



**Auditor of State  
Betty Montgomery**



**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

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**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>							
<i>Passed Through Ohio Department of Education:</i>							
Nutrition Cluster:							
Food Distribution Program			10.550	\$0	\$173,308	\$0	\$173,308
National School Lunch Program	LL-P4-02/03		10.555	202,673		202,673	
Special Milk Program	02-PU-03		10.556	12,810		12,810	
<b>Total U.S. Department of Agriculture - Nutrition Cluster</b>				<b>215,483</b>	<b>173,308</b>	<b>215,483</b>	<b>173,308</b>
<b>U.S. DEPARTMENT OF LABOR</b>							
<i>Passed Through Private Industry Council</i>							
Jobs Training Partnership Act		1991	17.246	0		752	
		1992		0		3,467	
Total Jobs Training Partnership Act				0		4,219	
<b>Total U.S. Department of Labor</b>				<b>0</b>		<b>4,219</b>	
<b>U.S. DEPARTMENT OF EDUCATION</b>							
<i>Direct:</i>							
Bilingual Education		2000	84.293	0		1	
		2001		0		67	
		2002		21,797		23,020	
Total Bilingual Education				21,797		23,088	
<i>Passed Through Columbus City School District:</i>							
Vocational Education – Basic Grants to State		2001	84.048	0		6,210	
		2002		66,888		45,882	
		2003		66,888		0	
Total Vocational Education - Basic Grants to State				133,776		52,092	
<i>Passed Through Ohio Department of Education:</i>							
Special Education Cluster:							
Special Education Grants to States (IDEA Part B)	6B-SF	2002	84.027	157,567		162,732	
		2003		477,894		471,437	
Total Special Education Grants to States				635,461		634,169	
Special Education - Preschool Grant	PG-S1	2002	84.173	10,426		11,635	
		2003		18,044		17,039	
Total Special Education - Preschool Grant				28,470		28,674	
<b>Total Special Education Cluster</b>				<b>663,931</b>		<b>662,843</b>	
Grants to Local Educational Agencies (Title I)	C1-SD	2000	84.010	0		1,398	
		2001		4,099		5,016	
		2002		14,265		24,881	
		2003		14,736		15,472	
Total Grants to Local Educational Agencies				33,100		46,767	
Emergency Immigrant Grant	E1-S1	2002	84.162a	0		1,969	
Drug-Free Schools Grant	DR-S1	2002	84.186	(115)		5,894	
		2003		35,060		31,458	
Total Drug-Free Schools Grant				34,945		37,352	

**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2003  
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
Eisenhower Professional Development State Grants Title II, Part B	MS-S1	2001 2002	84.281	15,171 1,397		15,846 10,691	
Total Eisenhower Professional Development State Grants				<u>16,568</u>		<u>26,537</u>	
Title V, Innovative Educational Program Strategies	C2-S1	2001 2002 2003	84.298	27,412 3,513 53,828		38,874 19,239 46,196	
Total Title V, Innovative Educational Program				<u>84,753</u>		<u>104,309</u>	
Title VI-R, Class Size Reduction	CR-S1	2000 2001 2002	84.340	0 15,267 24,356		2,040 29,572 23,356	
Total Title VI-R, Class Size Reduction				<u>39,623</u>		<u>54,968</u>	
School Renovation Assistive Technology Infusion Project	AT-S2	2002	84.352A	10,079		10,078	
Title III - Limited English Proficiency	T3-S1	2003	84.365	42,449		46,697	
Title II-A State Grants for Improving Teacher Quality	CR-S1	2003	84.367	128,552		120,572	
<b>Total U.S. Department of Education</b>				<b><u>1,209,573</u></b>		<b><u>1,187,272</u></b>	
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY:</b>							
<i>Passed Through Ohio Emergency Management Agency:</i>							
Public Assistance Grant	DR-1453-OH		83.544	4,365		4,365	
<b>Total Federal Emergency Management Agency</b>				<b><u>4,365</u></b>		<b><u>4,365</u></b>	
<b>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES:</b>							
<i>Passed Through Upper Arlington Schools:</i>							
Learn and Serve Grant			94.004	3,750		2,271	
<b>Total U.S. Corporation for National and Community Services</b>				<b><u>3,750</u></b>		<b><u>2,271</u></b>	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>							
<i>Passed Through Ohio Department of Education</i>							
Refugee Children School Impact Grant	TR-S1	2002 2003	93.576	0 1,500		10,067 1,440	
Total Refugee Children School Impact Grant				<u>1,500</u>		<u>11,507</u>	
<b>Total U.S. Department of Health and Human Services</b>				<b><u>1,500</u></b>		<b><u>11,507</u></b>	
<b>U.S. DEPARTMENT OF ENERGY:</b>							
<i>Passed Through Ohio Department of Development:</i>							
Million Solar Roofs Initiative			81.119	0		3,000	
<b>Total U. S. Department of Energy</b>				<b><u>0</u></b>		<b><u>3,000</u></b>	
<b>Totals</b>				<b><u>\$1,434,671</u></b>	<b><u>\$173,308</u></b>	<b><u>\$1,428,117</u></b>	<b><u>\$173,308</u></b>

The accompanying notes to this schedule are an integral part of this schedule.

**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2003**

**NOTE A--SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B—CHILD NUTRITION CLUSTER**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This nonmonetary assistance (expenditures) is reported in the Schedule at the fair market value of the commodities received.

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2003, the District had food commodities valued at \$51,215 in inventory.

**NOTE C – REFUND OF PRIOR YEAR RECEIPTS TO THE OHIO DEPARTMENT OF EDUCATION**

The Schedule includes negative receipt amounts for refund of prior year receipts to the Ohio Department of Education. These refunds are due to the expiration of period of availability and are as follows:

<b><u>Grant</u></b>	<b><u>CFDA Number</u></b>	<b><u>Grant Year</u></b>	<b><u>Amount of Repayment</u></b>
Eisenhower Professional Dev – Title II, Part B	84.281	2002	\$ 5,739
Title I	84.010	2001	917
Drug- Free Schools	84.186	2002	4,755
Title VI – R, Class Size Reduction	84.340	2002	<u>9,739</u>
<b>Total</b>			<b>\$ 21,150</b>

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## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Worthington City School District  
Franklin County  
200 East Wilson Bridge Road  
Worthington, Ohio 43085

To the Board of Education:

We have audited the financial statements of Worthington City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2003, and have issued our report thereon dated February 6, 2004, wherein we noted the District implemented GASB 34, reclassified funds, increased their capital assets threshold and corrected an error in reporting property tax revenue. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated February 6, 2004.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2003-002.

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated February 6, 2004.

This report is intended for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
**Auditor of State**

February 6, 2004



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL PROGRAMS, INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES

Worthington City School District  
Franklin County  
200 East Wilson Bridge Road  
Worthington, Ohio 43085

To the Board of Education:

#### Compliance

We have audited the compliance of Worthington City School District, Franklin County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. We noted a certain instance of noncompliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated February 6, 2004.

#### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Federal Awards Receipts and Expenditures**

We have audited the basic financial statements of the District as of and for the year ended June 30, 2003, and have issued our report thereon dated February 6, 2004, wherein we noted the District implemented GASB 34, reclassified funds, increased their capital assets threshold, and corrected an error in reporting property tax revenue. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



**Betty Montgomery**  
**Auditor of State**

February 6, 2004

**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
JUNE 30, 2003**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
--

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Nutrition Cluster 10.550/10.553/10.555 Title II-A State Grants for Improving Teacher Quality 84.367
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 §.505  
JUNE 30, 2003  
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

<b>Finding Number</b>	<b>2003-001</b>
-----------------------	-----------------

**Ohio Revised Code Section 5705.41(D)(1)** prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

This are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

**1. "Then and Now" certificate** – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the District can authorize the drawing of a warrant for the payment of the amount due. The District has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirements for approval of expenditures by the District.

**2. Blanket Certificate** - Fiscal officers may prepare so-called "blanket" certificates not exceeding \$5,000 against any specific line item account over a period not exceeding three months or running beyond the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

**3. Super Blanket Certificate** – The District may make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the fiscal year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

The District did not properly certify the availability of funds prior to purchase commitment for fifty percent of the expenditure transactions tested and there was no evidence that the District followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2003  
(Continued)

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

<b>Finding Number</b>	<b>2003-002</b>
-----------------------	-----------------

**Food Service Receipts**

**Reportable Condition**

The District does not maintain complete and accurate records to ensure completeness of food service receipts. Cash registers and "Point of Sale" computer systems are utilized by eight schools within the District. These systems provide daily tapes, which are sufficient to ensure completeness of daily receipts for these eight schools. The remaining ten schools utilize tally sheets which list the individual students' names. Whether students at these schools pre-pay for lunches or pay on the day they buy lunch, the cashiers make the same mark next to the child's name. As a result, the District was unable to determine which students actually paid on a specific day. At the end of the day, cashiers simply count the money in their money box; they are not able to compare the money collected to the number of students who bought lunch for the day to ensure completeness of the revenue. Without procedures in place to ensure the completeness of food service revenue, possible errors or irregularities may occur and go undetected by management.

We recommend the District establish appropriate internal control procedures to ensure the completeness of food service revenue. The District may consider utilizing cash registers at more of the school buildings, or maintain tally sheets which identify when students pay for their lunch so that the tally sheets can be reconciled to the daily collections.

**3. FINDINGS FOR FEDERAL AWARDS**

NONE

**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A -133 §.315 (b)  
JUNE 30, 2003**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2002-10625-001	ORC 5705.39 Appropriations exceed estimated resources for the Bond Retirement Fund and the Building Fund.	Yes	<p>Worthington City Schools was in a flux of Treasurers during the audit period. In the midst of the changeovers, the Ohio Revised Code requirement under 5705.36 to certify to the county auditor the total amount from all sources which are available for expenditures from each fund was not completed by the district. Therefore, the Official Certificate of Estimated Resources was misstated. The problem was compounded when each amendment to the Certificate of Estimated Resources was building on "bad" numbers. Proper unencumbered balances were determined at June 30, 2002.</p> <p>For fiscal year 2003 the District has met the statutory deadline for its certification to the county auditor the total amount from all sources available for expenditure from each fund. The Treasurer and the Board of Education carefully review budgetary activity to ensure appropriations do not exceed estimated resources.</p>
2002-10625-002	Pre-paid lunch receipts are commingled with daily lunch receipts and not marked separate on the daily tally sheets. As a result, tally sheets can not be reconciled to daily collections.	No	<p>Worthington City Schools is in the process of converting 6 elementary schools to an electronic point of sale (POS) system to account for school lunch receipts. The 2 high schools use cash registers to maintain accountability. The remaining 6 elementaries and the 4 middle schools use tally sheets. The District plans to have all the elementaries converted to the POS system by school year 2004, the middle schools converted the following year 2005.</p>
2002-10625-003	Virtual Middle School Project Phase 11 – notification to private school officials for participation in the program	Yes	<p>Worthington City Schools is cognizant of the requirement of Title 1, Section 1120 of IASA requiring the district to consult with private school officials regarding participation in federally funded programs. In this instance, Worthington contacted eligible private schools inquiring of their desire to participate in the Virtual Middle School program during phase one of the program. However, Worthington did not consult eligible private schools for the second phase. This was a mistake on the part of the grant writers. The grant was closed September 30, 2003. Grant writers have been informed of the correct procedure. In the future, eligible private schools will be asked if they want to participate in federally funded programs.</p>



# WORTHINGTON CITY SCHOOL DISTRICT



Worthington Schools . . . Where Excellence Is A Tradition

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT** *For Fiscal Year Ended June 30, 2003*

**Board of Education  
Of  
Worthington City School District**

**Worthington, Ohio**



# **WORTHINGTON CITY SCHOOL DISTRICT**

**Worthington, Ohio**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

*For Fiscal Year Ended June 30, 2003*

**Issued by:  
Office of the Treasurer**

**Jonathan Boyd  
*Treasurer***



**WORTHINGTON CITY SCHOOL DISTRICT**

# **I N T R O D U C T O R Y S E C T I O N**



Worthington Schools . . . Where Excellence Is A Tradition



# WORTHINGTON CITY SCHOOL DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2003

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# Worthington Schools

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February 9, 2004

To the Board of Education and the Citizens of the Worthington City School District:

As the Superintendent and the Treasurer of the Worthington City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2003. This CAFR is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

This CAFR is presented in three sections:

- The **Introductory Section** includes a title page, the table of contents, this transmittal letter, a list of principal officials, and the District's organizational chart.
- The **Financial Section** includes the independent auditor's report on the financial statements, management's discussion and analysis, basic financial statements, required supplementary information, and the combining and individual fund financial statements and schedules that provide detailed information relative to the basic financial statements.
- The **Statistical Section** includes selective financial, economic, and demographic information, generally presented on a multi-year basis for comparative purposes.

