

# Worthington City School District



Absolute **Excellence**



Exponential **Impact**

Popular Annual Financial Report  
For the Fiscal Year Ending June 30, 2012  
Worthington, Ohio

## Worthington Schools Community Members:

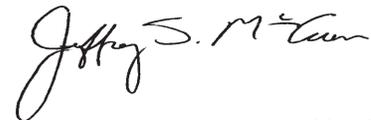
As the Chief Financial Officer of Worthington City School District (the "District"), I am committed to providing our residents with timely and reliable financial information that is readable and easy to understand. I am proud to present our Popular Annual Financial Report for the 2011-12 School Year. Inside, you will not only find where the District's money comes from and where it goes, but also information on how well those resources have been invested in our children's educational environment. My goal is to provide you the opportunity to better understand the District's financial picture so you can make informed decisions regarding your investment in our schools.



Throughout the past few years, we engaged residents through community conversations and listened to concerns regarding containing expenses in these tough economic times. As illustrated on page 4, total expenses decreased \$5 million from 2011, the result of a decrease in staff of over 21 positions, including high school teachers, support staff, and administrators. All staff agreed to a wage freeze for the coming year as well as taking on a greater responsibility for their health insurance costs. In addition, over 40 staff members retired at the end of 2012, allowing the District to replace these positions with bright and upcoming educators at a savings of over \$1 million annually.

However, while the short term picture improved, the long term forecast still contains significant challenges. As page 3 illustrates, our District lost \$2.1 million in state support as well as \$1.9 million in federal support during 2012. Districts such as ours were directly impacted by our Governor's decision to balance the State budget by eliminating tax reimbursements to school districts. We are projecting to lose an additional \$2.2 million annually over the next 5 years for a combined loss of \$15 million. We have made every effort to contain costs, however a state revenue loss of this size has created the need to seek voter approval for an additional incremental operating levy this November as well as a no-new millage capital bond levy as outlined on page 6. We hope you will read through this document, as well as the Superintendent's Newsletter and other information on our website, [www.worthington.k12.oh.us](http://www.worthington.k12.oh.us), so that you can make an informed decision this fall. As always, feel free to contact me directly at (614) 450-6120 or e-mail me at [jmccuen@worthington.k12.oh.us](mailto:jmccuen@worthington.k12.oh.us).

Sincerely,



Jeff Mccuen, Treasurer/CFO

**Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting**

PRESENTED TO

Worthington City School  
District, Ohio

for the Fiscal Year Ended  
June 30, 2011



The Government Finance Officers Association of the United States and Canada has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Worthington Schools for its PAFR for the fiscal year ended June 30, 2011. The award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local reports.

In order to receive an award, a government must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

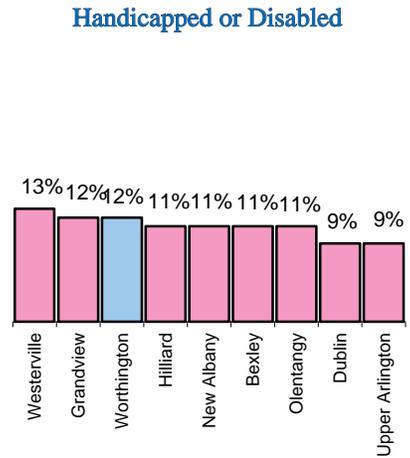
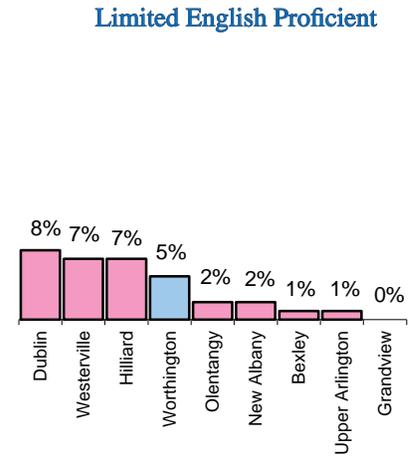
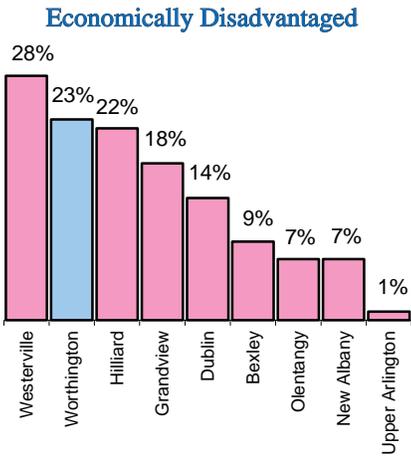
An award is valid for a period of one year only. Worthington has received the award for the last 4 consecutive years and we believe our current report continues to conform to those standards and we are submitting it to the GFOA.

