

POPULAR ANNUAL FINANCIAL REPORT

For the Year ending June 30, 2023

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



DEAR RESIDENTS,

We are pleased to present to you the Popular Annual Financial Report for the 2022-23 school year. This report provides a brief summary of 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 2022-23 school year was an incredible one for Worthington Schools, with four major milestones accomplished:

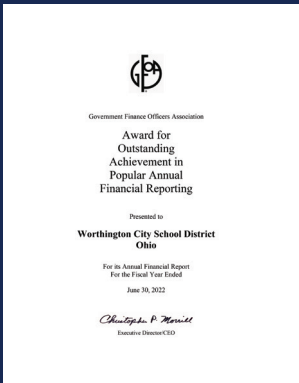
1. Passage of an operating levy, bond issue, and permanent improvement levy that will allow us to continue to provide a high-quality education while investing in our facilities, infrastructure and learning environments for the future.
2. New agreements with both our labor associations that will allow us stability in attracting and retaining the best educators and support staff for our students.
3. Successful new start and end times based on extensive research, community input, and a focus of student achievement.
4. Continued academic success by embracing the science of reading and collaborating with local businesses and academia to enhance the student learning experience.

As we celebrate the achievements of last year, we are equally excited to look toward the future. Most of you have probably noticed a bit of construction on 161! The passage of the bond issue allowed major high school renovations to begin at Thomas Worthington this past summer, and construction will soon begin at Worthington Kilbourne as well as the Natatorium later this winter. These projects will occur in phases with final completion targeted in the fall of 2026. It is truly exciting to watch these projects come to life that will benefit our students for generations to come.

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**, for our full in-depth financial statements and clean audit report.

SINCERELY,

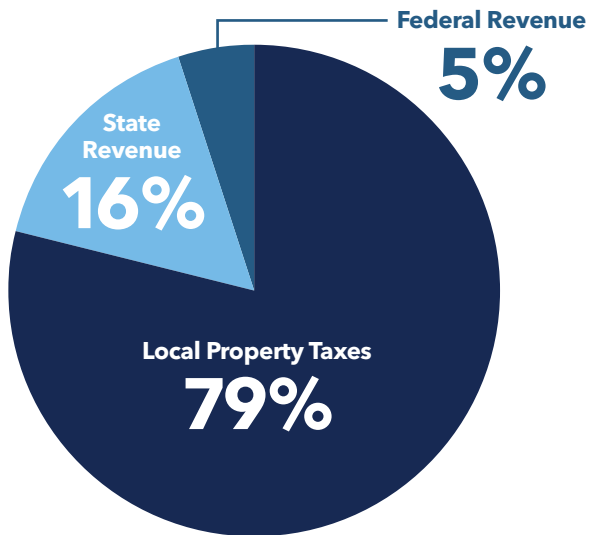
TJ CUSICK, CPA
Treasurer/CFO



This is the 15th consecutive year this report has earned recognition from the Government Finance Officers Association as an outstanding achievement.

