ 33,237,377</u>	<u>\$ 21,589,792</u>	<u>\$ 13,631,170</u>	<u>\$ 8,635,057</u>
All Other Governmental Funds				
Reserved	\$ 62,633,142	\$ 6,951,429	\$ 9,264,757	\$ 2,787,919
Unreserved, designated for next fiscal year	7,041,177	3,447,081	-	-
Unreserved, reported in:				
Special Revenue Funds	1,832,813	1,841,424	1,439,808	1,237,199
Debt Service Fund	8,564,780	10,008,235	7,608,448	6,392,056
Capital Projects Fund	<u>(8,640,178)</u>	<u>66,250,038</u>	<u>3,967,319</u>	<u>10,675,178</u>
Total All Other Governmental Funds	<u>\$ 71,431,734</u>	<u>\$ 88,498,207</u>	<u>\$ 22,280,332</u>	<u>\$21,092,352</u>

2003	2002	2001	2000	1999	1998
\$ 8,637,746	\$ 8,643,461	\$ 3,210,215	\$ 2,592,994	\$ 2,204,205	\$ 883,602
938,064	10,726,579	16,401,555	13,108,188	19,196,917	13,260,574
<u>\$ 9,575,810</u>	<u>\$ 19,370,040</u>	<u>\$ 19,611,770</u>	<u>\$ 15,701,182</u>	<u>\$ 21,401,122</u>	<u>\$ 14,144,176</u>
\$ 6,203,811	\$ 8,600,529	\$ 11,064,951	\$ 10,296,467	\$ 410,643	\$ 1,677,255
-	-	-	-	-	-
(9,413)	169,661	370,827	295,108	148,723	212,382
5,231,371	5,751,100	6,337,743	6,398,365	7,249,382	5,058,933
13,675,897	19,965,830	28,665,872	44,730,485	942,484	759,347
<u>\$ 25,101,666</u>	<u>\$ 34,487,120</u>	<u>\$ 46,439,393</u>	<u>\$ 61,720,425</u>	<u>\$ 8,751,232</u>	<u>\$ 7,707,917</u>

Hilliard City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2007	2006	2005	2004	2003
Revenues:					
From Local Sources					
Taxes	\$ 112,479,976	\$ 99,565,898	\$ 95,708,397	\$ 83,312,930	\$ 70,972,300
Tuition	1,943,573	1,849,133	1,626,140	1,736,908	1,595,438
Earning on Investments	5,534,832	1,501,965	769,001	322,245	1,029,779
Other Local	2,423,468	1,626,580	959,555	336,771	31,750
Intergovernmental - State	52,384,420	49,757,619	47,790,731	44,475,772	41,475,237
Intergovernmental - Federal	4,436,140	4,852,240	4,587,844	3,831,984	2,664,511
Classroom Materials & Fees	926,316	894,466	878,766	705,944	705,115
Other Revenue	117,974	252,703	318,310	225,977	684,586
Extracurricular Activities	581,556	491,924	476,383	494,569	442,997
Food Services	3,074,733	2,965,175	2,704,845	2,625,788	2,499,615
Total Revenues	183,902,988	163,757,703	155,819,972	138,068,888	122,101,328
Expenditures					
Current:					
Instruction					
Regular	73,728,857	69,935,006	63,935,736	58,197,203	54,875,474
Special	16,389,505	15,772,377	15,475,079	13,358,750	11,944,937
Vocational	1,430,059	1,167,904	1,001,720	828,526	773,396
Other Instruction	-	-	-	38,056	324,425
Support Services					
Pupils	9,673,614	8,276,930	8,455,545	7,553,890	6,700,739
Instructional Staff	8,995,107	7,077,372	8,501,902	7,918,285	9,158,361
General Administration	9,184,437	8,399,003	8,483,620	8,556,691	7,875,322
Board of Education	306,505	535,760	214,327	456,090	477,550
Fiscal Services	3,393,790	2,919,263	2,846,934	3,046,475	3,585,546
Business	636,323	582,015	405,076	694,887	539,142
Operation &					
Maintenance of Plant	11,979,133	11,131,700	11,062,535	10,430,726	9,660,590
Pupil Transportation	6,847,701	7,374,760	6,661,848	4,558,379	5,800,396
Central	553,049	508,308	382,777	399,883	490,931
Community Services	1,959,839	1,756,061	1,661,911	1,543,772	1,331,249
Food Service Operations	3,960,729	3,821,398	3,337,318	3,224,496	3,334,698
Extra Curricular Activities	3,311,308	3,301,468	2,229,829	2,567,706	2,498,434
Enterprise Operations	-	22,724	25,806	4,891	-
Facilities Acquisition					
and Construction	20,691,242	1,918,636	2,137,181	1,570,658	-
Miscellaneous	2,107	13,149	-	1,511	-
Capital Outlay	125,380	-	619,615	6,367,705	8,948,044
Debt Service					
Principal Retirement	9,293,989	9,919,942	8,052,269	6,483,178	6,891,004
Interest and Fiscal Charges	6,984,582	4,309,367	4,802,449	5,287,591	6,201,510
Refunding Bond Issuing Costs	-	-	-	-	-
Total Expenditures	\$ 189,447,256	\$ 158,743,143	\$ 150,293,477	\$ 143,089,349	\$ 141,411,748
Excess (deficiency) of revenue over (under) expenditures	\$ (5,544,268)	\$ 5,014,560	\$ 5,526,495	\$ (5,020,461)	\$ (19,310,420)
Other Financing (Sources) Uses					
Transfers In	-	-	35,900	1,207,780	915,974
Transfers (out)	-	-	(35,900)	(1,207,780)	(915,974)
Proceeds of Capital Lease	125,380	-	619,615	-	137,458
Proceeds Sale of Fixed Assets	-	-	-	-	37,157
Premium and interest on					
Bonds Sold	-	2,561,937	37,983	70,394	-
Bonds Issued	-	66,600,000	-	-	-
Refunding Bonds Issued	-	-	42,209,905	2,764,999	-
Notes Issued	-	-	-	-	-
Payments to Refunded Bond Escrow	-	-	(42,209,905)	(2,764,999)	-
Total Other Financing (Sources) Uses	125,380	69,161,937	657,598	70,394	174,615
Net Change in Fund Balance	\$ (5,418,888)	\$ 74,176,497	\$ 6,184,093	\$ (4,950,067)	\$ (19,135,805)
Debt Service as a Percentage of Noncapital Expenditures	10.68%	9.98%	9.54%	9.54%	10.97%

