

COLUMBUS CITY SCHOOLS, OHIO



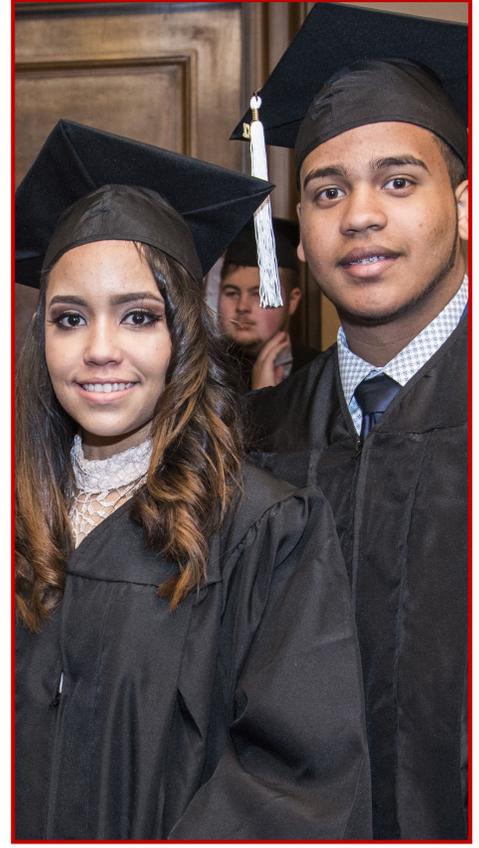
COLUMBUS
CITY SCHOOLS

POPULAR ANNUAL

FINANCIAL REPORT

Fiscal Year Ended June 30, 2017

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



FY2017

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 2017**



Gary L. Baker II
President



Michael Cole
Vice-President



W. Shawna Gibbs



Eric S. Brown



Dominic Paretto



Mary Jo Hudson



Ramona Reyes



**COLUMBUS
CITY SCHOOLS**



Dan Good
Superintendent/CEO



Stanley J. Bahorek
Treasurer/CFO

Columbus City School District Fiscal Year 2017 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, 2017. 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 2017. 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 50,063 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 861,141 for 2016.

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

The School District currently has 4,182 professionals serving as teachers, all of whom have at least a bachelor's degree. The 2016-17 starting salary for a teacher with a bachelor's degree is \$44,043; the maximum teacher salary (for a teacher with a Ph.D. degree and 31 years' experience) is \$96,123.

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:

Empowerment is rooted in the mission at Columbus City Schools. As Ohio's largest School District with the most students, the most proud families, and most dedicated employees and community partners, this School District is committed to empowering all students to reach their full potentials, energized by our immeasurable Spirit of Success.

During the 2016-2017 school year, Columbus City Schools continued to show improvements in Reading and Math, with demonstrable student proficiency gains from the beginning-of-year to end-of-year assessments.

- 3rd Grade Reading: 9% increase over previous school year
- 3rd Grade Math: 2.5% increase over previous school year
- 4th Grade Reading: 2% increase over previous school year
- 4th Grade Math: 3% increase over previous school year
- 5th Grade Reading: 2% increase over previous school year

Within the School District, unprecedented advancements have been made to bridge the gaps in achievement that have historically separated economically disadvantaged students and students of color from other students. Over the past two years, results of state testing have shown:

- no measurable gaps in achievement at 16 elementary schools
- no measurable gaps in achievement at 5 middle schools
- no measurable gaps in achievement at 5 high schools

Our School District continues to demonstrate clear gains in helping students achieve more than a year's worth of academic growth in a single school year. During the 2016-2017 school year, :