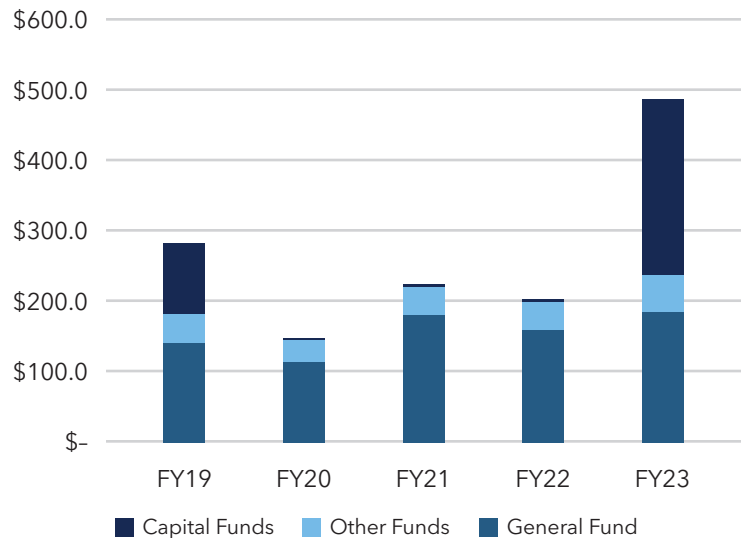
DISTRICT REVENUES AND RESOURCES

Total Revenues FY23 \$214.4 Million



Even though Ohio increased school funding in the latest state budget, Worthington is predominantly a locally funded school district, with local revenues accounting for 79% of total revenue in fiscal year 2023. Local revenue consists mainly of property taxes which totaled \$159.8 million. Of that amount, 66% comes from residential property and 34% from commercial and industrial property, which is quite different than it was 15 years ago when the split was about 50% residential and 50% commercial. This is due to a reduction in taxes assessed to businesses over the past few decades by the state legislature, positively impacting the state economy, but also leading to more reliance on residential property taxes for our particular District. State revenue totaled \$33.4 million, an increase of \$1.2 million from the prior year and consists of state educational formula aid, which was increased in the last biennium, 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 Resources FY23 \$478.4 Million

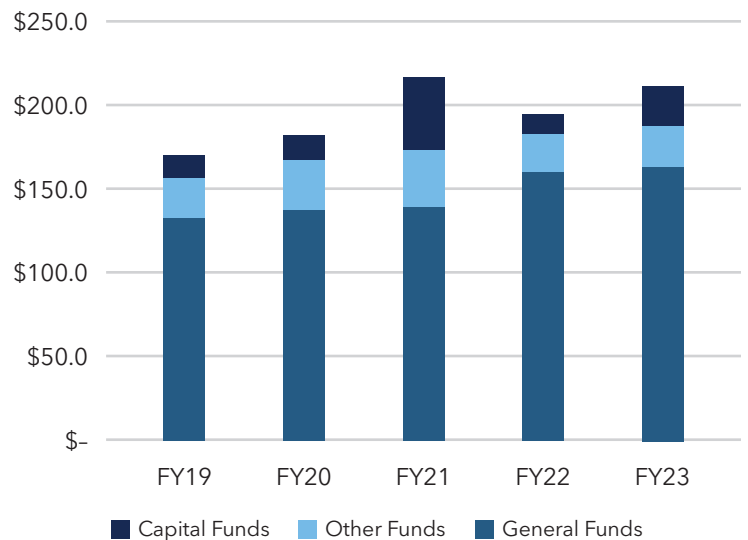
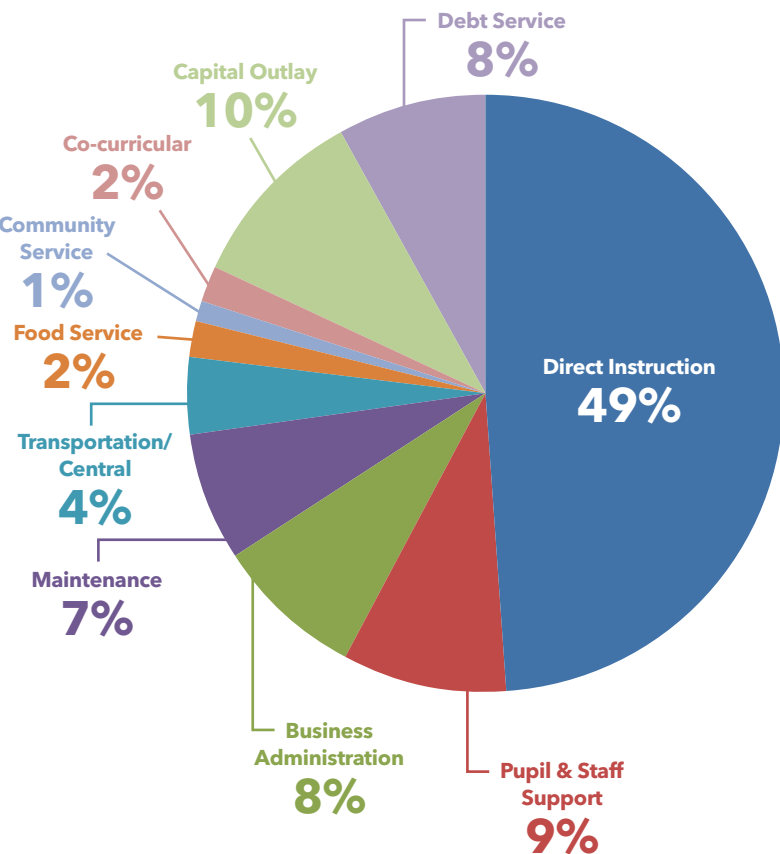