2002	2001	2000	1999	1998
\$ 74,805,054	\$ 71,350,080	\$ 53,823,395	\$ 62,960,943	\$ 50,810,677
163,424	238,313	132,223	155,948	19,010
1,961,608	5,817,555	4,296,915	2,197,976	2,070,190
16,407	28,445	-	-	-
37,872,463	31,136,490	26,520,139	24,212,863	21,356,378
1,361,236	1,356,308	1,306,816	800,686	675,904
650,510	621,822	560,258	505,142	463,631
709,896	1,075,410	285,976	315,952	545,046
440,346	408,323	407,527	339,602	283,391
-	-	-	-	-
<u>117,980,944</u>	<u>112,032,746</u>	<u>87,333,249</u>	<u>91,489,112</u>	<u>76,224,227</u>
50,523,879	44,479,563	39,897,807	35,953,393	33,222,484
9,685,077	8,267,502	7,127,825	5,760,524	5,115,156
707,873	634,516	506,226	482,114	488,779
2,090,081	2,425,867	1,300	1,750	2,078
5,871,012	5,202,082	4,560,666	4,059,374	3,556,277
8,326,575	6,606,889	4,833,936	3,316,436	3,387,569
7,395,377	6,079,164	5,509,790	5,289,920	4,755,989
446,334	306,205	396,541	304,644	300,484
2,978,626	2,765,066	2,464,833	2,320,708	1,762,121
435,640	393,241	258,637	242,181	276,372
9,245,509	7,795,642	7,622,208	7,016,144	6,491,487
5,724,797	5,585,378	4,478,565	4,744,997	3,656,764
366,823	297,395	132,354	219,955	144,713
358,912	319,408	214,972	216,122	218,051
-	-	-	-	-
1,921,211	1,622,961	1,547,220	1,317,651	1,169,942
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
11,569,517	22,019,097	2,917,741	1,979,456	11,007,614
6,454,836	7,250,000	5,900,000	5,250,000	4,965,000
6,535,788	6,368,702	6,859,585	4,724,532	5,187,757
-	6,259,413	-	-	586,038
<u>\$ 130,637,867</u>	<u>\$ 134,678,091</u>	<u>\$ 95,230,206</u>	<u>\$ 83,199,901</u>	<u>\$ 86,294,675</u>
\$ (12,656,923)	\$ (22,645,345)	\$ (7,896,957)	\$ 8,289,211	\$ (10,070,448)
800,000	800,000	1,894,394	1,264,977	607,761
(800,000)	(800,000)	(1,894,394)	(1,264,977)	(607,761)
458,610	-	-	-	-
4,310	-	950	11,050	4,226
-	-	966,445	-	-
-	5,000,000	54,198,815	-	-
-	37,704,069	-	-	16,485,214
-	-	-	-	-
-	-	-	-	(15,899,176)
-	(31,444,656)	-	-	-
<u>462,920</u>	<u>11,259,413</u>	<u>55,166,210</u>	<u>11,050</u>	<u>590,264</u>
<u>\$ (12,194,003)</u>	<u>\$ (11,385,932)</u>	<u>\$ 47,269,253</u>	<u>\$ 8,300,261</u>	<u>\$ (9,480,184)</u>
12.25%	13.75%	16.04%	14.00%	15.59%

Hilliard City School District
 Assessed Valuation and Estimated Actual Value of Taxable Property
 Last Ten Collection Years

Collection Year	Real Property (a)		Personal Property (b)		Public Utility (c)		Total		Tax Rate (d)
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	
2007	\$ 2,254,686,370	\$ 6,441,961,057	\$ 91,572,454	\$ 732,579,632	\$ 55,970,360	\$ 159,915,314	\$ 2,402,229,184	\$ 7,334,456,003	\$ 44.18
2006	2,183,565,840	6,238,759,543	129,417,796	690,228,245	59,705,360	170,586,743	2,372,688,996	7,099,574,531	42.21
2005	1,881,523,090	5,375,797,400	186,803,986	747,215,944	59,046,430	168,704,086	2,127,379,506	6,291,717,430	48.49
2004	1,794,956,850	5,128,448,143	257,185,467	1,028,741,868	58,958,850	168,453,857	2,111,101,167	6,325,643,868	39.84
2003	1,720,019,110	4,914,340,314	266,034,379	1,064,137,516	61,488,430	175,681,229	2,047,541,919	6,154,159,059	40.32
2002	1,514,961,350	4,328,461,000	223,691,355	894,765,420	46,530,060	132,943,029	1,785,182,765	5,356,169,449	43.79
2001	1,460,389,470	4,172,541,343	240,607,331	962,429,324	66,058,070	188,737,343	1,767,054,871	5,323,708,010	44.58
2000	1,376,821,610	3,933,776,029	217,372,611	869,490,444	64,454,980	184,157,086	1,658,649,201	4,987,423,559	38.83
1999	1,169,078,190	3,340,223,400	203,301,812	813,207,248	60,927,550	174,078,714	1,433,307,552	4,327,509,362	42.06
1998	1,092,874,280	3,122,497,943	194,111,631	776,446,524	58,487,990	167,108,543	1,345,473,901	4,066,063,010	42.69

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 will continue to decrease by 6.25% until it reaches 0 in 2009.

(c) Assumes public utilities are assessed at true value which is 35%.

(d) Tax rates are per \$1,000 of assessed value. The rate represents the weighted average of all the effective (assessed) rates applied by property type.

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HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING
Last Ten Years
City of Hilliard (District #050)
(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Franklin County	City of Hilliard	Columbus Metropolitan Library	Tolles Vocational School	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2007	75.89	18.44	1.60	2.20	1.30	17.50	116.93	67.790845	82.593156
2006	73.14	18.44	1.60	2.20	0.50	17.50	113.38	63.535059	78.407879
2005	74.40	18.44	1.60	2.20	0.50	17.50	114.64	71.884877	81.172255
2004	64.44	17.64	1.60	2.20	0.50	17.50	103.88	61.276859	70.334307
2003	64.44	17.64	1.60	2.20	0.50	17.50	103.88	61.645226	70.641946
2002	65.61	17.64	1.60	2.20	1.10	17.50	105.65	67.831317	75.649651
2001	65.61	17.64	1.60	2.20	1.10	17.50	105.65	68.282835	76.214978
2000	59.71	17.64	1.60	2.20	1.60	17.50	100.25	63.369134	71.939652
1999	59.71	17.54	1.60	2.20	1.60	17.50	100.15	68.972442	73.826606
1998	59.96	15.22	1.60	2.20	1.60	11.50	92.08	61.420578	66.331342

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township of Franklin County

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

HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)
Last Ten Years
City of Hilliard/Washington Township (District #052)
(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Franklin County	City of Hilliard	Columbus Metropolitan Library	Tolles Vocational School	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2007	75.89	18.44	1.60	2.20	1.30	14.45	113.88	67.321732	81.464991
2006	73.14	18.44	1.60	2.20	0.50	14.49	110.37	63.169837	77.264360
2005	74.40	18.44	1.60	2.20	0.50	14.49	111.63	70.776472	79.264983
2004	64.44	17.64	1.60	2.20	0.50	14.50	100.88	60.175479	68.155248
2003	64.44	17.64	1.60	2.20	0.50	14.50	100.88	60.530455	68.364866
2002	65.61	17.64	1.60	2.20	1.10	14.50	102.65	66.764387	73.067154
2001	65.61	17.64	1.60	2.20	1.10	14.50	102.65	67.212983	73.636286
2000	59.71	17.64	1.60	2.20	1.60	14.50	97.25	60.946688	68.184455
1999	59.71	17.54	1.60	2.20	1.60	13.01	95.66	64.512120	68.920900
1998	59.96	15.22	1.60	2.20	1.60	13.02	93.60	62.933430	67.475708

