

PAFR POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023





936 Eastwind Drive | Westerville, Ohio 43081



936 Eastwind Drive, Westerville, Ohio 43081 p. 614.797.5700 | f. 614.797.5701 **wcsoh.org**



A Letter From Our Treasurer/ CFO

Dear Community Members,

As Treasurer/CFO of Westerville City Schools, I am pleased to present the 2022-23 Popular Annual Financial Report (PAFR) to our community. The purpose of this report is to provide a brief summary of the District's revenues and expenditures, as well as other relevant financial information. This report mostly derives information from the 2022-23 Annual Comprehensive Financial Report (ACFR), which is prepared in accordance with Generally Accepted Accounting Principles (GAAP). Readers should refer to the District's ACFR for an in-depth look at the District's finances in accordance with GAAP. We have also included information presented on a cash basis, as noted in the report. The community can find additional information about the District's website at www.westerville.k12.oh.us/ourdistrict/fiscal-services.

We have prepared this report because we believe our community members have a right to know how their tax dollars are spent. Through the distribution of the PAFR, the District's taxpayers have another means of gaining a clear and accurate picture of the District's finances in addition to reports presented at local school board meetings during the year. We appreciate all of the support provided to our schools from our community and trust the reader will find this report very informative.

Please take a moment to enjoy the pictures and highlights of our students and programs included throughout the report. Also available for your review is a Performance Accountability Report. This document is available online at wcsoh.org/PAR and summarizes some of the ways we have used financial resources last approved by voters in November 2019. We are working hard to achieve our mission of preparing our students to contribute to the competitive and changing world in which we live. We have the best staff in the world with that in mind!

Any comments or questions regarding this report are welcome. Please call 614-797-5768 or email marshalln@wcsoh.org with any questions or comments you may have.

Respectfully submitted,

Nicole Marshall

Nicole Marshall Treasurer/CFO



Dr. Joe Clark joined Westerville City Schools as the District's Superintendent effective 10/1/2023

Board of Education



Jennifer Aultman

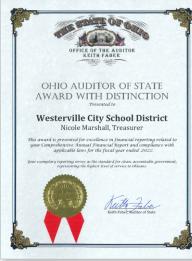




Rev. Vaughn Bell Tracy Davidson (term ends 12/31/2023) President



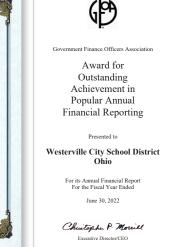
Kristy Meyer Vice President



Dr. Nancy Nestor-Baker



Louise Valentine to begin school board term on 1/1/2024





Highest Achievement in Open and Transparent Government: Implemented 5 or more best practices*





Dr. John Kellogg served as Superintendent through 6/30/2023

SUMMARIZED FINANCIAL REPORTS

Numbers in the Financial Position Statement and Financial Activity Statement are taken from the District's ACFR, and are presented in a GAAP format. In addition, this PAFR focuses on the District's General Fund, the operating fund of the District (unless otherwise noted). The ACFR can be obtained from the Treasurer's Office or on the District's website under the Treasurer's Office page at www. wcsoh.org.

ASSETS OVER LIABILITIES AND DEFERRED INFLOWS

The Financial Position Statement, known in accounting terms as the balance sheet, reports the assets available to provide services along with the liabilities (amounts for which the District is obligated to pay in the future) and deferred inflows (primarily assets that do not finance the current fiscal year). The excess of assets over liabilities and deferred inflows provides the net position, or net worth, of the District. The amounts reported below are for the District's General Fund.

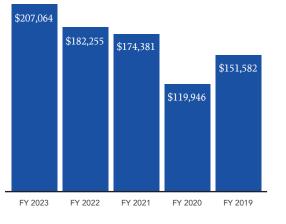
ASSETS (shown in thousands)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Cash and Investments	\$173,537	\$154,412	\$145,131	\$132,884	\$125,897
Receivables	\$147,798	\$147,468	\$143,039	\$123,003	\$122,464
Other Assets	\$568	\$1,900	\$1,862	\$1,315	\$1,568
Total Assets	\$321,903	\$303,780	\$290,032	\$257,202	\$249,929

