

# Columbus City School District Fiscal Year 2018 PAFR

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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, 2018. 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 2018. 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](http://www.ccsdoh.us).

## School District Profile

The Columbus City School District provides education to approximately 49,962 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 880,828 for 2017.

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

The School District currently has 4,100 professionals serving as teachers, all of whom have at least a bachelor's degree. The 2017-2018 starting salary for a teacher with a bachelor's degree is \$44,704; the maximum teacher salary (for a teacher with a Ph.D. degree and 31 years' experience) is \$97,565.

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

### ***Administrative Personnel***

John D. Stanford, Ph.D. Interim Superintendent/CEO



## 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. John D. Stanford include:

Every day, and in every corner of Columbus City Schools, a story of success is being written by some of the nearly 50,000 children actively learning in more than 3,000 classrooms, or by some of the nearly 7,500 teachers, staff and administrators eager to share their positive, empowering energy with all of our students, our families, each other, and the community we serve.

During the 2017-2018 school year, Columbus City Schools continued to show improvements on State assessments and in helping more students meet State-mandated proficiency levels. On 16 of 21 State assessment measures, more Columbus City Schools students met or exceeded proficiency levels this school year compared to the previous school year, averaging at least a 5.5 percentage-point improvement.

Following are the 2017-2018 school year's proficiency improvements as compared to the 2016-2017 school year.

- 4th Grade English Language Arts: 42.9% (4.9 percentage-point increase)
- 5th Grade English Language Arts: 47.2 % (5.8 percentage-point increase)
- 5th Grade Math: 33.4% (4.9 percentage-point increase)
- 5th Grade Science: 39.2% (5.1 percentage-point increase)
- 7th Grade English Language Arts: 36.5% (3.4 percentage-point increase)
- 7th Grade Math: 29.2% (1.0 percentage-point increase)
- 8th Grade English Language Arts: 27.4% (3.1 percentage-point increase)
- 8th Grade Math: 34.1% (2.5 percentage-point increase)
- 8th Grade Science: 38.1% (2.9 percentage-point increase)
- High School English Language Arts I: 40.4% (7.1 percentage-point increase)
- High School English Language Arts II: 36.6% (7.0 percentage-point increase)
- High School Math I: 24.2% (5.2 percentage-point increase)
- High School Math II: 13.9% (2.2 percentage-point increase)
- High School Biology: 45.6% (14.3 percentage-point increase)
- High School American History: 50.4% (7.7 percentage-point increase)
- High School American Government: 58.7% (10.3 percentage-point increase)

Every child has the potential to succeed, no matter what part of the city they come from, their family income or history, or the color of their skin. Within our School District, we've made unprecedented advancements to bridge the gaps in achievement that have historically separated economically disadvantaged students and students of color from other students.

Numbers on the 2018 Local Report Card show that the School District's efforts have more than tripled the results of closing that gap for all of our students, and we continue to see more students of color succeed and achieve at graduation. The Gap Closing Annual Measurable Objective score is 29.2 percent for the 2017-2018 school year. This is a 19.3 percentage-point increase from the 2016-2017 school year's score of 9.9 percent.

Reading is the foundation for all learning, which is why it is so critical to give children every opportunity to build their reading proficiency at an early age. Our concentrated efforts are producing real results. The School District's overall K-3 Literacy Score is 23.7 percent, which represents a 1.2 percentage-point increase from the previous school year.

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Taking a closer look at reading skills in the 3<sup>rd</sup> Grade – when students transition from “learning to read” to “reading to learn” – nearly 4,200 Columbus City Schools 3<sup>rd</sup> Graders met or exceeded the requirements of the State’s 3<sup>rd</sup> Grade Reading Guarantee (3GRG). That represents more than 88.1 percent. On average, nine out of every ten Columbus City School District’s 3<sup>rd</sup> grades met or exceeded the State’s 3GRG requirements and matriculated to 4<sup>th</sup> Grade last school year.