19 Schools	
2 High Schools	
1 Alternative High School	
3 Middle Schools	
1 Alternative Middle School	
11 Elementary Schools	
1 Preschool	

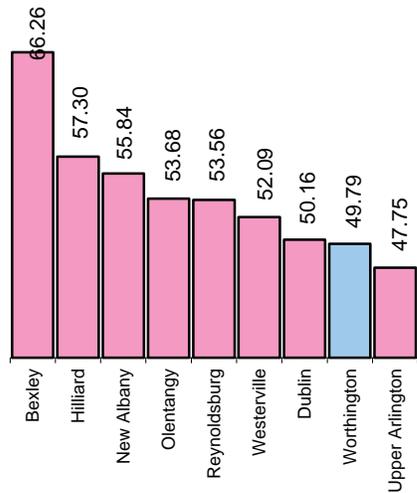
Student Population		
<i>Ethnicity:</i>		
White		74.0%
Black		8.5%
Asian/Pacific		6.4%
Multi-Racial		6.3%
Hispanic		4.7%
Native American		0.1%
<i>Receiving Special Services:</i>		
Economically Disadvantaged		23.4%
With Disabilities		11.8%
Limited English Proficient		4.8%



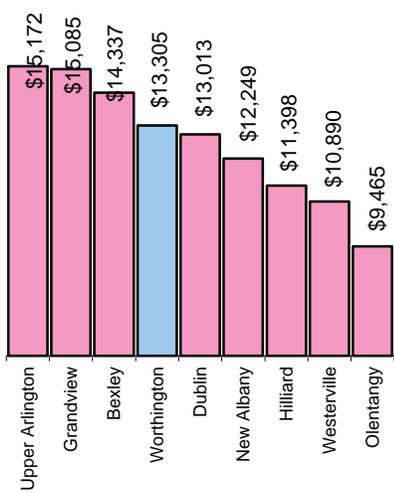
Enrollment	
Pre-Kindergarten	234
Elementary (K-6)	5,029
Middle (7-8)	1,432
High (9-12)	2,674
Total	9,369



2012 Residential Effective Millage Rates

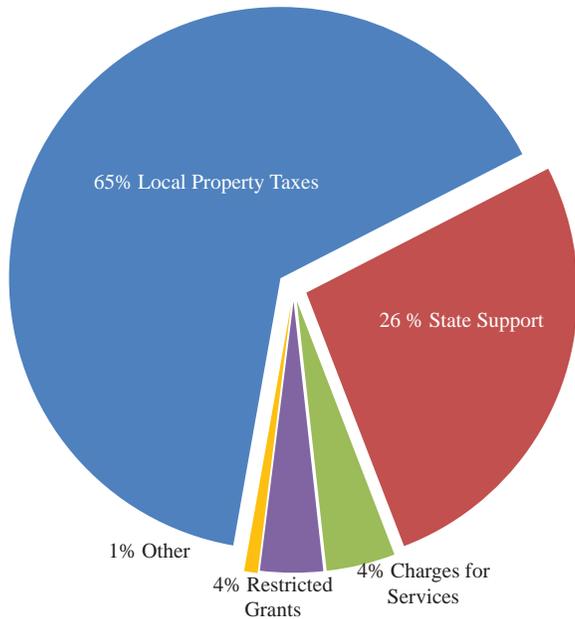


2011 Expenditure Per Pupil (Latest Available)



The District continues to have one of the lowest residential millage rates of surrounding districts, which translates into lower property taxes. To calculate your gross school district tax, multiply the effective rate above by 0.001 (one mill equals 1/10 of a penny). Take that amount and multiply by 35% of the appraised value of your home (called your assessed value), which can be found at the County Auditors website. If you live in the house, you may qualify for a credit of 12.5% called the homestead and rollback exemptions. Note: Bexley and Reynoldsburg have an income tax levy in effect that translate into 14.4 and 6 mills, respectively, per Ohio Department of Taxation.

