

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FY2020

Fiscal Year Ended June 30, 2020

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



COLUMBUS
CITY SCHOOLS

OHIO



Mission:

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

**Columbus City School District
Board of Education
Fiscal Year 2020**



Jennifer Adair
President



Ramona Reyes
Vice-President



Michael Cole



Eric S. Brown



Dr. Tina D. Pierce



James Ragland



Carol Beckerle



Talisa L. Dixon, ED. D.
Superintendent/CEO



Stanley J. Bahorek
Treasurer/CFO



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, 2020. 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 2020. 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.ccsdh.us.

SCHOOL DISTRICT PROFILE

The School District covers approximately 140 square miles. According to information obtained from the City of Columbus' 2019 annual financial report, the City of Columbus has a population of 914,449 as of 2019.

During fiscal year 2020, the School District's average daily membership was 49,244. Of the total membership, 21,638 students reported to 67 regular elementary schools, 7,548 students reported to 17 middle schools, 11,884 students reported to 19 high schools and career centers, 2,216 students reported to 5 STEM schools, and 3,107 students reported to 3 special assignment schools. The School District's special schools provide special curricula, vocational education and skills programs, and programs for handicapped pupils, including physically handicapped and hearing impaired children.

The School District currently has 4,065 professionals serving as teachers, all of whom have at least a bachelor's degree. The 2019-2020 starting salary for a teacher with a bachelor's degree is \$46,506; the maximum teacher salary (for a teacher with a Ph.D. degree and 31 years' experience) is \$101,496.

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

Jennifer Adair	President
Ramona Reyes	Vice-President
Carol Beckerle	Member
Eric S. Brown	Member
Michael Cole	Member
Dr. Tina D. Pierce	Member
James Ragland	Member

Financial Officer
Stanley J. Bahorek
Treasurer/CFO

Administrative Personnel
Talisa Dixon, ED. D.
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

In 2020-2021, the School District will announce its new Portrait of a Graduate, which will serve as the educational vision for our schools, bringing the Columbus community together with a shared purpose. The School District has engaged the community since last December to develop this collective vision that articulates our community's aspirations for every student in Columbus City Schools.

CCS will also begin a new strategic planning process in the fall, keeping its educational vision at the heart of the planning work. School District leadership and the Board of Education will engage community stakeholders to define the organization's goals and how we plan to operationalize and achieve those goals.

The School District is also working to implement the recommendations that were given as part of a comprehensive curriculum management audit conducted by Phi Delta Kappa. The audit covered more than just the taught curriculum -- it also evaluated School District operations and governance and how each supports teaching and learning in the classroom.



While the implementation of these recommendations will begin this year, they are not meant to be completed immediately. As advised by the auditors, it typically takes a district four or five years to fully implement the recommendations.

For CCS, the audit findings and recommendations will play an important role -- along with the Portrait of a Graduate vision -- as we conduct our comprehensive strategic planning process in the fall.

Until a new Strategic Plan is formulated, CCS will have four strategic goals that will guide the work across the School District. Within each of these goals, the Superintendent has identified top priorities to focus on this school year.

Goal 1 is focused on academic performance: Each of the School District's students reaches their full potential and graduates prepared to attend college, serve in the military, start a business, or enter the workforce.

Goal 2 is focused on culture and climate: The School District creates safe, student-centered, innovative learning environments.

Goal 3 is focused on talent management: The School District recruits, develops, and retains world-class educators and staff.

Goal 4 is focused on strategic engagement: The School District is accountable to its communities and stakeholders, and confidence in the School District and its schools is maintained through strategic, responsible, and transparent leadership.





SCHOOL DISTRICT STUDENT DEMOGRAPHICS

Source: Columbus City Schools Report Card for fiscal year 2020

Enrollment	49,244
Students with Disabilities	17.50%
Community Eligibility Provision <i>Free Breakfast & Lunch</i>	100.00%
English Learner	18.50%
African American	53.30%
Caucasian	21.80%
Hispanic	13.60%
American Indian/Native Alaskan	0.20%
Multiracial	7.40%
Asian	3.70%

Summarized Financial Reports

Readers of the Financial Activity Statement and Statement of Net Position (*page 13*) 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.ccsdoh.us.