- More than 88 percent of our elementary and middle school grades met and exceeded projected learning and growth goals in math and reading.
- On the Ohio Department of Education's Local Report Card, 17 schools earned an A or B on overall Progress.
- Through improved identification and intervention, we've seen achievement growth in students recognized as the lowest 20 percent statewide in reading and math. In fact, 17 schools earned an A or B on this year's Report Card for supporting these priority students.
- Measured progress has also been made with students identified as gifted and/or superior cognitive, at approximately 4,800 students, who receive more rigorous coursework and stimuli to challenge their minds and skills. On this year's Report Card, 6 schools earned an A or B for serving gifted students.
- The School District earned recognition as a model of success for how urban schools should identify and serve students with special needs, which totaled nearly 8,600 students in 2016-2017. Five schools earned an A or B on this year's Report Card for serving students identified and in need of an Individualized Education Plan (IEP).
- The School District taught and successfully integrated a greater number of Limited English Proficient students – up to more than 8,300 students, one of the largest enrollments of any school district across the Midwest.

More students are graduating from Columbus City Schools! The Graduating Class of 2017 represented 2,308 graduates, which is a modest yet positive increase of 2 percent from the year before. That brings our Senior Success Rate to 84.99 percent at graduation. For comparison, the Class of 2016 represented 2,263 graduates, which was also a 2 percent increase from the year before that. Last year's Senior Success Rate was 81.17 percent.

Columbus City School District Fiscal Year 2017 PAFR

When students graduate, they should be ready for success in college, in the workforce or careers, or in the military. That's why it's better to offer multiple measures for college and career readiness to showcase the unique approaches to preparing students for success after high school.

Consider this:

- Columbus City Schools offers 37 different career-technical education programs to ALL students.
- More than 1 in 4 of our high school juniors and seniors take career-tech courses. And we've transformed career-tech to meet in-demand good paying job fields.
- Every 7th and 8th grader has the opportunity to take a career tech course in writing computer code and designing mobile games/apps.
- Students earned 1,292 college credits while still in high school, a remarkable 315 percent increase from just four years ago.
- The percentage of graduates taking International Baccalaureate coursework at one of our highest-performing high schools (CAHS) jumped from 28 percent in 2012 to 81 percent in 2016.
- The Class of 2017 earned a record \$72 million in college scholarships and grants and will be attending more than 100 different colleges and universities across the nation and in the armed services.

Proud of the reliability and integrity of our student data, Columbus City Schools continues to give the public unprecedented access to numbers and information about its students and operations. The School District's online Digital Dashboard was expanded and offers online insight into student attendance, enrollment, academic achievement, and even the number of cafeteria meals served each school day, updated every day and often broken down to the building level. A Financial Dashboard developed by the School District's Chief Financial Officer provides insight into the School District's income, expenses, and diverse vendor pool. And the Columbus City Schools Mobile App offers users a constant feed of news and information, including contact information for every school and building administrator.

SCHOOL DISTRICT STUDENT DEMOGRAPHICS

Enrollment	50,063
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)	16.50%
Gifted Identified	10.60%
African American	54.70%
Caucasian	23.10%
Hispanic	11.50%
American Indian/Native Alaskan	0.20%
Multiracial	6.60%
Asian	3.90%

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Summarized Financial Reports

Readers of the Financial Activity Statement (page 5) and Statement of Net Position (page 12) 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 2017 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'17	FY'16	FY'15	FY'14
Taxes	\$474,090	\$418,879	\$406,188	\$424,907
State and Federal Revenue	386,704	370,239	356,058	331,135
Investment Income	1,872	3,012	2,294	666
Tuition & Fees	2,928	3,374	4,007	5,425
Extracurricular	720	1,041	414	348
Miscellaneous	9,810	16,135	6,703	6,168
TOTAL Revenues & Resources	876,124	812,680	775,664	768,649