LIABILITIES AND DEFERRED INFLOWS (shown in thousands)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Amount owed to Employees and Vendors	\$19,042	\$22,714	\$22,722	\$21,406	\$19,662
Deferred Inflows	\$95,797	\$98,811	\$92,929	\$115,850	\$78,685
Total Liabilities and Deferred Inflows	\$114,839	\$121,525	\$115,651	\$137,256	\$98,347
Assets Over Liabilities and Deferred Inflows	\$207,064	\$182,255	\$174,381	\$119,946	\$151,582

The District's latest Five Year Forecast projects relative financial stability, a positive cash balance through 2028, and the continued delay of deficit spending (expenditures exceeding revenues) until fiscal year 2025. Operating funds from the November 2019 combined operating levy/bond issue, along with federal Elementary and Secondary School Emergency Relief (ESSER) funds, allowed the District to maintain programming for students. Through the strategic management of ESSER funds, district officials were able to offset lost revenue while covering increased operational costs caused by the pandemic. Expenditures shifted to ESSER funding will return to the general fund once ESSER funds fully expire on June 30, 2024. Bonds from the 2019 voter-approved ballot measure funded the first five years of WCSD's Facilities Master Plan, which included a new middle school, new elementary school, much-needed renovations and/or additions to other schools, and districtwide safety/security updates. Residents can view the November 2023 Forecast presentation online at youtube.com/wcsdohio.

ASSETS OVER LIABILITIES AND DEFERRED INFLOWS

Major fluctuations were mainly impacted by the timing of revenues due to the pandemic and the adjustments to expenditures with ESSER funds





OUR DISBURSEMENTS AND SERVICES DEFINITIONS

INSTRUCTION are those activities directly dealing with the teaching of pupils or the interaction between teacher and pupil. This includes aides or classroom assistants of any type, who assist in the instructional process. Technology used by the students is also included here.

PUPIL SUPPORT are those activities designed to assess and improve the well-being of pupils and to supplement the teaching process. This includes guidance services, health services, psychological services and support services for students with disabilities.

INSTRUCTIONAL STAFF SUPPORT are those activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils.

BOARD/ADMINISTRATION/FISCAL are those activities concerned with establishing and administrating policy in connection with operating the school district and activities associated with the district and building leadership. This function includes budgeting, receiving and disbursing, financial accounting, payroll, inventory control, auditing and fiscal services.

BUSINESS SUPPORT are those activities concerned with purchasing, receiving, transporting, exchanging and maintaining goods and services for the school district.

OPERATIONS AND MAINTENANCE are those activities concerned with keeping the district facilities open, comfortable and safe for use including keeping the grounds, buildings, and equipment in an effective working condition. This includes activities of maintaining safety in buildings and on the grounds of the schools. **TRANSPORTATION** are those activities concerned with transporting students to and from school, as provided by board policy and state law. It includes transportation to school activities and between home and school.

CENTRAL SUPPORT are those activities, other than general administration, that support each of the other instructional and supporting services programs including planning, research, development, evaluation, information staff, statistical, and data processing services.

OPERATION OF NON INSTRUCTIONAL are those activities concerned with providing services to students, staff or the community that are not related directly to daily instruction. This also includes providing certain services to other school districts.

EXTRACURRICULAR are those activities under the guidance or supervision of qualified adults that are designed to provide opportunities for pupils to participate in such experiences on an individual basis at school events or public events.

FACILITIES ACQUISITION AND CONSTRUCTION are

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

CAPITAL OUTLAY are those expenditures for the acquisition of, or additions to, capital assets. This includes expenditures for land or existing buildings, improvement of grounds, construction, addition or remodeling of buildings and initial and additional equipment furnishings and vehicles.

DEBT SERVICE are those transactions primarily for the purpose of discharging the District's commitment for interest and principal on debt.

Students participate in the Maker's Expo at Heritage Middle School.





Mark Twain Elementary School Multicultural Night.

RECEIPTS AND RESOURCES OVER DISBURSEMENTS AND SERVICES

The Financial Activity Statement, known in accounting terms as the income statement, provides a summary of the revenues and resources received by the District compared to the expenditures and services provided by the District. The amounts reported below are for the District's General Fund, on a GAAP basis.

