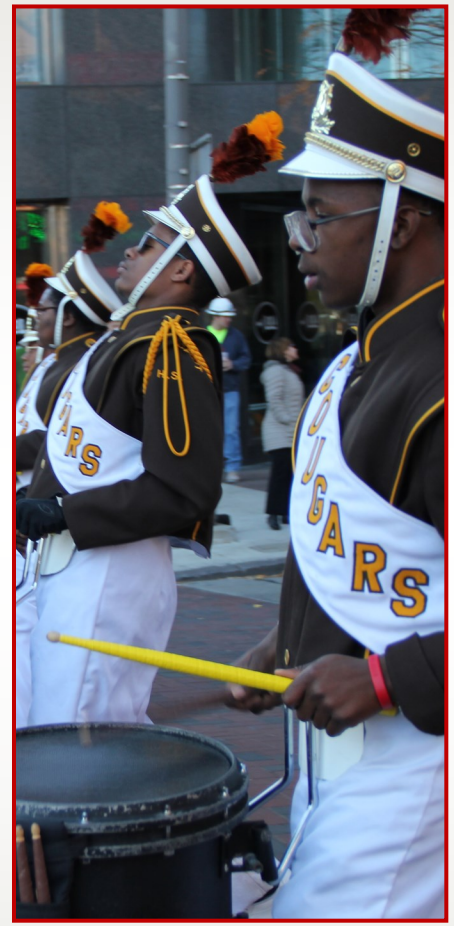




POPULAR ANNUAL **FINANCIAL REPORT**

Fiscal Year Ended June 30, 2016

Issued By: **Stanley J. Bahorek**,
Treasurer & Chief Financial Officer



FY2016

Mission: Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.

SPIRIT OF SUCCESS

**Columbus City School District
Board of Education
Fiscal Year 2016**



Gary L. Baker II
President



Michael Cole
Vice-President



W. Shawna Gibbs



Eric S. Brown



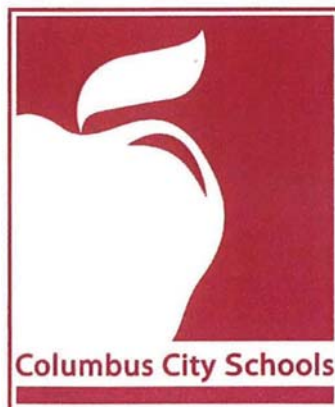
Dominic Paretti



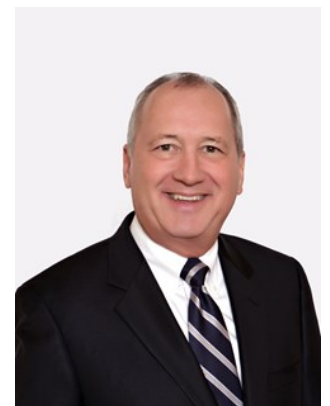
Mary Jo Hudson



Ramona Reyes



Dan Good
Superintendent/CEO



Stanley J. Bahorek
Treasurer/CFO

Columbus City School District Fiscal Year 2016 PAFR

Dear Friends of the Columbus City School District:

The Treasurer's office is pleased to present the Columbus City School District's Popular Annual Financial Report (PAFR) for the year ended June 30, 2016. The PAFR is an unaudited report that summarizes the District's financial activities and operating results in a way that can be more easily understood by the reader.

The School District has also published a Comprehensive Annual Financial Report (CAFR) for the year ending 2016. The CAFR is an audited report and is prepared on a Generally Accepted Accounting Principles (GAAP) basis, which requires greater disclosure than the PAFR. Copies of the PAFR and CAFR may be requested from the Treasurer's office by calling (614) 365-6400 or on the School District's website at www.ccsdoh.us.

School District Profile

The Columbus City School District provides education to approximately 49,698 students in grades K through 12. Geographically, the School District encompasses 116 square miles located primarily within the City of Columbus with a population of 818,912 for 2015.

The students enrolled in the School District attend sixty-six elementary schools, five STEM (Science, Technology, Engineering, and Math) schools, seventeen middle schools, nineteen high schools, and two special assignment schools.

The School District currently has 3,896 professionals serving as teachers, all of whom have at least a bachelor's degree. The 2015-2016 starting salary for a teacher with a bachelor's degree is \$43,095; the maximum teacher salary (for a teacher with a Ph.D. degree and 31 years' experience) is \$94,054.

An elected seven-member Board of Education serves as policy makers of the District. The Board adopts the annual tax budget and annual appropriations resolution that serves as the basis for control over and authorization of all expenditures of the School District tax money.