Services Provided (in thousands)	FY'17	FY'16	FY'15	FY'14
Instruction:				
Regular	\$429,915	\$409,463	\$399,028	\$356,704
Special	95,620	90,438	87,781	75,517
Vocational	5,140	5,009	5,113	5,367
Student Intervention Services	1,831	1,602	1,599	1,823
Support Services:				
Pupils	67,481	62,440	56,059	49,906
Instructional Staff	25,937	23,084	22,437	36,660
Board of Education	109	132	139	139
Administration	49,832	46,173	43,233	37,473
Fiscal	13,687	15,512	13,018	11,290
Business	4,178	3,385	3,738	3,104
Operation and Maintenance of Plant	59,433	51,242	54,008	49,016
Pupil Transportation	58,033	53,877	52,619	51,091
Central	25,195	21,327	15,853	17,827
Operation of Non-Instructional Services	6	19	3	2
Extracurricular Activities	6,879	6,865	7,056	6,614
Capital Outlay	1,252	311	45	1
Debt Service	0	0	0	0
TOTAL Expenditures & Services	844,528	790,879	761,729	702,534
Revenues & Resources Over Expenditures & Services	31,596	21,801	13,935	66,115

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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.

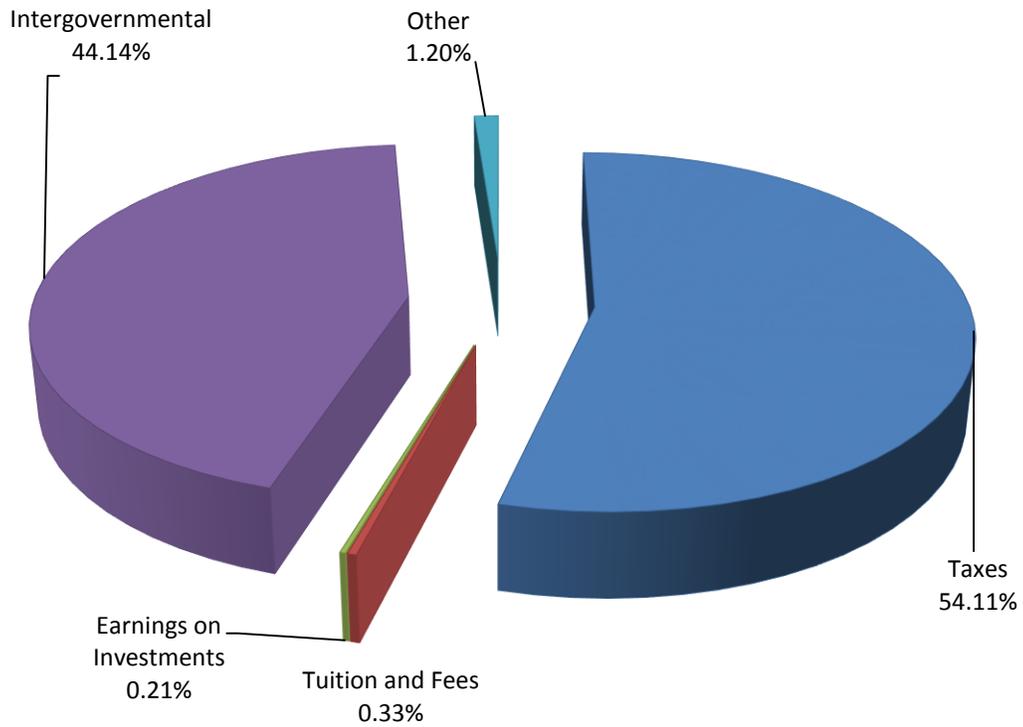
Debt Service Transactions primarily for the purpose of discharging the school district's commitment for interest and principal on debt.