In examining the growth in learning that a student achieves each year, the School District’s Overall Progress score on the Local Report Card for students in grades 4-8 reveals that many of our students start the school year behind their peers (and far behind the proficiency levels at which the state would expect students to begin). Even by achieving more than a year’s worth of growth in math and reading, many of those students still cannot reach State-set proficiency levels. Still, there is growth:

- 4th Graders demonstrated a Math and English Language Arts combined growth of 2.45 percentage-point increase compared to last school year.
- 5th Graders demonstrated a Math, English Language Arts, and Science combined growth of 5.2 percentage-point increase compared to last school year.
- 7th Graders demonstrated a Math and English Language Arts combined growth of 2.2 percentage-point increase compared to last school year.
- 8th Graders demonstrated a Math, English Language Arts, and Science combined growth of 2.8 percentage-point increase compared to last school year.

In nine of our Priority Schools, teachers and staff were able to improve the school’s individual score on either Progress or Gap Closing by at least a full letter grade or two. At one school, one indicator jumped from an F to a B.

More students are graduating from Columbus City Schools, and the School District’s overall score on the Local Report Card on Graduation Rate improved a full letter grade compared to last school year’s report card. Looking at the Columbus City Schools Class of 2017, the District’s 4- Year Graduation Rate on this report card is 78.1 percent. That is a 4 percentage-point increase from last school year’s report card.

Also as impressive, every student group within the School District demonstrated an increase in their graduation rate from the previous school year. In many cases, those improvements far exceeded state expectations:

- Asian or Pacific Islander: 1 percentage-point increase
- African American: 4.3 percentage-point increase (12.3 points above state-established goal)
- Hispanic: 12.7 percentage-point increase
- Multi-Racial: 3.4 percentage-point increase (2 points above State-established goal)
- Caucasian: 2.6 percentage-point increase
- Economically Disadvantaged: 3.7 percentage-point increase (3.8 points above State- established goal)
- English Learners: 15.5 percentage-point increase
- Students with Disabilities: 7.9 percentage-point increase (4.5 points above state- established goal)

Finally, the School District’s overall Prepared for Success score is up, showing continued improvement, standing at 18.2 percent for the 2017-2018 school year. That’s a 3.5 percentage- point increase from last school year’s score. When students graduate, they should be ready for success in college, in the workforce or careers, or in the military. That’s why it is better to offer multiple measures for college and career readiness, to showcase the unique approaches to preparing students for success after high school.

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## **SCHOOL DISTRICT STUDENT DEMOGRAPHICS**

<b>Enrollment</b>	<b>49,962</b>
Students with Disabilities	16.90%
Community Eligibility Provision <i>Free Breakfast &amp; Lunch</i>	100.00 %
Limited English Proficiency (LEP)	16.60%
Gifted Identified	9.20%
African American	54.50%
Caucasian	22.70%
Hispanic	11.80%
American Indian/Native Alaskan	0.20%
Multiracial	6.80%
Asian	4.00%

## **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](http://www.ccsdh.us).

# Columbus City School District Fiscal Year 2018 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'18	FY'17	FY'16	FY'15
Taxes	\$507,337	\$474,090	\$418,879	\$406,188
State and Federal Revenue	393,086	386,704	370,239	356,058
Investment Income	2,991	1,872	3,012	2,294
Tuition & Fees	4,522	2,928	3,374	4,007
Extracurricular	823	720	1,041	414
Miscellaneous	7,385	9,810	16,135	6,703
<b>TOTAL Revenues &amp; Resources</b>	<b>916,144</b>	<b>876,124</b>	<b>812,680</b>	<b>775,664</b>

Services Provided (in thousands)	FY'18	FY'17	FY'16	FY'15
Instruction:				
Regular	\$439,927	\$429,915	\$409,463	\$399,028
Special	100,706	95,620	90,438	87,781
Vocational	5,402	5,140	5,009	5,113
Student Intervention Services	1,602	1,831	1,602	1,599
Support Services:				
Pupils	67,246	67,481	62,440	56,059
Instructional Staff	25,209	25,937	23,084	22,437
Board of Education	242	109	132	139
Administration	50,219	49,832	46,173	43,233
Fiscal	14,502	13,687	15,512	13,018
Business	3,705	4,178	3,385	3,738
Operation and Maintenance of Plant	55,888	59,433	51,242	54,008
Pupil Transportation	58,883	58,033	53,877	52,619
Central	22,278	25,195	21,327	15,853
Operation of Non-Instructional Services	94	6	19	3
Extracurricular Activities	6,750	6,879	6,865	7,056
Capital Outlay	2,496	1,252	311	45
Debt Service	0	0	0	0
<b>TOTAL Expenditures &amp; Services</b>	<b>855,149</b>	<b>844,528</b>	<b>790,879</b>	<b>761,729</b>
<b>Revenues &amp; Resources Over Expenditures &amp; Services</b>	<b>60,995</b>	<b>31,596</b>	<b>21,801</b>	<b>13,935</b>

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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.