The Office of the Treasurer is responsible for the accuracy of the data presented and the completeness and fairness of this presentation. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to acquire the maximum understanding of the District's financial activity are included herein.

## Reporting Entity

The District is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the District to have a charter or adopt

# WORTHINGTON CITY SCHOOL DISTRICT

local laws. The District is not a part of, nor under the control of, the City of Worthington.

The District encompasses approximately twenty (20) square miles. The District's boundaries include all of the City of Worthington and the Village of Riverlea, and portions of the City of Columbus, as well as unincorporated territory lying within Perry Township and Sharon Township. The District lies entirely within the boundaries of Franklin County.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the school District only (i.e. there are no component units).

## **Organization of the School District**

An elected five-member Board of Education (the Board) serves as the taxing authority and policy maker for the District. The Board adopts an annual tax budget and an annual appropriations resolution, which serves as the basis for control over and authorization for all expenditures of District tax money. The Board directly approves all personnel-related expenditures.

The Superintendent is the chief executive officer of the District, responsible to the Board for total educational and support operations. The Treasurer is the chief financial officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, preparing of the District's 5-year forecast, and investing idle funds as permitted by Ohio law. Administrative personnel reporting to the Superintendent include the Assistant Superintendent of Administrative Services, Assistant Superintendent of Teaching and Learning, the Director of Certified Personnel, and the Director of Communications.

## **Economic Outlook**

On May 8, 2001 the voters of Worthington City School District approved a new operating levy of 6.29 mills which was certified to generate \$10 million per year, beginning with the 2001 tax year collected in the 2002 calendar year, the first six months of which appeared in the last half of the 2002 fiscal year, and the final six months which was collected in the first half of the 2003 fiscal year. The levy passed

## WORTHINGTON CITY SCHOOL DISTRICT

with 54% approval and was the first new operating levy approved since November, 1994. This was the District's second attempt to pass a new operating levy with the November, 2000 levy for 7.48 mills being defeated. Besides the passage of the levy, the District laid out a plan to reduce operations by \$6.2 million. Passage of the May 2001 levy and the budget reductions were necessary to eliminate a projected \$10.5 million deficit for the 2002 fiscal year.

When the District's 5-year forecast was completed for October 2002 it revealed that there was going to be significantly less revenue than was anticipated previously. As a result, the District reduced annual operating expenses by an additional \$5.8 million in May 2003. This reduced the District's anticipated deficit in June 2005 from \$12 million to \$2 or \$3 million. The anticipated deficit has now reached \$3.9 million. The Board of Education plans to place an operating levy on the March 2, 2004 ballot to eliminate the deficit and provide funds for an additional two year period in order to allow a community engagement process to gather input on what program and services should be provided as well as how they will be funded.

An important concern for the long-term financial health of the District is declining student enrollments. The District is currently analyzing data which indicates that the District is facing an average of a 3% decline in student enrollment each year for the next 5 years. This decline is appearing in the elementary schools and will work its way up through the different grade levels. This is the result of reduced births by the District's citizenry as a whole, as it citizenry continues to age. Declining enrollment will have a detrimental impact upon State funding and has been considered while preparing the District's 5 year financial forecast. In order to reduce excess capacity, the District is currently wrapping up a two year process to come up with a plan to reconfigure the elementary program to create efficiencies, close one or more buildings, or a combination of both. A final report is expected in late January 2004.

Two other important concerns for the long-term financial health of the District is that construction has nearly saturated, which has resulted in the District almost running out of undeveloped land for future new construction and that the Ohio Legislature will continue to erode the tax base of the District by further reductions in our tangible tax base. The new construction issue is currently the most grievous of the two. In the 11 year period prior to 2002, the District experienced an average new construction growth on new homes at a 3.3% annual average growth, which provided between \$1 and \$2 million annually in new construction revenue. This source of revenue allowed the District to virtually ignore the flaws in the Ohio school funding process which allowed the District to design, build, hire, and put into place the program and staff which has allowed the District to provide a successful education which is second to none in the State of Ohio. Unfortunately, new construction has dropped significantly to an estimated .5% growth for the next five years and then will drop to nearly zero. The District must now either reduce its program to a level which is provided for by state funding with supplemental help from tax payers or the tax payers must begin to pay

## WORTHINGTON CITY SCHOOL DISTRICT

substantially more taxes in order to neutralize the flaws in the state funding system. In regards to the erosion of the District's tangible tax base, the District is experiencing significant reductions in taxable values as a result of the state's decline in inventory values. This will result in unrealized revenues in future years which equate to hundreds of thousands of dollars annually.

A final area of concern is that on March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school-funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 2003, the District received approximately \$14,246,000 of school foundation support for its general fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case.

As of the date of these financial statements, the District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

### **Major Initiatives**

The 2002-03 school year was a very challenging year for the District. In September of 2002 the Treasurer informed the Board and community that there were some significant reductions in anticipated operating revenues. When faced with a changing revenue outlook for future years, the Board of Education began an immediate

# WORTHINGTON CITY SCHOOL DISTRICT

informational campaign to inform the staff and community of the changes and their impact upon long term operations of the District. This campaign included over 50 presentations to staff and community organizations by the Superintendent and Treasurer, numerous newspaper articles, informational communications and three public forums. During this time a two year cost reduction plan was put into place to address \$9.4 million of the \$12 million deficit forecasted for June 30, 2005, which included the reduction of \$4.7 million annually in personnel costs.

## Strategic Plan

The 2002-03 school year was the District's third year of operation under a new Strategic Plan. This plan, named "Focus on the Future – Cornerstone of Success," was developed collaboratively with input from staff, students, and the community. Following are the District's Mission Statement and Beliefs:

### Mission Statement

Provide a quality education to all students so they will achieve their potential in a dynamic world.

### Beliefs

- Students develop best in a nurturing and challenging learning environment.
- All people are valued and respected.
- High standards are the expectations for performance.
- Trust, collaboration and shared goals are integral to achieving the mission.
- Individual responsibility is fundamental to learning.
- Individual practices that support the mission are encouraged.
- Innovative teaching strategies stimulate effective learning.
- Education is a partnership with the whole community.
- Learning throughout life is essential.
- Accomplishments are celebrated.

## **Curriculum Developments**

Because of changes in the state curriculum, the District prepared and implemented a new course of study for language arts, mathematics, science, and social studies.

### College Entrance Exams

Results from the 2003 administration of the ACT and SAT tests reflect a continued pattern of exceptional student performance that surpasses both state and national averages. On the ACT test the District's 2002 composite score was 23.5, on the SAT test the 2002 averages were verbal 540 and math 576.

# WORTHINGTON CITY SCHOOL DISTRICT

## Outcomes

The outcomes of the strategic plan, curricular developments, staff training and planning are the achievement of a perfect score on state report card for three years in a row. The District achieved 22 of 22 criteria in the 2003 report card, 27 of 27 criteria for the 2002 report card and 27 of 27 criteria for the 2001 report card. The District is the only school District in Franklin County to achieve a perfect score for three years in a row and is also the largest school District in the state to achieve a perfect rating for the same period.

## Community Relations

A continuous goal of Worthington Schools is to improve communication with the various internal and external groups that comprise the District. To that end, in 2002-03 Worthington Schools sponsored community forums; held advisory groups made up of students, staff and community members.

## Certified Personnel/Human Resources

### Reorganization

Plans were underway at the end of the fiscal year to reorganize the personnel functions for both certificated staff and non-certificated under one department. Previously certificated staff issues were handled by the Certified Personnel Department and non-certificated staff issues were handled by the Business Services Department. Since the end of the fiscal year this process has been completed and has begun to show the efficiencies that were anticipated during the planning process for the reorganization.

During the 2003 fiscal year the District hired a new Director of Personnel as a result of the retirement of the previous director. Besides the normal transition issues, the new Director had to assist in the very laborious process of determining the savings associated with reductions in staff given the complexities of the bargaining unit agreements. The District laid off and/or eliminated through attrition 52 teachers, 27 support staff and 4 administrators which would save the District \$4.7 million annually in personnel costs.

### Securing Substitute Teachers

Maintaining a large number of qualified substitutes is an ongoing challenge. Personnel continually recruits and interviews certified and non-certified candidates to replace substitutes who are getting full-time positions in Worthington, other school Districts or outside education. The change in law that permitted individuals with a bachelor's degree to obtain a substitute certificate has helped us find some quality people.

The District signed on approximately 70 "pool" substitutes who work only in Worthington everyday. This number changes constantly as these are people are placed

## WORTHINGTON CITY SCHOOL DISTRICT

in long-term assignment when a teacher is on an extended leave and in positions when teachers resign from the District. Identifying "pool" substitutes has greatly reduced the number of classes that have been uncovered this year and helps us to have better quality candidates available for replacing teachers who resign in the middle of the year.

The District has approximately 200 substitutes who work for us when we have a need beyond what can be covered with the "pool" substitutes. Many of these people will only work on specific days, at specific schools or in certain subjects or grade levels. Since we have not had as much need for casual substitutes, they are working more for other school Districts and are not as available when we do need them.

### **District Operations**

#### Business Services

The Business Services Department continued to manage construction projects occurring around the District as a result of a 1997 bond issue. Projects were grouped in packages to take advantage of economies of scale and organizational efficiency. Requests for proposals were issued to design professionals as necessary and the work was completed.

As a partner with the Metropolitan Education Council, the Worthington City Schools is able to realize tremendous buying power that translates into significant savings for an individual school District. One example of this is the Self-Help Gas program. By choosing this partnership arrangement, Worthington City Schools was able to save approximately \$100,000 over projected natural gas costs without such a partnership.

In an effort to improve response time to work orders, the Business Services Department developed and implemented a software-based work order process. The schools received training on the new software, which permits work request entry through the District intranet site.

Business Services also facilitated a joint project between the Worthington Schools and the Worthington Parks and Recreation Department. This project entailed the construction of baseball diamonds and field improvement at Perry Middle School. Both the city and school District worked with architects on the design and implementation of the project.

#### Financial Services

Superintendent Rick Fenton introduced a zero-based, priority-driven budgeting process to the Worthington Schools during the 2000-01 School Year. The process was completed in three phases: Phase 1 of the budget entry process included the entry of requests for District level programs. These requests involved personnel, field trips, equipment and furniture, facility repairs, management computer projects, hardware and software. Reports containing this information were provided to the administrator in

# WORTHINGTON CITY SCHOOL DISTRICT

charge for review and possible inclusion into their budget requests. Phase 2 entailed the entry of budget requests for site accounts. Phase 3 of this project involved the identification of each approved request, collection of the aggregate total, and movement of the total to the parallel accounts in the accounting system.

## Operating Levy

The Worthington School District passed its last operating levy in May 2001 for the amount of 6.29 mills and was intended to fund operations for three years. Because of the way Ohio's school funding structure is set up, Districts must go back to voters about every three years for additional operating dollars. The Worthington Board of Education is placing an operating levy on the March 2, 2004 ballot. Tax revenues are no longer sufficient to maintain the current educational program in place in the Worthington Schools. Without approval of a levy or additional cuts in staff and programs, the District faces a \$3.9 million deficit by June 30, 2005. The District approved \$6.2 million in budget reductions in May 2001 and then \$5.8 million in reductions in May of 2003. The cuts in 2003 were not anticipated in 2001 when the levy was passed but were instituted as a result of anticipated revenues not being received during the 2002 and 2003 fiscal years as well changing expectations for the future. These cuts were necessary in order for the Board of Education to keep their word and make the levy last 3 years.