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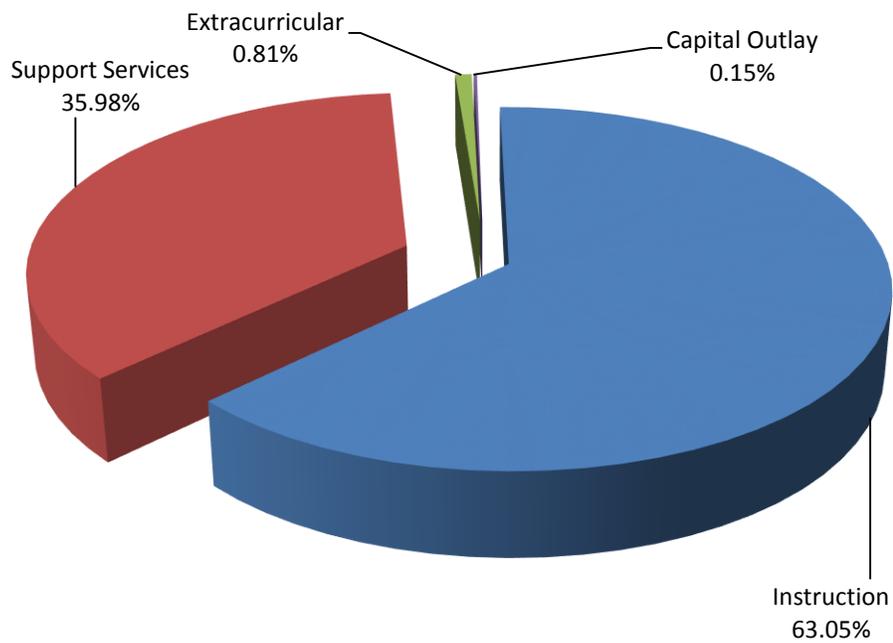
Our Revenues and Resources FY 17:

Where the General Fund Money Comes From



Our Expenditures and Services FY 17:

Where the General Fund Money Goes



Columbus City School District Fiscal Year 2017 PAFR

Assessed Values of Property Real Estate Taxes

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Tangible Personal	Total
2017	\$4,984,465,150	\$3,755,902,670	\$346,111,200	\$0	\$9,086,479,020
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

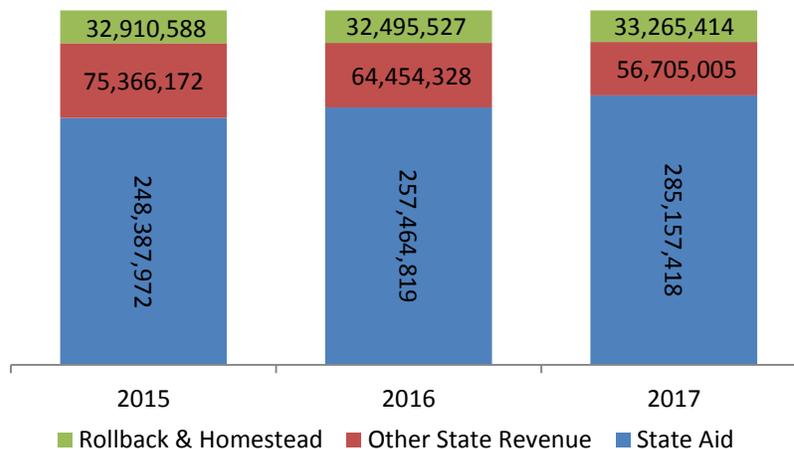
State and Federal Sources

State and Federal sources of revenue generated \$386.7 million or 43% of all General Fund revenue. State support comes mostly from State Aid which is a formula calculation based upon student enrollment. Due to numerous variables that the Ohio Department of Education uses, such as property valuation, student population, and other demographic figures, the District is considered a “capped” district. This means the State withholds calculated aid above a certain growth rate, which was 4% for FY 2017. The cap short circuits the formula and only allows State Aid to grow 4% over the previous fiscal year.

A portion of State revenue 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 and disabled citizens, regardless of income. The State, however, has eliminated the property tax rollback on any new levy passed after August of 2013.

Other State/Federal revenue includes public utility reimbursement, tangible personal property tax loss reimbursements, 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.



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.

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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.