**2012 Total Revenues \$136.7 (in millions)**



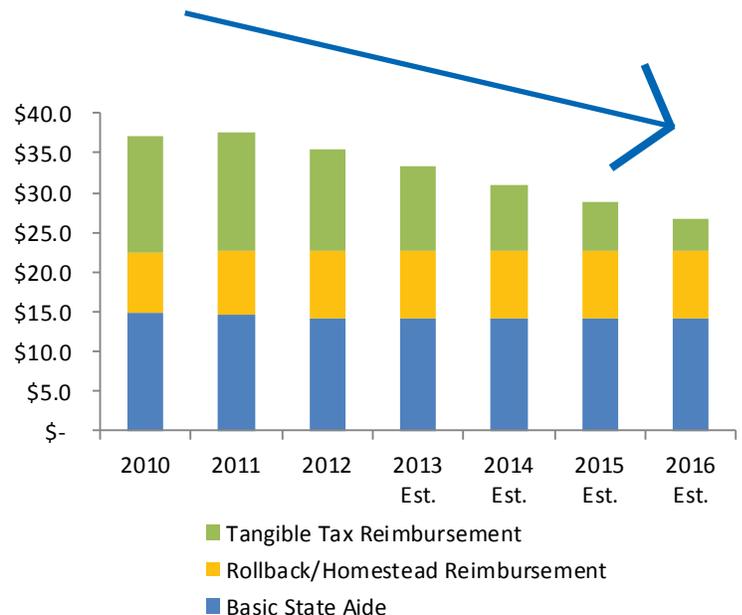
	2012	2011	Change
Local Property Taxes	\$88.4	\$85.1	\$3.3
State Support	36.6	38.7	(2.1)
Charges for Services	5.0	5.4	(0.4)
Restricted Grants	5.6	7.5	(1.9)
Other	1.1	1.4	(0.3)
<b>Total</b>	<b>\$136.7</b>	<b>138.1</b>	<b>(1.4)</b>

As the graph illustrates, the District received the majority of its revenue from local sources in the form of property taxes, accounting for 65% of total revenues, up from 62% last year. Due to state funding cuts, we expect the burden to continue to grow on local taxpayers until meaningful school finance reform occurs at the state level. The District was able to offset most of the \$4 million loss in State and Federal funding with a \$3.3 million increase in local property taxes as a result of the full collection of the voter approved 2009 incremental operating levy. Restricted grants decreased \$1.9 million due to the expiration of federal stimulus funding.

**Local Property Taxes** include both residential and commercial property taxes. **State Support** includes our per-pupil allotment, tangible tax reimbursement, and homestead/rollback credit. **Charges for Services** include extracurricular fees, all day kindergarten tuition, and other charges. **Restricted Grants** include federal targeted grants such as Title I Low Income and Special Education grants.

**State Support (In Millions)**

State Support totaled \$36.6 million, a decrease of \$2.1 million from 2011, a direct result from lost tangible tax reimbursement. In 2005, the state eliminated the tangible personal property tax, assessed on business equipment and machinery, which was a major source of revenue for our District. The state had been holding districts harmless by reimbursing that lost revenue. However to balance the State budget, that reimbursement was reduced in 2012, and the District lost \$2.2 million. The District expects to lose an additional \$2.2 million annually, resulting in a total loss of \$15 million beginning in 2018.