## **Financial Information**

This is the first year that the District has prepared financial statements following GASB Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." GASB Statement No. 34 created new basic financial statements for reporting on the District's financial activities as follows:

- **Government-wide financial statements** – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses.
- **Fund financial statements** – These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities presented in the government-wide financial statements. Proprietary and Fiduciary funds use the accrual basis of accounting.
- **Statement of budgetary comparison** – This statement present comparisons of actual information to the legally adopted budget for the general fund. The budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.



# WORTHINGTON CITY SCHOOL DISTRICT

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. The discussion is located in the financial section of this report, following the audit opinion, and provides an assessment of the Districts' finances of 2002-03.

## Internal Control

In developing and revising the District's accounting and internal control system, the Treasurer has considered the adequacy of internal controls to provide reasonable, but not absolute, assurance regarding:

- the safeguarding of assets against loss from unauthorized use or disposition; and
- the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that:

- the cost of a control should not exceed the benefits likely to be derived; and
- the evaluation of costs and benefits requires estimates and judgments by management.

Management believes that the internal controls adequately meet the above objectives.

## Budgetary Controls

All governmental, proprietary and private purpose trust fund types are subject to annual expenditure budgets. The procedures below outline the District's budgetary procedures:

1. A Tax Budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the fiscal year commencing the following July 1. The Worthington Board of Education normally adopts the Tax Budget at its organization meeting in early January.
2. The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.
3. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end. Encumbered appropriations are reported as expenditures in the current year budget

## WORTHINGTON CITY SCHOOL DISTRICT

basis statement of revenue, expenditures and changes in fund balance. The Board of Education adopted its appropriation measure on September 26, 2002. The legal level of budgetary control is at the fund, 1 level function, 1 level object for the General fund. All other funds budget at the fund level. The appropriation measure may be amended or supplemented during the year as new information becomes available. Management controls the budget at their building or department level and may transfer funds within their individual budgets throughout the year. The final appropriations measure including all transfers made by management was approved by the Board of Education on June 30, 2003.

Additionally, the District maintains an encumbrance accounting system as a useful technique of accomplishing budgetary control. Under encumbrance accounting, purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation.

The District prepares its budget on a basis of accounting that differs from GAAP. The actual results of operations are presented in the Schedules of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual in accordance with the budget basis of accounting.

The "level of expenditure detail" is defined by the Auditor of State of Ohio Uniform School Accounting System User Manual. The object identifies the service or commodity obtained as the result of a specific expenditure (e.g. salaries and wages, purchased services, supplies and materials). The function describes the activity a person performs or the purpose for which an expenditure is made. The following is a summary of the definitions used when categorizing governmental expenditures by function:

*Regular Instructional Services* - Instructional activities designed primarily to prepare pupils for the necessary activities as citizens, family members, and workers. Regular instructional services include those instructional services that are not otherwise categorized as special, vocational or continuing instructional services.

*Special Instructional Services* - Instructional activities designed primarily to deal with pupil exceptionalities. The special instruction service areas include Pre-primary, Elementary, and Secondary services for the: i) academically gifted; ii) handicapped; iii) culturally different; iv) disadvantaged; and v) other special.

*Vocational Instructional Services* - Instructional activities designed to prepare youths and adults, in an efficient and timely fashion, to make informed career choices and to successfully enter, complete, and advance in a changing work environment.

*Continuing Instructional Services* - Instructional activities designed to develop knowledge and skills to meet immediate and long-range educational objectives for

## WORTHINGTON CITY SCHOOL DISTRICT

pupils who have completed or interrupted formal schooling and have accepted adult roles and responsibilities.

*Operation and Maintenance of Plant Support Services* - Those activities concerned with keeping the physical facilities open, comfortable and safe for use. This includes activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools.

*School Administration Support Services* - Those activities concerned with overall administrative responsibilities for a single school, group of schools, or the entire District.

*Pupils Support Services* - Those activities which are designed to assess and improve the well being of pupils and to supplement the teaching process (e.g. guidance services, health services, psychological services).

*Instructional Staff Support Services* - Activities associated with assisting the instructional staff with the content and process of providing learning experiences for pupils (e.g. instructional staff training services, educational media services).

*Business Operations Support Services* - Those fiscal service activities related to the financial operations of the District. This includes budgeting, accounting, payroll and other fiscal services provided by the treasurer's office. In addition, the business operations function comprises those activities related to the business manager's operational unit including, purchasing, receiving, transporting, exchanging and maintaining goods and services for the District.

*Student Transportation Support Services* - Those activities concerned with the conveyance of individuals to and from school, as provided by state law. It includes transportation to school and school-related activities.

*Central Support Services* - Those activities, other than general administration, which support each of the other instructional and supporting services programs, including planning, research, development, evaluation, information staff, statistical, and data processing services.

*General Administration Support Services* - Activities concerned with establishing and administering policy in connection with the operation of the District.

*Facilities Acquisitions and Construction Services* - Those activities concerned with acquiring land and buildings, remodeling or constructing buildings, making additions to buildings, and initially installing or extending service systems and other equipment.

# WORTHINGTON CITY SCHOOL DISTRICT

*Co-curricular Activities* - Student activities, which are supervised by qualified adults, 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 the 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.

*Community Services* - Payments made by the District to support activities that do not directly relate to providing education for pupils in the District. These include services, such as community recreation programs, civic activities, and community welfare activities, provided to the District for the community as a whole or for some segment of it.

## **General Government Functions**

### **Revenue Narrative**

Revenues for all governmental fund types totaled \$110,156,943 in 2003, as compared to \$96,527,005 in 2002. The following table summarizes the composition of the 2003 and 2002 revenues by source:

<u>Revenue by Source</u>	<u>2003</u>	<u>2002</u>	<u>% Increase/ (Decrease)</u>
Property taxes	\$ 77,987,633	\$ 65,901,275	18.34%
Intergovernmental	28,258,669	27,916,170	1.23%
Investment income	407,404	664,559	(38.70%)
Other	3,503,237	2,045,001	71.31%
Total	<u>\$ 110,156,943</u>	<u>\$ 96,527,005</u>	14.12%

The increase in Property taxes is a result of the timing of the certification of revenues available by the County Auditor. On a cash basis these revenues remained stable. Investment income decreased as a result of lower cash balances available for investment throughout the year as compared to fiscal year 2002, and declining interest rates.

### **Expenditure Narrative**

Expenditures for all governmental fund types totaled \$112,672,106 in 2003, as compared to \$109,104,772 in 2002. The following table summarizes the composition of the 2003 and 2002 expenditure by major function:

## WORTHINGTON CITY SCHOOL DISTRICT

*Current:*

Instructional services	\$ 59,685,321	\$ 56,520,441	5.60%
Support services	38,473,504	36,142,847	6.45%
Co-curricular student activities	2,546,701	2,294,699	10.98%
Community service	55,950	12,250	356.73%
<i>Capital outlay</i>	487,521	1,782,704	(72.65%)
<i>Debt Service:</i>			
Principal & Interest	11,423,109	12,354,999	(7.54%)
Total	\$ 112,672,106	\$ 109,107,940	3.27%

The increases in instructional, support services and co-curricular student activities are attributable to contracted salary increases and slightly higher than expected medical claims. The decrease in capital outlay is a result of the purchase of the administrative facility in prior year.

### **Proprietary Operations**

#### **Enterprise Fund**

The District's Enterprise Fund consists of the Food Service Fund. The Food Service Fund operates cafeterias at each of the District's schools and provides catering services for various school functions and other community social events.

#### **Internal Service Funds**

The District's Internal Service Funds consist of two separate and distinct activities: the Intra-District Services Fund and the Employee Benefit Insurance Fund. The Intra-District Services Fund provides copying services for the District. The Employee Benefit Insurance Fund is a fund used to account for the transactions related to the District's employee benefit programs.

### **Fiduciary Funds**

#### **Private Purpose Trust Fund**

The District has one Private Purpose Trust Fund, which is comprised of assets held in trust that were created by donations for the establishment of Scholarships, whereby the interest income of those assets held is used for student scholarships.

#### **Agency Fund**

The District's Agency Fund consists of two funds, a District Managed Employee Benefit Fund and a Student Activities Fund.

# WORTHINGTON CITY SCHOOL DISTRICT

## **Debt Administration**

On June 30, 2003, the District had \$51,834,787 in general obligation bonds outstanding, which consist of three bond issues, one refunding issue and one issue that is a combination bond and refunding issue. All of the proceeds from bonds have been used for the acquisition, construction or improvement of equipment and facilities. In addition, the District had one long-term note outstanding for a total of \$2,210,000. Finally, the District issued \$6,545,000 of Certificates of Participation on March 30, 2000 to finance the acquisition, renovation, improvement, equipping and furnishing of the new administrative facility at 200 East Wilson Bridge Road.

## **Cash Management**

The District maintains a cash management program whereby it expedites the receipt of revenues and prudently invests available cash. Temporarily idle cash during the year was invested in demand deposits, obligations of the U.S. Treasury, State Treasury Asset Reserve of Ohio (STAR Ohio) and repurchase agreements. The District earned \$419,863 on all investments for the year ended June 30, 2003. The Treasurer, as custodian of all District money, is responsible for investing idle funds and directing the investment policies of the District.

The District's investment policy establishes the following objectives:

**Liquidity:** Funds shall be available to meet immediate payment requirements including payroll, accounts payable, and debt service.

**Safety:** Investments shall be consistent with the requirements of the Ohio Revised Code, shall seek the preservation of public funds, and speculation is prohibited.

**Income:** The investment portfolio shall be designed to attain a market-average rate of return throughout budgetary and economic cycles, taking into account investment risk constraints and the cash flow characteristics of the portfolio.

The investment policy allows interim funds to be invested in certificates of deposit, interest-bearing demand deposit accounts, U.S. Treasury and government agency securities, repurchase agreements, commercial paper, banker's acceptances, and the STAR Ohio. Deposits with financial institutions were either insured by federal depository insurance or collateralized in accordance with the requirement of the State of Ohio. Substantially all collateral on deposits was held either by the District's agent or a financial institution's trust department, not in the District's name.

Repurchase agreements are limited to a maximum maturity of 30 days. U.S. Treasury and government agency securities are limited to a maximum maturity of 2 years. Bankers' Acceptances must be issued by banks that are members of the FDIC and are

## WORTHINGTON CITY SCHOOL DISTRICT

limited to a maximum maturity of 180 days. Investment in commercial paper is limited to companies incorporated under the laws of the United States or any state, whose assets exceed five hundred million dollars, and whose notes are rated at the time of purchase as A-1/P-1. The aggregate value of commercial paper purchased cannot exceed 10% of the aggregate value of the outstanding commercial paper of the issuing company. Investment in Bankers' Acceptances and commercial paper cannot collectively exceed 25% of the District's interim funds available at the time of investment.

STAR Ohio is an investment pool managed by the Treasurer of the State of Ohio and is similar in concept to a registered investment company issuing redeemable securities, of the type commonly called a "money market mutual fund." The investment objective of STAR Ohio is to seek as high a level of current income as is consistent with prudent investment management, the preservation of capital and maintenance of liquidity. STAR Ohio's investments are prescribed in the Ohio Revised Code and include U.S. Treasury and government agency securities, certificates of deposit, repurchase agreements, commercial paper, and bankers' acceptances.

The District modified its investment policy to comply with Ohio Senate Bill 81. Amounts invested throughout the year and at year-end comply with the District's revised investment policy.

In 1998, the District adopted GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments at fair value.

### **Risk Management**

The District is part of a statewide plan for workers' compensation insurance coverage. Additionally, the District carries all-risk property insurance, liability and excess liability insurance, as well as officers' liability insurance. The District provides medical and life coverage for its employees on a fully insured basis and dental insurance on a self-insurance basis. The District pays into the Employee Benefit Insurance Internal Service Fund at various rates based on the coverage selected by the employee. Claims are reviewed by a claims administrator and then paid by the District. A claims liability of approximately \$120,000 at June 30, 2003, in the Internal Service Fund reflects an estimate of incurred but unpaid claims liability. This liability was determined in accordance with acceptable reserving standards and was certified by an accredited actuary, as required by state statute.

# WORTHINGTON CITY SCHOOL DISTRICT

## **Independent Auditors**

The basic financial statements of the District for the year ended June 30, 2003, were audited by the Ohio Auditor of State whose unqualified opinion thereon is included at the beginning of the Financial Section of this report.