REVENUES & RESOURCES (shown in thousands)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Property Taxes	\$144,532	\$132,925	\$166,682	\$79,067	\$113,485
State and Federal Revenue	\$54,569	\$53,989	\$60,611	\$58,453	\$60,996
Investment Income	\$3,965	\$815	\$235	\$3,229	\$3,614
Tuition	\$3,342	\$2,904	\$1,552	\$1,554	\$2,299
Extracurricular	\$458	\$455	\$361	\$384	\$515
Miscellaneous	\$8,864	\$1,840	\$6,358	\$5,531	\$5,775
Total Revenues & Resources	\$215,730	\$192,928	\$235,799	\$148,218	\$186,684

EXPENDITURES & SERVICES PROVIDED (shown in thousands)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Instruction	\$115,206	\$115,445	\$117,312	\$114,128	\$108,559
Pupil Support	\$15,524	\$16,802	\$14,816	\$14,785	\$15,259
Instructional Staff Support	\$ 5,319	\$5,091	\$5,481	\$4,899	\$5,102
Board/Administration/Fiscal	\$18,842	\$16,060	\$15,932	\$17,153	\$16,451
Business Support	\$1,139	\$1,047	\$1,084	\$1,053	\$991
Operations and Maintenance	\$15,360	\$14,628	\$12,887	\$13,090	\$13,406
Transportation	\$11,644	\$9,896	\$8,010	\$8,705	\$8,457
Central Support	\$3,512	\$2,925	\$2,768	\$2,729	\$2,933
Operation of Non-Instructional	\$150	\$140	\$137	\$141	\$143
Extracurricular	\$3,113	\$2,815	\$2,641	\$2,629	\$2,555
Facilities Acquisition and Construction	\$18	\$12	\$176	\$303	-
Capital Outlay	\$50	_	_	\$616	-
Debt Service	\$1,016	\$133	\$100	\$179	\$179
Total Expenditures & Services	\$190,893	\$184,994	\$181,344	\$180,410	\$174,035
Revenues & Resources Over Expenditures & Services	\$24,837	\$7,934	\$54,455	(\$32,192)	\$12,649

Revenues tend to fluctuate due to the timing of receipts when recorded on a GAAP basis, significantly with property taxes. Property taxes have increased on average of \$7.8 million annually over the last five years. The fluctuations with property taxes over that time were due to the timing of tax receipts (delays caused by the pandemic) and the passage of an operating levy that began collections in calendar year 2021. The district also receives small property tax increases due to valuation on new construction and inside millage (see page 8 for more information about inside millage).

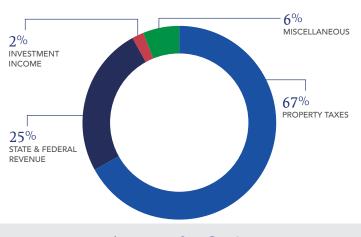
Other revenues also saw fluctuations over the last five years. State revenue changed due to the updated state funding formula for schools beginning in fiscal year 2022. Investment income increased as interest rates continued to rise in calendar years 2022 and 2023, after a period of low interest rates. Tuition increased slightly due to the addition of All Day Kindergarten offerings in fiscal year 2023. The district saw period of decreased tuition receipts due to the pandemic. Miscellaneous receipts were inflated for fiscal year 2023 due to state law changes affecting how property value complaints and settlements are handled.

The District utilized ESSER funds to cover expenditures typically paid from the general fund in regards to instruction and student support. ESSER funds were recorded in a separate fund beginning in fiscal year 2021. The District saw three rounds of federal funding related to ESSER, with the final and largest round expiring at the end of fiscal year 2024. These expenditures return to the general fund as the federal funds expire.

The District also opened two new schools, one in fiscal year 2023 and one in fiscal year 2024. Administration expenditures show an increase in fiscal year 2023 due to salaries returning to the general fund from ESSER funds. The increase in transportation costs was due in part to the increase in fuel and special needs transportation expenses.

OUR REVENUES AND RESOURCES FY23

Where the General Fund money comes from.



