

POPULAR ANNUAL FINANCIAL REPORT

For the Year ending June 30, 2022

OUR MISSION: TO EMPOWER A COMMUNITY OF LEARNERS WHO WILL CHANGE THE WORLD



DEAR RESIDENTS,

We are proud to present the Popular Annual Financial Report for the 2021-22 school year. It summarizes where our resources come from, how they are used, and the projected future financial status of our District. Our goal is to provide financial transparency in an understandable manner.

The 2021-22 school year was marked by a return to in-person learning, and despite the challenges, we accomplished so much. Phase 1 of the District’s master facilities plan came to life with the opening of our newly renovated and expanded middle schools, and we shifted to a K-5, 6-8 grade configuration. We utilized federal resources to implement a 1:1 computing model for all students and build outdoor learning spaces at our elementary schools as well as expand our summer learning opportunities. Our food service team served 400,000 more meals than they do during a typical school year thanks to USDA funding. Our staff persevered through all the challenges of returning from hybrid learning and did an amazing job.

We worked with our community led task force and formulated Phase 2 of the master facility plan to focus on significant reinvestment in our high school facilities. Ultimately that plan was approved by voters on November 8, 2022 through the passage

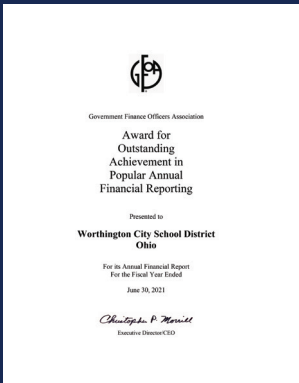
of Issue 6, a combined \$234 million bond issue and 1.9 mill permanent improvement levy. We anticipate construction starting quickly and more financial information on these projects can be found later in this document. We are excited to see these projects come to life over the next few years!

The community also approved an incremental operating levy on November 8, 2022. The levy increases millage 2.9 mills for collection year 2023, and an additional 2 mills in each of 2024, 2025, and 2026. It will allow the District to maintain current programs and offerings while accommodating projected enrollment growth for the next several years.

We hope this document provides a transparent accounting of the resources our community has entrusted us with. We are committed to keeping you up to date on our financial status and are happy to answer any questions by calling 614-450-6120 or emailing tjcusick@wscloud.org. We also invite you to check out the district’s webpage, www.worthington.k12.oh.us.

SINCERELY,

TJ CUSICK, CPA
Treasurer/CFO



This is the 14th consecutive year this report has earned recognition from the Government Finance Officers Association as an outstanding achievement.