## **Notes to the Basic Financial Statements**

The notes to the basic financial statements, which follow the basic financial statements in the Financial Section of this report, contain additional information and are an integral part of such statements.

## **Certificate of Achievement Program**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Worthington City School District for its Comprehensive Annual Report for the fiscal year ended June 30, 2002. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. This comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Worthington City School District has received a Certificate of Achievement for the last nine fiscal years. We believe this current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.



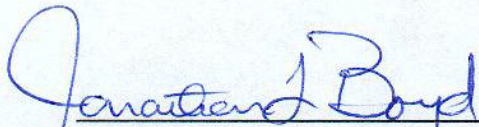
# WORTHINGTON CITY SCHOOL DISTRICT

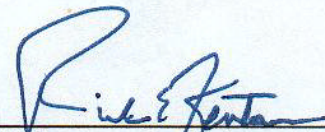
## **Acknowledgments**

The preparation of this report was made possible by the diligence of the staff of the Financial Services, Property Services and Information Services departments. Their initiative and conscientious work ensured the integrity of the information contained herein and guaranteed this report's successful completion. We would also like to express our appreciation to Tracy DeMatteo for her tremendous contribution in preparing this report.

In closing, we would like to thank the Board of Education for their support without which the preparation of this report would not have been possible.

Respectfully submitted,

  
Jonathan Boyd, Treasurer

  
Rick Fenton, Superintendent

# WORTHINGTON CITY SCHOOL DISTRICT

## ELECTED OFFICIALS AND ADMINISTRATIVE STAFF

June 30, 2003

### Board of Education Members

President	Robert Horton
Vice-President	Jennifer Best
Member	Carol Hasbrouck
Member	Sue McNaghten
Member	David Bressman

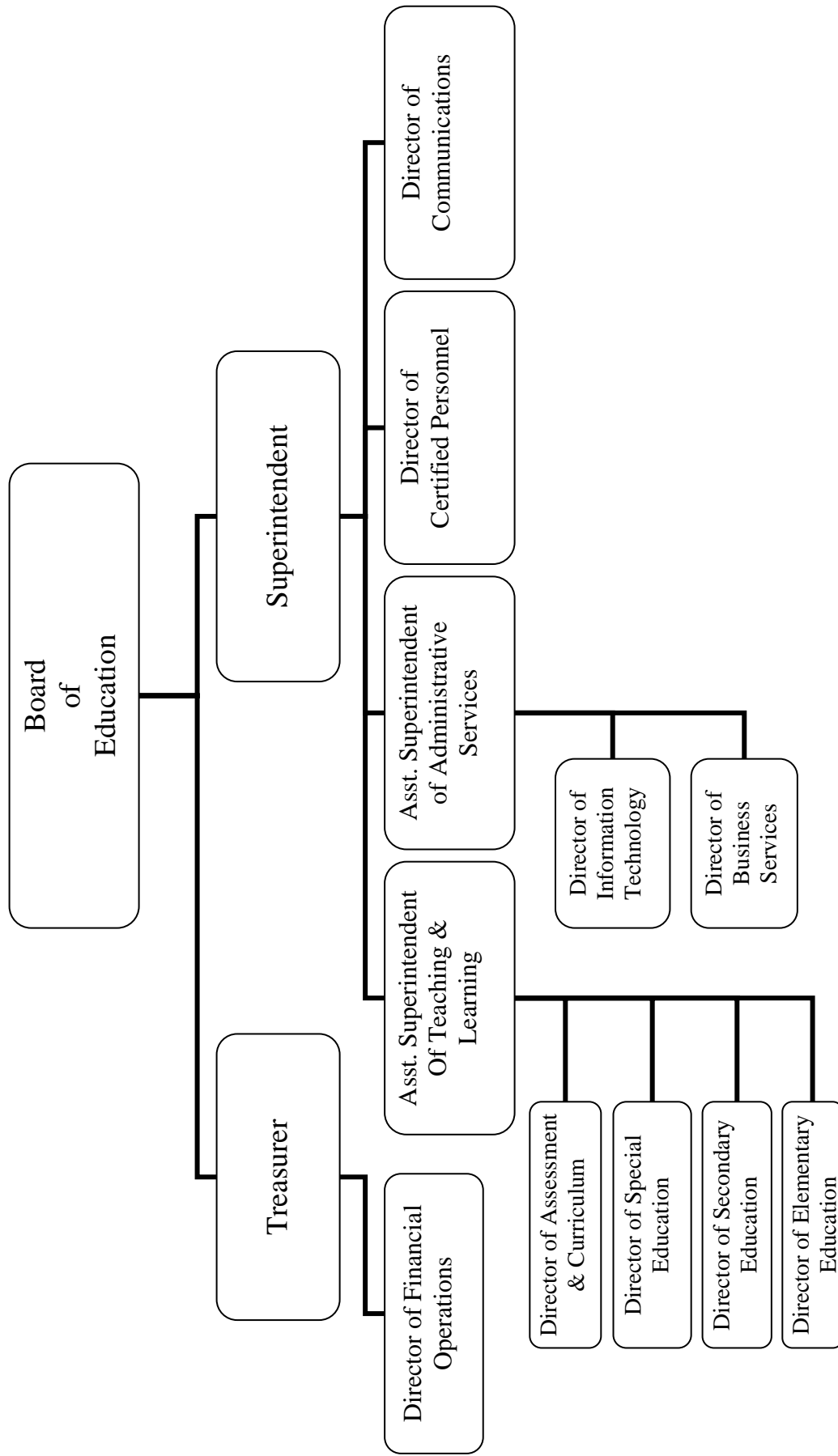
### Appointed Officials

Superintendent	Rick Fenton
Treasurer	Jonathan Boyd

### Administrative Staff

Asst. Superintendent of Teaching & Learning	Jacquelyn Sonedecker
Asst. Superintendent of Admin. Services	Paul Cynkar
Director of Secondary Education	Jim McElligott
Director of Elementary Education	Mark Glasbrenner
Director of Special Education	Lynne Hamelberg
Director of Assessment & Curriculum	Bert Wiser
Director of Certified Personnel	Jeanne Paliotto
Director of Information Technology	Keith Schlarb
Director of Communication	Greg Viebranz
Director of Financial Operations	Tracy DeMatteo
Director of Business Services	Cliff Hetzel

**Worthington City School District  
Organizational Chart**



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

Worthington City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**WORTHINGTON CITY SCHOOL DISTRICT**

**FINANCIAL  
SECTION**



Worthington Schools . . . Where Excellence Is A Tradition





# Auditor of State Betty Montgomery

## INDEPENDENT ACCOUNTANTS' REPORT

Worthington City School District  
Franklin County  
200 East Wilson Bridge Road  
Worthington, Ohio 43085

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Worthington City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2003, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Worthington City School District, Franklin, County, Ohio, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 16, during the year ended June 30, 2003, the District implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*, reclassified funds, increased their capital assets threshold, and corrected an error in reporting property tax revenue.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2004 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Management's Discussion and Analysis and the budgetary comparison for the General fund are not a required part of the basic financial statements but are supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to form opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules and statistical tables are presented for additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



**Betty Montgomery**  
**Auditor of State**

February 6, 2004



**Worthington City School District**  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2003  
(Unaudited)

As management of the Worthington City School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2003. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the District's financial statements, which follow this section.

### **Financial Highlights**

The District's net assets are \$26,694,122 as of June 30, 2003 according to the Statement of Net Assets. This represents an increase of \$803,245 or 3.1% over last year. The increase in net assets is primarily due to the District receiving additional property taxes as a result of the second half collection in the fall of 2002 of the 6.29 mill levy approved by voters in May 2001. With fiscal 2003 spending increases held to a 5% increase over the prior year it is not surprising that we see an increase in the District's net assets. The General Fund reported a positive fund balance of \$5,540,483 on June 30, 2003.

While the 2003 fiscal year financial position improved, the long term financial health of the District continues to deteriorate. The District's 5-year forecast prepared in October 2002 followed a difficult operational time when the District experienced 5 temporary and full time chief fiscal officers in the 9 month period May 2001 through February 2002. When the forecast was completed in the fall of 2002, it revealed a significantly changing financial picture. Some of those issues include a rapidly declining rate of new construction as a result the approaching end of available land upon which to build new homes and business; declining state funding as a result of declining student enrollments, which reflect fewer kindergartners as compared to graduating seniors, as well as flaws in the state funding formula which results in more lost state revenue from inflationary increases in home and business values than is generated in local tax increases from the increased value; a continued erosion of the Districts tax base as a result of continued changes implemented by the Ohio Legislature. As a result of these issues, the District's ending unencumbered cash balance is forecasted at a \$3.9 million deficit by June 30, 2005. This is in spite of \$6.2 million in cuts made in May 2001 effective August 2001 and \$5.8 million in cuts made in May 2003 effective August 2003.

In order to respond to the long term needs of the District, the Board of Education will be placing a levy on the March 2004 ballot. The millage is yet to be determined. This levy is expected to correct the cash deficit situation through June 30, 2006. The plan is to get the levy approved and then begin a community wide dialogue process over the ensuing two years to determine what services and programs the District is going to provide in the future as well as how the District is going to address long term financial needs.

### **Reporting the District as a Whole**

#### *The Statement of Net Assets and Statement of Activities*

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in

a manner that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

## **Reporting the District's Most Significant Funds**

### *Fund Financial Statements*

Our analysis of the District's major funds appears on the fund financial statements beginning with the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances. These statements provide detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State statute, while many other funds are established by the District to help manage money for particular purposes and compliance with various grant provisions. The District's three types of funds, governmental, proprietary, and fiduciary, use different accounting approaches as further described in the notes to the financial statements.

### *Governmental Funds*

Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting which measures cash and other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

### *Proprietary Funds*

Proprietary funds use the accrual basis of accounting; the same as on the entity-wide statements, therefore the statements will essentially match the business-type activities portion of the entity-wide statements.

### *Fiduciary Funds*

The District's fiduciary funds are as follows: One Private Purpose Trust, a District Employee Benefit Agency fund, and a Student Managed Activities Agency fund. The District's fiduciary activities are reported in the Statement of Net Assets, Fiduciary Funds. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

## **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$26,694,122 according to the Statement of Net Assets at the close of the most recent fiscal year.

One of the largest portions of the District's net assets (57.5%) reflects its investment in capital assets less depreciation and any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves usually are not used to liquidate these liabilities.

A comparative analysis of fiscal year 2003 to 2002 follows from the Statements of Net Assets:

<b>Worthington City School District</b>						
<b>Net Assets</b>						
	Governmental Activities		Business-Type Activities		Total	
	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>	<u>2003</u>	<u>2002</u>
Current assets	\$ 101,394,995	111,762,538	795,392	800,355	102,190,387	112,562,893
Capital assets	<u>75,161,084</u>	<u>78,189,529</u>	<u>542,468</u>	<u>579,581</u>	<u>75,703,552</u>	<u>78,769,110</u>
Total assets	<u>176,556,079</u>	<u>189,952,067</u>	<u>1,337,860</u>	<u>1,379,936</u>	<u>177,893,939</u>	<u>191,332,003</u>
Current liabilities	83,876,648	92,076,781	313,645	285,204	84,190,293	92,361,985
Long-term liabilities	<u>66,951,018</u>	<u>73,032,814</u>	<u>58,506</u>	<u>45,327</u>	<u>67,009,524</u>	<u>73,078,141</u>
Total liabilities	<u>150,827,666</u>	<u>165,109,595</u>	<u>372,151</u>	<u>330,531</u>	<u>151,199,817</u>	<u>165,440,126</u>
Net Assets:						
Invested in capital, net of debt	14,796,297	12,531,355	542,468	579,581	15,338,765	13,110,936
Restricted	8,095,514	8,588,017	-	-	8,095,514	8,588,017
Unrestricted	<u>2,836,602</u>	<u>3,723,100</u>	<u>423,241</u>	<u>468,824</u>	<u>3,259,843</u>	<u>4,191,924</u>
Total net assets	<u>\$ 25,728,413</u>	<u>\$ 24,842,472</u>	<u>\$ 965,709</u>	<u>\$ 1,048,405</u>	<u>\$ 26,694,122</u>	<u>\$ 25,890,877</u>

A portion of the District's net assets (31.5%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing activities.