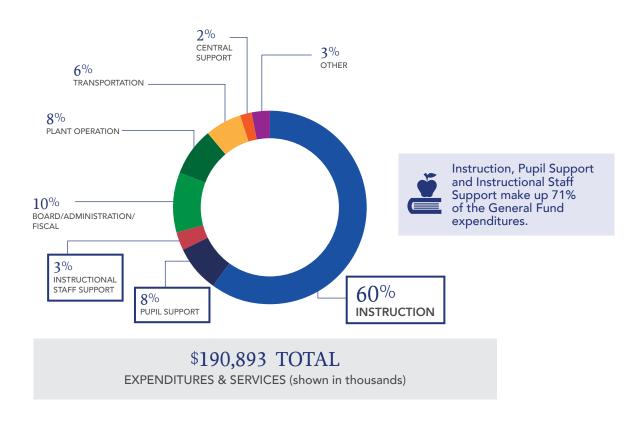
\$215,730 TOTAL REVENUES & RESOURCES (shown in thousands)



Fifth graders at Robert Frost Elementary learning about energy through the Ohio Energy Project.

OUR EXPENDITURES AND SERVICES FY23

Where the General Fund Money goes.



PROPERTY TAXES

The graph to the right depicts the amount of revenues received by the District's General Fund from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. The District receives property taxes from Franklin and Delaware counties. The District passed a combined bond issue and operating levy in November 2019, which began collections in calendar year 2021. In fiscal year 2020, there was an extension on the property tax deadlines, which resulted in lower property taxes available for advance from the County. The combined effect of property tax extensions in 2020 and the new levy collections in 2021 resulted in a significant increase in property tax revenue in fiscal year 2021. Property tax collections show an increase in fiscal year 2023 due mostly to the timing of amounts available as an advance use the GAAP basis.



(shown in thousands)

STATE FUNDING

The graph to the right depicts the revenues for the district's general fund from the state of Ohio. Monies received from the state are critical in running a fiscally solvent school district. The two primary components of state revenues are (1) state foundation payments, which are calculated based on a formula using student enrollment and (2) state funding of local taxes which include homestead and rollback payments which represent the portion of the tax bill paid by the State instead of the taxpayer. The State changed the way schools are funded beginning in fiscal year 2022. Prior to fiscal year 2022, the District's state revenue was higher to cover the cost of District students that attended other schools through open enrollment, charter schools or private schools on scholarship. The State is now funding those schools directly.







UNBUNDLING THE TAX RATE

Tax rates for the District, except inside millage, are generally reduced as valuations increase (Bond rates are adjusted to match debt payments) in accordance with state law. The result is that voted millage generates the same amount of tax revenue for the District as was received when each levy was initially approved by the voters (small growth is realized for new construction). The chart below shows the difference in the District's "Gross" or voted tax rates, as compared to the "Effective" rates, which are what is being collected. Inside millage is set at 3.8 mills for the district by the state constitution and does not change with values. County auditors reappraise property values every six years and update values every third year in between reappraisals. The tax rates below are for the 2022 tax year, collected in 2023.

TAX BURDEN ON HOMEOWNERS

ТҮРЕ	GROSS RATE	EFFECTIVE RATE	LENGTH APPROVED
Inside – Operating	3.80	3.80	Permanent
Voted – Operating	73.09	41.29	Permanent
Permanent Improvement	3.95	2.86	Permanent
Bond Retirement	3.45	3.45	Various
Total Rates	84.29	51.40	

OTHER DEMOGRAPHIC INFORMATION

2.8% 100,211

\$43,642

2023
Unemployment Rate
Population

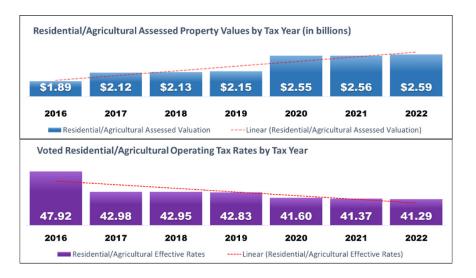
Per Capita Income

ASSESSED VALUE ON REAL PROPERTY

CALENDAR COLLECTION YEAR	AGRICULTURAL AND RESIDENTIAL	COMMERCIAL AND INDUSTRIAL VALUES	PUBLIC UTILITY PERSONAL PROPERTY	TOTAL
2023	\$2,586,209,760	\$522,827,410	\$76,966,730	\$3,186,003,900
2022	\$2,563,495,120	\$528,537,060	\$69,402,960	\$3,161,435,140
2021	\$2,545,029,110	\$537,837,990	\$61,273,460	\$3,144,140,560
2020	\$2,147,242,590	\$490,466,840	\$55,271,050	\$2,692,980,480
2019	\$2,133,836,160	\$462,621,660	\$52,295,150	\$2,648,752,970

Did You Know?