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'20	FY'19	FY'18	FY'17
Taxes	\$368,083	\$511,281	\$507,337	\$474,090
State and Federal Revenue	\$389,320	\$405,829	\$393,086	\$386,704
Investment Income	\$15,549	\$15,534	\$2,991	\$1,872
Tuition & Fees	\$5,101	\$3,648	\$4,522	\$2,928
Extracurricular	\$493	\$798	\$823	\$720
Miscellaneous	\$13,861	\$20,548	\$7,385	\$9,810
TOTAL Revenues & Resources	\$792,998	\$958,443	\$916,144	\$876,124



Services Provided (in thousands)	FY'20	FY'19	FY'18	FY'17
Instruction:				
Regular	\$463,394	\$447,257	\$439,927	\$429,915
Special	\$107,830	\$102,382	\$100,706	\$95,620
Vocational	\$6,812	\$6,377	\$5,402	\$5,140
Student Intervention Services	\$1,261	\$1,520	\$1,602	\$1,831
Support Services:				
Pupils	\$59,117	\$68,887	\$67,246	\$67,481
Instructional Staff	\$22,139	\$23,477	\$25,209	\$25,937
Board of Education	\$112	\$310	\$242	\$109
Administration	\$52,929	\$50,212	\$50,219	\$49,832
Fiscal	\$13,501	\$14,717	\$14,502	\$13,687
Business	\$4,026	\$3,725	\$3,705	\$4,178
Operation and Maintenance of Plant	\$60,257	\$57,913	\$55,888	\$59,433
Pupil Transportation	\$58,447	\$62,585	\$58,883	\$58,033
Central	\$27,466	\$23,200	\$22,278	\$25,195
Operation of Non-Instructional Services	\$3	\$219	\$94	\$6
Extracurricular Activities	\$6,607	\$6,807	\$6,750	\$6,879
Capital Outlay	\$746	\$923	\$2,496	\$1,252
Debt Service	29	22	0	0
TOTAL Expenditures & Services	\$884,683	\$870,531	\$855,149	\$844,528
Revenues & Resources Over Expenditures & Services	(\$91,685)	\$87,911	\$60,995	\$31,596





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.

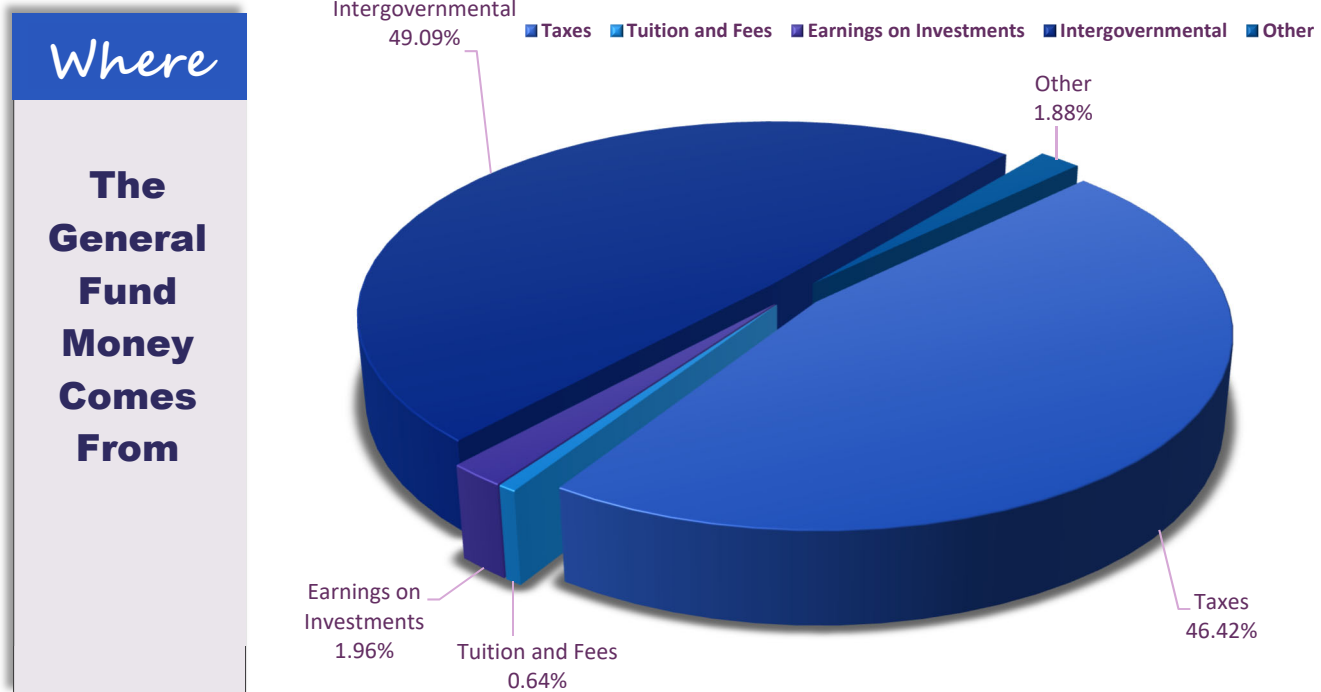
Capital Outlay activities are concerned with acquiring land and buildings, remodeling buildings, constructing buildings and additions to buildings, initially installing or extending service systems and other built-up equipment, and improving sites.