**Worthington City School District  
Changes in Net Assets**

	Governmental Activities	Business-Type Activities
	<u>2003</u>	<u>2003</u>
<b>Program revenues:</b>		
Charges for services	\$ 2,508,158	2,464,283
Federal grants	1,517,500	388,849
State grants	1,337,415	6,685
<b>General revenues:</b>		
Property taxes	78,251,619	-
State entitlements	25,515,527	-
Interest income	407,404	9,844
Other	<u>980,100</u>	<u>(3,231)</u>
Total revenues	<u>110,517,723</u>	<u>2,866,430</u>
<b>Program expenses:</b>		
Instructional	63,280,182	-
Support services	38,826,734	-
Co-curricular student activities	2,509,797	-
Community services	66,290	-
Interest on long-term debt	4,948,779	-
Food service	-	2,949,126
Total expenses	<u>109,631,782</u>	<u>2,949,126</u>
Increase(decrease) in net assets	<u>\$ 885,941</u>	<u>(82,696)</u>

*Governmental Activities*

Net assets of the District's governmental activities increased by \$885,941. The increase in net assets is primarily due to the District receiving additional property taxes as a result of the second half collection in the fall of 2002 of the 6.29 mill levy approved by voters in May 2001.

The property tax laws in Ohio create the need periodically to seek voter approval for additional operating funds. Tax revenues generated from voted tax levies do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect of providing the District the same amount of tax dollars as originally approved. Therefore, school districts such as ours that are dependent upon property taxes as a primary source of revenue must periodically return to the ballot and ask voters for additional resources to maintain current programs. Since the District must rely heavily on voter approval of operating tax issues, management of the resources is of paramount concern to the District's administration and the voting public.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General revenues including tax revenue, investment earnings and unrestricted State entitlements must support the net cost of program services.

<u>Programs</u>	<u>Total Cost of Services 2003</u>	<u>Net Cost of Service 2003</u>
Instructional services	\$ 63,280,182	60,774,023
Support services	38,826,734	36,980,616
Co-curricular student activities	2,509,797	1,526,636
Community services	66,290	38,655
Interest on long-term debt	<u>4,948,779</u>	<u>4,948,779</u>
Total	<u>109,631,782</u>	<u>104,268,709</u>

Local property taxes make up 70.8% of total revenues for governmental activities. The net services column reflecting the need for \$104,268,709 of support indicates the reliance on general revenues to support governmental activities.

*Business-Type Activities*

Business-type activities include food service activities. This program had a decrease in net assets of \$82,696 for the fiscal year.

**The District's Funds**

The District's governmental funds reported a combined fund balance of \$13,887,875, which represents a decrease of \$2,510,700 as compared to last year's total of \$16,398,575 according to the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances. The schedule below shows the fund balance and the total change in fund balance from June 30, 2002 to 2003.

	<u>Fund Balance at June 30, 2003</u>	<u>Fund Balance at June 30, 2002</u>	<u>Increase (Decrease)</u>
General Fund	\$ 5,540,483	6,514,094	(973,611)
Debt Service Fund	3,096,097	5,017,689	(1,921,592)
Other Governmental Funds	<u>5,251,295</u>	<u>4,866,792</u>	<u>384,503</u>
Total	<u>\$ 13,887,875</u>	<u>16,398,575</u>	<u>(2,510,700)</u>

*General Fund*

The District's General Fund balance decreased as a result of expenditures continuing to out pace revenues.

<b>Revenues</b>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Property taxes	\$ 69,466,893	58,757,516	18.23%
Intergovernmental	24,600,854	24,761,194	-0.65%
Investment income	316,693	580,270	-45.42%
Other revenue	<u>1,610,418</u>	<u>874,824</u>	84.08%
Total	<u>\$ 95,994,858</u>	<u>84,973,804</u>	12.97%

The increase in revenues is primarily due to the District receiving additional property taxes as a result of the second half collection in the fall of 2002 of the 6.29 mill levy approved by voters in

May 2001. In the current year this fluctuation represents an approximate 15 % increase in tax revenue over prior year.

As the table below indicates, the largest portion of General Fund expenditures is for instructional cost.

<b>Expenditures by Function</b>	<u>2003</u>	<u>2002</u>	<u>% Change</u>
Instructional services	\$ 57,852,375	54,995,662	5.19%
Support services	36,681,382	34,750,128	5.56%
Co-curricular student activities	1,727,731	1,604,729	7.66%
Capital outlay	560	5,015	-88.83%
Debt service	<u>26,234</u>	<u>68,928</u>	-61.94%
Total	<u>\$ 96,288,282</u>	<u>91,424,462</u>	5.32%

Expenditures are up 5.32% over the prior year mostly due to salary and benefit increases, including increased health insurance premiums, associated with existing staff.

*Debt Service Fund*

The Debt Service Fund balance decreased by \$1,921,592, due to the expected increase in principal payments.

*Other Funds*

Other governmental funds consist of Special Revenue and Capital Projects funds. The Fund balance in the other nonmajor funds increased by \$384,503.

**General Fund Budget Information**

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced. In the current year, the overall revenue budget was decreased primarily due to the timing of cash tax advances received as of fiscal year end. Note that in the original budget, these tax receipts as well as other state sources, were included in miscellaneous revenues. The revised budget and actual columns include these items in the appropriate categories.

The District uses the five-year forecast as the original document from which to form the operating budget. After updating the forecast for changes in revenue and expenditure assumptions, the operating budget begins at the school level. Each school in the District receives a per pupil allocation augmented with resources for special education students in the specific buildings. Budgets are reviewed periodically to ensure management becomes aware of any variations during the year.

**Capital Assets**

The District has \$75,703,552 invested in capital assets net of depreciation, with \$75,161,084 attributed to governmental activities. Detailed information regarding capital asset activity is included in the notes to the basic financial statements.

## **Debt**

On June 30, 2003, the District had \$60,364,787 in outstanding notes, certificates of participation and bonds. This amount includes \$ 8,302,329 in accretion on deep discount debt. The District paid \$8,340,020 in principal on notes, certificates of participation and bonds outstanding and \$3,058,419 in interest payments during the 2003 fiscal year. Detailed information regarding long-term debt is included in the notes to the basic financial statements.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% (exclusive of any accretion on deep discount debt) of the total taxable valuation of real and personal property. As of June 30, 2003, the District's general obligation debt was below the legal limit.

## **Restrictions and Other Limitations**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

**WORTHINGTON CITY SCHOOL DISTRICT**

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# **BASIC FINANCIAL STATEMENTS**

**WORTHINGTON CITY SCHOOL DISTRICT**

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WORTHINGTON CITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2003

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS:</b>			
Cash and investments	\$ 19,430,029	694,114	20,124,143
Cash and investments with trustee	1,762,361	-	1,762,361
Restricted cash and investments	466,409	-	466,409
Receivables	78,478,980	-	78,478,980
Internal balances	(9,844)	9,844	-
Due from other- Governments	1,016,654	-	1,016,654
Inventory	168,063	91,434	259,497
Prepaid assets	82,343	-	82,343
Land	10,514,875	-	10,514,875
Other capital assets, net	64,646,209	542,468	65,188,677
<b>TOTAL ASSETS</b>	<b>\$ 176,556,079</b>	<b>1,337,860</b>	<b>177,893,939</b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 4,697,198	7,277	4,704,475
Due to other- Governments	2,145,920	78,108	2,224,028
Deferred revenue	68,829,067	-	68,829,067
Accrued liabilities	8,204,463	228,260	8,432,723
Long-term Liabilities:			
Due within one year	8,905,373	-	8,905,373
Due in more than one year	58,045,645	58,506	58,104,151
<b>TOTAL LIABILITIES</b>	<b>150,827,666</b>	<b>372,151</b>	<b>151,199,817</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	14,796,297	542,468	15,338,765
Restricted for:			
Budget stabilization	466,409	-	466,409
Debt Service	2,664,172	-	2,664,172
Other purposes	4,964,933	-	4,964,933
Unrestricted	2,836,602	423,241	3,259,843
<b>TOTAL NET ASSETS</b>	<b>\$ 25,728,413</b>	<b>965,709</b>	<b>26,694,122</b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

	Program Revenues		
Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities			
Instructional services:			
Regular	\$ 53,565,809	534,514	670,406
Special	8,886,851	910,926	383,803
Vocational	754,971	-	6,510
Continuing	72,551	-	-
Support services:			
Operation and maintenance of plant	9,407,107	72,146	121,495
School administration	7,300,943	661	129,641
Pupils	6,004,897	6,731	388,987
Business operations	3,048,658	-	31,188
Instructional staff	6,796,474	18,640	717,272
Student transportation	3,720,671	1,011	74,111
Central services	2,489,505	-	284,235
General administration	58,479	-	-
Co-curricular student activities	2,509,797	944,750	38,411
Community services	66,290	18,779	8,856
Interest on long-term debt	4,948,779	-	-
Total Governmental Activities	109,631,782	2,508,158	2,854,915
Business-Type Activities			
Food Service Fund	2,949,126	2,464,283	395,534
Totals	\$ 112,580,908	4,972,441	3,250,449

General revenues:

Property taxes  
Grants and entitlements not restricted to specific programs  
Investment earnings  
Loss on disposal of assets  
Miscellaneous  
Total general revenues

Change in Net Assets

Net Assets Beginning of Year  
Net Assets End of Year

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(52,360,889)	-	(52,360,889)
(7,592,122)	-	(7,592,122)
(748,461)	-	(748,461)
(72,551)	-	(72,551)
(9,213,466)	-	(9,213,466)
(7,170,641)	-	(7,170,641)
(5,609,179)	-	(5,609,179)
(3,017,470)	-	(3,017,470)
(6,060,562)	-	(6,060,562)
(3,645,549)	-	(3,645,549)
(2,205,270)	-	(2,205,270)
(58,479)	-	(58,479)
(1,526,636)	-	(1,526,636)
(38,655)	-	(38,655)
<u>(4,948,779)</u>	<u>-</u>	<u>(4,948,779)</u>
(104,268,709)	-	(104,268,709)
<u>-</u>	<u>(89,309)</u>	<u>(89,309)</u>
<u>(104,268,709)</u>	<u>(89,309)</u>	<u>(104,358,018)</u>
78,251,619	-	78,251,619
25,515,527	-	25,515,527
407,404	9,844	417,248
(14,979)	(3,231)	(18,210)
<u>995,079</u>	<u>-</u>	<u>995,079</u>
<u>105,154,650</u>	<u>6,613</u>	<u>105,161,263</u>
885,941	(82,696)	803,245
<u>\$ 24,842,472</u>	<u>1,048,405</u>	<u>\$ 25,890,877</u>
<u>\$ 25,728,413</u>	<u>965,709</u>	<u>\$ 26,694,122</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2003**

	GOVERNMENTAL FUNDS			TOTAL
	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	
<b>ASSETS :</b>				
Cash and investments	\$ 12,376,753	2,634,230	4,068,866	19,079,849
Cash and investments with trustee	-	-	1,762,361	1,762,361
Restricted cash and investments	466,409	-	-	466,409
Receivables	70,310,077	8,077,081	91,822	78,478,980
Due from other:				
Governments	432,050	-	584,604	1,016,654
Funds	527,800	-	-	527,800
Inventory	155,460	-	-	155,460
Prepaid assets	82,343	-	-	82,343
<b>TOTAL ASSETS</b>	<b>\$ 84,350,892</b>	<b>10,711,311</b>	<b>6,507,653</b>	<b>101,569,856</b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 4,572,997	-	115,153	4,688,150
Due to other:				
Governments	1,508,752	-	17,717	1,526,469
Funds	9,844	-	527,800	537,644
Deferred revenue	65,331,307	7,615,214	422,400	73,368,921
Accrued liabilities	7,387,509	-	173,288	7,560,797
<b>TOTAL LIABILITIES</b>	<b>78,810,409</b>	<b>7,615,214</b>	<b>1,256,358</b>	<b>87,681,981</b>
<b>FUND BALANCES:</b>				
Reserved for encumbrances	1,872,806	-	286,362	2,159,168
Reserved for inventory and prepaid expenditures	237,803	-	-	237,803
Reserved for future appropriations	4,220,397	431,925	-	4,652,322
Reserved for budget stabilization	466,409	-	-	466,409
Unreserved, reported in:				
General fund	(1,256,932)	-	-	(1,256,932)
Special Revenue funds	-	-	2,020,889	2,020,889
Debt Service fund	-	2,664,172	-	2,664,172
Capital Projects funds	-	-	2,944,044	2,944,044
<b>TOTAL FUND BALANCES</b>	<b>5,540,483</b>	<b>3,096,097</b>	<b>5,251,295</b>	<b>13,887,875</b>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<b>\$ 84,350,892</b>	<b>10,711,311</b>	<b>6,507,653</b>	<b>101,569,856</b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO  
 NET ASSETS OF GOVERNMENTAL ACTIVITIES  
 JUNE 30, 2003