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township of Franklin County

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

**HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)**

Last Ten Years

Brown Township (District #120)

(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Franklin County	Columbus Metropolitan Library	Tolles Vocational School	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2007	75.89	18.44	2.20	1.30	12.80	110.63	66.403072	79.068341
2006	73.14	18.44	2.20	0.50	12.80	107.08	62.264321	75.078742
2005	74.40	18.44	2.20	0.50	12.80	108.34	70.358970	79.581998
2004	64.44	17.64	2.20	0.50	9.60	94.38	56.581285	65.473290
2003	64.44	17.64	2.20	0.50	9.60	94.38	56.931749	65.675575
2002	65.61	17.64	2.20	1.10	9.60	96.15	63.054570	69.685910
2001	65.61	17.64	2.20	1.10	9.60	96.15	63.500294	70.122365
2000	59.71	17.64	2.20	1.60	9.60	90.75	58.512449	65.574665
1999	59.71	17.54	2.20	1.60	9.60	90.65	63.773089	68.831997
1998	59.96	15.22	2.20	1.60	9.60	88.58	62.181526	67.408663

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
- Hilliard City School District - Franklin Township (District #142)
- Hilliard City School District - Norwich Township (District #200)
- Hilliard City School District - Prairie Township (District #241)
- Hilliard City School District - Washington Township (District #272)
- Hilliard City School District - City of Dublin/Washington Township (District #274)
- Hilliard City School District - City of Columbus (District #560)
- Hilliard City School District - Union County - Washington Township of Franklin County

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

HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)
Last Ten Years
Franklin Township (District #142)
(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Franklin County	Columbus Metropolitan Library	Tolles Vocational School	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2007	75.89	18.44	2.20	1.30	21.31	119.14	72.624060	91.016783
2006	73.14	18.44	2.20	0.50	18.05	112.33	65.066219	83.866516
2005	74.40	18.44	2.20	0.50	18.05	113.59	74.088339	86.560460
2004	64.44	17.64	2.20	0.50	13.05	97.83	58.410069	70.622720
2003	64.44	17.64	2.20	0.50	13.05	97.83	58.698682	69.933144
2002	65.61	17.64	2.20	1.10	13.05	99.60	64.818439	74.078042
2001	65.61	17.64	2.20	1.10	13.05	99.60	65.181867	74.542600
2000	59.71	17.64	2.20	1.60	13.05	94.20	60.148543	69.954069
1999	59.71	17.54	2.20	1.60	13.05	94.10	65.747923	71.595150
1998	59.96	15.22	2.20	1.60	13.05	92.03	64.119807	70.081651

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township of Franklin County

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

HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)
Last Ten Years
Norwich Township (District #200)
(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Franklin County	Columbus Metropolitan Library	Tolles Vocational School	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2007	75.89	18.44	2.20	1.30	21.60	119.43	68.817795	83.957227
2006	73.14	18.44	2.20	0.50	21.60	115.88	64.560718	79.770976
2005	74.40	18.44	2.20	0.50	21.60	117.14	73.266356	82.591920
2004	64.44	17.64	2.20	0.50	21.60	106.38	62.630459	71.753972
2003	64.44	17.64	2.20	0.50	21.60	106.38	62.997289	71.913435
2002	65.61	17.64	2.20	1.10	18.80	105.35	66.706216	74.266145
2001	65.61	17.64	2.20	1.10	18.80	105.35	67.160040	74.831472
2000	59.71	17.64	2.20	1.60	18.80	99.95	62.245651	70.555437
1999	59.71	17.54	2.20	1.60	18.80	99.85	67.916683	72.508755
1998	59.96	15.22	2.20	1.60	12.80	91.78	60.366039	65.015555

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
 Hilliard City School District - Franklin Township (District #142)
 Hilliard City School District - Norwich Township (District #200)
 Hilliard City School District - Prairie Township (District #241)
 Hilliard City School District - Washington Township (District #272)
 Hilliard City School District - City of Dublin/Washington Township (District #274)
 Hilliard City School District - City of Columbus (District #560)
 Hilliard City School District - Union County - Washington Township of Franklin County

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

HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)
Last Ten Years
Prairie Township (District #241)
(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Franklin County	Columbus Metropolitan Library	Tolles Vocational School	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2007	75.89	18.44	2.20	1.30	18.20	116.03	70.538196	85.615721
2006	73.14	18.44	2.20	0.50	18.20	112.48	66.232660	81.678438
2005	74.40	18.44	2.20	0.50	14.20	109.74	71.290266	81.540384
2004	64.44	17.64	2.20	0.50	14.20	98.98	60.630383	70.771147
2003	64.44	17.64	2.20	0.50	14.20	98.98	60.947423	71.002727
2002	65.61	17.64	2.20	1.10	14.20	100.75	67.250562	75.460507
2001	65.61	17.64	2.20	1.10	14.20	100.75	67.613731	75.951272
2000	59.71	17.64	2.20	1.60	14.20	95.35	62.616960	71.581722
1999	59.71	17.54	2.20	1.60	14.20	95.25	66.266049	72.542192
1998	59.96	15.22	2.20	1.60	14.20	93.18	64.662082	70.926700

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township of Franklin County

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

HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)
Last Ten Years
Washington Township (District #272)
(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Franklin County	Columbus Metropolitan Library	Tolles Vocational School	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2007	75.89	18.44	2.20	1.30	19.95	117.78	67.817416	82.257314
2006	73.14	18.44	2.20	0.50	19.99	114.27	63.671523	78.064243
2005	74.40	18.44	2.20	0.50	19.99	115.53	71.448881	80.168667
2004	64.44	17.64	2.20	0.50	20.00	104.78	60.858383	69.058932
2003	64.44	17.64	2.20	0.50	20.00	104.78	61.235945	69.287395
2002	65.61	17.64	2.20	1.10	20.00	106.55	67.876987	74.314228
2001	65.61	17.64	2.20	1.10	20.00	106.55	68.316940	74.905430
2000	59.71	17.64	2.20	1.60	20.01	101.16	62.081763	69.508406
1999	59.71	17.54	2.20	1.60	18.51	99.56	66.225186	70.527093
1998	59.96	15.22	2.20	1.60	18.52	97.50	64.656975	69.403404

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township of Franklin County

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

HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)
Last Ten Years
City of Dublin/Washington Township (District #274)
(Per \$1000 Assessed Value)