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

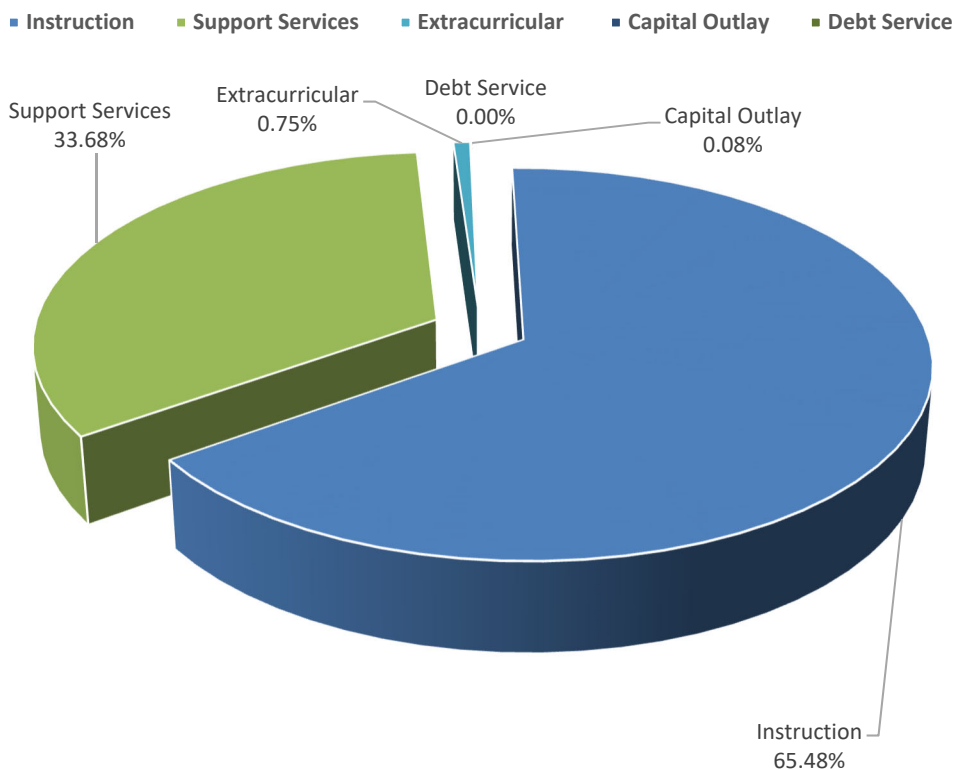




Our Revenues and Resources FY 20:



Our Expenditures and Services FY 20:



Where

The General Fund Money Goes



Assessed Values of Property Real Estate Taxes

Collection Year	Residential/ Agricultural	Commercial/ Industrial	Public Utility	Total
2020	\$5,811,635,140	\$4,152,306,720	\$441,176,030	\$10,405,117,890
2019	\$5,725,043,590	\$4,160,179,570	\$402,391,100	\$10,287,614,260
2018	\$5,706,609,210	\$4,082,220,020	\$386,215,540	\$10,175,044,770
2017	\$4,984,465,150	\$3,755,902,670	\$346,111,200	\$9,086,479,020
2016	\$4,962,761,990	\$3,618,006,740	\$316,698,800	\$8,897,467,530
2015	\$4,954,790,240	\$3,593,145,380	\$285,198,030	\$8,833,133,650
2014	\$5,100,712,580	\$3,598,257,110	\$273,743,320	\$8,972,713,010
2013	\$5,109,816,130	\$3,613,599,600	\$237,826,130	\$8,961,241,860