<b>Total Governmental Fund Balances</b>	<b>\$ 13,887,875</b>
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
<p>Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.</p>	75,161,084
<p>Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.</p>	4,539,854
<p>An internal fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.</p>	216,350
<p>Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.</p>	
Interest payable	(510,076)
Compensated absences	(6,586,231)
Pension obligation	(615,656)
Bonds payable	(51,834,787)
Certificates of Participation	(6,320,000)
Notes payable	(2,210,000)
<b>Net Assets of Governmental Activities</b>	<b>\$ 25,728,413</b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES--GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2003

	GOVERNMENTAL FUNDS			TOTAL
	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	
<b>REVENUES:</b>				
Property taxes	\$ 69,466,893	8,520,740	-	77,987,633
Intergovernmental:				
Federal Restricted Grants-in-aid	-	-	1,342,234	1,342,234
State:				
Unrestricted Grants-in-aid	24,600,854	986,927	-	25,587,781
Restricted Grants-in-aid	-	-	1,328,654	1,328,654
Investment income	316,693	-	90,711	407,404
Co-curricular activities	-	-	637,009	637,009
Tuition fees	859,277	-	469,625	1,328,902
Other	751,141	-	786,185	1,537,326
<b>TOTAL REVENUES</b>	<b>95,994,858</b>	<b>9,507,667</b>	<b>4,654,418</b>	<b>110,156,943</b>
<b>EXPENDITURES:</b>				
Current:				
Instructional services:				
Regular	48,682,373	-	1,421,892	50,104,265
Special	8,354,307	-	401,981	8,756,288
Vocational	739,870	-	9,073	748,943
Continuing	75,825	-	-	75,825
<b>TOTAL INSTRUCTIONAL SERVICES</b>	<b>57,852,375</b>	<b>-</b>	<b>1,832,946</b>	<b>59,685,321</b>
Support services:				
Operation and maintenance of plant	9,164,457	-	186,963	9,351,420
School administration	7,100,741	-	110,056	7,210,797
Pupils	5,635,688	-	290,277	5,925,965
Business operations	2,817,995	63,034	202,960	3,083,989
Instructional staff	6,053,872	-	646,753	6,700,625
Student transportation	3,679,143	-	3,225	3,682,368
Central services	2,171,039	-	288,854	2,459,893
General administration	58,447	-	-	58,447
<b>TOTAL SUPPORT SERVICES</b>	<b>36,681,382</b>	<b>63,034</b>	<b>1,729,088</b>	<b>38,473,504</b>
Co-curricular student activities	1,727,731	-	818,970	2,546,701
Community services	-	-	55,950	55,950
Capital outlay	560	-	486,961	487,521
Debt service:				
Principal retirement	24,670	8,340,020	-	8,364,690
Interest	1,564	3,026,205	30,650	3,058,419
<b>TOTAL EXPENDITURES</b>	<b>96,288,282</b>	<b>11,429,259</b>	<b>4,954,565</b>	<b>112,672,106</b>
Excess (deficiency) of revenues over expenditures	(293,424)	(1,921,592)	(300,147)	(2,515,163)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of assets	4,463	-	-	4,463
Transfers in	-	-	684,650	684,650
Transfers out	(684,650)	-	-	(684,650)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(680,187)</b>	<b>-</b>	<b>684,650</b>	<b>4,463</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(973,611)	(1,921,592)	384,503	(2,510,700)
<b>FUND BALANCES AT BEGINNING OF YEAR, as restated</b>	<b>6,514,094</b>	<b>5,017,689</b>	<b>4,866,792</b>	<b>16,398,575</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 5,540,483</b>	<b>3,096,097</b>	<b>5,251,295</b>	<b>13,887,875</b>

The notes to the financial statements are an integral part of this statement.



WORTHINGTON CITY SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003

<b>Net Changes in Fund Balances - Total Governmental Funds</b>	<b>\$ (2,510,700)</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	(3,009,003)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>	375,759
<p>Repayment of bond principal is an expenditure in governmental fund, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities.</p>	8,364,690
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is recorded when due.</p>	(1,890,360)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Compensated absences	(750,242)
Pension obligation	113,981
Loss on disposal of fixed assets	(19,442)
<p>An internal fund is used by management to charge the cost of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expenses) of the internal service fund is allocated among governmental activities.</p>	211,258
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 885,941</u></b>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2003

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 694,114	350,180
Due from other funds	9,844	-
Inventory	91,434	12,603
Total current assets	795,392	362,783
Capital Assets, Net	542,468	-
<b>Total assets</b>	1,337,860	362,783
<b>LIABILITIES</b>		
Accounts payable	7,277	9,048
Due to other governments	78,108	3,795
Accrued liabilities	228,260	133,590
Total current liabilities	313,645	146,433
Long-term liabilities	58,506	-
<b>Total liabilities</b>	372,151	146,433
<b>Net Assets</b>		
Invested in Capital Assets	542,468	-
Unrestricted	423,241	216,350
<b>Total Net Assets</b>	\$ 965,709	216,350

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED 30, 2003

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
<b>Operating Revenues:</b>		
Food service sales	\$ 2,464,283	-
Charges for services	-	10,484,757
Total operating revenues	<u>2,464,283</u>	<u>10,484,757</u>
<b>Operating Expenses:</b>		
Supplies and materials	1,257,846	91,165
Personal services	1,553,209	161,964
Purchased services	35,935	10,012,295
Depreciation	57,840	-
Other	44,296	8,075
Total operating expenses	<u>2,949,126</u>	<u>10,273,499</u>
Operating income (loss)	(484,843)	211,258
<b>Nonoperating Revenues (Expenses):</b>		
State sources	6,685	-
Federal sources	388,849	-
Investment income	9,844	-
Loss on disposal of assets	(3,231)	-
Total nonoperating revenues	<u>402,147</u>	<u>-</u>
<b>Change in Net Assets</b>	(82,696)	211,258
<b>Net assets at beginning of year, as restated</b>	<u>1,048,405</u>	<u>5,092</u>
<b>Net assets at end of year</b>	<u>\$ 965,709</u>	<u>216,350</u>

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED 30, 2003

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from sales	\$ 2,464,283	556,119
Cash received from charges for services	-	10,578,638
Cash payments for personal services	(1,556,057)	(160,058)
Cash payments for purchased services	(30,030)	(10,127,296)
Cash payments for supplies and materials	(1,182,604)	(89,232)
Cash payments for other expenses	(101)	(8,075)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(304,509)</b>	<b>750,096</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
State sources	6,685	-
Federal sources	215,541	-
Advances out	-	(650,000)
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>222,226</b>	<b>(650,000)</b>
<b>CASH FLOWS USED IN CAPITAL AND OTHER RELATED RELATED FINANCING ACTIVITIES-</b>		
Acquisition of Property, plant and equipment	(23,958)	-
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(106,241)</b>	<b>100,096</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>800,355</b>	<b>250,084</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 694,114</b>	<b>350,180</b>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>		
<b>Operating income (loss)</b>	<b>\$ (484,843)</b>	<b>211,258</b>
Depreciation	57,840	-
Donated commodities used	173,308	-
Change in assets and liabilities:		
Inventory	(9,753)	(6,333)
Accounts payable	7,114	(15,601)
Due to other governments	(55,096)	946
Due to other funds	-	650,000
Deferred revenue	(45,327)	-
Accrued liabilities	52,248	(90,174)
Net cash provided (used) by operating activities	<b>\$ (304,509)</b>	<b>750,096</b>
Supplemental Information		
Noncash activities:		
Loss on disposal of fixed assets	<b>\$ 3,231</b>	
Donated commodities	<b>\$ 173,308</b>	

The notes to the financial statements are an integral part of this statement.

WORTHINGTON CITY SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET ASSETS  
 JUNE 30, 2003

	PRIVATE PURPOSE TRUST	AGENCY FUNDS
<b>ASSETS:</b>		
Cash and investments	\$ 170,722	622,165
Inventory	-	33,946
<b>TOTAL ASSETS</b>	170,722	656,111
<b>LIABILITIES:</b>		
Accounts payable	-	18,730
Due to other:		
Other		637,381
<b>TOTAL LIABILITIES</b>	\$ -	656,111
<b>NET ASSETS</b>		
Assets held in trust for scholarships	\$ 170,722	

The notes to the financial statements are an integral part of this statement.

WORTINGTON CITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
YEAR ENDED JUNE 30, 2003

		PRIVATE PURPOSE TRUST
		<u>          </u>
<b>ADDITIONS:</b>		
Investment Earnings	\$	2,615
Contributions		2,000
<b>TOTAL ADDITIONS</b>		<u>4,615</u>
 <b>DEDUCTIONS -</b>		
Contributions-Scholarships		3,780
<b>TOTAL DEDUCTIONS</b>		<u>3,780</u>
Change in net assets		835
NET ASSETS-beginning of the year		169,887
NET ASSETS-end of the year	\$	<u><u>170,722</u></u>

The notes to the financial statements are an integral part of this statement.

# WORTHINGTON CITY SCHOOL DISTRICT

## Notes to the Basic Financial Statements

June 30, 2003

### 1. Reporting Entity

The Worthington City School District (the District) is an independent political subdivision of the State of Ohio and operates subject to the provisions of the Ohio Constitution and various sections of the Revised Code. Under such laws, there is no authority for the District to have a charter or adopt local laws. The District is not a part of, nor under the control of, the City of Worthington.

The District encompasses approximately twenty (20) square miles. The District's boundaries include all of the City of Worthington and the Village of Riverlea, and portions of the City of Columbus, as well as unincorporated territory lying within Perry Township and Sharon Township. The District lies entirely within the boundaries of Franklin County.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e., there are no component units).

The Worthington Public Library is a school district library created under Chapter 3375 of the Ohio Revised Code and is located in the City of Worthington. The Board of Trustees of the Library controls and manages the Library and issues its own financial statements. Although the Worthington Board of Education is required to approve appointments to the Board of Trustees and to approve the annual budget, the Board has no authority to reject the Library's recommendations.

The Worthington Educational Foundation (WEF) is a separate legal non-profit organization organized to benefit the citizens of the City of Worthington. The Board of WEF consists of twenty-two (22) members of which one member is a current member of the Board of Education. Additionally, the Superintendent of the District is an ex officio member of the WEF Board. The Board of Trustees of WEF controls and manages WEF and issues its own financial statements. In fiscal 2001 the WEF assisted the Worthington City School District in arranging financing for the purchase of the Worthington Educational and Administrative Building.

The Rockbridge Academy (Academy) is a joint venture consisting of a consortium of five school districts. The joint venture was formed for the purpose of providing alternative education services to at risk students. The initial capital of the Academy was raised through the receipt of a State Grant in the amount of \$375,000.

The Governing Board of the Academy consists of five members appointed by each member school. The District does not have an equity interest that is explicit and measurable in the joint venture, however the District does have an ongoing financial obligation to support the Academy in meeting its financial obligations. The Academy is dependent upon continued support of the member schools as it is not independently accumulating adequate financial resources.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2003

Upper Arlington City School District is the financial agent for the Academy. Further detailed financial information may be obtained by contacting the Upper Arlington City School District at 614-487-5007.

## **2. Summary of Significant Accounting Policies**

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

### **a. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicant who purchase, use or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

### **b. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expense are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related



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to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied, provided they are collected and certified by the county auditor by the fiscal year-end. Additionally, taxes collected within 60 days after fiscal year-end are recorded as a receivable with an offset to deferred revenue for amounts not collected and available for advance on June 30 by the county auditor. Tuition, grants, fees and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major funds:

*General Fund*, a governmental fund. The general fund is the District's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

*Debt Service Fund*, a governmental fund. The *debt service fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The District's nonmajor governmental funds include the following fund types:

*Special Revenue Funds*, governmental funds that are used to account for the proceeds of specific revenue sources, other than major capital projects, that are legally restricted to expenditures for specified purposes.