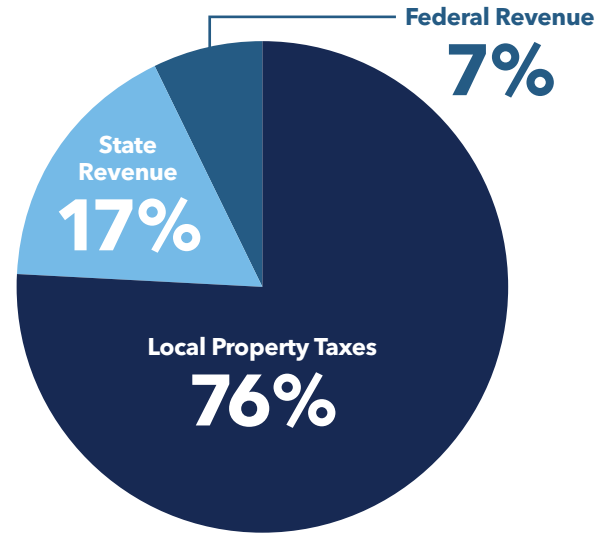


DISTRICT REVENUES AND RESOURCES

Total Revenues FY22

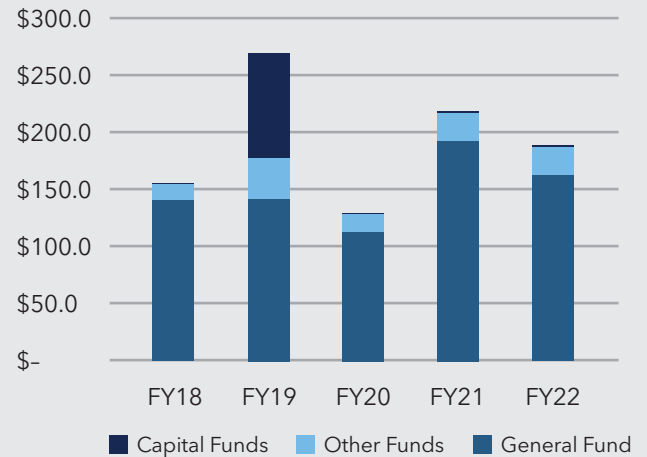
All Governmental Funds \$188.9 Million

Worthington is a predominantly locally funded school district, with local revenues accounting for 76% of total revenues in fiscal year 2022. Local revenue consists mainly of residential and commercial property taxes, accounting for \$140.0 million of the \$143.3 million total local revenues. State revenue totaled \$32.2 million and consists of state educational formula aid as well as property tax reimbursements related to Ohio’s homestead and rollback tax credit provisions. Federal revenue consists of the National School Lunch Program and various federal grant programs such as Title I and IDEA, including coronavirus relief funding.



Total Governmental Revenues FY18 to FY22

Total revenues of the general fund, the district’s main operating fund, rose incrementally each year since passage of the 2018 incremental levy. The dip in FY20, spike in FY21, and dip in FY22, is a result of timing due to the county auditor delaying property tax due dates from June 2020 to August 2020 in response to COVID, pushing revenue from FY20 into FY21 and then back down in FY22. Capital fund revenue in FY19 included the sale of \$89 million in bonds after passage of the 2018 bond levy, with the proceeds being used to renovate and add on to our four middle schools, as well as maintain our bus fleet, technology infrastructure, and furnishings and fixtures including a major upgrade (\$2 million) of our band and string instruments. Other funds consist of those federal grant funds. This revenue was higher than in years past due receipt of \$6.4 million from the USDA as part of its universal free meal policy and \$2.9 million of COVID relief funds to assist with mitigation efforts and intervention services.



DISTRICT SERVICES AND EXPENDITURES

Expense Categories

Direct Instruction

Direct instruction of our students, including teachers, classroom services and supplies.

Pupil & Staff Support

This includes guidance counselors, nurses, speech, hearing and occupational therapy, psychological services, librarians, and technology services.

Business/Administration

School building principals, secretarial staff, and central office staff are included in this category as well as services such as liability insurance, tax collection fees, construction management, and modular unit leasing.

Maintenance

Expenses to keep the buildings and grounds open, comfortable, and safe for use.

Transportation/Central

Bussing and other transportation services as well as human resource management and information services.

Food Service

Includes operation of the District's student breakfast and lunch programs.

Community Service

Activities surrounding family engagement as well as required non-public equitable services.

Co-curricular

This includes after school activities such as athletics, music and band, theater, as well as our many student club activities.