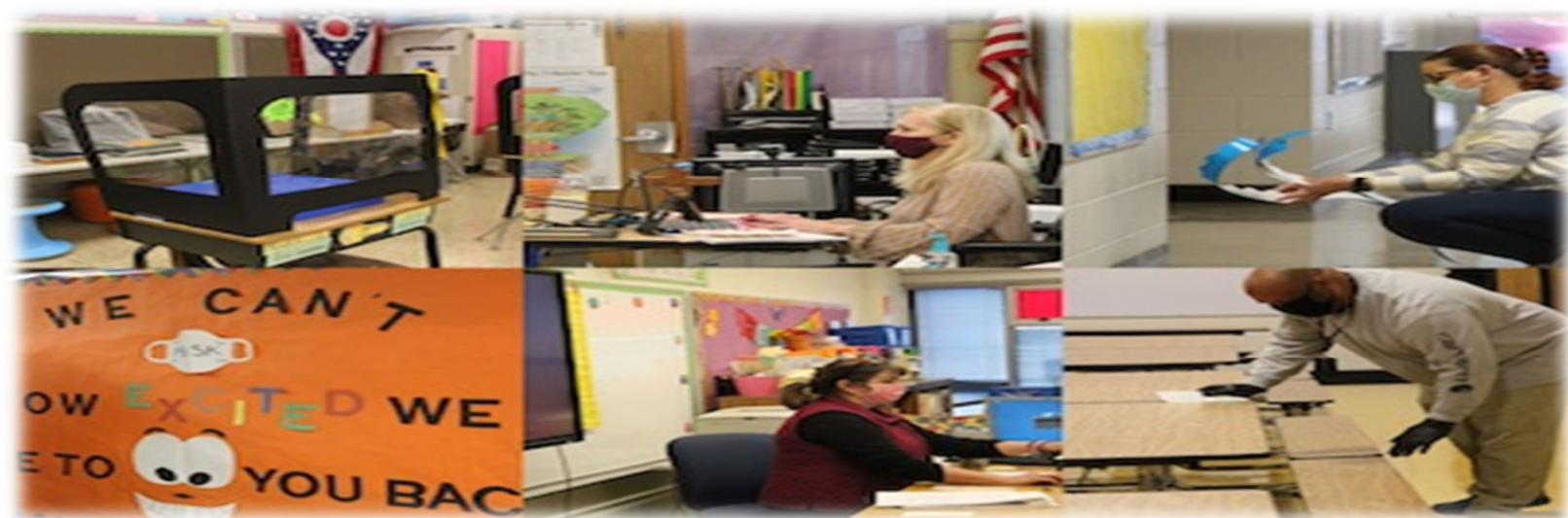
State and Federal Sources

State and Federal sources of revenue generated \$387,972,638 or 41.3% of all General Fund revenue for FY2020. The advent of the COVID-19 crisis in March 2020 has resulted in a precipitous decline in state revenues and a major decline in economic activity. The State reduced Foundation payments by \$300 million for the last three payments for FY 2020, with an additional \$55 million in reductions across other education line items. Additional reductions in state aid to school districts are expected in FY 2021, though the timing of these reductions has not yet been announced. Furthermore, districts have been allocated funding through the federal CARES Act, which may help alleviate some of these reductions.

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.