District resources can be broken down into three categories: general funds for day to day operations, capital funds for major building, infrastructure, and equipment outlays, and other funds, such as debt service and federal grants. As the bar graph illustrates, resources spiked in 2019 and 2023 due to the issuance of bonds to pay for Phases 1 and 2 of the District's Master Facilities Plan, improving our middle and high school facilities. Similarly, resources of other funds have grown as the District pays down those bonds. Resources of the general fund gradually increased over the past several years as each of the increments from our incremental levies were phased in. A dip in 2020 and spike in 2021 was due to timing and a delay in property tax due dates.



DISTRICT SERVICES AND EXPENDITURES

Total Expenses FY23 \$213.4 Million



Similar to resources, expenditures can be broken into three categories: general funds to cover day to day operations, capital funds for one time outlays, and other funds for debt service and grant activities. As the bar graph illustrates, major construction was completed in FY21 on the first phase of our facilities plan, middle school expansion and renovation, and construction just got under way in FY23 for the second phase, high school renovation. General fund expenditures have risen over the five year period as the District has increased staff for our growing enrollment, expanded support staff for students, and experienced inflationary growth on supply and material costs.

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

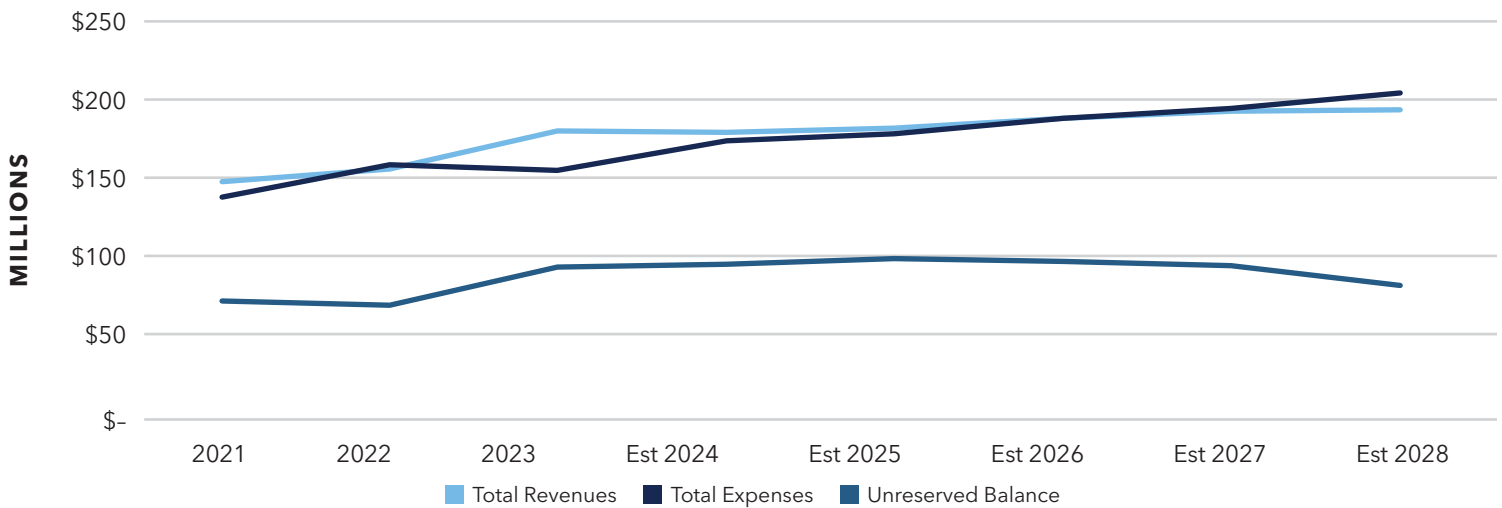
Principal and interest on debt.