Elected Officials/Board of Education

Gary L. Baker, II	President
Michael Cole	Vice-President
W. Shawna Gibbs	Member
Eric S. Brown	Member
Ramona Reyes	Member
Dominic Paretti	Member
Mary Jo Hudson	Member

Financial Officer

Stanley J. Bahorek	Treasurer/CFO
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Administrative Personnel

Dan Good, Ph.D.	Superintendent/CEO
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School District Initiatives

The Mission Statement

Each student is highly educated, prepared for leadership and service, and empowered for success as a citizen in a global community.

Major initiatives of the School District under the Leadership of Dr. J. Daniel Good include:

The Columbus City Schools 2015-2016 School Year launched with one of the School District's strongest starts in years and finished fully-charged by a new Spirit of Success that energizes our efforts to serve the growing number of students served by our teachers, staff, and administrators. Over the past three years, the School District has built a proven track record of improved efforts in preparing our students for graduation and future education/employment, protecting them from danger and doubt, and providing a transparent and accountable operation.

- **OHIO'S LOCAL REPORT CARD:** A greater number of students in our elementary and middle schools achieve more than a year's worth of growth and learning each year in reading and math. From the 2012-13 report card to the 2014-15 report card, the School District moved from D's and F's in several categories to A's and B's. The 2015-16 report card, which the Ohio Department of Education has termed a transitional report with different indicators, benchmarks, and assessment used to calculate targeted achievement, showed School District scores reverting back to lower grades. Still, the School District's own data shows 75 percent of elementary and middle school grades met and exceeded projected learning and growth goals in math and reading
- **INCREASED EARLY CHILDHOOD EDUCATION:** Columbus City Schools is engaging more children at an earlier age - at 3 and 4 years old - by expanding its number of high quality pre-kindergarten seats across the city. From 2012 to 2016, the number of seats in the School District's Early Childhood Education program has increased by 22 percent (from 1,400 seats to nearly 1,800), and 42 of the School District's classrooms have earned the State's highest five-star Step Up to Quality rating in serving preschoolers and their families.
- **THIRD GRADE READING:** In the first quarter of the 2013-14 school year, only 42 percent of the School District's 3rd grade students met the requirements of Ohio's new 3rd Grade Reading Guarantee, required for promotion to fourth grade. At the end of the 2015-16 school year, the rate had jumped to 91 percent, a nearly fifty-point turnaround. The score also represents the second year in a row that 91 percent of the School District's third graders met the requirements, resulting in approximately 4,300 boys and girls successfully matriculating to fourth grade.
- **CAREER TECHNICAL EDUCATION:** The School District has transformed career technical education, moving from the Home Economics and Woodshop of the past to today's students learning about cyber security, automotive diagnostics, high-end catering, construction engineering, and environmental control repair. A report released by KidsOhio.org reveals that most of these students graduate with A's and B's, often with college credit or industry certification, some with apprenticeships, and most with jobs in hand. More than 28 percent of high school juniors and seniors take Career-Technical coursework.
- **IMPROVED GRADUATION NUMBERS:** Columbus City Schools continues to advance incremental growth in the number of students who graduate. The Class of 2013 included 2,224 graduates; the Class of 2016 represented 2,263 grads.
- **COLLEGE AFFORDABILITY:** Graduates who choose to go to college are able to afford the ever-increasing costs of higher education by earning a growing number of need-based and academic-based scholarships and financial assistance. The Class of 2016 earned \$57 million in scholarships and grants, up \$15 million from the year before.

Columbus City School District Fiscal Year 2016 PAFR

- **MODEL OF SUCCESS:** Having been under a state-issued corrective action plan until the 2015-16 school year, Columbus City Schools has since been recognized by the Ohio Department of Education for establishing a model for how urban districts should properly identify and serve students with special needs.

Another important and noteworthy initiative is the School District's successful efforts to rebuild the integrity of its data, having aggressively implemented new steps to review, secure, and improve the collection and reliability of student information. In fact, Auditor of State David Yost publicly applauded the School District's efforts in June 2015, noting the progress of Columbus City Schools' leadership and staff to mitigate the mistakes of the past.

Proud of the reliability and integrity, Columbus City Schools now gives the public unprecedented access to data. Launched during the 2015-16 school year, the School District's first-ever Digital Dashboard offers online insight into daily student attendance, enrollment, academic achievement, and even the number of cafeteria meals served each school day, updated every day. In addition, a new Financial Dashboard developed by the School District's Chief Financial Officer allows users to see where every dollar into our School District comes from and the amount of every check written out.