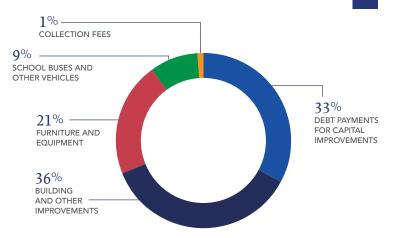
The Ohio Legislature approved House Bill 920 in 1976 to protect property owners from inflationary increases in property taxes. The law prevents revenue from growing on voted levies by reducing millage rates (tax rates) as property values increase. Generally, the only increases in property taxes the District receives is a small portion from inside millage and new construction, unless voters pass a new levy. As property values increase, effective tax rates for a voted operating levy decreases so that revenue remains unchanged on existing properties for those voted levies. The graph to the right shows Residential and Agricultural Assessed Values from tax years 2016 through 2022 and corresponding tax rates for the same time period. Note: Property taxes are assessed the year prior to being due in Ohio.



CAPITAL IMPROVEMENTS

The District uses a permanent improvement fund for ongoing capital improvements funded by voter approved permanent improvement levies. The graph to the right shows areas of funds spent for the permanent improvement fund by percentage on a cash basis.

The District issued \$103 million in bonds from a voter approved bond levy in 2019. The table below shows how those funds are being spent.



PROJECT (cash basis) Amounts shown in thousands	Original Budget	Adjustments	Adjusted Budget	Spent as of 6/30/2023	Remaining Budget	Outstanding Purchase Orders
Renovations to Westerville South High School*	\$37,000,000.00	\$1,697,834.04	\$38,697,834.04	\$34,474,131.63	\$4,223,702.41	\$4,200,353.58
New Middle School	\$32,543,471.00	\$7,904,631.26	\$40,448,102.26	\$31,109,837.63	\$9,338,264.63	\$8,550,113.75
New Elementary School	\$20,703,330.00	\$(1,613,561.19)	\$19,089,768.81	\$18,508,872.78	\$580,896.03	\$243,912.25
Renovations and additions to Annehurst Elementary	\$15,119,130.00	\$(5,374,761.73)	\$9,744,368.27	\$8,645,237.43	\$1,099,130.84	\$66,729.64
Renovations to Hawthorne	\$9,217,010.00		\$9,217,010.00	\$2,408,547.74	\$6,808,462.26	\$5,619,583.77
Renovations and additions to Whittier Elementary	\$11,329,057.00	(\$451,443.00)	\$10,877,614.00	\$3,311,897.68	\$7,565,716.32	\$5,158,733.26
Address Facilities Needs at Emerson	\$1,378,772.00		\$1,378,772.00	\$69,744.50	\$1,309,027.50	\$24,653.50
Address Facilities Needs at Hanby	\$2,698,977.00		\$2,698,977.00	\$140,769.10	\$2,558,207.90	\$1,889,020.90
Address Facilities Needs at Longfellow	\$1,055,258.00		\$1,055,258.00	-	\$1,055,258.00	-
Safety and Security Updates District Wide**	\$7,500,000.00		\$7,500,000.00	\$5,342,349.03	\$2,157,650.97	\$1,639,125.34
Parking lots/Playgrounds	\$3,454,995.00	(\$ 464,810.00)	\$2,990,185.00	\$1,186,235.13	\$1,803,949.87	\$1,173,495.60
	\$142,000,000.00	\$1,697,889.38	\$143,697,889.38	\$105,197,622.65	\$38,500,266.73	\$28,565,721.59

2019 Bond Project Funds

* Project not part of bond issue, financed from existing resources and budget includes adjustments for \$1.69 million from interest revenue