LONG-TERM CHANGES IN OPERATING FUND BALANCE

The graph and chart below illustrate actual revenues, expenses, and fund balance of the District’s main operating fund for the past three years as well as projected amounts for the next five years. Revenue gradually increases from 2023 to 2026 due to the phase in of the incremental levy approved by voters in November 2022. In addition, the most recent state budget provided significantly more resources to K-12 public education in the short term, but significantly expanded the state’s voucher program as well. Together, these items provide financial stability over the next several years and allow for the continuation of current programs and offerings. However, like most suburban school districts, revenue eventually flattens, and deficit spending begins to grow, drawing down the unreserved fund balance.

Five Year Forecast Amount (In Millions)

	2021	2022	2023	Est 2024	Est 2025	Est 2026	Est 2027	Est 2028
Revenues	\$151.61	\$159.90	\$184.35	\$183.36	\$186.49	\$192.53	\$196.99	\$198.29
Expenses	\$142.50	\$162.93	\$159.19	\$178.31	\$182.79	\$192.39	\$199.07	\$208.57
Change in Fund Balance	\$9.11	\$(3.03)	\$25.16	\$5.05	\$3.70	\$0.13	\$(2.08)	\$(10.28)



Assessed Property Tax Valuations & Rates

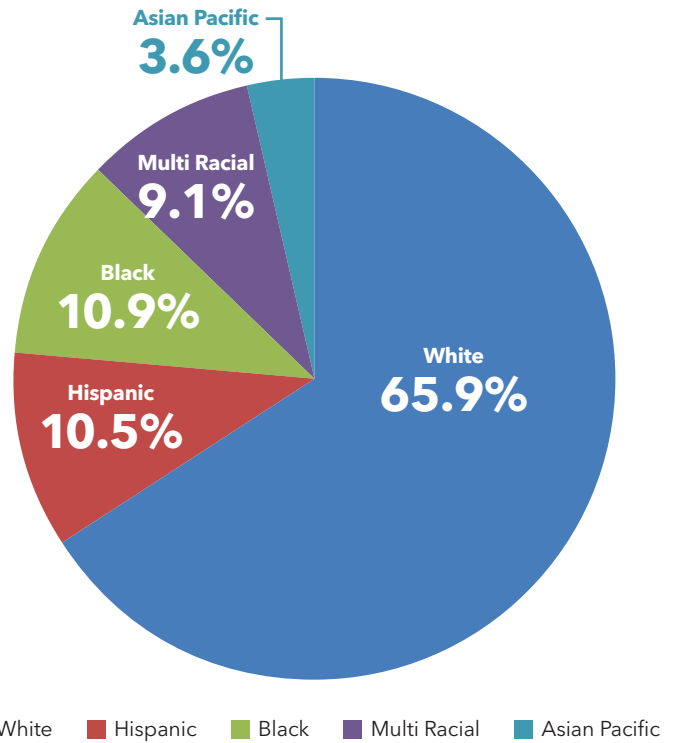
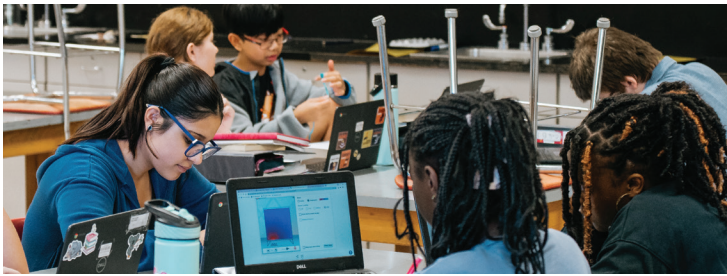
Collection Year	Total Assessed Property Value	Full Tax Rate	Effective Tax Rate
2024 (Projected)	\$3,222,138,560	115.44	47.68
2023	\$2,439,288,370	113.44	59.69
2022	\$2,430,534,070	107.64	53.93
2021	\$2,430,534,070	105.64	51.99
2020	\$2,094,637,200	104.09	57.61
2019	\$2,073,735,070	102.09	55.67