SCHOOL DISTRICT STUDENT DEMOGRAPHICS

Enrollment	49,698
Male	51.30%
Female	48.70%
Individualized Education Plan (IEP)	16.40%
Community Eligibility Provision <i>Free Breakfast & Lunch</i>	100.00 %
Limited English Proficiency (LEP)	13.00%
Gifted Identified	10.60%
African American	55.20%
Caucasian	24.00%
Hispanic	10.60%
American Indian/Native Alaskan	0.20%
Multiracial	6.30%
Asian	3.70%

Summarized Financial Reports

Readers of the Financial Activity Statement and Statement of Net Position (page 11) should keep in mind that the numbers in both reports are taken from the School District's Comprehensive Annual Financial Report (CAFR), but are presented in a non-GAAP format. The Comprehensive Annual Financial Report can be obtained from the Treasurer's office or www.ccsdh.us.

Columbus City School District Fiscal Year 2016 PAFR

Financial Activity Statement

The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the resources (revenues) and services (expenditures) of the School District's General Fund.

Resources Taken In (in thousands)	FY'16	FY'15	FY'14	FY'13
Taxes	\$418,879	\$406,188	\$424,907	\$381,434
State and Federal Revenue	370,239	356,058	331,135	311,459
Investment Income	3,012	2,294	666	280
Tuition & Fees	3,374	4,007	5,425	5,300
Extracurricular	1,041	414	348	335
Miscellaneous	16,135	6,703	6,168	5,087
TOTAL Revenues & Resources	812,680	775,664	768,649	703,895

Services Provided (in thousands)	FY'16	FY'15	FY'14	FY'13
Instruction:				
Regular	\$409,463	\$399,028	\$356,704	\$353,279
Special	90,438	87,781	75,517	78,630
Vocational	5,009	5,113	5,367	5,917
Student Intervention Services	1,602	1,599	1,823	2,001
Support Services:				
Pupils	62,440	56,059	49,906	50,085
Instructional Staff	23,084	22,437	36,660	42,986
Board of Education	132	139	139	125
Administration	46,173	43,233	37,473	44,630
Fiscal	15,512	13,018	11,290	8,132
Business	3,385	3,738	3,104	3,260
Operation and Maintenance of Plant	51,242	54,008	49,016	56,367
Pupil Transportation	53,877	52,619	51,091	54,424
Central	21,327	15,853	17,827	6,372
Operation of Non-Instructional Services	19	3	2	2
Extracurricular Activities	6,865	7,056	6,614	6,892
Capital Outlay	311	45	1	48
Debt Service		0	0	0
TOTAL Expenditures & Services	790,879	761,729	702,534	713,150
Revenues & Resources Over Expenditures & Services	21,801	13,935	66,115	(9,255)

Columbus City School District Fiscal Year 2016 PAFR

Our Expenditures and Services:

Definitions

Instruction includes the activities directly dealing with the teaching of pupils or the interaction between teacher and pupil. Teaching may be provided for pupils in a school, in a classroom, in another location, such as in a home or hospital, and through other approved media such as television, radio, telephone, correspondence and aides or classroom assistants of any type who assist in the instructional process. Technology used by students in the classroom or technology that has a student-instruction focus is also coded here. Instruction includes regular, special, vocational, and student intervention services.

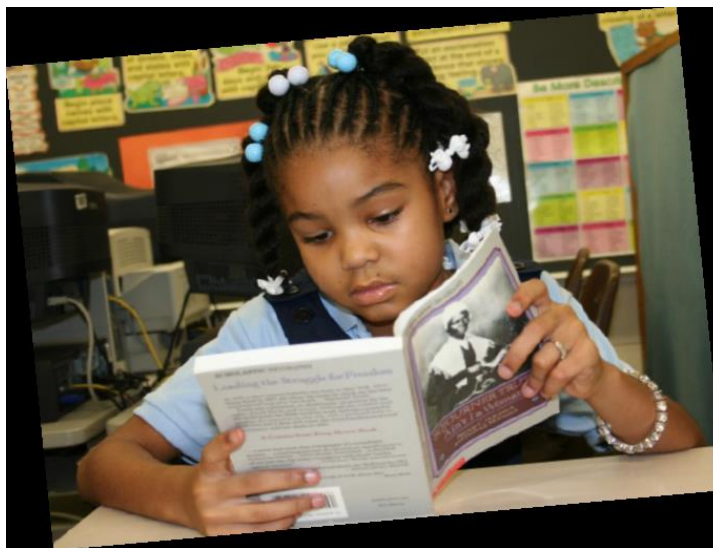
Support Services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction, and to a lesser degree, community services. Supporting services exist as adjuncts for the fulfillment of the objectives of instruction, rather than as entities within themselves. Support services include pupils, instructional staff, board of education, administration, fiscal, business, operation and maintenance of plant, pupil transportation, and central services.