*Capital Projects Funds*, governmental funds that are used to account for financial resources to be used for the acquisition and/or construction of major capital facilities (other than those financed by enterprise funds).

The District's nonmajor proprietary funds include the following fund types:

*Enterprise fund* – Food Service Fund, which is used to account for the District's food services operations.

*Internal service funds* are used to account for the financing of goods or services provided by one department or agency to other departments or, agencies of the District generally on a cost-reimbursement basis. The District has two such funds, a Self-Insurance Fund and a Copy Center Fund.

Additionally, the District reports *Fiduciary Funds*. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds, a type of fiduciary fund, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one Private Purpose Trust fund as well as one Agency fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of

**WORTHINGTON CITY SCHOOL DISTRICT**  
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the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenues and expense from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Food service sales are the principal operating revenues of the District's enterprise funds. Charges for services (or charges for employee benefit costs) are the principal operating revenues for the District's internal service funds. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**c. Cash and Investments**

Monies received by the District are pooled in a central bank account with individual fund balance integrity retained throughout. In 1998, the District adopted GASB Statement No. 31 (GASB 31), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and records all its investments, except certificates of deposits and repurchase agreements, which are reported at cost, are at fair value.

**d. Inventory**

Inventories are presented at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis and inventories are determined by physical count.

**e. Capital Assets and Depreciation**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by proprietary funds are reported on both statement types.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$1,000 and a useful life of less than one year. The District does not possess any infrastructure.

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All reported capital assets, with the exception of land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Buildings & Improvements	<b>10-30</b>
Furniture and Equipment	<b>3-15</b>
Vehicles	<b>5-10</b>

**f. Interfund Activity**

Transfers between governmental and business-type activities on the entity-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds.

On fund financial statements, short-term interfund loans are classified as due to/from other fund. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

**g. Compensated Absences**

The District has implemented the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The criteria for determining the vacation and sick leave liability is derived from Board policy, negotiated agreements, and state laws.

The entire compensated absence liability is reported on the entity-wide financial statements. For proprietary funds, the entire amount of compensated absences is recorded as an expense and liability of the fund.

**h. Accrued Liabilities and Long-term Debt**

All accrued liabilities and long-term debt is reported in the entity-wide financial statements as well as the proprietary fund financial statements. For governmental fund financial statements, these accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**WORTHINGTON CITY SCHOOL DISTRICT**  
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**i. Fund Balance Reserves / Restrictions**

The District records reservations for portions of fund equity, which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriation for expenditures. Fund equity reserves have been established for encumbrances, inventory, prepaid assets, property tax revenue reserved by the Board for future year's appropriations and reserves budget stabilization, as required by state statute.

The District complies with all restrictions governing the use of restricted assets. Such restrictions do not offer discretion regarding use of these resources in an unrestricted manner. When capital restricted funds, usually bond proceeds, are available, capital assets are acquired from such resources. Capital assets can be, however, and to a lesser amount are, acquired from unrestricted resources.

**j. Statement of Cash Flows**

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments, with a maturity of three months or less when purchased, to be cash equivalents. In addition, all cash and investments are also considered to be cash equivalents, since they are available to the proprietary funds on demand.

**k. Management Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**3. Cash and Investments**

**a. Cash**

The investment and deposit of the District's monies is governed by the provisions of the ORC. In accordance with these statutes, the District is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; banker acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and STAROhio. During fiscal year 2003, investments were limited to STAROhio, repurchase agreements, CDs, and federal agency securities. Earnings on investments are credited to the General Fund except earnings specifically related to the Capital Projects Fund, Enterprise Fund, and the Private Purpose Trust fund which is in compliance with ORC Section 3315.01. In fiscal 2003 investment income of \$407,404 was recorded in the Governmental funds.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940.

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Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2003.

According to state law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name. During 2003, the District and public depositories complied with the provisions of these statutes.

**b. Deposits with Financial Institutions**

At year-end, the carrying amount of all District deposits, exclusive of the \$1,762,361 held by trustee, was \$2,955,295. The combined bank balance was \$3,495,607, of which \$300,000 was covered by federal depository insurance and \$3,195,607 was uncollateralized, as defined by the GASB. The bank balance includes a bank overdraft of (\$3,706,296). This bank overdraft was accounted for as a liability at year end.

The amount held by trustee at year end was held pursuant to the issuance of Certificates of Participation agreement. The \$1,762,361 held by trustee at June 30, 2003 was considered uncollateralized. These uncollateralized deposits were, however, covered by a pledged collateral pool, as discussed above.

**c. Investments**

The District's investments are categorized to give an indication of the level of risk assumed by the District at June 30, 2003. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or its trust department or agent, but not in the District's name. The investments with STAROhio are not required to be categorized due to its nature.

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	Category			Fair Value
	1	2	3	
U.S. Treasury and agency obligations	\$ -	8,043,534	-	8,043,534
STAR Ohio	-	-	-	10,380,444
Total investments	-	8,043,534	-	18,423,978
Cash deposits-carrying value				2,955,295
Amounts held by Trustees				1,762,361
Cash on hand				4,166
Total cash and investments				\$ 23,145,800

**4. Property Taxes**

Property taxes are levied and assessed on a calendar-year basis. Distributions from the second half of the calendar year occur in a new fiscal year and are intended to finance the operations of that year, except monies available to be advanced against such distributions which may be appropriated and used in the current fiscal year. Property taxes include amounts levied against all real, public and tangible (i.e., used in business) property located in the District.

Real property taxes and public utility taxes are levied after April against the assessed value listed as of the prior January 1, the lien date. Assessed values are established by State law at 35% of appraised value.

Public utility property taxes are assessed on tangible personal property as well as land and improvements. Real property is assessed at market value and personal property is assessed at true value (normally 50% of cost).

Tangible personal property taxes attach as a lien and are levied January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed values for collection in 2003, upon which the 2002 levies were based, were as follows:

Agricultural/Residential Real Estate	\$ 1,072,551,470
Commercial/Industrial Real Estate	445,264,410
Public Utility Real Estate	112,710
Public Utility Tangible	51,560,220
General Tangible Property	222,111,873
Total	\$ 1,791,600,683

**WORTHINGTON CITY SCHOOL DISTRICT**  
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Real property taxes are payable annually or semiannually. If paid annually, the payment is due January 30; if paid semiannually, the payment is due January 30 with the remainder payable by June 30.

The Franklin County Treasurer collects property taxes on behalf of the District. The County Auditor periodically remits to the District its portion of the taxes collected.

Accrued property taxes receivables represent real property, personal property and public utility taxes which were measurable but not available as of June 30, 2003. However, monies legally available as an advance to the District as of June 30, 2003 are recognized as revenue as they are both measurable and available. The property tax amount recognized as revenue, is reflected as a reservation of fund balance (reserve for future appropriations) as the District is prohibited by law from appropriating this amount in accordance with Ohio Revised Code Section 5705.35.

**5. Receivables**

Receivables at June 30, 2003 consisted of taxes, interest and other accounts. Taxes receivable include current and delinquent taxes receivable. A summary of the principal items of receivables follows:

Governmental Activities:	
Taxes current	\$ 73,725,467
Taxes delinquent	4,116,494
Interest	46,141
Other	<u>590,878</u>
Total	<u>\$ 78,478,980</u>

**6. Due From Other Governments**

Intergovernmental receivables at June 30, 2003 consist of the following:

Governmental Activities:	
Federal	\$ 584,604
Local	<u>432,050</u>
Total	<u>\$ 1,016,654</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
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**7. Interfund Receivables and Payables**

Interfund balances at June 30, 2003 consist of the following individual fund receivables and payables on the fund basis:

	Receivable	Payable
Governmental Activities:		
General Fund	\$ 527,800	\$ 9,844
Other Governmental Funds:		
Special Revenue:		
Alternative Education	-	900
Bilingual Education	-	4,400
Title I	-	900
Title VI	-	3,600
Capital Projects - Building Fund	-	518,000
Total governmental activities	527,800	537,644
Business-Type Activities -		
Food Service Fund	9,844	-
Total	\$ 537,644	\$ 537,644

The payables for the governmental funds are short-term advances from the General Fund. The Food Service receivable represents interest on cash balance that will be paid to the Food Service fund in fiscal 2004.



**WORTHINGTON CITY SCHOOL DISTRICT**  
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**8. Capital Assets**

A summary of capital asset activity for the fiscal year follows:

	Balance June 30, 2002	Additions	Disposals	Balance June 30, 2003
<u>Governemental Activities - Cost</u>				
Land	\$ 10,514,875	-	-	10,514,875
Building and improvements	101,724,693	438,311	-	102,163,004
Furniture, fixtures and equipmen	12,577,742	465,602	315,261	12,728,083
Buses, autos and trucks	3,625,517	159,567	45,901	3,739,183
Total at cost	<u>128,442,827</u>	<u>1,063,480</u>	<u>361,162</u>	<u>129,145,145</u>
<u>Less accumulated depreciation</u>				
Building and improvements	37,033,894	3,247,375	-	40,281,269
Furniture, fixtures and equipmen	10,350,975	670,263	296,648	10,724,590
Buses, autos and trucks	2,868,429	154,845	45,072	2,978,202
Total accumulated depreciation	<u>50,253,298</u>	<u>4,072,483</u>	<u>341,720</u>	<u>53,984,061</u>
Capital assets, net	<u>\$ 78,189,529</u>	<u>(3,009,003)</u>	<u>19,442</u>	<u>75,161,084</u>

A summary of Business – Type Capital Assets at June 30, 2003 follows:

	Balance June 30, 2002	Additions	Disposals	Balance June 30, 2003
<u>Business-Type Activities Cost</u>				
Furniture, fixtures and equipment	\$ 1,332,614	23,958	14,348	1,342,224
Less: Accumulated depreciation	753,033	57,840	11,117	799,756
Capital assets, net	<u>579,581</u>	<u>(33,882)</u>	<u>3,231</u>	<u>542,468</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
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Depreciation expense was charged to governmental functions as follows:

Instructional services:	
Regular	\$ 3,760,391
Special	5,529
Vocational	6,330
Support services:	
Operation and maintenance of plant	96,458
School administration	8,299
Pupils	2,002
Business operations	20,517
Instructional staff	5,780
Student transportation	85,194
Central services	67,225
General Administration	159
Co-curricular student activities	13,178
Community services	1,421
Total depreciation	<u>\$ 4,072,483</u>

## 9. General Long-Term Obligations

As of June 30, 2003, the District had five general obligation bond issues, one general obligation long-term note and one certificate of participation financing issue outstanding. This debt was issued for general government activities, specifically, the construction and renovation of school buildings and an administrative facility. General obligations currently outstanding are:

Purpose	Date Issued	Interest Rate (1)	Final Maturity	Original Amount	Balance at June 30, 2003
Improvement of elementary and middle school	6/1/1986	7.590%	12/1/2009	\$ 10,500,000	\$ 3,185,000
1992 Refunding issue	5/15/1992	6.294%	12/1/2012	42,036,234	10,335,705
2002 Current refunding issue	3/2/2002	6.000%	12/1/2012	24,740,000	24,740,000
School Facility Improvement	12/15/1993	4.707%	12/1/2006	7,208,375	2,785,000
Permanent Improvement and refunding issue	2/1/1998	4.645%	12/1/2013	18,594,790 (2)	10,789,082
Energy Conservation notes	3/2/1999	4.200%	12/1/2013	2,800,000	2,210,000
Administrative Facilities Project					
Certificates of Participation	3/30/2000	5.393%	12/1/2019	6,545,000	<u>6,320,000</u>
					<u>\$ 60,364,787</u>

- (2) The general obligation bonds issued on 2/1/98 consisted of \$13,900,000 for repairs, upgrades and renovations of the District's building and facilities and \$4,694,790 for the advance refunding of \$1,000,000 of general obligation bonds dated 7/1/87, \$1,600,000 of general obligation bonds dated 3/1/88 and \$2,095,000 of general obligation bonds dated 3/1/89. All of the in substance defeased debt remained outstanding with the escrow agent.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
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A summary of the governmental activities changes in long-term liabilities follows:

	Balance June 30, 2002	Additions/ Accretion	Reductions	Balance June 30, 2003
Accrued liabilities (accrued vacation and sick leave)	\$ 5,835,989	750,242	-	6,586,231
Cetificates of Participation	6,385,000		65,000	6,320,000
General obligation bonds payable	58,422,156	1,532,651	8,120,020	51,834,787
General obligation notes payable	2,365,000	-	155,000	2,210,000
Installment loan	24,670	-	24,670	-
	<u>\$ 73,032,815</u>	<u>2,282,893</u>	<u>8,364,690</u>	<u>66,951,018</u>

Amounts Due In One Year

Cetificates of Participation	\$ 85,000
General obligation bonds payable	8,660,373
General obligation notes payable	<u>160,000</u>
	<u>\$ 8,905,373</u>

Additions and deletions of accrued severance are shown net because it is impracticable for the District to determine these amounts separately. District employees are granted vacation and sick leave in varying amounts.