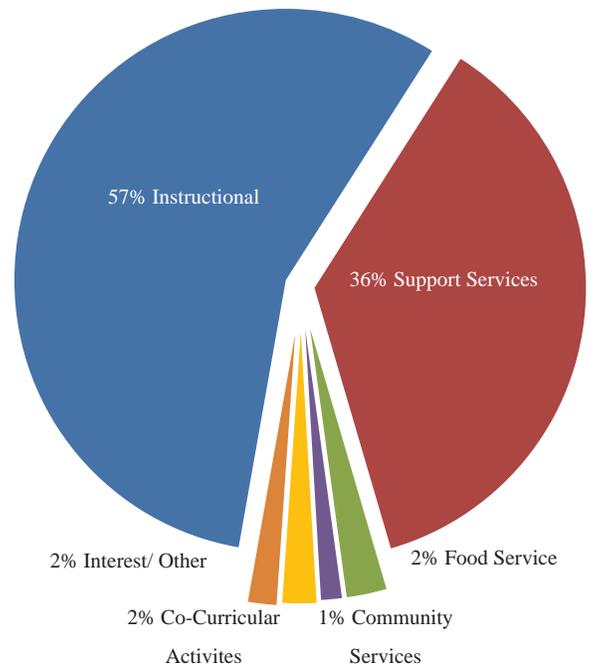


## 2012 Total Expenses \$131.6 (in millions)

	2012	2011	Change
Instructional	\$74.0	\$77.1	\$(3.1)
Support Services	48.0	49.2	(1.2)
Food Service	3.1	3.4	(0.3)
Community Services	1.6	1.6	0.0
Co-Curricular Activities	2.7	2.7	0.0
Interest and Other	2.2	2.5	(0.3)
<b>Total</b>	<b>\$131.6</b>	<b>136.5</b>	<b>(4.9)</b>

Total District expenses decreased almost \$5 million from last year. This was mainly the result of a reduction of 21 staff members, mostly teachers at the high school level related to declined enrollment, which helped decrease instructional services by \$3.1 million. Support Services also decreased \$1.2 million related to the elimination of the Educational Media Center, security/parking lot monitors, and auditorium managers, and the reduction of 2 bus drivers and 3 central office staff members.

Moving forward to 2013, the District will continue to look for every possible way to contain or reduce costs to combat declining state revenues. Over 40 teachers retired in 2012 and were replaced with entry level teachers, further reducing costs over \$1 million. We renegotiated long term gas and electric contracts, taking advantage of current low rates, saving over \$300,000 annually. Additionally, all staff members have agreed to wage freezes for the coming year and have taken on a greater responsibility for their health insurance costs.



**Instructional Services** include teachers, textbooks, materials, and anything else directly related to the classroom and student learning.

**Support Services** include teachers aides, secretaries and principals, maintenance, transportation, technology, and central administration.

**Food Services** are the costs associated with providing breakfast and lunch, which are covered by fees and federal subsidies.

**Community Services** include the costs associated with the District's all day kindergarten program as well as other pass through grants involving community services.

**Co-Curricular** costs include athletics, band, student clubs and organizations, and other costs of programs outside the normal classroom experience.

**Other** includes interest on the District's long term debt as well as tax collection fees paid to the county.

Several of Worthington's National Merit Scholar semifinalists pose for a picture.

Financial Position Statement			
	2010	2011	2012
<b>Assets</b>			
Cash & Investments	\$61,368,407	\$69,096,941	\$63,098,984
Receivables & Other Assets	80,756,217	81,361,404	86,726,889
Land, Buildings, & Equipment	68,363,274	66,462,444	66,140,349
Total Assets	\$210,487,898	\$216,920,789	\$215,966,222
<b>Liabilities</b>			
Owed to Others	\$18,582,036	\$19,913,523	\$18,776,743
Unearned Revenues	46,480,915	47,253,000	48,837,015
Long Term Liabilities	65,662,070	68,357,329	61,867,462
Total Liabilities	\$130,725,021	\$135,523,852	\$129,481,220
<b>Assets Over Liabilities</b>			
Invested In Capital Assets	\$21,216,857	\$20,534,189	\$19,805,237
Restricted Assets	6,752,719	4,356,661	4,092,720
Unrestricted Assets	51,793,301	56,506,087	62,587,045
Total Assets over Liabilities	\$79,762,877	\$81,396,937	\$86,485,002

At the end of 2012, the District had \$86.4 million of Assets over Liabilities, of which \$62.5 million could be used to fund ongoing operations. However, this balance is expected to be eroded over the next four to five years with the enactment of state funding cuts, and the District has made every effort to stretch the 2006 Bond issue and the 2009 operating levy as long as possible. Liabilities decreased due to paying down the District's long term debt, as shown below.