Capital Outlay

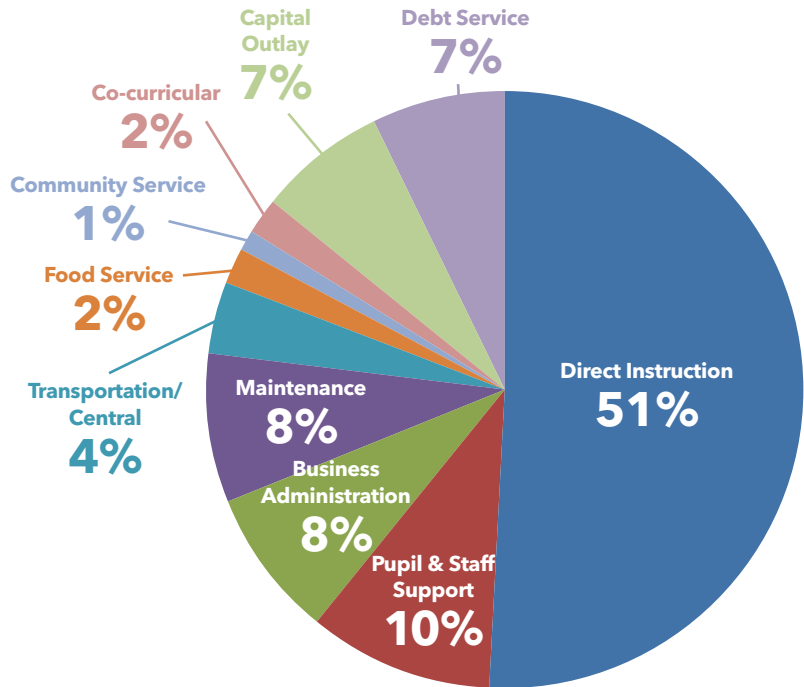
Construction, renovation, and major repairs of district facilities and equipment.

Debt Service

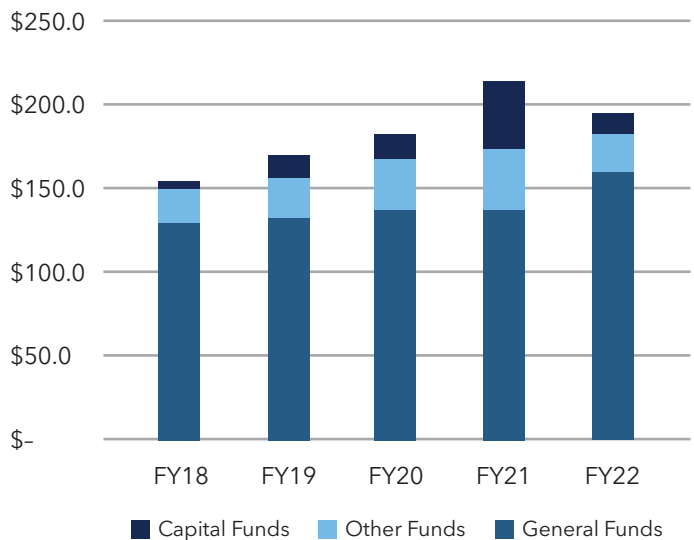
Principal and interest on debt.

Total Expenses FY22

All Governmental Funds \$195.2 Million



Total Governmental Expenses FY18 to FY22



General fund expenditures increased to \$156.8 million for FY22 as the District returned to in person learning and reopened Perry Middle School as a fourth traditional middle school. Capital fund expenditures were significantly lower than the prior year since the majority of middle school construction had been completed in FY21. Other funds' expenditures were consistent with the prior year but remain higher than historical levels due to increased federal funding for food service operations and coronavirus mitigation activities.

2018 BOND ISSUE UPDATE

Voters approved an \$89 million bond issue in November of 2018, with the majority of the proceeds going toward Phase 1 of our master facilities plan: expansion and renovations to our four middle schools to accommodate enrollment growth. The remainder of the proceeds were earmarked for replacement of buses, technology, maintenance systems, and other equipment at all of our other buildings over a five year period through next year.

Projects completed during the 2021-22 school year include middle school security camera enhancements, outdoor learning spaces at all elementary sites, new playground equipment at Worthington Estates and Wilson Hill, and HVAC upgrades at Liberty Elementary. In addition, five older buses were replaced.

The major project scheduled for completion in FY23 is a renovation to the Thomas Worthington Fieldhouse, at an approximate cost of \$5.1 million. Other projects include HVAC improvements at Sutter Park Preschool, roof replacements at several sites, continued security camera enhancements, playground and other equipment replacements, and 5-6 bus replacements.