House Bill 920 & Property Reappraisal Impact

County auditors reappraise property values every three years to ensure a fair and equitable tax base. Much attention has been given to this year’s reappraisal due to higher than average increases. But did you know? 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. The chart illustrates this process: District property value increased in 2021 from reappraisal and the effective tax rate decreased 6 mills. If property values increase 35% for 2024, we project residential millage will drop by almost 12 mills.

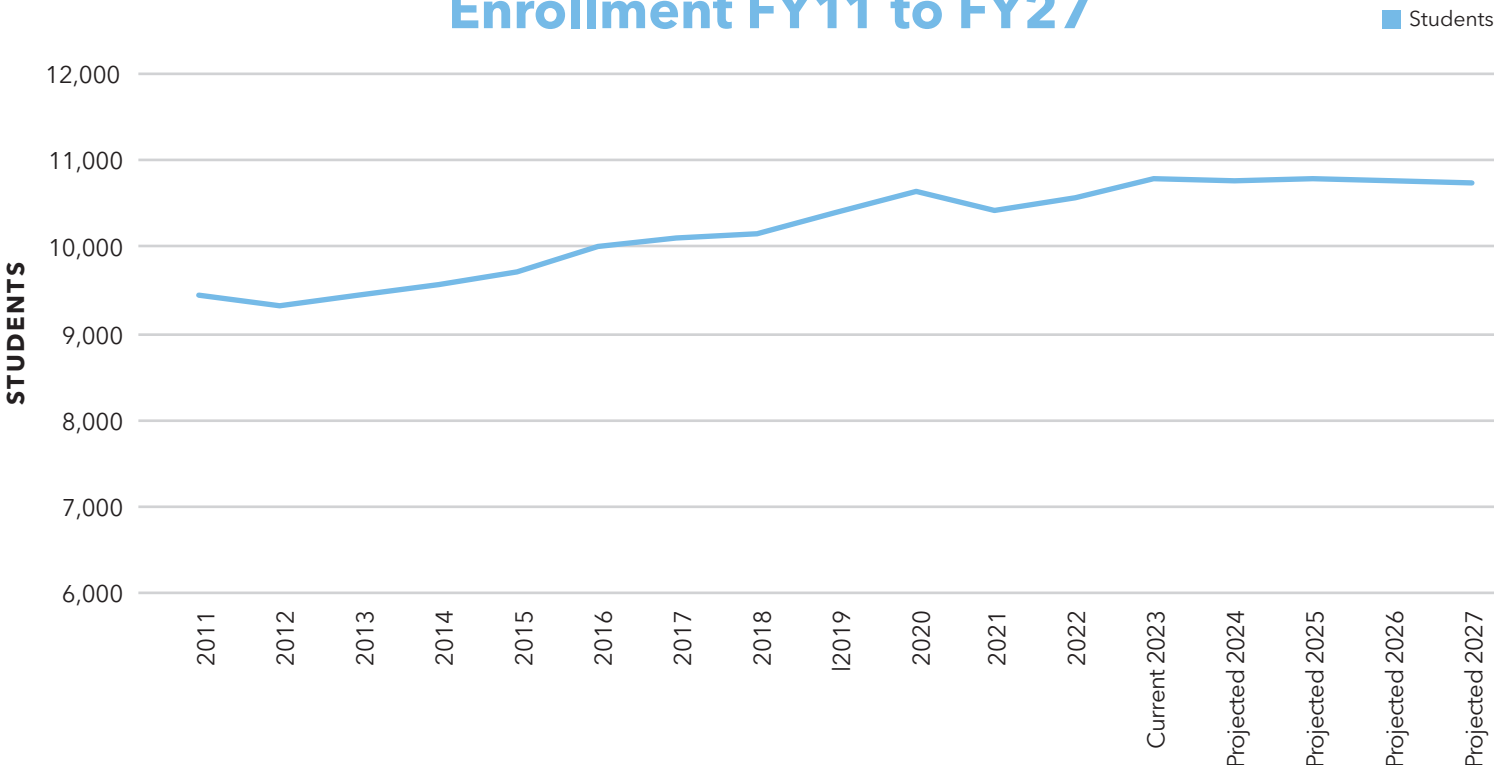
ENROLLMENT AND DEMOGRAPHICS