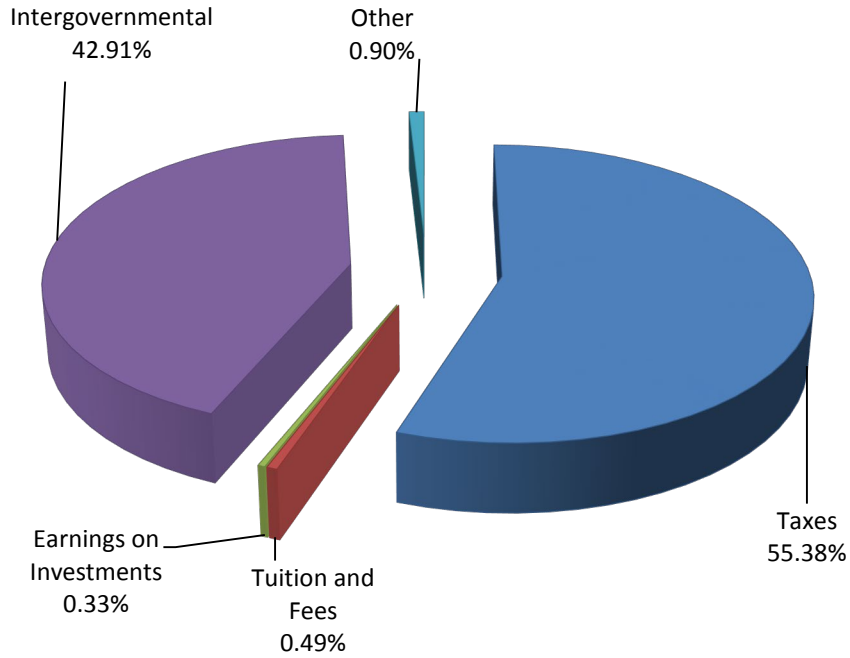
**Capital Outlay** activities are concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-up equipment, and improving sites.

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



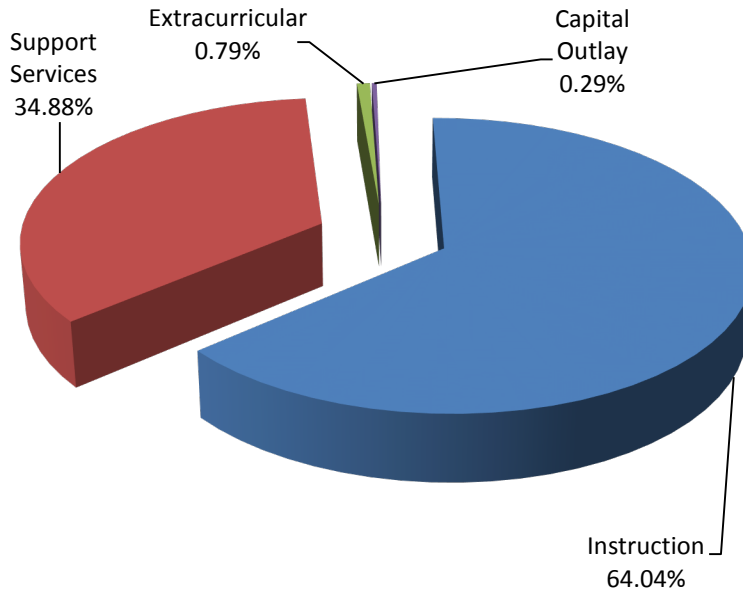
**Our Revenues and Resources FY 18:**

**Where the General Fund Money Comes From**



**Our Expenditures and Services FY 18:**

**Where the General Fund Money Goes**



# Columbus City School District Fiscal Year 2018 PAFR

## Assessed Values of Property Real Estate Taxes

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Tangible Personal	Total
2018	\$5,706,609,210	\$4,082,220,020	\$386,215,540	\$0	\$10,175,044,770
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