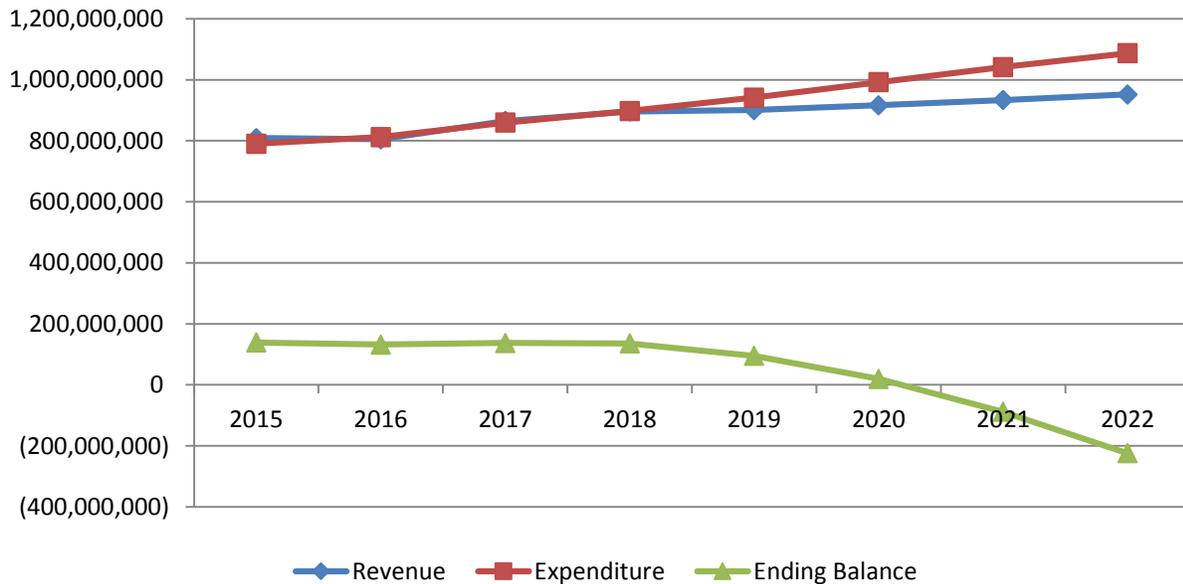
The five-year financial forecast is a planning tool used to certify if funds are available for future expenditures and additionally to strategize when the School District will need to return to voters for additional funds or reduce expenditures accordingly. The five-year financial forecast is published 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,

	2015	2016	2017
Revenue	808,968,201	804,831,026	864,887,626
Expenditure	790,293,283	811,808,942	859,385,884
Ending Balance	138,873,289	131,895,373	137,397,116

Projected Five-Year Forecast by Fiscal Year - General Fund

	2018	2019	2020	2021	2022
Revenue	895,850,000	900,520,000	916,350,000	933,550,000	951,650,000
Expenditure	897,400,000	941,300,000	992,000,000	1,041,500,000	1,087,100,000
Ending Balance	135,847,116	95,067,116	19,417,116	(88,532,884)	(223,982,844)



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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 2017 taxes were collected are as follows:

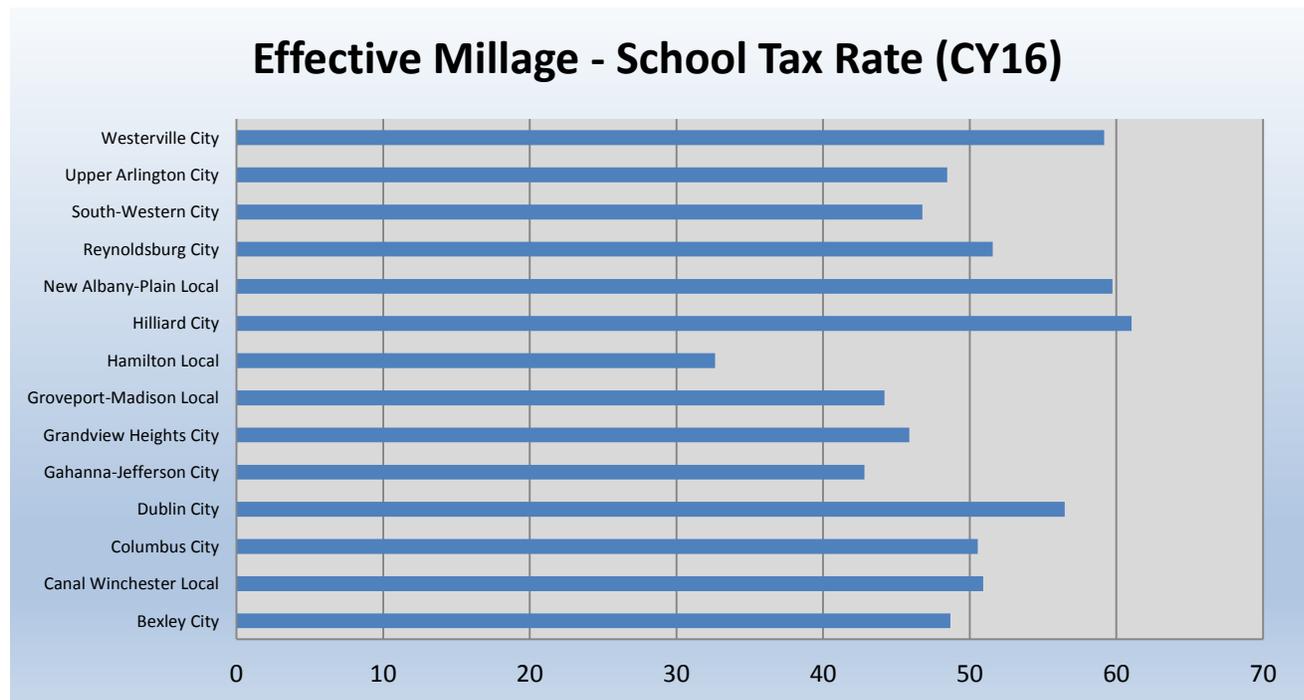
Property Values	2015	% Change	2016	%Change	2017
Real Property	\$8,547,935,620	0.38%	\$8,580,768,730	1.86%	\$8,740,367,820
Public Utility	\$285,198,030	11.05%	\$316,698,800	9.29%	\$346,111,200
Total	\$8,833,133,650	0.73%	\$8,897,467,530	2.12%	\$9,086,479,020

Overall, there was a 2.12% increase in property values from 2016 to 2017. 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 53.01% 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.