Student Enrollment & Diversity



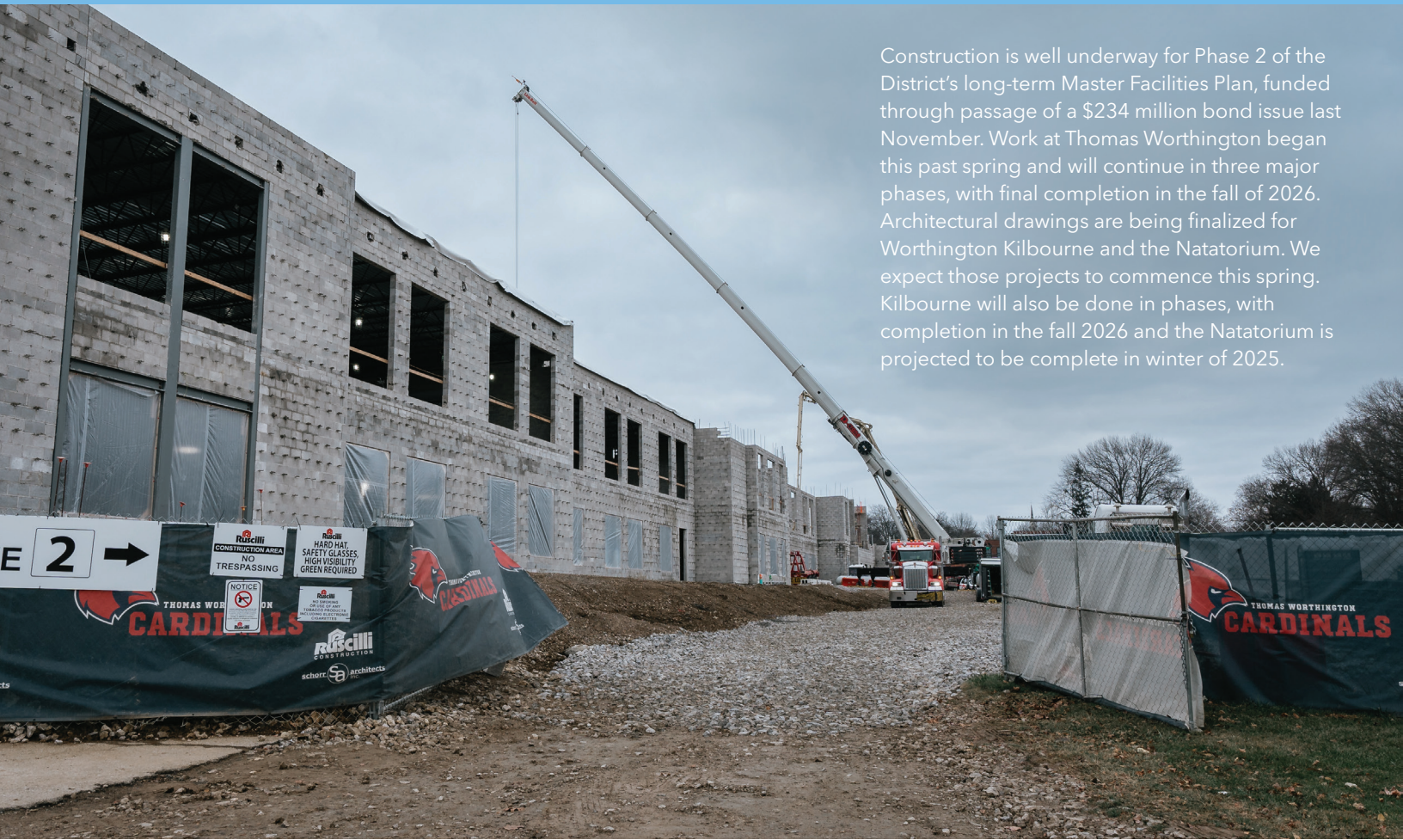
Worthington is a school district that is deeply committed to diversity, equity and inclusion. Over 32 percent of Worthington students are students of color, 1,560 students come from multilingual homes, and 850 students were born in other countries. We continue to invest in our DEI Champions, the building level diversity liaisons as well as increase culturally responsive classroom practices. Additionally, we are progressing well on equity gaps analysis as well as continuing our work on our strategic action plan of advancing academic excellence for all.