<u>Collection Year</u>	<u>Hilliard City School District</u>	<u>Franklin County</u>	<u>City of Dublin</u>	<u>Columbus Metropolitan Library</u>	<u>Tolles Vocational School</u>	<u>Township</u>	<u>Total Rate</u>	<u>Residential/Agriculture Effective Rate</u>	<u>Commercial/Industrial Effective Rate</u>
2007	75.89	18.44	2.95	2.20	1.30	14.45	115.23	67.667894	81.932568
2006	73.14	18.44	2.95	2.20	0.50	14.49	111.72	63.518029	77.727021
2005	74.40	18.44	2.96	2.20	0.50	14.49	112.99	71.167107	79.746566
2004	64.44	17.64	2.96	2.20	0.50	14.50	102.24	60.567932	68.628725
2003	64.44	17.64	2.97	2.20	0.50	14.50	102.25	60.934732	68.848585
2002	65.61	17.64	2.97	2.20	1.10	14.50	104.02	67.198544	73.576695
2001	65.61	17.64	2.97	2.20	1.10	14.50	104.02	67.650122	74.150774
2000	59.71	17.64	2.97	2.20	1.60	14.51	98.63	61.385264	68.706571
1999	59.71	17.54	2.97	2.20	1.60	13.01	97.03	64.981559	69.472688
1998	59.96	15.22	2.97	2.20	1.60	13.02	94.97	63.402514	68.026816

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township of Franklin County

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

HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)
Last Ten Years
City of Columbus (District #560)
(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Franklin County	City of Columbus	Columbus Metropolitan Library	Tolles Vocational School	Total Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
2007	75.89	18.44	3.14	2.20	1.30	100.97	60.839816	73.471575
2006	73.14	18.44	3.14	2.20	0.50	97.42	56.561822	69.368294
2005	74.40	18.44	3.14	2.20	0.50	98.68	63.947554	71.752198
2004	64.44	17.64	3.14	2.20	0.50	87.92	53.275333	60.843490
2003	64.44	17.64	3.14	2.20	0.50	87.92	53.568197	61.045775
2002	65.61	17.64	3.14	2.20	1.10	89.69	58.780618	65.056110
2001	65.61	17.64	3.14	2.20	1.10	89.69	59.136726	65.492565
2000	59.71	17.64	3.14	2.20	1.60	84.29	58.277137	62.508061
1999	59.71	17.54	3.14	2.20	1.60	84.19	58.277137	62.508061
1998	59.96	15.22	3.14	2.20	1.60	82.12	56.657574	60.948663

Note: The Hilliard City School District consists of ten 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 - Brown Township (District #120)
Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township of Franklin County

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

HILLIARD CITY SCHOOL DISTRICT
REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING (continued)
Last Ten Years
Union County - Washington Township of Franklin County
(Per \$1000 Assessed Value)

Collection Year	Hilliard City School District	Union County	City of Dublin	Vocational School	Township	Total Rate	Residential/Agriculture Effective Rate	Commercial/Industrial Effective Rate
2007	75.89	10.60	2.95	1.30	14.35	105.09	62.781200	73.894700
2006	73.14	10.60	2.95	0.50	14.39	101.58	59.595800	70.177900
2005	74.40	10.60	2.96	0.50	14.39	102.85	65.468300	71.738700
2004	64.44	10.60	2.96	0.50	14.40	92.90	55.391600	62.190300
2003	64.44	10.60	2.97	0.50	14.40	92.91	55.715400	62.470000
2002	65.61	10.60	2.97	1.10	14.40	94.68	61.478580	66.925823
2001	65.61	9.10	2.97	1.10	14.40	93.18	60.742275	66.401290
2000	59.71	9.10	2.97	1.60	14.41	87.79	54.400026	60.724691
1999	59.71	9.10	2.97	1.60	12.91	86.29	57.338500	61.084700
1998	59.96	9.10	2.97	1.60	12.92	86.55	59.441800	61.591490

Note: The Hilliard City School District consists of ten taxing Districts:
Hilliard City School District - City of Hilliard (District #050)
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Hilliard City School District - Franklin Township (District #142)
Hilliard City School District - Norwich Township (District #200)
Hilliard City School District - Prairie Township (District #241)
Hilliard City School District - Washington Township (District #272)
Hilliard City School District - City of Dublin/Washington Township (District #274)
Hilliard City School District - City of Columbus (District #560)
Hilliard City School District - Union County - Washington Township of Franklin County

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

Hilliard City School District
Principal Taxpayers
June 30, 2007 and June 30, 1998

June 30, 2007

	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Columbus Southern Power Company	\$35,487,010	1.48%
2 . Ohio Bell Telephone Company	7,650,010	0.32%
3 . Columbia Gas of Ohio	3,838,630	0.16%
Real Estate		
1 . RPH Industrial LLC	11,339,640	0.47%
2 . Westpointe Plaza LP	8,116,920	0.34%
3 . Duke Realty Ohio	7,455,000	0.31%
4 . Meritex Properties LLC	6,658,770	0.28%
5 . United Dominion Realty	6,580,000	0.27%
6 . Kenhio LLC	6,510,010	0.27%
7 . Avalon Oaks LLC	6,300,000	0.26%
8 . JAL Realty Co	5,818,490	0.24%
9 . Firstcal Industrial 2	5,458,330	0.23%
10 . USPG Portfolio One LLC	4,868,270	0.20%
Tangible Personal Property *		
1 . Roxane Laboratories Inc	7,034,752	0.29%
2 . Ball Metal Food Container Corp	3,166,835	0.13%
3 . Simpson Strong-tie Company Inc	2,310,160	0.10%
4 . R J F International Corporation	2,101,046	0.09%
5 . Sygma Network Inc	1,898,360	0.08%
6 . Rich Products Manufacturing Corp	1,828,075	0.08%
7 . Allied Mineral Products Inc	1,737,813	0.07%
8 . ISP Chemicals Inc	1,610,191	0.07%
9 . Parker Hannifin Corporation	1,552,303	0.06%
10 . Pactiv Corporation	1,410,940	0.06%
ALL OTHERS	<u>2,261,497,629</u>	<u>94.14%</u>
TOTAL ASSESSED VALUATION	<u>\$2,402,229,184</u>	<u>100.00%</u>

June 30, 1998

	Total Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
1 . Columbus Southern Power Company	\$29,361,370	2.18%
2 . Ohio Bell Telephone Company	13,042,080	0.97%
3 . Columbia Gas of Ohio Inc.	10,183,410	0.76%
4 . Consolidated Rail Corp.	4,343,640	0.32%
Real Estate		
1 . Sfers Real Estate KLP	21,322,040	1.58%
2 . Keystone-Ohio Property Holding Co.	9,695,950	0.72%
3 . Market Village Investment Company	5,722,490	0.43%
4 . JAL Realty Co.	4,984,690	0.37%
5 . Aetna Casualty & Surety Co.	4,869,400	0.36%
6 . Wal-Mart Stores, Inc.	4,756,970	0.35%
7 . One Mill LLC	4,370,720	0.32%
8 . Richard J Solove & John J Chester	4,228,450	0.31%
9 . Cleve Corp.	3,884,470	0.29%
10 . Vincent P. Tippmann	3,811,210	0.28%
Tangible Personal Property		
1 . Roxane Laboratories Inc,	17,551,500	1.30%
2 . CompuServe, Inc.	7,494,080	0.56%
3 . Stanley Mechanics Tools Inc.	6,655,800	0.49%
4 . Dana Corporation	5,317,780	0.40%
5 . Combibloc Inc.	4,642,430	0.35%
6 . Kellogg Sales Company	4,031,350	0.30%
7 . Parker Hannifin Corporation	3,792,450	0.28%
8 . Pressware International	3,643,650	0.27%
9 . ISP Fine Chemicals, Inc	3,226,040	0.24%
10 . Micro Electronics, Inc	2,999,110	0.22%
ALL OTHERS	<u>1,161,582,821</u>	<u>86.33%</u>
TOTAL ASSESSED VALUATION	<u>\$1,345,473,901</u>	<u>100.00%</u>