2018 Bond Issue as of June 30, 2022

	Bonds Issued	Interest Earned	Contingency Allocated	Spent/Encumbered	Remaining Balance
Buses	\$2,500,000	\$-	\$-	\$1,846,718	\$653,282
Technology	\$5,000,000	\$-	\$-	\$4,475,931	\$524,069
Maintenance/Fieldhouse	\$22,000,000	\$1,079,334	\$(1,400,000)	\$12,608,905	\$9,070,429
Equipment	\$6,000,000	\$508	\$-	\$4,266,340	\$1,733,660
Construction	\$48,000,000	\$3,475,000	\$6,900,000	\$57,957,423	\$417,577
Contingency	\$5,500,000	\$-	\$(5,500,000)	\$-	\$-
Interest Earned	\$-	\$-	\$-	\$-	\$-
Total Available Fund Balance	\$89,000,000	\$4,554,334	\$-	\$81,155,317	\$12,399,017

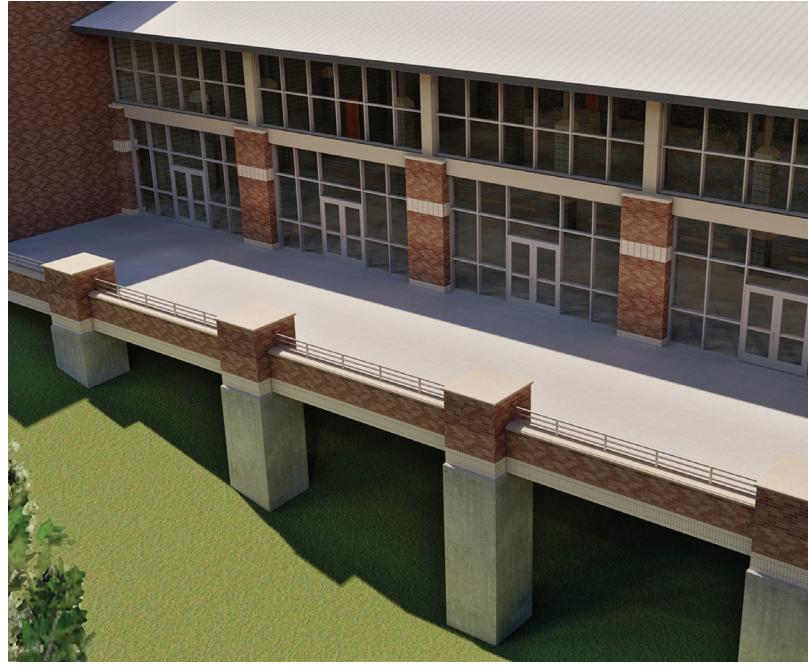


LOOKING AHEAD: CAPITAL PROJECTS

2022 Projected Bond Issue

	Funding Estimate
Thomas Worthington Renovations	\$128,000,000
Worthington Kilbourne Renovations	\$76,000,000
Natatorium Renovations	\$13,000,000
Contingency/Deferred Maintenance	\$17,000,000
Total Bond Issue	\$234,000,000