Bluffsvew student Nate Mitchell (above) wins a lego building contest , while WKHS students (below) accept Ohio Energy Project's award for the District's Energy Education Program.



The District's Debt				
Purpose	Issued	Matures	Interest Rate	Balance
2002 Refunding Bonds	03/01/02	12/01/12	6.00%	\$2,100,000
1999 Energy Conservation Notes	03/02/99	12/01/13	4.20%	480,000
2000 Certificates of Participation	03/30/00	12/01/19	5.39%	375,000
2007 Refunding Certificates	09/20/07	12/01/19	4-4.5%	4,350,823
2006 Energy Conservation Note	10/01/05	10/01/20	4.26%	1,578,000
2007 School Improvement Bonds	02/15/07	12/01/21	3.6-5.5%	10,089,809
2007 School Improvement Bonds	02/27/07	12/01/21	4-5.5%	5,356,540
2010 School Improvement Bonds	08/30/10	12/01/23	2-3.2%	7,356,204
2008 Refunding & Improvement	11/05/08	12/01/24	3.7-4.5%	7,805,075
2009 School Improvement Bonds	05/05/09	12/01/24	2.5-4.0%	10,963,753
2010 Subsidized Improvement	08/30/10	12/01/25	5.00%	1,800,000
Total Outstanding Debt				52,255,204

During 2012, the District had no new issuances of debt. Completed projects from the 2006 issue are discussed on the next page. Administration has put together a plan for the next capital improvement bond issue shown on the next page. The District is well under debt limits set by state law, having issued only 25% of its allowable amount.

## Looking Back....

In 2006, residents approved a \$37.5 million capital improvement bond issue, with proceeds to provide technology upgrades, new busses, replacement furnishings and equipment, and various building and grounds maintenance projects. During 2011, the final installment was issued, and the last of the maintenance projects will be wrapping up in the coming months.

2006 Bond Issue Balances			
	Approved & Issued	Expended & Encumbered	Remaining
Buses	\$1,770,000	\$1,769,623	\$377
Technology	3,000,000	2,670,213	329,787
Maintenance	18,750,000	18,516,743	233,257
Equipment	1,480,000	1,456,065	23,935
Cost Shift	10,000,000	9,307,540	692,460
Contingency	2,500,000	2,500,000	-
Totals	\$37,500,000	\$36,220,184	\$1,279,816

## Looking Ahead...

A master facility study was finalized that outlines future maintenance projects along with a schedule of vehicle and equipment replacement and technology upgrades. The District will be returning to voters for approval of a new bond issue package this November - Issue #54. This bond issue will not raise taxes but instead allow the District to maintain its maintenance and replacement schedule as outlined below. Please visit our website for further details.

### 2012 Projected Bond Issue Summary

	Expected Levy	2013	2014	2015	2016	2017
Buses	\$2,276,222	\$414,000	\$509,232	\$437,090	\$450,200	\$465,700
Technology	10,512,120	2,978,000	2,136,000	2,715,000	2,067,120	616,000
Maintenance	22,149,121	4,250,000	4,335,000	4,421,700	4,510,134	4,632,287
Equipment	2,562,537	500,000	500,000	500,000	500,000	562,537
Contingency	2,500,000	500,000	500,000	500,000	500,000	500,000
Totals	\$40,000,000	\$8,642,000	\$7,980,232	\$8,573,790	\$8,027,454	\$6,776,524



# Worthington City School District

200 E Wilson Bridge Rd, Worthington, OH 43085-2332 – Franklin County



## 2010-2011 School Year Report Card

Current Superintendent: Melissa M. Conrath (614) 883-3000



The District Report Card for the 2010-2011 school year shows the progress districts have made based on four measures of performance.