Source : Franklin County Auditor's Office

Assessed Values are for the valuation year of 2006 and 1997 respectively

* House Bill 66 (the State's biennial budget) begun the phase out of Tangible Personal Property Tax (TPP) in FY 2006, which will continue over three years.
The rate decreased by 6.25% to 18.75% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate will continue to decrease by 6.25% until it reaches 0 in 2009.

**HILLIARD CITY SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten 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
2007	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2006	\$106,099,774	\$ 102,960,210	97.04	3,081,982	\$106,042,192	99.95	\$ 7,444,671	7.02
2005	105,716,738	105,135,147	99.45	2,195,359	107,330,506	101.53	4,972,651	4.70
2004	82,815,737	79,354,096	95.82	5,184,243	84,538,339	102.08	3,854,253	4.65
2003	81,365,322	81,773,234	100.50	2,505,364	84,278,598	103.58	7,451,654	9.16
2002	83,014,896	77,249,924	93.06	4,171,222	81,421,146	98.08	7,148,374	8.61
2001	79,683,579	76,991,913	96.62	2,457,396	79,948,809	100.33	9,339,902	11.72
2000	75,189,849	65,675,676	87.35	2,040,762	67,716,438	90.06	5,394,910	7.18
1999	61,832,795	61,171,877	98.93	2,040,762	63,212,639	102.23	3,096,157	5.01
1998	58,648,714	58,265,444	99.35	1,624,259	59,889,703	102.12	3,448,187	5.88

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

n/a - The information was not available at the time of this document's preparation.

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

**Hilliard City School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Governmental Activities						
Year	(a) Net Bonded Debt	(b) Capital Leases	Total Primary Government	(c) Percentage of Personal Income	(c) Per Capita	(c) Per Enrollment
2007	\$ 177,250,752	\$ 473,191	177,723,943	8.13%	2,316	11,825
2006	174,137,250	500,898	174,638,148	8.08%	2,301	11,759
2005	115,876,533	630,548	116,507,081	4.38%	1,249	8,010
2004	116,475,524	317,050	116,792,574	4.39%	1,252	8,213
2003	125,657,276	430,224	126,087,500	4.83%	1,377	9,282
2002	131,925,553	393,774	132,319,327	5.32%	1,517	9,922
2001	138,867,757	0	138,867,757	5.78%	1,647	10,788
2000	145,057,454	0	145,057,454	11.44%	1,833	11,690
1999	90,907,622	0	90,907,622	8.05%	1,290	7,572
1998	98,348,070	0	98,348,070	10.70%	1,715	8,772

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
2007	\$ 2,402,229,184	\$ 181,152,798	\$ 13,902,046	167,250,752	6.96%	2,180	11,129
2006	2,372,688,996	187,592,566	13,455,316	174,137,250	7.34%	2,295	11,726
2005	2,127,379,506	127,158,923	11,282,390	115,876,533	5.45%	1,539	7,966
2004	2,111,101,167	125,655,499	9,179,975	116,475,524	5.52%	1,569	8,191
2003	2,047,541,919	132,025,500	6,368,224	125,657,276	6.14%	1,732	9,250
2002	1,785,182,765	138,815,500	6,889,947	131,925,553	7.39%	1,862	9,892
2001	1,767,054,871	145,205,500	6,337,743	138,867,757	7.86%	2,000	10,788
2000	1,658,649,201	151,455,819	6,398,365	145,057,454	8.75%	2,134	11,690
1999	1,433,307,552	98,157,004	7,249,382	90,907,622	6.34%	1,390	7,572
1998	1,345,473,901	103,407,003	5,058,933	98,348,070	7.31%	1,540	8,772

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

**Hilliard City School District
 Computation of Direct and Overlapping General Obligation Bonded Debt
 as of June 30, 2007**

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	\$ 181,152,798	100.000%	\$181,152,798
Franklin County	91,615,000	8.480%	7,768,952
City of Columbus	421,960,875	6.660%	28,102,594
City of Dublin	45,981,724	7.590%	3,490,013
City of Hilliard	32,120,000	99.720%	32,030,064
Washington Township	<u>2,524,999</u>	8.570%	<u>216,392</u>
Total Direct and Overlapping Debt	<u>\$775,355,396</u>		<u>\$252,760,813</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
 June 30, 2007

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Assessed Valuation	2,402,229,184	2,372,688,996	2,127,379,506	2,111,101,167	2,047,541,919	1,785,182,765	1,767,054,871	1,658,649,201	1,433,307,552	1,345,473,901
Voted Debt Limit - 9% of Assessed Valuation	216,200,627	213,542,010	191,464,156	189,999,105	184,278,773	160,666,449	159,034,938	149,278,428	128,997,680	121,092,651
Net Indebtedness (a)	167,750,762	174,137,250	115,876,533	116,475,524	125,657,276	131,925,553	138,897,757	145,057,454	90,907,622	98,346,070
Less Unvoted Debt (1,600,000)	(1,280,000)	(1,600,000)	-	-	-	-	-	-	-	-
Net Voted Indebtedness	166,470,762	172,537,250	115,876,533	116,475,524	125,657,276	131,925,553	138,897,757	145,057,454	90,907,622	98,346,070
Legal Debt Margin	49,729,875	41,004,760	75,587,623	73,523,681	56,621,497	28,740,896	20,137,181	4,220,974	38,090,058	22,744,581
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	77%	81%	61%	61%	68%	82%	87%	97%	70%	81%
Unvoted Debt Limit - 9/10 of 1% of Assessed Valuation (b)	21,620,063	21,354,201	19,146,416	18,999,911	18,427,877	16,066,645	15,903,494	14,927,843	12,899,768	12,109,265
Unvoted Net Indebtedness	1,280,000	1,600,000	-	-	-	-	-	-	-	-
Legal Debt Margin	20,340,063	19,754,201	19,146,416	18,999,911	18,427,877	16,066,645	15,903,494	14,927,843	12,899,768	12,109,265
Total Net Debt Applicable to the Limit as a percentage of the Debt Limit	6%	7%	0%	0%	0%	0%	0%	0%	0%	0%

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.