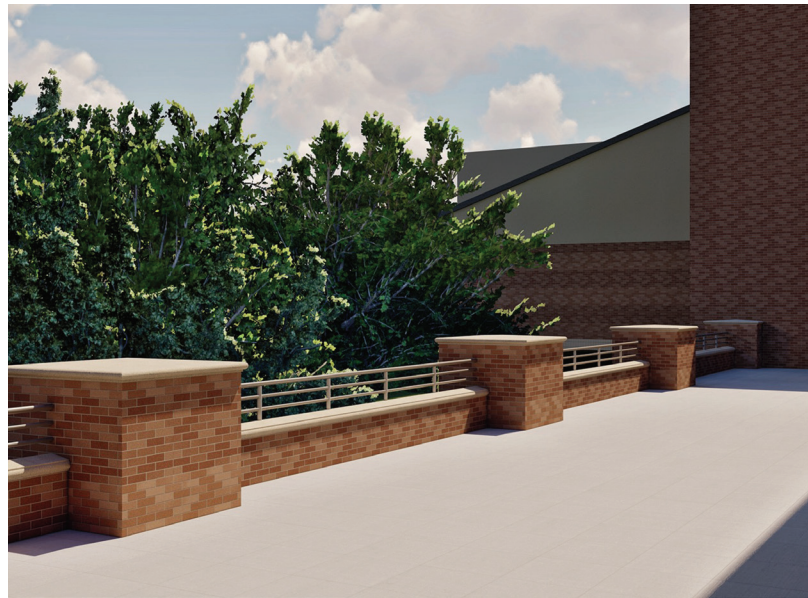
On November 8, 2022 voters approved a \$234 million bond issue to fund Phase 2 of the District's long-term master facilities plan. This phase will focus on major renovations at both high school facilities as well as several projects at other sites throughout the District. Above is a breakdown of the funding estimate of the bond issue. Architectural and engineering services are well underway, and the District anticipates the projects beginning in the summer of 2023 and continuing in phases with an anticipated final completion date of August 2026. We encourage you to visit our website for up to date information regarding these exciting projects over the next few years.



Permanent Improvement Levy Projections

	Funding Estimate
Bus Replacements	\$560,000
Technology	\$2,000,000
Equipment	\$940,000
Maintenance Projects	\$700,000
Total	\$4,200,000

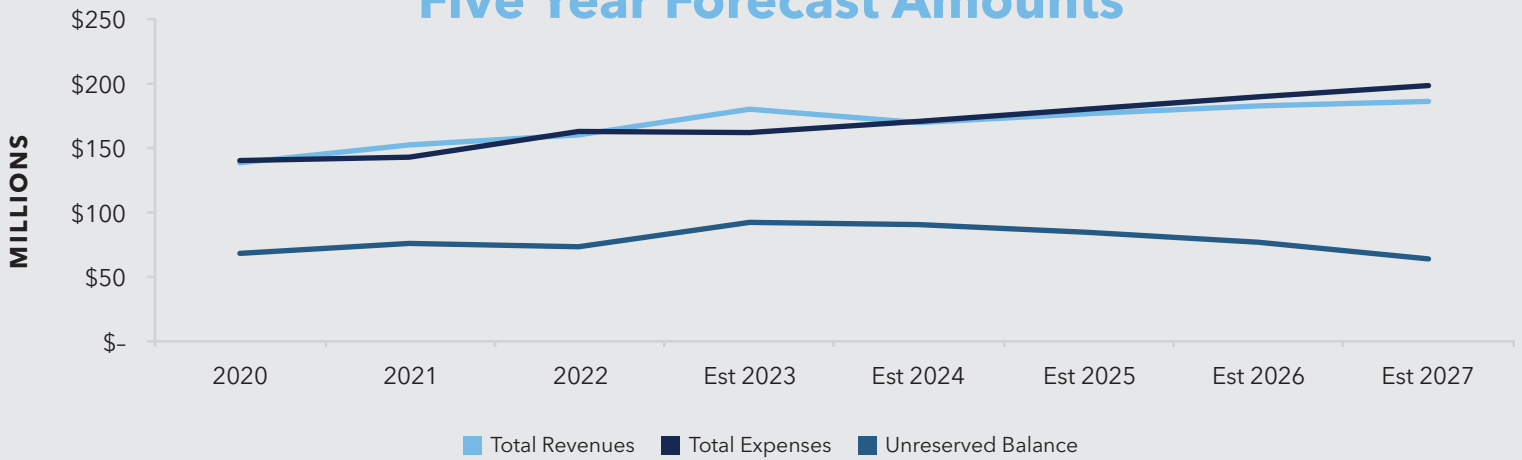
Issue 7, approved by voters November 8, 2022, also included a 1.9 mill permanent improvement levy. This levy will provide approximately \$4.2 million annually to be used to replace school buses, back end technology, furnishings and equipment, including playground equipment, and general deferred maintenance projects throughout the District.