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

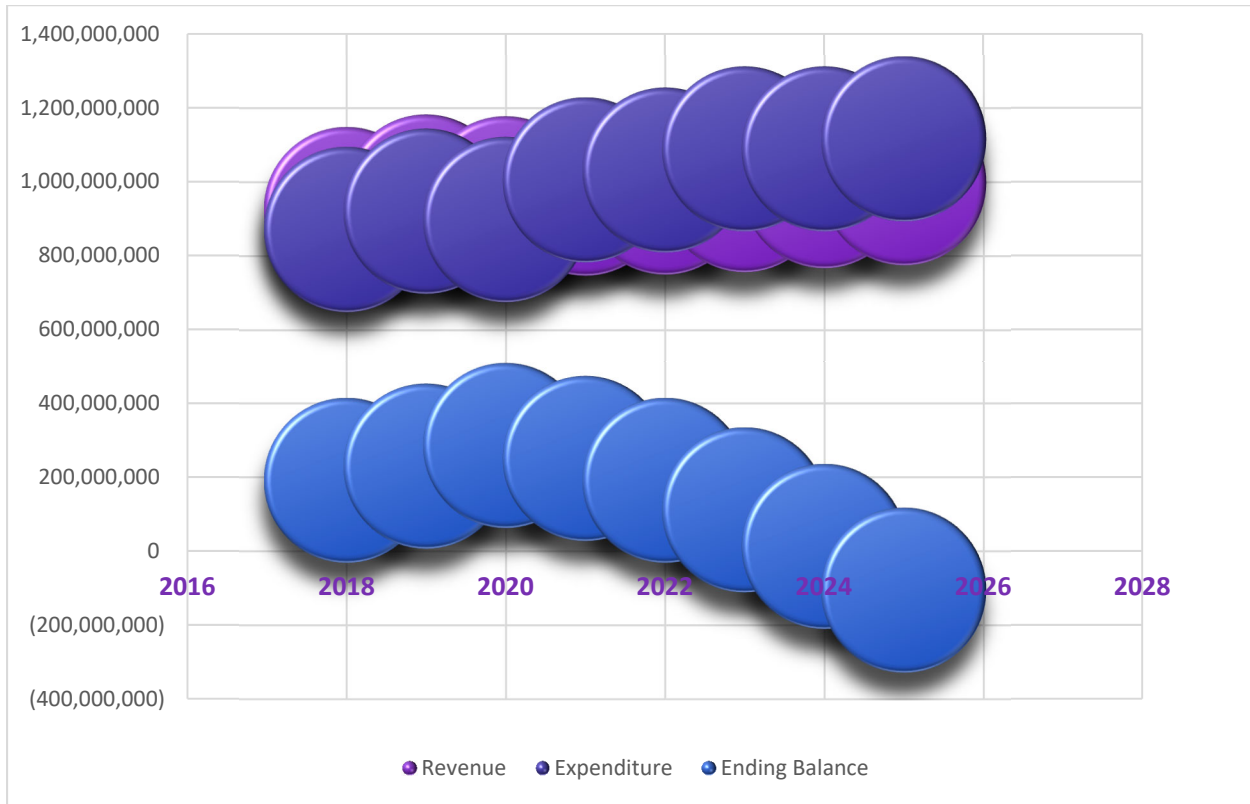
As of June 30,

	2018	2019	2020
Revenue	925,095,077	959,230,891	954,394,544
Expenditure	871,380,400	920,903,404	898,447,268
Ending Balance	191,111,792	229,439,279	285,386,554



Projected Five-Year Forecast by Fiscal Year - General Fund

	2021	2022	2023	2024	2025
Revenue	969,900,000	972,900,000	979,300,000	990,300,000	998,000,000
Expenditure	1,005,205,000	1,031,905,000	1,089,205,000	1,089,205,000	1,116,305,000
Ending Balance	250,081,554	191,076,554	111,171,554	12,266,554	(106,038,446)



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 2020 taxes were collected are as follows:

Property Values	2018	% Change	2019	% Change	2020
Real Property	\$9,788,829,230	0.98%	\$9,885,223,160	0.79%	\$9,963,941,860
Public Utility	\$386,215,540	4.19%	\$402,391,100	9.63%	\$441,176,030
Total	\$10,175,044,770	1.11%	\$10,287,614,260	1.14%	\$10,405,117,890

Overall, there was a 1.14% increase in property values from 2019 to 2020.