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

(b) - Unvoted debt of District is for energy conservation measures issued under 133.06(G) of the Ohio Revised Code.

Source: Franklin County Auditor and School District financial records

**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
2007	76,731	\$ 28,496	2,186,526,576	5.30%	46.10%	15,029
2006	75,893	28,496	2,162,646,928	5.10%	46.10%	14,851
2005	75,313	28,496	2,146,119,248	5.60%	46.10%	14,546
2004	74,254	28,496	2,115,941,984	5.80%	46.10%	14,220
2003	72,540	28,496	2,067,099,840	6.10%	46.10%	13,584
2002	70,852	28,496	2,018,998,592	5.50%	46.10%	13,336
2001	69,431	28,496	1,978,505,776	3.60%	46.10%	12,873
2000	67,959	28,496	1,936,559,664	3.60%	46.10%	12,409
1999	65,381	16,029	1,047,992,049	2.80%	21.43%	12,005
1998	63,865	16,029	1,023,692,085	2.90%	21.43%	11,211

Sources :

(a) Population for the District is estimated based on estimates from Mid-Ohio Regional Planning Commission

(b) US Census Bureau 2000 and 1990 Census Demographic Profiles for the City of Hilliard

(c) June Data of Ohio Bureau of Employment Services or 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***

2007		
Employer	Employees	Type of Business
Hilliard City Schools	2,289	Public School District
Boehringer Ingelheim Roaxane Inc.	988	Pharmaceuticals
United Parcel Service Inc.	891	Package Delivery Service
Tpusa Inc.	800	Telecommunication Services
SYGMA Network Inc.	622	Whole Packaged Frozen Goods
BMW Financial Services	572	Automotive Financing
Verizon Business Network	553	Telecommunication Services
Arctic Express	327	Refrigerated Transportation
Micro Center, Inc.	284	Distributor/Wholesaler Computer Equipment
Allied Mineral Producers	<u>275</u>	Manufacturer of Non-clay Refractories
	<u><u>7,601</u></u>	

1997		
Employer	Employees	Type of Business
Compuserve	2,100	Online Computer Network
United Parcel Service Inc.	1,200	Package Delivery Service
Roxane Labs, Inc.	680	Pharmaceuticals
Medex, Inc.	600	Medical and Hospital Products
Red Roof Inns, Inc.	590	Corporate Headquarters
Meijer, Inc.	500	Grocery Store
Gates McDonald & Company	401	Insurance
Discover Card Systems	368	Credit Card Processing Center
Pressware International	230	Manufacturing
Mac Tools, Inc.	<u>200</u>	Assembly/Tool Distribution
	<u><u>6,869</u></u>	

Note: Percentage of total employment is not available, as total employment figures for the District were not available.

* Information for nine years ago was not available.

Source: Cities of Hilliard Tax Department, City of Columbus - Economic Development Division, and Individual Employers - December 1996 and December 2006

Hilliard City School District
Staffing Statistics - Full Time Equivalents (FTE) by Type and Function
Last Ten Fiscal Years

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Professional Staff:										
Teaching Staff:										
Regular Education Teaching	748.25	735.11	728.91	745.39	784.14	747.83	664.49	635.42	592.68	562.8
Special Education Teaching	94.5	96.57	104	97	102.99	91	82.5	73.5	65.5	55.3
Vocational Education Teaching	9	9	9	9	13	14	9	8	8	8
Tutors	65.43	63.44	63.68	63.33	56.83	47.91	54.28	63.79	49.89	36.5
Administrators										
District/Building	66.5	64.5	65.5	65.29	64.29	60.79	53.39	50.34	49.57	45.6
Auxiliary Positions										
Psychologists	17.95	18.28	16.96	15.96	15.86	15.18	12.18	10.18	8.18	7.5
Counseling	32.21	31	31.21	31.5	27	26.5	26.5	23.8	24.3	24.3
Nurses	13	12	12	12	13	15	11	10	9.5	7.5
Speech	15.06	13.92	14.4	14.39	14.4	14.9	10.9	10.4	9.2	9.2
Adapted Phys Ed - OT	12.2	12.2	11.6	11.4	6.8	6.2	5.2	4.5	3.5	3.3
Physical Therapist	1.65	1.65	1.65	1.65	1.61	1.6	1.6	2	1	0
Social Work	2	2	2	2	0	0	0	0	0	0
Librarian/Media	20.8	20.8	20.8	21.3	21	22	17	17	12	13
Other Professional	75.97	72.98	67.98	58.5	4.8	4.3	3.8	3	3	10.3
Support Staff										
Secretarial	88	84.5	84.5	87	84	83	77	65.5	61.75	60.3
Teaching Aides	115.1	108.1	104.2	105.58	96.84	92.5	69.62	57.64	53.21	46.4
Accounting, Auditing, Editing	7.5	7.5	8.5	9.5	9	9	8	8	7	(a)
Personnel	3	3	3	3	3	4	3	3	3	3
Planning, Curriculum	48.25	39.25	39.75	34	31	20.5	24	21	16	11
Technical	14.75	14.75	15.5	17	15.25	15.75	15.75	13	13	13
Messenger	2	2	2	2	1	1	1	1	1	(a)
Custodial	93	92	91	98	98	96	84	77	76	76
Maintenance	24	24	24	24	21	18	9	6	6	7
Grounds	9	8	8	7	5	5	4	4	4	4
Bus Drivers	70	60	56	60	59.86	59.85	51.1	53.96	58.13	49.8
Mechanics	4	5	5	5	5	5	5	3	3	3
Total	<u>1653.12</u>	<u>1601.55</u>	<u>1591.14</u>	<u>1600.79</u>	<u>1554.67</u>	<u>1476.81</u>	<u>1303.31</u>	<u>1225.03</u>	<u>1138.41</u>	<u>1056.8</u>

Function	2007	2006	2005
Governmental Activities			
Instruction			
Regular and Special	1034.28	1014.22	1011.79
Support Services			
Pupils	174.29	168.28	165.05
Instructional Staff	121.55	107.55	107.80
School Administration	92	92	92
Fiscal	9.5	10	10
Business	9	9	9
Maintenance	129	127	126
Transportation	81	71	67
Central	2.50	2.50	2.50
Total Governmental Activities	1653.12	1601.55	1591.14
Total Primary Government	<u>1653.12</u>	<u>1601.55</u>	<u>1591.14</u>

Note - Staffing Statistics by Function were not available prior to 2005.

(a) - Category did not exist on Staff EMIS reports prior to FY 1999.