Enrollment FY11 to FY27



The District has added more than a 1,000 students over the past decade and recently updated its enrollment projections. Those projections show continued growth and a leveling off at around 11,000 students. It is still uncertain how COVID, birth rates, and voucher expansion, as well as the Intel development, will impact future enrollment. The District will obtain updated enrollment projections in 2024.

CAPITAL PROJECTS: BOND ISSUE



Construction is well underway for Phase 2 of the District's long-term Master Facilities Plan, funded through passage of a \$234 million bond issue last November. Work at Thomas Worthington began this past spring and will continue in three major phases, with final completion in the fall of 2026. Architectural drawings are being finalized for Worthington Kilbourne and the Natatorium. We expect those projects to commence this spring. Kilbourne will also be done in phases, with completion in the fall 2026 and the Natatorium is projected to be complete in winter of 2025.

2022 Bond Issue Summary • November 30, 2023

	Bonds Issued	Spent/Encumbered	Remaining Balance
Thomas Worthington	\$128,000,000	\$124,370,317	\$3,629,683
Worthington Kilbourne	\$76,000,000	\$10,694,090	\$65,305,910
Natatorium	\$13,000,000	\$1,442,235	\$11,557,765
Maintenance/Contingency	\$17,000,000	\$764,797	\$16,235,204
Total Available Fund Balance	\$234,000,000	\$137,271,439	\$96,728,562



CAPITAL PROJECTS: PERMANENT IMPROVEMENT LEVY

Permanent Improvement Annual Budget

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

Passage of a permanent improvement levy last November provides \$4.2 million annually dedicated to replace school buses, technology infrastructure, furnishings and equipment, and general deferred maintenance projects throughout the District.

Last school year the District replaced 9 buses, including purchasing its first electric bus (partly funded through a grant from American Electric Power). The District was awarded additional grant funds for 2 more electric buses that will be purchased next year. Other projects completed include new playground equipment at Colonial Hills Elementary and Evening Street Elementary, new entrance signs at Linworth and Evening Street, and upgrades to the track at McCord Middle.



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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 the 2021-22 school year (latest available). **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**

2023 BOARD OF EDUCATION



PICTURED FROM LEFT TO RIGHT:

Kelli Davis, Jennifer Best, Charlie Wilson (President), Amy Lloyd, and Nikki Hudson (Vice President).

OUR DISTRICT'S LEADERS



TRENT BOWERS
Superintendent
tbowers@wscloud.org



TJ CUSICK
Treasurer
tjcusick@wscloud.org

ADMINISTRATIVE OFFICES

(614) 450-6000
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Find us on social media
#ItsWorthIt