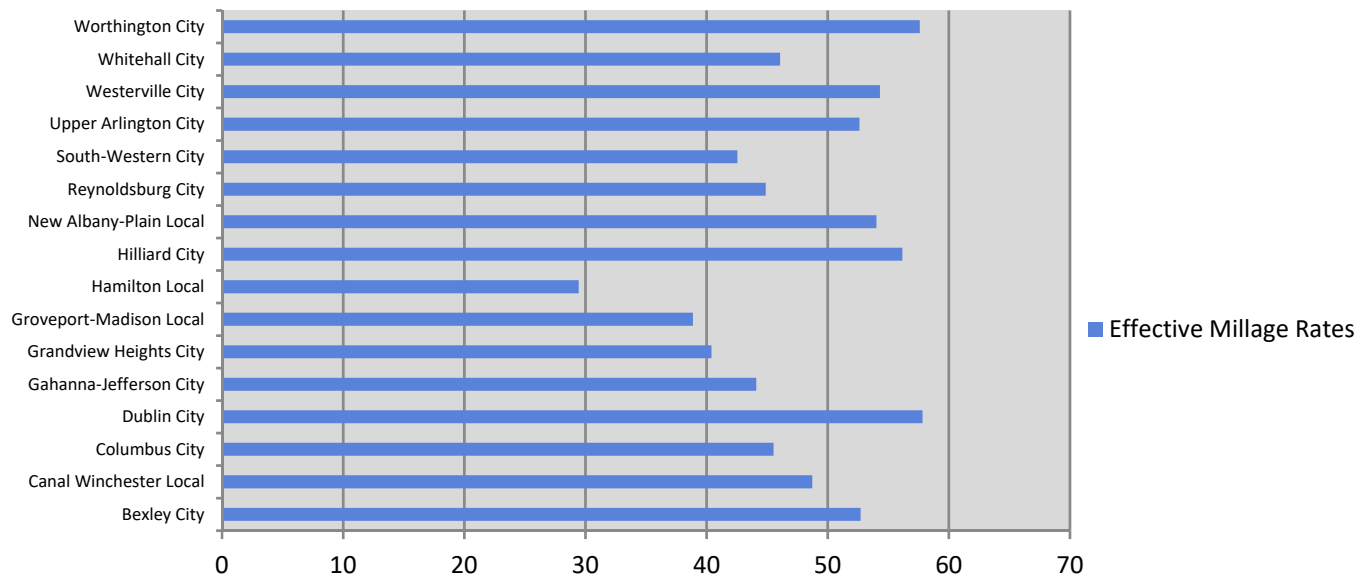
Comparative Data

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 53.35% 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 voting for the collection of a specific amount of money.

Effective Millage – School Tax Rate (CY19)