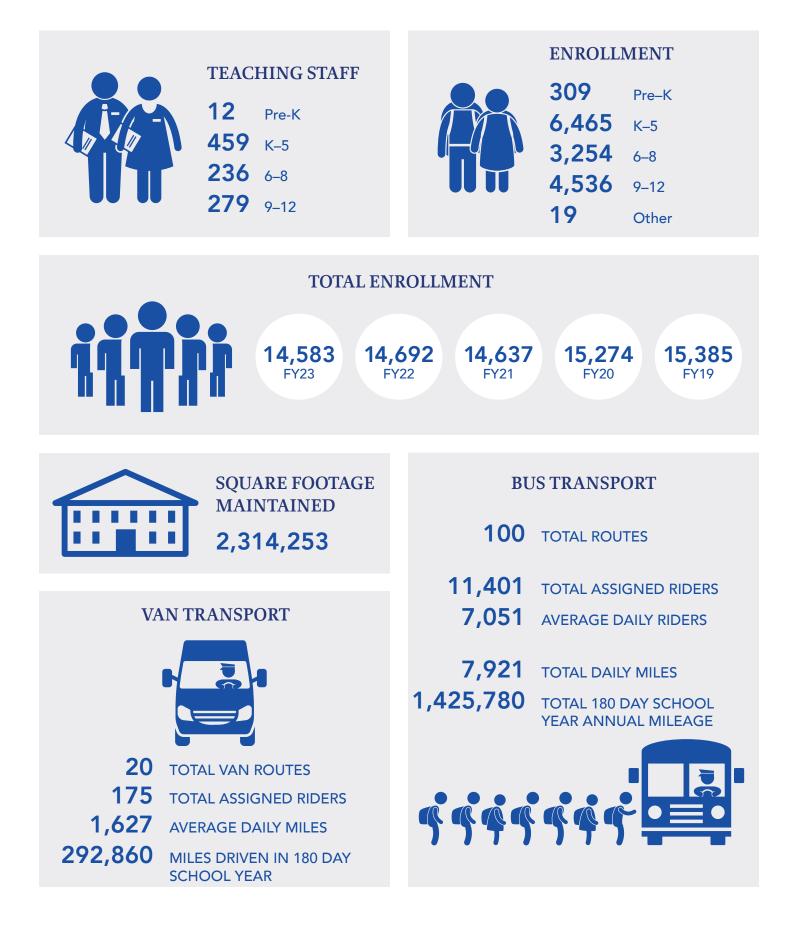
** \$2 million financed from existing resources, \$5.5 million financed from bond issue

OUTSTANDING DEBT AT YEAR END

The chart below captures the District's long-term bonds, notes, leases, and certificates of participation outstanding. The bonds, notes, and certificates of participation were issued for construction and/or renovation of school buildings. The lease obligations were for the acquisition of copier equipment. Certificates of participation are sold to investors, similar to bonds, but do not require voter approval. They are a tax-exempt lease financing agreement.

OUTSTANDING DEBT (shown in thousands)	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
General Obligation Bonds	\$117,270	\$124,835	\$132,200	\$148,125	\$50,845
Tax Anticipation Notes	-	-	-	\$2,855	\$5,600
Lease Obligations	\$323	\$412	\$530	\$616	\$174
Certificates of Participation	\$36,880	\$37,960	\$39,000	\$39,000	\$39,000
Total Debt	\$154,473.00	\$163,207	\$171,730	\$190,596	\$95,619

THE NUMBERS BEHIND WESTERVILLE CITY SCHOOLS



RECENT DISTRICT ACCOMPLISHMENTS

OUR MISSION

To prepare students to contribute to the competitive and changing world in which we live.

OUR VISION

To be the Benchmark of educational excellence.

Sixteen high school juniors at all three Westerville high schools have been selected to the College Board National African American Recognition Program, which recognizes African American students across the country based on their PSAT or AP scores.

Heritage Middle School Principal Dr. Dru Tomlin was the recipient of the 2022 Ohio Educational Library Media Association's Service Award for School Administrators - one of two school leaders to receive the honor across the state this year.