Operation of Non-Instructional/Shared Services are concerned with providing non-instructional services to students, staff or the community. Also includes providing certain services to other school districts.

Extracurricular Activities are activities under the guidance or supervision of qualified adults which are designed to provide opportunities for pupils to participate in such experiences on an individual basis, in small groups, or in large groups - at school events, public events, or a combination of these - for purposes such as motivation, enjoyment, and skill improvement. In practice, participation usually is not required and credit usually is not given. When participation is required, or credit given, the activity generally is considered to be a curricular course.

Capital Outlay activities are concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-up equipment, and improving sites.

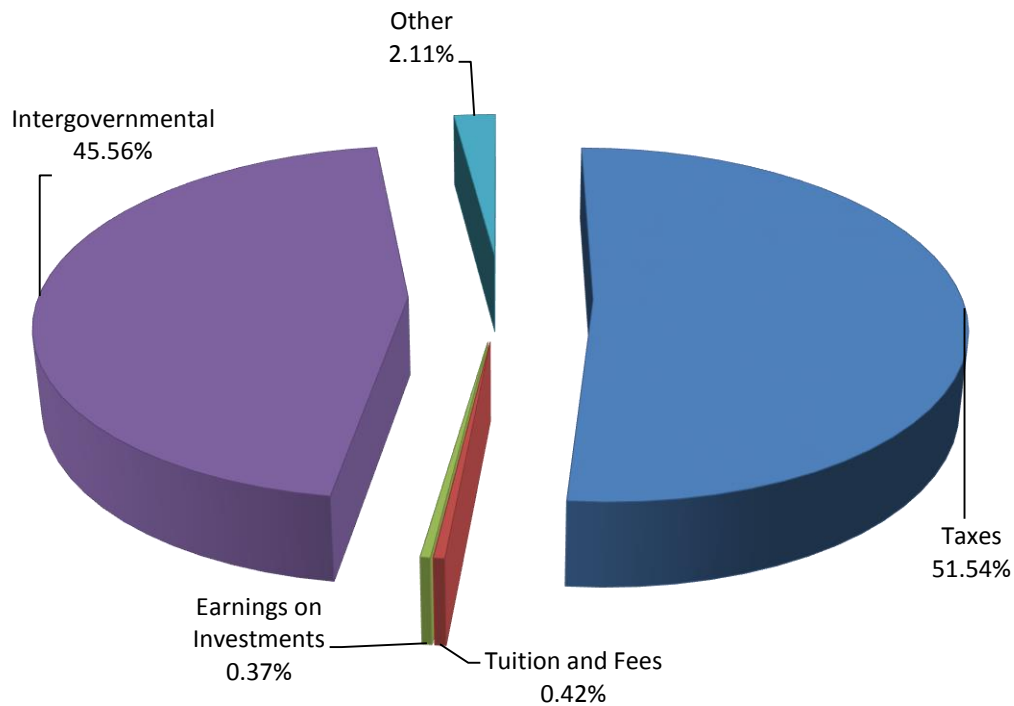
Debt Service Transactions primarily for the purpose of discharging the school district's commitment for interest and principal on debt.



Columbus City School District Fiscal Year 2016 PAFR

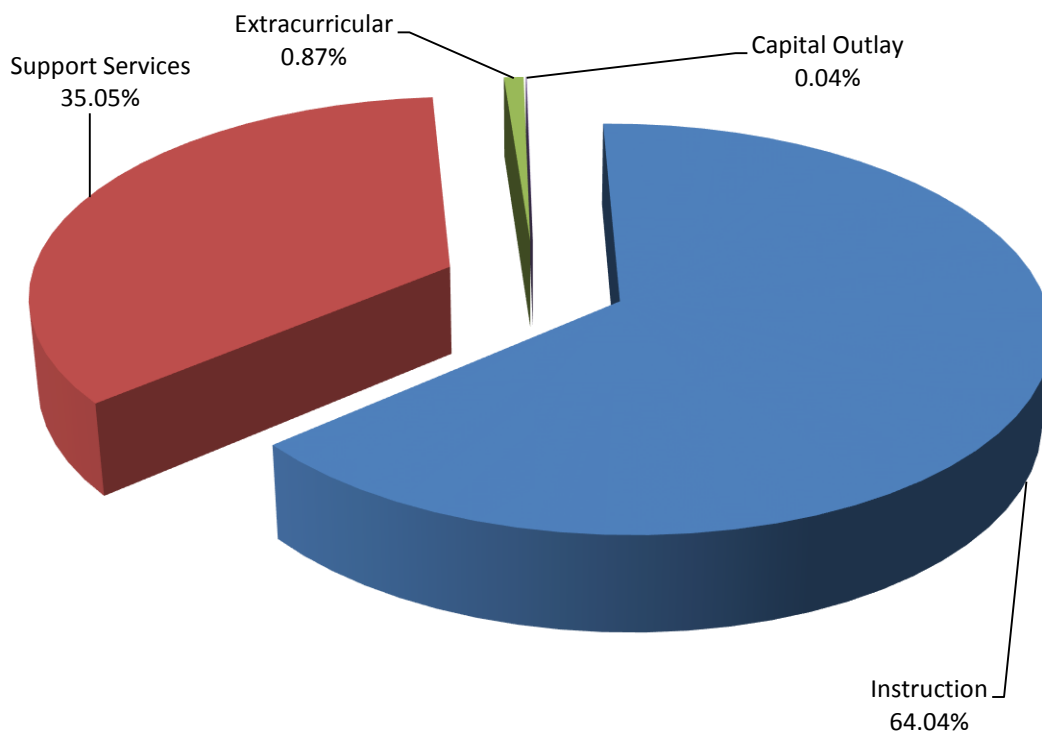
Our Revenues and Resources FY 16:

Where the General Fund Money Comes From



Our Expenditures and Services FY 16:

Where the General Fund Money Goes



Columbus City School District Fiscal Year 2016 PAFR

Assessed Values of Property Real Estate Taxes

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Tangible Personal	Total
2016	\$4,962,761,990	\$3,618,006,740	\$316,698,800	\$0	\$8,897,467,530
2015	4,954,790,240	3,593,145,380	285,198,030	0	8,833,133,650
2014	5,100,712,580	3,598,257,110	273,743,320	0	8,972,713,010
2013	5,109,816,130	3,613,599,600	237,826,130	0	8,961,241,860
2012	5,114,053,190	3,798,530,810	220,632,230	0	9,133,213,230
2011	5,627,350,170	4,015,098,310	225,826,590	0	9,868,275,070

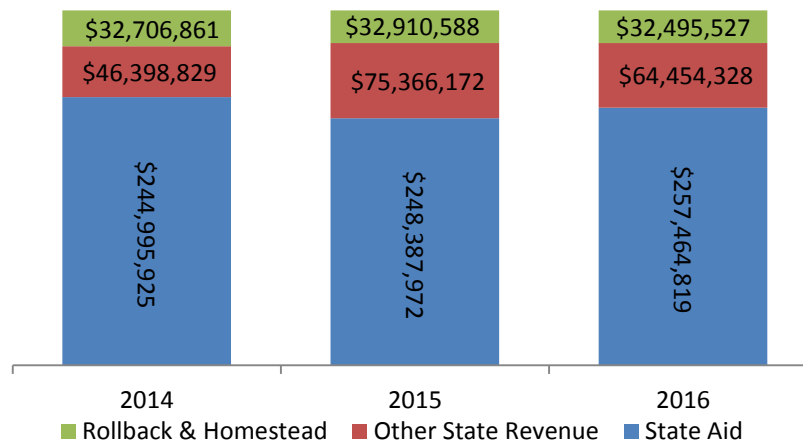
State and Federal Sources

State and Federal sources of revenue generated \$354.4 million or 44.95% of all General Fund revenue. State support comes mostly from State Aid, which is a formula calculation based upon student enrollment. School districts were to be reimbursed for the Tangible Personal Property (TPP) tax losses by the state of Ohio at varying levels through 2026 but those reimbursements were severely curtailed or eliminated by HB153 effective July 1, 2012. The state of Ohio reduced its funding to school districts for TPP reimbursements from \$1.13 billion in FY11 to \$510 million in FY13, where it was frozen for FY15. HB64 the current state budget has reinstituted the phase out of TPP reimbursements to districts beginning in FY16. The phase out is based on five wealth tiers called quintiles. A Quintile 1 district will lose TPP funding based on 1% of qualifying revenue and a Quintile 5 districts will lose TPP reimbursements equal to 2% of qualifying revenue. Revenue will be phased out at these quintile levels until all TPP state funds are gone. In FY16 there is a TPP Phase out guarantee for districts whose total state and TPP reimbursements were lower in FY16 than were actually received in FY15. The TPP Phase out guarantee is only for FY16.

A significant portion also comes from Rollback and Homestead payments, which represents the portion of the local tax bill paid by the State instead of the local taxpayer. Currently, the State pays 10% of the taxes due on all property and an additional 2.5% on residential and agricultural owner-occupied property. An additional exemption is provided to senior disabled citizens, regardless of income. House Bill 59, however, has eliminated the property tax rollback on any new levy passed after September 29, 2013.