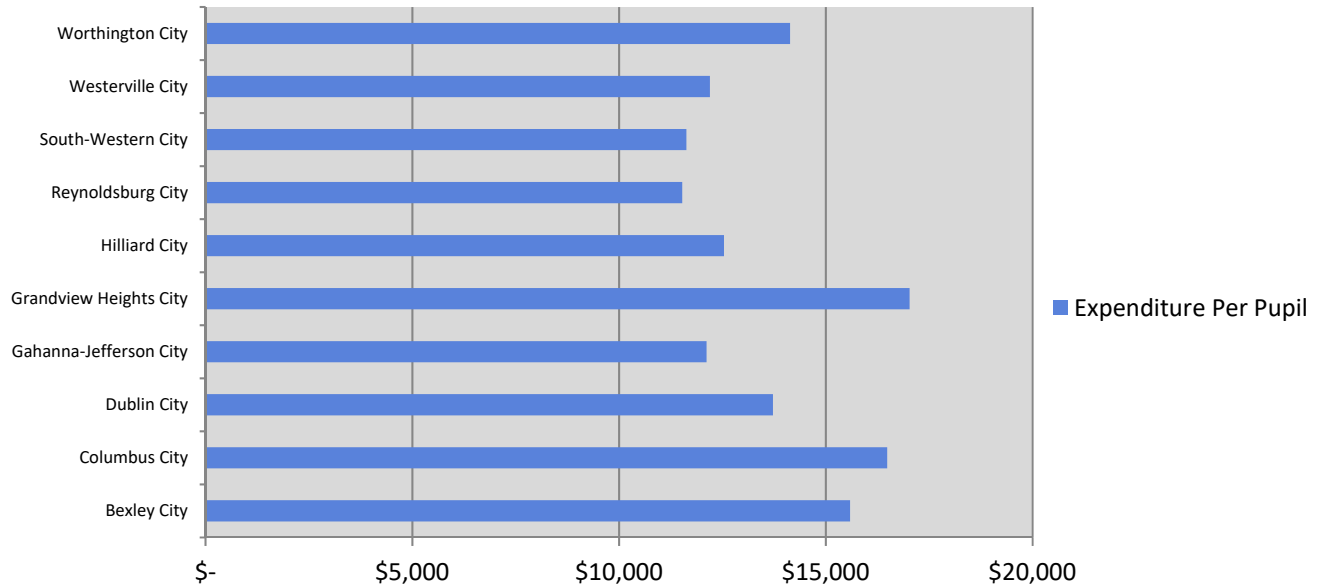
Source: Ohio Department of Taxation





Expenditures Per Pupil

The chart below illustrates how the School Districts' expenditures per pupil (fiscal year 2020) compare to other similar school districts.



Source: Ohio Department of Education

Outstanding Debt

At fiscal year ended June 30

Issue	6/30/2020	6/30/2019	6/30/2018
2006 School Improvement Bonds	4,084,897	4,084,897	4,084,897
2007 School Improvement Bonds	0	0	0
2008 School Improvement Bonds	198,673	198,673	419,998
2009 School Improvement Bonds	2,165,000	6,940,000	10,649,987
2011 School Improvement Bonds	11,745,000	20,140,000	20,710,000
2012 School Improvement Bonds	4,845,000	4,845,000	4,975,000
2013 School Bus Acquisition Bonds	2,590,000	13,375,000	15,805,000
2014 Various Refunding Bonds	50,040,000	50,340,000	50,340,000
2014 School Improvement Bonds	102,953,028	113,165,000	113,430,000
2015 School Improvement Bonds	39,910,000	39,910,000	54,275,000
2016 Various Refunding Bonds	46,145,000	46,145,000	46,460,000
2016 School Improvement Bonds	55,130,000	55,130,000	55,130,000
2017 School Improvement Bonds	70,240,000	70,640,000	75,000,000
2019 School Improvement Bonds	7,680,000	0	0
Total	\$397,726,598	\$451,279,882	\$473,554,882



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 includes 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	6/30/2020	6/30/2019	6/30/2018
- Cash and Investments	\$ 689,281,722	\$ 575,450,128	\$ 522,148,518
- Receivables	\$ 586,552,456	\$ 582,917,970	\$ 574,945,899
- Prepaid Items	\$ 315,704	\$ 3,063,266	\$ 3,310,472
- Capital Assets	\$ 594,247,264	\$ 607,732,016	\$ 621,605,304
- Net OPEB Asset	\$ 46,421,447	\$ 45,962,893	\$ -
Deferred Outflows of Resources			
- Deferred Charge on Refunding	\$ 8,341,803	\$ 8,676,771	\$ 9,358,745
- Pension	\$ 171,746,108	\$ 227,080,605	\$ 294,833,488
- OPEB	\$ 19,040,906	\$ 12,730,744	\$ 13,939,910
Total Assets	\$ 2,115,947,410	\$ 2,063,614,393	\$ 2,040,142,336
Liabilities			
- Short-Term Liabilities	\$ 100,068,974	\$ 86,480,202	\$ 86,919,062
- Long-Term Liabilities	\$ 1,521,901,113	\$ 1,482,953,239	\$ 1,729,019,495
Deferred Inflows of Resources			
- Property Taxes	\$ 388,249,438	\$ 215,411,625	\$ 219,358,593
- Payment in Lieu of Taxes	\$ 71,547,859	\$ 73,888,402	\$ 66,567,517
- Pension	\$ 61,266,690	\$ 80,756,590	\$ 48,426,677
- OPEB	\$ 90,740,704	\$ 90,107,997	\$ 24,113,878
- Deferred Gain on Refunding	\$ 3,961,860	\$ 4,240,701	\$ 4,519,542
Total Liabilities and Deferred Inflows	\$ 2,237,736,638	\$ 2,033,838,756	\$ 2,178,924,764
Total Net Position	\$ (121,789,228)	\$ 29,775,837	\$ (138,782,428)
Total Liabilities and Net Position	\$ 2,115,947,410	\$ 2,063,614,593	\$ 2,040,142,336



STUDENTS MAKING A SPLASH

INSIDE COLUMBUS CITY SCHOOLS



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FY2020



COLUMBUS
CITY SCHOOLS

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