A seventh-grader at Walnut Springs Middle School was accepted into the Davidson Young Scholars Program. As a Young Scholar, the student will have access to resources and network of professionals that will help foster growth and development.

Eleven Walnut Springs students were published in a book inspired by classic villainous characters. The students penned "mini-sagas" for a writing contest sponsored by Young Writers and were chosen out of more than 1,500 submissions.

The high school dance team, which includes students from all three high schools, earned top honors at the Ohio Association of Secondary School Administrators 2023 Cheer and Dance State Championship, placing first in the Contemporary/Lyrical category.

A senior at Westerville South High School was among 14 Central Ohio high school football players honored for their achievements in the classroom, football field and community by the Columbus Chapter of the National Football Foundation (NFF) and College Hall of Fame.

The Westerville North High School Sinfonia and the Westerville South High School Orchestra received superior ratings during the Ohio Music Education Association State Orchestra Large Group Adjudicated Event on Feb. 24 and 25 at Reynoldsburg High School Livingston Campus.

A senior at Westerville Central High School has been selected as the winner of the 12th-grade essay competition in the 2023 Dr. Martin Luther King, Jr. Art, Writing & Multimedia contest hosted by the Ohio Civil Rights Commission.

A second grader at Cherrington Elementary was featured in an edition of Kazoo magazine, a national publication for girls ages 5 to 12.

Several students at Westerville Central and Westerville South high school earned top spots during the 2023 Indoor State Track Championship on March 4 at the SPIRE Institute in Geneva.

Two Westerville high school alumni have been awarded the Gold Award, the highest award a Girl Scout can earn. The Gold Award is a part of the Highest Awards program, a national program representing a Girl Scout's time, leadership, creativity and effort dedicated to improving her community. Westerville North High School basketball coach Shan Trusley is Ohio's 2023 recipient of the Certificate of Recognition in the National Federation of State High School Association's Spirit of Sport Awards. The national award recognizes individuals who exemplify the ideals of the positive spirit of sport in interscholastic athletics. Trusley was named OHSAA Division I All-Ohio Coach of the Year by the Ohio Prep Sports Writers Association in March.

A Westerville South student was elected student president for the executive board of the Ohio Association of Student Leaders (OASL), a nonprofit organization dedicated to helping middle and high school students foster leadership skills to make positive change in their school and communities.

The WCSD Treasurer's Office has again been recognized by the State of Ohio with the Auditor's Award with Distinction following a clean audit for fiscal year 2022 with no findings or citations. This is the 11th consecutive year the district has earned this award. The district is among an elite group of public entities as the auditor's office conducts approximately 6,000 audits annually and fewer than 4% of them qualify for this award

Minerva France Elementary has been recognized for its innovative design in the Spring 2023 Learning By Design magazine's magazine's Educational Facilities Design Awards Showcase.

Eight students at Genoa and Walnut Springs middle schools were awarded for their projects in the Ohio History Day competition, with one student advancing to the National History Day contest in June at the University of Maryland in College Park, Maryland.

More than 20 Westerville sixth-grade students in advanced math classes competed in the 2022-23 Continental Mathematics League Contest, which tests students' problem solving, analytical reasoning, mathematical computation, and reading skills.

Two Cherrington Elementary students were among 12 elementary-age students across the state whose artwork was accepted at the Ohio State Fair this summer.

Lyndsey Manzo, a secondary science curriculum specialist, has received the Project WET Facilitator of the Year award by the Ohio Environmental Protection Agency's Office of Environmental Education.

Fifth-graders at Hanby Elementary are commemorating the school's 100th birthday with a song that serves as their footprint in Hanby's history.

Westerville South High School was named a SWACO School Recycling Champion.

A Westerville Central High School senior was the recipient of a National Merit Battelle Scholarship, according to a recent announcement by the National Merit Scholarship Corporation (NMSC).



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WESTERVILLE



936 Eastwind Drive, Westerville, Ohio 43081 p. 614.797.5700 | f. 614.797.5701 WC

701 wcsoh.org

Hawthorne's Kindness Council is a new initiative teachers and staff members launched in October. When the council meets each month, Hawthorne hits the pause button for 30 to 45 minutes and classes from different grade levels partner together on community building activities and service projects.