Other State Revenue includes the public utility reimbursement, tangible personal property loss reimbursement, Medicaid reimbursement, and casino revenue.

The chart below depicts State school funding in actual cash receipts for District's General Fund. Years are presented on a June 30 fiscal year-end basis. Included in the 2016 other state revenue is \$20,659,447 in reimbursement for tangible personal property tax loss.



Columbus City School District Fiscal Year 2016 PAFR

State Revenues vs. Local Revenues

In Ohio, the funding of schools is shared by the State and local School Districts. The Ohio General Assembly determines what an adequate education costs in the State's biennial education budget.

Five Year Financial Forecast

The School District annually prepares a five-year forecast to ensure long-term financial success. The five-year financial forecast provides actual data on each major revenue and expenditure category for the past three fiscal years and forecasts these same categories for an additional five fiscal years.

The five-year financial forecast is a planning tool used to certify if funds are available for future expenditures and additionally to strategize when the School District will need to return to voters for additional funds or reduce expenditures accordingly. The five-year financial forecast is published on the Ohio Department of Education's website for public use. www.education.ohio.gov

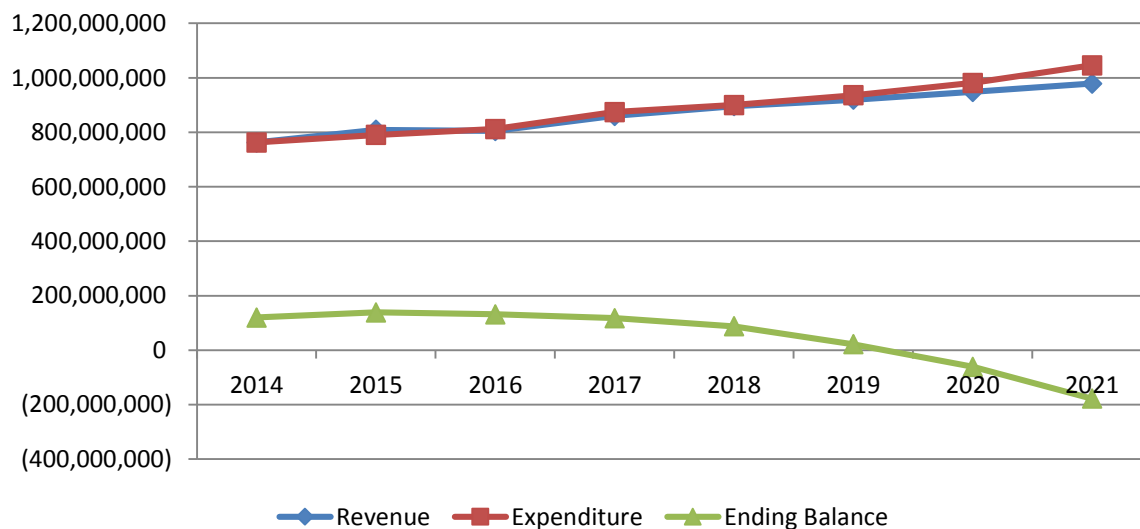
Actuals by Fiscal Year - General Fund

As of June 30,

	2014	2015	2016
Revenue	762,376,818	808,968,201	804,831,026
Expenditure	762,783,908	790,293,283	811,808,942
Ending Balance	120,198,371	138,873,289	131,895,373

Projected Five-Year Forecast by Fiscal Year - General Fund

	2017	2018	2019	2020	2021
Revenue	859,873,622	895,844,220	919,611,181	948,091,117	978,633,315
Expenditure	873,856,268	900,043,437	935,655,223	981,129,429	1,045,773,814
Ending Balance	117,912,727	113,713,510	71,604,312	(60,729,832)	(177,518,246)



Columbus City School District Fiscal Year 2016 PAFR

Property Values and Taxes

Property taxes are assessed and levied on a calendar year basis. The School District receives property taxes from two taxing years during the School District's fiscal year that begins July 1 and ends June 30. The assessed values upon which the fiscal year 2016 taxes were collected are as follows:

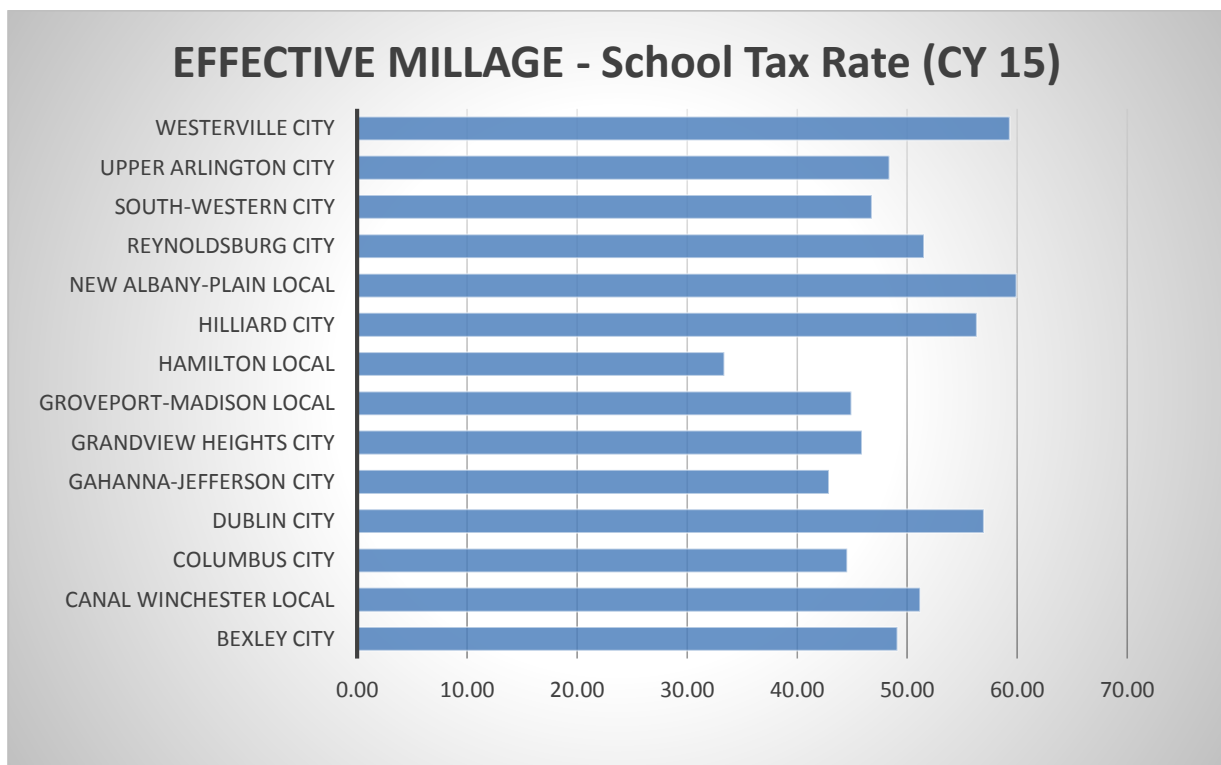
Property Values	2014	% Change	2015	%Change	2016
Real Property	\$8,698,969,690	-1.77%	\$8,547,935,620	0.38%	\$8,580,768,730
Public Utility	\$273,743,320	4.02%	\$285,198,030	9.95%	\$316,698,800
Total	\$8,972,713,010	-1.02%	\$8,833,133,650	0.72%	\$8,897,467,530

Overall, there was a 0.72% increase in property values from 2015 to 2016. The most significant change occurred in Public Utility.

Comparative Data

When comparing itself to other school districts, the School District uses the most recent information provided by the Franklin County Auditor. This data provides the most reliable comparison among school districts.

Effective Tax Rates - Since the School District depends on local tax support for 51.52% of its general fund revenue, tax rates are crucial to the School District and its taxpayers. HB 920 reduces the voted millage rate to an effective tax rate in order to generate the same amount of revenue received in the first year of collection. When taxpayers vote for a certain number of mills, they are actually voting for the collection of a specific amount of money.