LOOKING AHEAD: OPERATING

On November 8, 2022 voters approved an incremental operating levy. The levy will increase taxes 2.9 mills in calendar year 2023 and an additional 2 mills each of calendar years 2024, 2025, and 2026. As you can see from the chart below, the additional revenue will allow the District to continue current programs and offerings while accommodating an additional 600 students projected over the next five years. The incremental levy will be phased in over time while the District's unencumbered fund balance draws down gradually. The District has implemented several cost containment initiatives including changing the District's health insurance provider next year, avoiding a projected \$1.6 million in cost increases as well as negotiating long term contracts for gas and electricity. However, just like everyone else, many of the District's future costs are subject to inflationary pressures in the current economic climate.

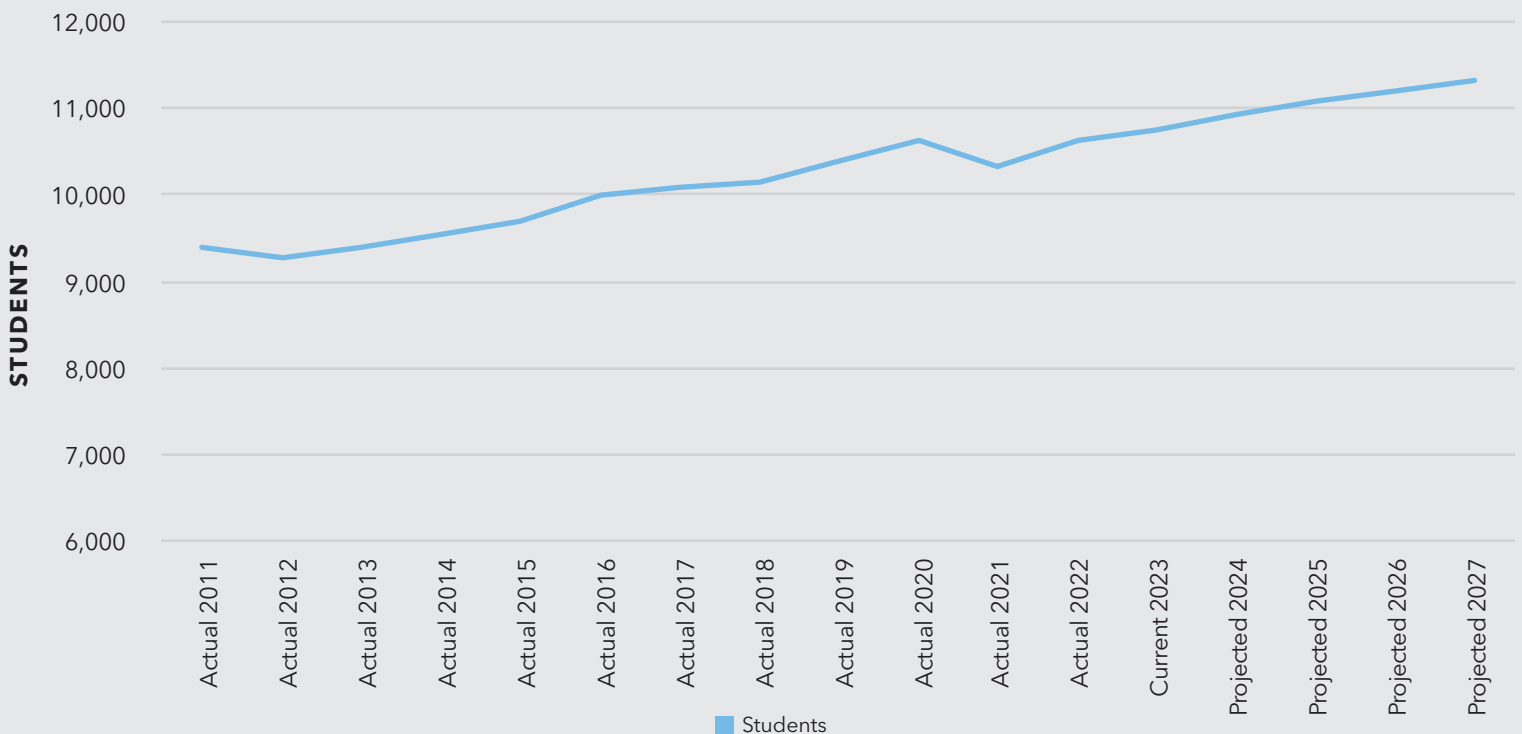
Five Year Forecast Amounts



WE ARE GROWING!