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

Hilliard City School District
Operating Indicators by Function
For the Years Ended June 30, 2007, 2006 and 2005

Function	2007	2006	2005
Governmental Activities			
Instruction			
Regular and Special			
Support Services - Pupil			
Enrollment (Students)	15,029	14,851	14,546
Graduates	965	968	912
% of Students with Disabilities	11.8%	11.6%	11.2%
% of Limited English Proficient Students	5.4%	4.4%	3.9%
Support Services			
Instructional Staff			
Information Technology Services			
Work Orders Completed	6,344	8,118	5,412
School Administration			
Student Attendance Rate	95.6%	95.3%	95.3%
Fiscal			
Purchase Orders Processed	6,953	8,595	8,452
Nonpayroll Checks Issued	9,672	9,930	9,350
Maintenance			
District Square Footage Maintained by Custodians and Maintenance Staff	1,795,447	1,795,447	1,795,447
District Acreage Maintained by Grounds Staff	206	206	206
Transportation			
Avg. Public and Parochial Students Transported Daily (includes special education)	9,734	10,831	10,904
Avg. Daily Bus Fleet Mileage	8,682	8,668	8,668
Number of Buses in District Fleet	141	139	124
Community Services			
Number of Students Enrolled in District Latchkey Program	792	696	657
Extra Curricular Activities			
High School Varsity Teams	52	52	52
Food Service Operations			
Meals Served to Students	1,711,086	1,647,745	1,613,485

Note - Indicators by Function were not available prior to 2005. Indicators were not available for the following functions: Business and Central.

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

**Hilliard City School District
Capital Assets by Function/Program
Last Five Fiscal Years**

	2007	2006	2005	2004	2003
Governmental Activities					
Regular Instruction					
Land and Improvements	\$ 27,099,936	\$ 24,124,886	\$ 24,144,415	\$ 24,129,691	\$ 19,655,250
Buildings and Improvements	134,301,331	134,301,330	134,274,304	134,575,582	133,495,783
Furniture Fixtures and Equip.	4,861,801	4,983,756	5,054,986	9,782,913	14,777,785
Special Instruction					
Land and Improvements	237,847	237,847	-	-	-
Buildings and Improvements	74,101	74,101	-	-	-
Furniture Fixtures and Equip.	24,712	24,712	84,732	368,713	368,713
Pupil Support					
Furniture Fixtures and Equip.	18,246	18,246	35,146	79,624	79,624
Instructional Staff Support					
Furniture Fixtures and Equip.	430,422	441,966	441,966	2,062,195	2,062,195
General and School Administration					
Land and Improvements	498,647	498,647	502,981	502,981	502,981
Buildings and Improvements	7,545,581	7,406,386	7,422,461	7,422,461	7,422,461
Furniture Fixtures and Equip.	684,016	632,032	796,598	1,123,850	1,123,850
Business					
Furniture Fixtures and Equip.	11,295	39,644	39,644	41,273	41,273
Operations and Maintenance					
Land and Improvements	22,071	22,071	25,885	17,401	17,401
Buildings and Improvements	1,715,281	1,299,276	1,213,346	37,929	37,929
Furniture Fixtures and Equip.	686,536	637,219	539,913	762,673	762,673
Other Vehicles	776,090	662,511	709,724	701,916	697,546
Pupil Transportation					
Land and Improvements	718,154	718,154	722,034	722,034	722,034
Buildings and Improvements	555,008	555,008	563,121	563,121	563,121
Furniture Fixtures and Equip.	27,429	27,429	27,429	56,918	56,918
Buses	9,558,425	10,387,024	8,996,884	8,117,445	8,117,445
Central					
Furniture Fixtures and Equip.	-	-	-	1,544	1,544
Food Service Operations					
Furniture Fixtures and Equip.	695,727	686,867	681,528	1,348,746	1,348,746
Community Services					
Buildings and Improvements	32,054	32,054	32,054	32,054	32,054
Furniture Fixtures and Equip.	-	-	-	77,276	77,276
Extracurricular Activities					
Land and Improvements	4,435,621	4,435,621	4,373,432	4,373,431	4,373,431
Buildings and Improvements	1,661,631	1,661,631	1,674,497	1,674,497	1,674,497
Furniture Fixtures and Equip.	216,392	210,859	197,991	263,507	263,507
Total Governmental Activities					
Capital Assets	<u>\$ 196,888,352</u>	<u>\$ 194,119,277</u>	<u>\$ 192,555,071</u>	<u>\$ 198,839,775</u>	<u>\$ 198,276,037</u>

**Hilliard City School District
School Building Information
Last Ten Fiscal Years**

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Alton Darby Elementary (2002)										
Square Feet	60,247	60,247	60,247	60,247	60,247	60,247	N/A	N/A	N/A	N/A
Capacity (Students)	600	600	600	600	600	600	N/A	N/A	N/A	N/A
Enrollment	562	576	551	556	540	463	N/A	N/A	N/A	N/A
Avry Elementary (1960)										
Square Feet	45,745	45,745	45,475	45,475	45,475	45,475	41,655	41,655	41,655	41,655
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	483	484	501	512	518	553	591	567	542	520
Beacon Elementary (1968)										
Square Feet	46,220	46,220	46,220	46,220	46,220	46,220	46,220	46,220	46,220	46,220
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	499	487	498	523	547	502	547	522	494	453
Britton Elementary (1968)										
Square Feet	70,338	70,338	70,338	70,338	70,338	70,338	70,338	70,338	70,338	70,338
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	426	419	466	510	476	498	489	516	549	546
Brown Elementary (1965)										
Square Feet	48,323	48,323	48,323	48,323	48,323	48,323	48,323	48,323	48,323	48,323
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	521	457	448	419	391	407	658	650	607	578
Darby Creek Elementary (1998)										
Square Feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	676	676	664	634	564	524	556	463	335	200
Hilliard Crossing Elementary (1993)										
Square Feet	54,552	54,552	54,552	54,552	54,552	54,552	54,552	54,552	54,552	54,552
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	563	562	609	617	590	622	643	672	679	637
Hilliard Horizon Elementary (1997)										
Square Feet	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500	67,500
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	564	571	539	554	547	517	604	560	578	590
Hoffman Trails Elementary (2002)										
Square Feet	60,247	60,247	60,247	60,247	60,247	60,247	N/A	N/A	N/A	N/A
Capacity (Students)	600	600	600	600	600	600	N/A	N/A	N/A	N/A
Enrollment	565	531	455	373	311	223	N/A	N/A	N/A	N/A
J.W. Reason Elementary (1958)										
Square Feet	44,295	44,295	44,295	44,295	44,295	44,295	44,295	44,295	44,295	44,295
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	540	585	595	583	560	571	572	563	653	610
Norwich Elementary (1993)										
Square Feet	54,552	54,552	54,552	54,552	54,552	54,552	54,552	54,552	54,552	54,552
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	610	586	562	554	563	567	584	608	605	606
Ridgewood Elementary (1961)										
Square Feet	45,404	45,404	45,404	45,404	45,404	45,404	45,404	45,404	45,404	45,404
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	495	413	447	479	514	519	541	557	587	588
Scioto Darby Elementary (1989)										
Square Feet	64,897	64,897	64,897	64,897	64,897	64,897	64,897	64,897	64,897	64,897
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	507	522	535	531	555	550	641	590	570	546
Hilliard Station Sixth Grade School (2002)										
Square Feet	56,515	56,515	56,515	56,515	56,515	56,515	N/A	N/A	N/A	N/A
Capacity (Students)	650	650	650	650	650	650	N/A	N/A	N/A	N/A
Enrollment	605	590	591	609	609	578	N/A	N/A	N/A	N/A
Hilliard Tharp Sixth Grade School (2002)										
Square Feet	62,000	62,000	62,000	62,000	62,000	62,000	N/A	N/A	N/A	N/A
Capacity (Students)	650	650	650	650	650	650	N/A	N/A	N/A	N/A
Enrollment	491	556	565	435	426	487	N/A	N/A	N/A	N/A
Hilliard Heritage Middle School (1996)										
Square Feet	12,405	125,405	125,405	125,405	125,405	125,405	125,405	125,405	125,405	125,405
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	820	820	800	766	732	701	1,118	983	938	851
Hilliard Memorial Middle School (1956) (a)										
Square Feet	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	793	724	660	692	657	658	1,023	1,020	940	891
Hilliard Weaver Middle School (1994)										
Square Feet	124,785	124,785	124,785	124,785	124,785	124,785	124,785	124,785	124,785	124,785
Capacity (Students)	800	800	800	800	800	800	800	800	800	800
Enrollment	752	757	696	735	761	713	906	909	878	806
Hilliard Darby High School (1997)										
Square Feet	290,809 *	290,809 *	276,553	276,553	276,553	276,553	276,553	276,553	276,553	276,553
Capacity (Students)	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	2,234	2,310	2,256	2,128	2,065	1,892	1,789	1,669	1,532	1,079
Hilliard Davidson High School (1989)										
Square Feet	252,680 *	252,680 *	245,000	245,000	245,000	245,000	245,000	245,000	245,000	245,000
Capacity (Students)	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
Enrollment	2,079	1,974	1,887	1,861	1,786	1,684	1,595	1,516	1,470	1,695
Alton Darby Preschool (2002)										
Square Feet	18,640	18,640	18,640	18,640	18,640	18,640	(b)	(b)	(b)	(b)
Capacity (Students)	200	200	200	200	200	200	(b)	(b)	(b)	(b)
Enrollment	254	251	219	142	136	107	78	58	46	15
Central Office (1990)										
Square Feet	20,520	20,520	20,520	20,520	20,520	20,520	20,520	20,520	20,520	20,520
Central Office Annex (1990)										
Square Feet	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Maintenance (1991)										
Square Feet	701	701	701	701	701	701	701	701	701	701
Support Services Facility (2003)										
Square Feet	82,000	82,000	82,000	82,000	82,000	N/A	N/A	N/A	N/A	N/A
Transportation (1989)										
Square Feet	9,000	9,000	9,000	9,000	9,000	9,000	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.