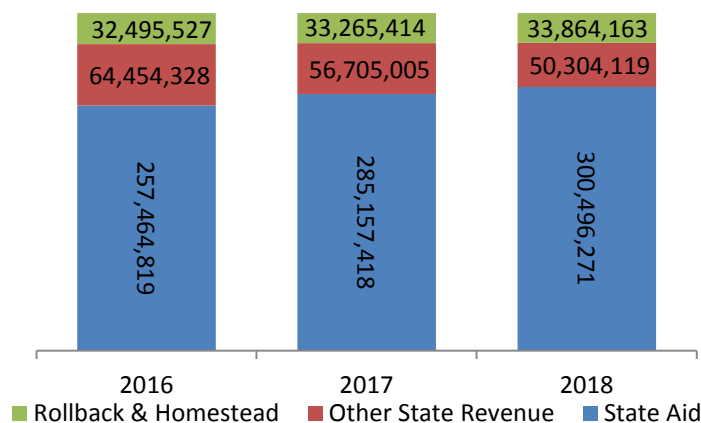
## State and Federal Sources

State and Federal sources of revenue generated \$393.1 million or 42.9% 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. It is expected that the district will be subject to the cap for the duration of the years covered in the current forecast (through FY23). For FY18, the funding cap meant the district received \$110 million less in state funding than the formula calculation calls for.

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.

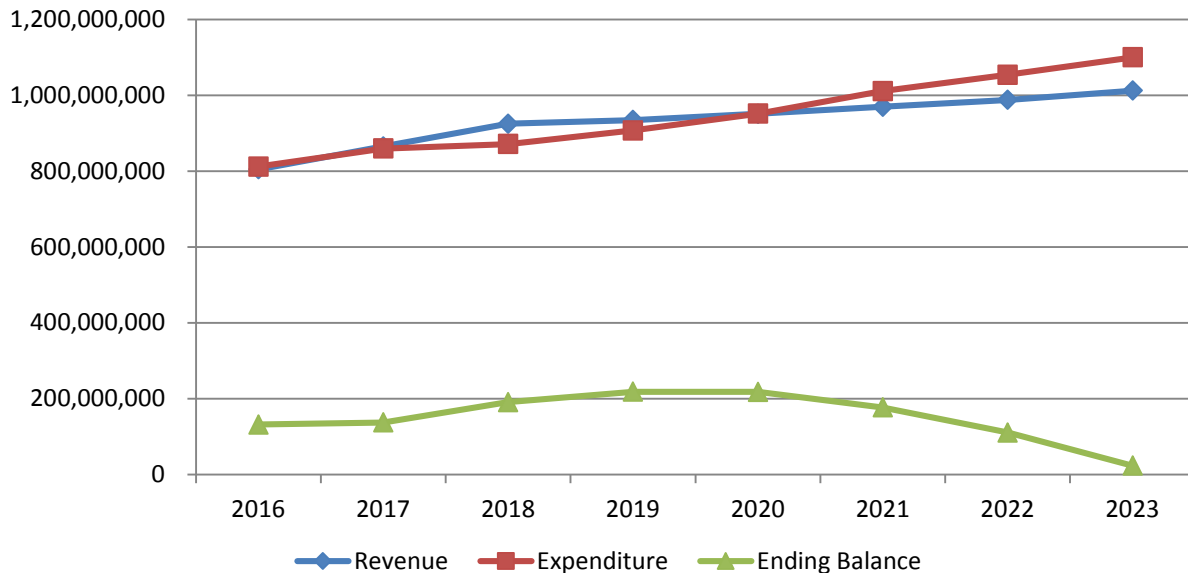
The five-year financial forecast is a planning tool used to certify if funds are available for future expenditures and additionally to strategize when the School District will need to return to voters for additional funds or reduce expenditures accordingly. The five-year financial forecast is published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

### Actuals by Fiscal Year - General Fund As of June 30,

	2016	2017	2018
Revenue	804,831,026	864,887,626	925,095,077
Expenditure	811,808,942	859,385,884	871,380,400
Ending Balance	131,895,373	137,397,115	191,111,792

### Projected Five-Year Forecast by Fiscal Year - General Fund

	2019	2020	2021	2022	2023
Revenue	934,500,000	951,100,000	969,700,000	987,900,000	1,012,333,639
Expenditure	907,005,000	951,505,000	1,010,905,000	1,054,005,000	1,099,805,000
Ending Balance	218,606,792	218,201,792	176,996,792	110,891,792	23,420,431



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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 2018 taxes were collected are as follows:

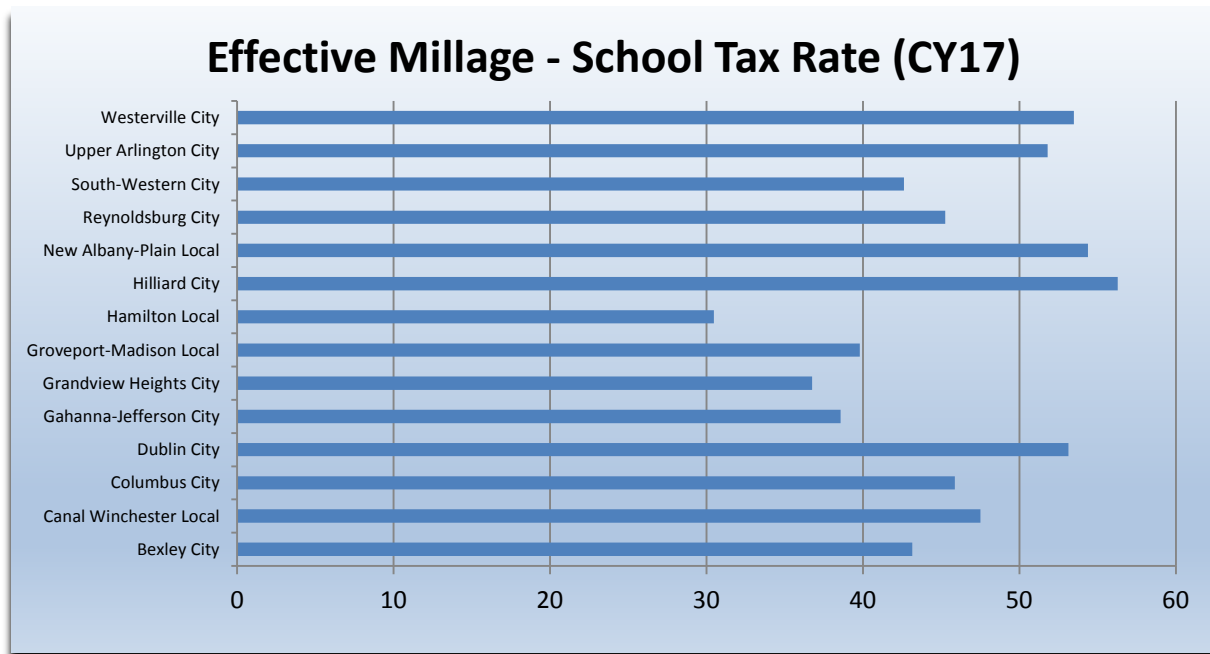
Property Values	2016	% Change	2017	%Change	2018
<b>Real Property</b>	<b>\$8,580,768,730</b>	<b>1.86%</b>	<b>\$8,740,367,820</b>	<b>12.00%</b>	<b>\$9,788,829,230</b>
<b>Public Utility</b>	<b>\$316,698,800</b>	<b>9.29%</b>	<b>\$346,111,200</b>	<b>11.59%</b>	<b>\$386,215,540</b>
<b>Total</b>	<b>\$8,897,467,530</b>	<b>2.12%</b>	<b>\$9,086,479,020</b>	<b>11.98%</b>	<b>\$10,175,044,770</b>

Overall, there was an 11.98% increase in property values from 2017 to 2018. The increase in 2018 is due to reappraisal.