The combination of the four measures is the basis for assigning state designations to districts, buildings and community schools.

- The six designations are:
- Excellent with Distinction
  - Excellent
  - Effective
  - Continuous Improvement
  - Academic Watch
  - Academic Emergency

**State Indicators**  
To meet a test indicator for grades 3-8 and 10, at least 75% of students tested must score proficient or higher on that test. Other indicator requirements are: 11th grade Ohio Graduation Tests, 85%; Attendance Rate, 93%; Graduation Rate, 80%.

On the Web: [reportcard.ohio.gov](http://reportcard.ohio.gov)

State Indicators	Percentage of Students at and above the Proficient Level		
	Your District 2010-2011	Similar Districts* 2010-2011	State 2010-2011
<b>3rd Grade Achievement</b>	The state requirement is 75 percent!		
1. Reading	90.8% ✓	90.9%	79.9%
2. Mathematics	87.9% ✓	91.4%	82.0%
<b>4th Grade Achievement</b>	The state requirement is 75 percent!		
3. Reading	91.9% ✓	92.9%	83.8%
4. Mathematics	86.3% ✓	89.7%	78.1%
<b>5th Grade Achievement</b>	The state requirement is 75 percent!		
5. Reading	86.8% ✓	87.4%	74.1%
6. Mathematics	76.0% ✓	82.1%	66.1%
7. Science	80.9% ✓	85.5%	71.1%
<b>6th Grade Achievement</b>	The state requirement is 75 percent!		
8. Reading	96.0% ✓	93.9%	85.6%
9. Mathematics	85.6% ✓	89.0%	77.5%
<b>7th Grade Achievement</b>	The state requirement is 75 percent!		
10. Reading	90.2% ✓	90.0%	77.3%
11. Mathematics	85.1% ✓	88.0%	74.8%
<b>8th Grade Achievement</b>	The state requirement is 75 percent!		
12. Reading	93.8% ✓	94.0%	85.1%
13. Mathematics	84.8% ✓	88.0%	74.3%
14. Science	78.0% ✓	83.4%	67.4%
<b>Ohio Graduation Tests (10th Grade)</b>	The state requirement is 75 percent!		
15. Reading	95.6% ✓	95.9%	87.2%
16. Mathematics	94.5% ✓	93.8%	82.6%
17. Writing	95.6% ✓	96.3%	89.5%
18. Science	90.8% ✓	89.8%	74.7%
19. Social Studies	91.8% ✓	92.9%	80.1%
<b>Ohio Graduation Tests (11th Grade)**</b>	The state requirement is 85 percent!		
20. Reading	96.3% ✓	97.9%	92.4%
21. Mathematics	95.9% ✓	96.2%	89.1%
22. Writing	97.1% ✓	98.2%	93.4%
23. Science	93.8% ✓	94.5%	84.2%
24. Social Studies	94.8% ✓	96.2%	88.0%
<b>Attendance Rate</b>	The state requirement is 93 percent!		
25. All Grades	95.8% ✓	96.3%	94.5%
<b>2009-10 Graduation Rate</b>	The state requirement is 90 percent!		
26. District	95.0% ✓	96.4%	84.3%

Any result of or above the state standard is indicated by a ✓.  
 \* = Not Calculated/Not Displayed when there are less than 10 in the group.  
 \*\* State Districts are based on comparable demographics, economic needs and geographic factors. \*\* Calculable result for students who took the test at 11th or 12th grade.

This document is an abridged, unaudited version of the 2012 Comprehensive Annual Financial Report and is mostly based on the Government Wide Statement of Net Assets. We encourage readers to access the full audited version of the CAFR on the District's website at [www.worthington.k12.oh.us](http://www.worthington.k12.oh.us). This report card is for 2011, which is the latest information available. The State of Ohio has not yet released 2012 report cards at the time this document was published.