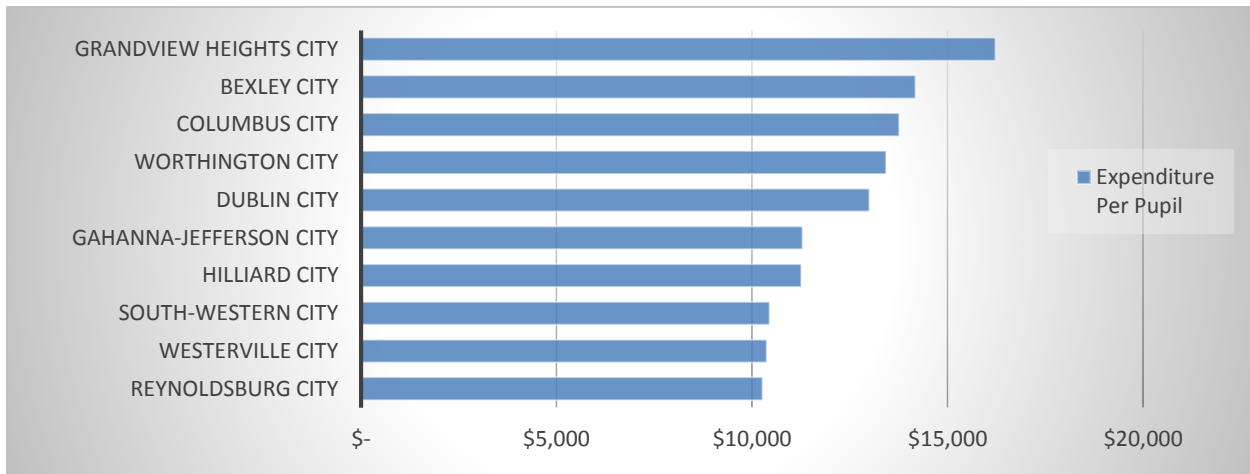


Source: Ohio Department of Taxation

Columbus City School District Fiscal Year 2016 PAFR

Expenditures Per Pupil

The chart below illustrates how the School Districts' expenditures per pupil (fiscal year 2015 latest information available) compare to other similar school districts.



Source: Ohio Department of Education

Outstanding Debt

At fiscal year ended June 30

Issue	6/30/2016	6/30/2015	6/30/2014
2004 School Improvement Bonds	\$0	\$0	\$4,425,000
2006 School Improvement Bonds	79,244,897	90,269,897	267,069,897
2007 School Improvement Bonds	595,000	1,190,000	5,485,000
2008 School Improvement Bonds	1,654,998	2,239,998	14,399,998
2009 School Improvement Bonds	18,609,987	69,444,987	123,639,987
2009 Energy Conservation Bonds	0	0	775,000
2011 School Improvement Bonds	21,795,000	23,685,000	24,190,000
2012 School Improvement Bonds	7,300,000	8,825,000	9,100,000
2013 School Bus Acquisition Bonds	20,500,000	22,870,000	26,150,000
2014 Various Refunding Bonds	50,340,000	50,340,000	0
2014 School Improvement Bonds	113,450,000	113,460,000	0
2015 School Improvement Bonds	69,130,000	69,130,000	0
2016 Various Refunding Bonds	46,460,000	0	0
Total	\$429,079,882	\$451,454,882	\$475,234,882



Columbus City School District Fiscal Year 2016 PAFR

Statement of Net Position - All Funds

At fiscal year ended June 30

The Statement of Net Position presents an aggregate view of School District governmental activities and provides a long-term view of those finances. The Statement of Net Position is organized so the reader can understand Columbus City School District as a financial whole, an entire operating entity. This statement include assets and deferred outflows of resources and liabilities and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The accrual basis of accounting takes into account all the current fiscal year's revenues and expenses regardless of when cash is received or paid. The amount below represents the difference between the assets and deferred outflows of resources and the liabilities and deferred inflows of resources which the District must pay. This amount provides the "net position" of the District.

Assets	6/30/2016	6/30/2015	6/30/2014
Cash and Investments	\$354,507,653	\$393,937,514	\$443,818,614
Receivables	\$513,348,930	\$510,630,324	\$458,128,830
Prepaid Items	\$174,694	\$174,573	\$172,646
Capital Assets	\$702,715,272	\$688,458,515	\$680,558,105
Deferred Outflows of Resources			
Deferred Charge on Refunding Pension	\$10,834,706	\$7,024,782	\$344,143
	\$100,000,778	\$65,750,402	\$53,428,594
Total Assets	\$1,681,582,033	\$1,583,022,338	\$1,583,022,338
Liabilities			
Short-Term Liabilities	\$81,262,664	\$97,788,731	\$76,200,530
Long-Term Liabilities	\$1,554,067,393	\$1,484,102,507	\$575,923,429
Deferred Inflows of Resources			
Property Taxes	\$204,176,317	\$207,140,614	\$202,034,896
Payment in Lieu of Taxes	\$51,070,843	\$49,687,875	\$49,070,248
Pension	\$100,328,542	\$167,413,600	0
Total Liabilities and Deferred Inflows	\$1,990,905,759	\$2,006,133,327	\$903,229,103
Total Net Position	(\$309,323,726)	(\$340,157,217)	(\$370,271,287)
Total Liabilities and Net Position	\$1,681,582,033	\$1,665,976,110	\$532,957,816





POPULAR ANNUAL

FINANCIAL REPORT

FY2016

COLUMBUS CITY SCHOOLS, established in 1845, is Ohio's largest school district, serving the needs of Columbus' diverse students and families.

The district is under the leadership of it's 20th Superintendent/CEO, Dan Good, Ph.D., and a seven-member Board of Education.

STAY CONNECTED

COLUMBUS CITY SCHOOLS

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