## 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 55.38% 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.

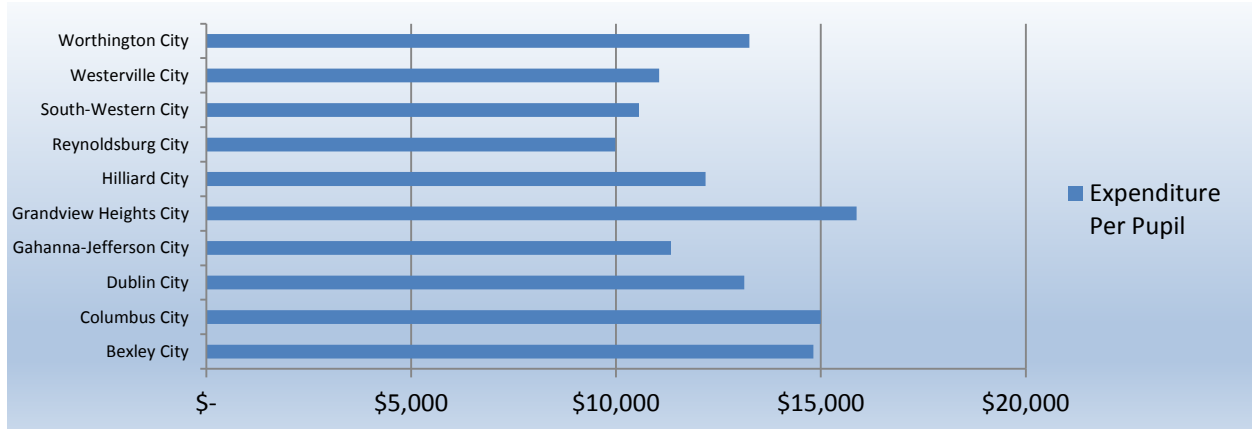


Source: Ohio Department of Taxation

# Columbus City School District Fiscal Year 2018 PAFR

## Expenditures Per Pupil

The chart below illustrates how the School Districts' expenditures per pupil (fiscal year 2018) compare to other similar school districts.



Source: Ohio Department of Education

## Outstanding Debt

At fiscal year ended June 30

Issue	6/30/2018	6/30/2017	6/30/2016
2006 School Improvement Bonds	4,084,897	4,084,897	79,244,897
2007 School Improvement Bonds	0	305,000	595,000
2008 School Improvement Bonds	419,998	1,049,998	1,654,998
2009 School Improvement Bonds	10,649,987	14,719,987	18,609,987
2011 School Improvement Bonds	20,710,000	21,260,000	21,795,000
2012 School Improvement Bonds	4,975,000	5,005,000	7,300,000
2013 School Bus Acquisition Bonds	15,805,000	18,175,000	20,500,000
2014 Various Refunding Bonds	50,340,000	50,340,000	50,340,000
2014 School Improvement Bonds	113,430,000	113,440,000	113,450,000
2015 School Improvement Bonds	54,275,000	68,585,000	69,130,000
2016 Various Refunding Bonds	46,460,000	46,460,000	46,460,000
2016 School Improvement Bonds	55,130,000	55,130,000	0
2017 School Improvement Bonds	75,000,000	75,000,000	0
<b>Total</b>	<b>\$451,279,882</b>	<b>\$473,554,882</b>	<b>\$429,079,882</b>



# Columbus City School District Fiscal Year 2018 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.

<b>Assets</b>	<b>6/30/2018</b>	<b>6/30/2017</b>	<b>6/30/2016</b>
Cash and Investments	\$522,148,518	\$449,119,274	\$354,507,653
Receivables	\$574,945,899	\$551,039,847	\$513,348,930
Prepaid Items	\$3,310,472	\$2,631,953	\$174,694
Capital Assets	\$621,605,304	\$637,540,221	\$702,715,272
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	\$9,358,745	\$10,143,684	\$10,834,706
Pension	\$294,833,488	\$226,065,976	\$100,000,778
OPEB	\$13,939,910	\$882,020	\$0
<b>Total Assets</b>	<b>\$2,040,142,336</b>	<b>\$1,877,422,975</b>	<b>\$1,681,582,033</b>
<b>Liabilities</b>			
Short-Term Liabilities	\$86,919,062	\$81,149,071	\$81,262,664
Long-Term Liabilities	\$1,729,019,495	\$2,091,572,613	\$1,554,067,393
<b>Deferred Inflows of Resources</b>			
Property Taxes	\$219,358,593	\$222,401,953	\$204,176,317
Payment in Lieu of Taxes	\$66,567,517	\$56,617,992	\$51,070,843
Pension	\$48,426,677	\$28,265,165	\$100,328,542
OPEB	\$24,113,878	\$0	\$0
Deferred Gain on Refunding	\$4,519,542	\$4,798,383	\$0
<b>Total Liabilities and Deferred Inflows</b>	<b>\$2,178,924,764</b>	<b>\$2,484,805,177</b>	<b>\$1,990,905,759</b>
Total Net Position	(\$138,782,428)	(\$607,382,202)	(\$309,323,726)
<b>Total Liabilities and Net Position</b>	<b>\$2,040,142,336</b>	<b>\$1,877,422,975</b>	<b>\$1,681,582,033</b>

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