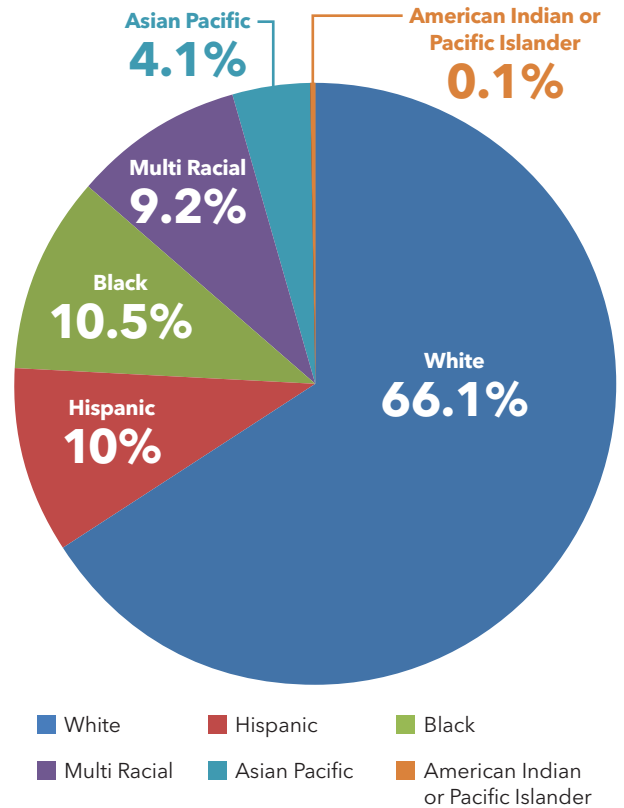
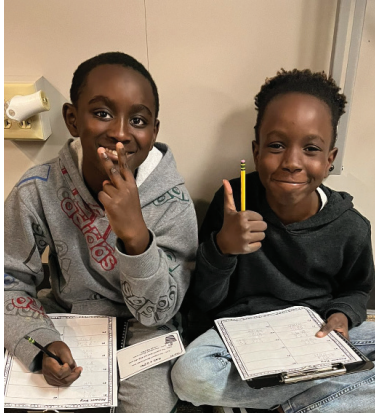
The District has added more than a thousand students over the past decade and enrollment projections indicate an additional approximately 600 more students over the next five years.

Enrollment FY11 to FY27



DID YOU KNOW?

Ethnicity



Worthington is a school district that is deeply committed to diversity, equity and inclusion. Over 32 percent of Worthington students are students of color, and 1,500 students come from multi-lingual homes where English is not their first language. We also embrace a broader, more inclusive definition of diversity than just race and have evolved that definition to: the collective mixture of our students, staff, families, and communities characterized by our differences and similarities. We committed resources this past year to implement building level diversity liaisons as well as increase culturally responsive classroom practices and will continue work on our strategic action plan of advancing academic excellence for all.