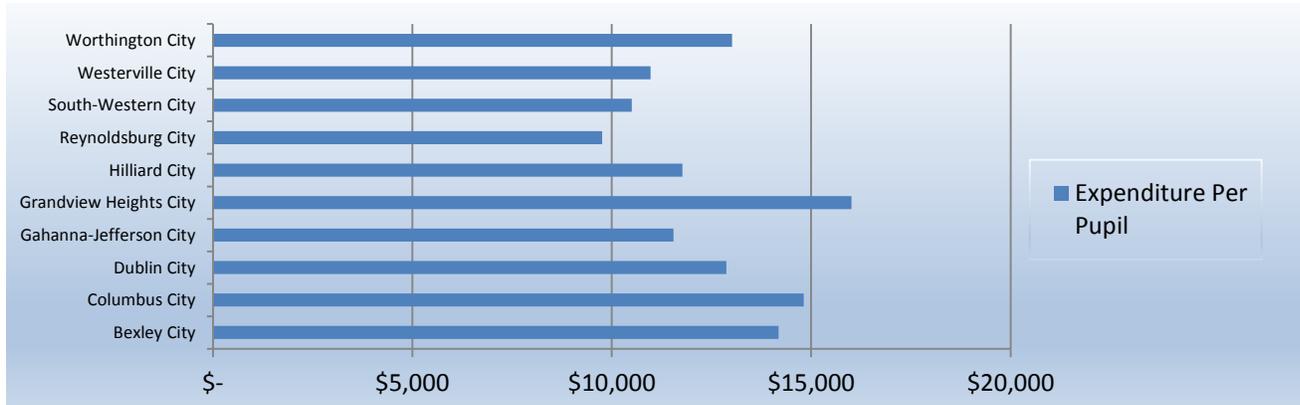


Source: Ohio Department of Taxation

Columbus City School District Fiscal Year 2017 PAFR

Expenditures Per Pupil

The chart below illustrates how the School Districts' expenditures per pupil (fiscal year 2017) compare to other similar school districts.



Source: Ohio Department of Education

Outstanding Debt

At fiscal year ended June 30

Issue	6/30/2017	6/30/2016	6/30/2015
2006 School Improvement Bonds	4,084,897	79,244,897	90,269,897
2007 School Improvement Bonds	305,000	595,000	1,190,000
2008 School Improvement Bonds	1,049,998	1,654,998	2,239,998
2009 School Improvement Bonds	14,719,987	18,609,987	69,444,987
2011 School Improvement Bonds	21,260,000	21,795,000	23,685,000
2012 School Improvement Bonds	5,005,000	7,300,000	8,825,000
2013 School Bus Acquisition Bonds	18,175,000	20,500,000	22,870,000
2014 Various Refunding Bonds	50,340,000	50,340,000	50,340,000
2014 School Improvement Bonds	113,435,000	113,450,000	113,460,000
2015 School Improvement Bonds	68,585,000	69,130,000	69,130,000
2016 Various Refunding Bonds	46,460,000	46,460,000	0
2016 School Improvement Bonds	55,130,000	0	0
2017 School Improvement Bonds	75,000,000	0	0
Total	\$473,549,882	\$429,079,882	\$451,454,882



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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	6/30/2017	6/30/2016	6/30/2015
Cash and Investments	\$449,119,274	\$354,507,653	\$393,937,514
Receivables	\$551,039,847	\$513,348,930	\$510,630,324
Prepaid Items	\$2,631,953	\$174,694	\$174,573
Capital Assets	\$637,540,221	\$702,715,272	\$688,458,515
Deferred Outflows of Resources			
Deferred Charge on Refunding Pension	\$10,143,684	\$10,834,706	\$7,024,782
	\$226,065,976	\$100,000,778	\$65,750,402
Total Assets	\$1,876,540,955	\$1,681,582,033	\$1,583,022,338
Liabilities			
Short-Term Liabilities	\$81,149,071	\$81,262,664	\$97,788,731
Long-Term Liabilities	\$1,834,317,739	\$1,554,067,393	\$1,484,102,507
Deferred Inflows of Resources			
Property Taxes	\$222,401,953	\$204,176,317	\$207,140,614
Payment in Lieu of Taxes	\$56,617,992	\$51,070,843	\$49,687,875
Pension	\$28,265,165	\$100,328,542	\$167,413,600
Deferred Gain on Refunding	\$4,798,383	\$0	\$0
Total Liabilities and Deferred Inflows	\$2,227,550,303	\$1,990,905,759	\$2,006,133,327
Total Net Position	(\$351,009,348)	(\$309,323,726)	(\$340,157,217)
Total Liabilities and Net Position	\$1,876,540,955	\$1,681,582,033	\$1,665,976,110

Columbus City School District Fiscal Year 2017 PAFR





COLUMBUS
CITY SCHOOLS

POPULAR ANNUAL

FINANCIAL REPORT

FY2017

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

270 East State Street
Columbus, Ohio 43215
(614) 365-5000
www.ccsOH.us

FACTLine

(614) 221-FACT (221-3228)
factline@columbus.k12.oh.us

Customer Relations

(614) 365-8888



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