(b) In FY 1996-2001 Preschool was housed at various elementary buildings, including Darby Creek and J.W. Reason. Space was allocated on an as-needed basis and square footage falls within the elementary building as presented.

N/A - Not available, building was not open

* In 2005-06 modulars were added to both of the District's high schools to help in accommodating growth. 5 modulars were added at Davidson and 9 were added at Darby.

**Hilliard City School District
Educational and Operating Statistics
Last Ten School Years**

	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98
ACT Scores (Averages)										
Hilliard	22.4	23.4	22.2	22.4	21.7	21.8	21.7	21.9	21.5	22.4
Ohio	21.6	21.5	21.4	21.4	21.4	21.4	21.4	21.4	21.4	21.4
National	21.2	21.1	20.9	20.9	20.8	20.8	21.0	21.0	21.0	21.0
SAT Scores (Averages)										
Hilliard										
Verbal/Critical Reading	513	520	514	522	513	510	518	512	508	520
Mathematics	530	540	526	540	528	530	532	531	531	540
Writing	494	505	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ohio										
Verbal	536	535	539	538	536	534	534	533	534	540
Mathematics	542	544	543	542	541	539	539	539	538	540
Writing	522	521	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National										
Verbal	502	503	508	508	507	506	506	505	505	500
Mathematics	515	518	520	518	519	514	514	514	511	510
Writing	494	497	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
National Merit Scholars										
Finalist	1	3	4	2	0	0	0	0	0	0
Semi-Finalist	1	3	4	2	3	0	3	1	1	3
Commended Scholars	7	9	4	10	11	0	8	0	0	0
State Testing Indicators										
Total Number of Indicators	30	25	23	18	22	22	27	27	27	18
Hilliard Met	28	25	21	16	21	19	20	19	20	13
State Average Met	19	17	11	8	11	12	16	15	11	10
Performance Index Score *	100.2	101	97.2	96.1	93.7	90.5	87.5	(b)	(b)	(b)
ODE Per Pupil Costs										
Hilliard	\$ 10,178	\$ 9,806	\$ 9,382	\$ 8,759	\$ 8,365	\$ 8,367	\$ 7,602	\$ 6,932	\$ 6,369	\$ 6,070
State Avg.	(a)	\$ 9,343	\$ 9,047	\$ 8,758	\$ 8,438	\$ 8,073	\$ 7,590	\$ 7,057	\$ 6,642	\$ 6,232
Cost to Educate Graduate										
Hilliard	\$ 94,569	\$ 89,262	\$ 83,957	\$ 78,880	\$ 74,699	\$ 70,628	\$ 65,966	\$ 62,083	\$ 60,387	\$ 57,011
State Avg.	(a)	\$ 92,869	\$ 88,351	\$ 84,129	\$ 79,747	\$ 75,655	\$ 71,601	\$ 67,621	\$ 64,002	\$ 60,682
Average Teacher Salary										
Hilliard	\$ 59,195	\$ 56,139	\$ 52,932	\$ 50,743	\$ 48,111	\$ 44,686	\$ 45,352	\$ 43,010	\$ 41,378	\$ 40,424
State Avg.	\$ 53,536	\$ 50,772	\$ 49,438	\$ 47,659	\$ 45,645	\$ 43,755	\$ 42,995	\$ 41,833	\$ 40,835	\$ 39,201
Average Teacher Years' Experience	12.4	12.3	11.9	11.4	10.0	10.0	(a)	(a)	(a)	(a)
Percentage of Teachers with a Master's Degree or Higher	67.3%	66.5%	65.7%	60.6%	(a)	(a)	(a)	(a)	(a)	(a)
ODE Teacher/Pupil Ratio										
Hilliard	18.8	18.5	18.4	17.5	15.8	16	17.8	17.9	18.5	19.9
State Avg.	19.6	18.6	18.5	18.5	16.5	16.9	18.0	18.1	18.6	20.4
Percentage of Students on Free/Reduced Lunch	14.10%	13.86%	11.58%	9.73%	10.65%	7.03%	7.01%	7.15%	(a)	(a)

n/a - Test did not exist at this time.

(a) - Information is not available.

(b) - The score was not compiled until 2000-01.

* - 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



Hilliard City School District | 5323 Cemetery Road | Hilliard, Ohio 43026



Mary Taylor, CPA
Auditor of State

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
NOVEMBER 13, 2007**