Assessed Property Tax Valuations and Rates

Collection Year	Total Assessed Property Value	Full Tax Rate	Effective Tax Rate
2022	\$2,430,534,070	107.64	53.93
2021	\$2,418,843,440	105.64	51.99
2020	\$2,094,637,200	104.09	57.61
2019	\$2,073,735,070	102.09	55.67

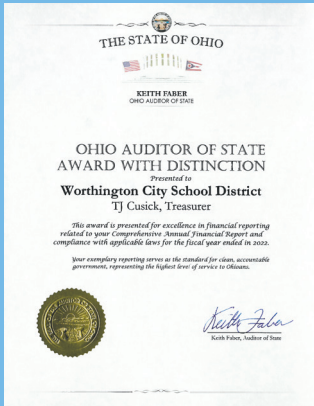
House Bill 920 and Property Reappraisal

The county auditor updates all property values every three years and performs a complete reappraisal every six years. The triennial update occurred in tax year 2020 and a full reappraisal will occur in tax year 2023. House Bill 920 serves to protect taxpayers by reducing the tax rate of existing levies (except inside mills) when property values increase. This has the effect of “equalizing” the actual tax collected by a school district regardless of changes from reappraisal. Thus unless a school district passes a new levy, the total revenue collected by the district will not materially increase due to reappraisal. Individual properties will fluctuate based on their change relative to the average change, but total district tax collected will not. This chart illustrates this process: district property value increased in 2021 from reappraisal and the effective tax rate decreased almost 6 mills. Long term this leads to flattening revenues and one of the main reasons why districts must return to voters periodically for new levies.

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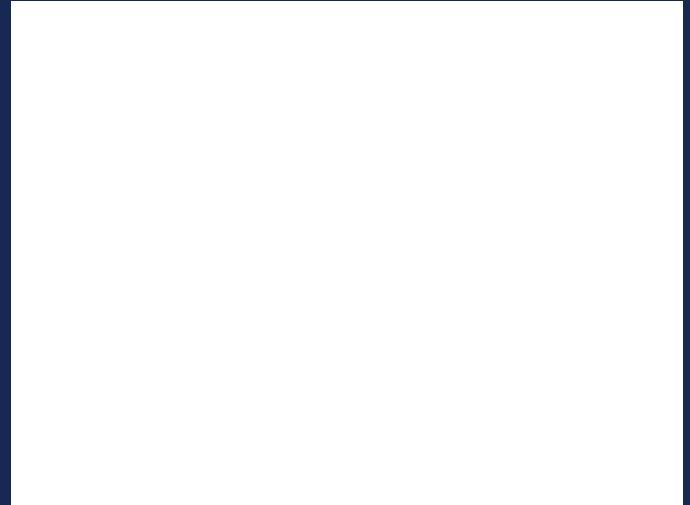


The District received the *Ohio Auditor of State's Award with Distinction* as a result of clean and accurate records for 2020-21. **Only roughly 5% of public entities across the state receive this prestigious award each year!**



Administrative Offices
Worthington Education Center
200 E. Wilson Bridge Rd.
Worthington, OH 43085
(614) 450-6000

OUR MISSION | **TO EMPOWER
A COMMUNITY OF
LEARNERS
WHO WILL
CHANGE
THE WORLD**



BOARD OF EDUCATION



PICTURED FROM LEFT TO RIGHT:

Nikki Hudson, Charlie Wilson, Vice President,
Amy Lloyd, President, Jennifer Best, Kelli Davis

OUR DISTRICT'S LEADERS



TRENT BOWERS
Superintendent
tbowers@wscloud.org



TJ CUSICK
Treasurer
tjcusick@wscloud.org

ADMINISTRATIVE OFFICES

(614) 450-6000
Worthington Education Center
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Worthington, OH 43085

Find us on social media

#ItsWorthIt