On March 30, 2000, the District issued \$6,545,000 of Certificates of Participation (COPs). The COPs represent proportionate interests of the registered owners thereof in certain rental payments to be paid by the District as rental for new administrative facilities at 200 East Wilson Bridge Road (the Project Site). Pursuant to ORC Section 3313.375, the District has leased certain real property comprised of the Project Site to the Worthington Education Foundation (the Foundation) and sub-leased such Project Site back from the Foundation. In addition, the District has agreed to act as agent for the Foundation in connection with the acquisition, renovation, improvement, equipping and furnishing the Project Site. Pursuant to a Trust Indenture between the Foundation and Huntington National Bank (the Trustee), the Trustee agreed to execute and deliver the COPs to the registered owners, each evidencing a proportionate interest in the rental payments to be paid by the District, in the aggregate principal amount of \$6,545,000. The proceeds of the COPs were to assist in the financing of the administrative facility project.

The installment loan, which had been included in general obligation, represents a four-year master lease-purchase agreement (installment purchase) dated March 31, 2000 with Fifth Third Bank. The lease is for \$183,095 for 21 computer network servers used to upgrade the District's network. The base rent of the lease purchase payments was determined by applying an annual rate of interest equal to 6.34% of the outstanding balance of the original purchase amount. The final annual payment on the lease was made in March, 2003.

On March 6, 2002 the District issued \$24,740,000 in refunding bonds (2002 Refunding Bonds) in order to current refund a portion of the 1992 refunding bonds.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
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The general obligation notes and bonds are a direct obligation of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the school district. In the opinion of management, the District has complied with all bond covenants.

The annual maturities of the general obligation bonds, notes and COPS, as of June 30, 2003, and related interest payments are as follows:

<u>Year ending June 30,</u>	<u>Interest rates</u>	<u>Principal</u>	<u>Interest</u>
2004	4.100-12.200%	\$ 3,680,373	\$ 6,120,908
2005	4.200-12.200%	3,189,934	6,549,151
2006	4.350-12.200%	3,099,663	6,650,305
2007	4.200-12.200%	2,780,258	5,641,898
2008	4.200-5.700%	1,773,614	2,326,016
2009-2013	4.200-5.700%	37,736,372	7,580,793
2014-2018	4.200-5.700%	6,384,788	1,164,377
2019-2023	4.200-5.700%	1,719,785	115,538
<b>Total</b>		<b>\$ 60,364,787</b>	<b>\$ 36,148,986</b>

The ORC provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The ORC further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District.

The effects of these debt limitations at June 30, 2003 are a voted debt margin of \$109,181,603 and an unvoted debt margin of \$1,791,601. The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with Franklin County and the City of Worthington. As of June 30, 2003, these entities have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value. These debt limitation calculations exclude \$ 8,302,329 in accretion of deep discount debt in accordance with State Law. Management believes that the District has complied with all bond covenants.

**10. LEASE COMMITMENTS AND LEASED PROPERTY**

The District leases office space and equipment for terms of five years or less under operating leases. Total rental expenditures on such leases for the year ended June 30, 2003, were approximately \$270,113.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of June 30, 2003:

<u>Year Ending June 30,</u>	<u>Operating Leases</u>
2004	207,935
2005	163,344

**WORTHINGTON CITY SCHOOL DISTRICT**  
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**11. Self-Insurance Fund and Risk Management**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees and natural disasters. The District contracts with third party insurance carriers for property insurance (including boiler and machinery) and general liability insurance.

Professional liability is protected by a \$1,000,000 single occurrence limit, \$2,000,000 aggregate limit with no deductible. Vehicles are also covered and have \$100 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The District provides life insurance and accidental death and dismemberment insurance to most in an amount related to the employee's position, ranging from \$10,000 to \$350,000.

Claims experience over the past three years indicates that there were no instances of losses exceeding insurance coverage.

The District provides employee medical/surgical benefits through a premium insurance plan. The District maintains an insurance internal service fund to account for and finance its risks in this program. The District pays into the Employee Benefit Insurance Internal Service Fund at various rates based on the coverage selected by the employee. Employee monthly contributions, as determined by negotiated agreements with the certificated and noncertificated staff bargaining units, are also paid into the Employee Benefit Insurance Fund. The premium is paid by the fund that pays the salary for the employee and is based on historical cost information.

Dental coverage is also provided. Monthly premiums for this coverage are \$74 per employee as of June 30, 2003, for both single and family coverage. Additionally, the District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the master contracts with the certificated and noncertificated staff bargaining units. The District pays the premium amounts for covered employees into the Employee Benefit Insurance Internal Service Fund. The premium is paid by the fund that pays the salary for the employee.

Effective October 1, 2001 the District switched its medical plan from the self insurance plan to a premium based plan. The Dental Plan remains a self insured plan. A claims liability of approximately \$120,000 at June 30, 2003, in the internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was determined in accordance with actuarially acceptable reserving standards and was certified by an accredited actuary, as required by state statute.

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June 30, 2003

A summary of the changes in insurance claims liability for the years ended June 30, 2003, 2002, and 2001, follows:

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Claims liability at beginning of year	\$ 220,672	\$ 1,735,000	1,080,000
Incurred claims	978,404	2,906,357	9,517,516
Paid claims	<u>(1,079,076)</u>	<u>(4,420,685)</u>	<u>(8,862,516)</u>
Claims liability at end of year	<u>120,000</u>	<u>220,672</u>	<u>1,735,000</u>

**12. Defined Benefit Pension Plans**

State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Plan members are required to contribute 9.30 percent of their annual covered salary and the District is required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2003

of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2003, 2002 and 2001 were approximately \$7,320,000, \$7,034,000, and \$6,851,000, respectively; equal to 100 of the required contribution.

School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information for SERS. The report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the Hilliard City School District is required to contribute 14 percent; 8.17 percent was the portion to fund pension obligations. The contribution rates are not determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State statute. The adequacy of the contribution rates is determined annually. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002 and 2001 were \$1,975,000, \$1,958,000, and \$1,851,000, respectively; equal to 100% of the required contribution.

**13. Postemployment Benefits Other Than Pension Benefits**

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

For STRS, all benefit recipients are required to pay a portion of health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The board currently allocates employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund for which payments for health care benefits are paid. For the district, this amount equaled \$2,653,515 during the 2003 fiscal year. As of July 1, 2002, eligible benefit recipients totaled 105,300. For the fiscal year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability, and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2003

For this fiscal year, employer contributions to fund health care benefits were 5.83 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at \$12,400. For the District, this amount equaled \$1,369,837 during the 2003 fiscal year. The number of participants currently receiving health care benefits is approximately 50,000. For the fiscal year ended June 30, 2002, net health care costs paid by SERS were \$182,946,777.

**14. Contingencies**

**a. Grants**

The federal and state grants remain subject to review and audit by the grantor agencies or their designees. Such audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District's administration believes such disallowances, if any, would be minimal.

**b. Litigation**

The District is a defendant in various lawsuits. The outcome and possible impact of these lawsuits is not presently determinable.

**c. State School Funding Decision**

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional.

The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...". The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

**15. Set-Asides**

The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years. The District was also required to set aside money for budget stabilization. The requirement for this set aside changed as result of the passage of Senate Bill 345.

The following information describes the change in year end set-aside amounts for textbooks, capital acquisition, and budget stabilization. Disclosure of this information is required by State statute.



**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2003

	Textbooks	Capital Acquisitions	Budget Stabilization
Set-aside Cash Balance carried forward at July 1, 2002	\$ -	-	\$ 466,409
Current year set-aside requirements	1,382,356	1,382,356	-
Qualifying disbursements	<u>(3,963,341)</u>	<u>(3,836,429)</u>	<u>-</u>
Total	<u>(2,580,985)</u>	<u>(2,454,073)</u>	<u>466,409</u>
Set-aside Cash Balance at June 30, 2003	<u>\$ -</u>	<u>-</u>	<u>466,409</u>

The District had disbursements during the year that reduced the set-aside amounts below zero. For the Textbook set-aside this amount may be used to reduce the set-aside requirements in future years, however, the District has not elected to do so.

**16. Change in Accounting Principle/ Restatement**

Effective July 1, 2002, the District adopted the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*; Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*; and Statement No. 38, *Certain Financial Statement Disclosures*.

Statement No. 34 (as amended by Statement No. 37) represents a very significant change in the financial reporting model used by state and local governments. Statement No. 34 requires government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund but aggregate all of the District’s governmental activities on the statement of net assets and statement of activities. Significantly, the District’s statement of net assets includes both noncurrent assets and noncurrent liabilities of the District, which were not recorded in the fund financial statements. In addition, the government-wide statement of activities reflects the effect of depreciation expenses on the District’s capital assets.

In addition to the government-wide financial statements, the District has prepared fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus for governmental funds. Accordingly, the accounting and financial reporting for the District’s General Fund, Special Revenue Funds, Debt Service, and Capital Projects Funds is similar to that previously presented in the District’s financial statements, although the format of financial statements has been modified by Statement No. 34.

Statement No. 34 also requires as supplemental information Management’s Discussion and Analysis, which includes an analytical overview of the District’s financial activities. In addition, budgetary comparison statements are presented that compare the adopted and modified budget with actual results for the General fund.

For the Governmental Funds, Statement No. 38 requires certain disclosures to be made in the notes to the financial statements concurrent with the implementation of Statement No. 34. While this Statement did not affect amounts reported in the financial statements of the District, certain note disclosures have been added and/or amended, including descriptions of activities of major funds, violations of legal or contractual provisions, future debt service and lease obligations in five-year increments, short-term obligations, interest rates, and interfund balances and transactions.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2003

Effective July 1, 2002, the District adopted the provisions of GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*. This Interpretation clarifies that long-term indebtedness, including debt issues, compensated absences, and claims and judgments, should be recorded as a fund liability in governmental funds when they mature (i.e., are due) and unmatured liabilities should only be reported as long-term liabilities in the government-wide statement of net assets. There was no financial statement effect of adopting this Interpretation for the District.

The beginning net asset amount for the governmental funds at June 30, 2002, represents fund balance for the combined governmental funds adjusted as follows:

<b>Total Governmental Fund</b>		
<b>Balances at June 30, 2002, as restated</b>	\$	16,398,575
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.		78,189,529
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		4,164,095
An internal fund is used by management to charge the cost of insurance and copy center cost to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		5,092
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.		
	Interest payable	(152,366)
	Compensated absences	(5,835,989)
	Pension obligation	(729,637)
	Bonds and notes payable	(67,172,157)
	Installment loan payable	(24,670)
		24,842,472
<b>Net Assets of Governmental Activities, as restated</b>	<b>\$</b>	<b>24,842,472</b>

In conjunction with the restatement above, the District also changed the fund classification for the Special Rotary Fund and the Uniform School Supply fund, proprietary enterprise type funds, and the District's expendable trust funds, to Governmental Special Revenue funds in order to more appropriately reflect these activities as governmental type activities. Additionally, the District changed its method to account for compensated absences to more appropriately account for this item in accordance with GASB Interpretation 6 and there was an error in the way the District recognized property tax revenue in accordance with GASB No. 33. These restatements are as follows:

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2003

<b>Total Governmental Fund</b>	
<b>Balances at June 30, 2002, as previously recorded</b>	\$ 15,517,303
Restatements:	
Fund reclasses:	
Uniform School Supplies from Enterprise to Special Revenue Fund	227,054
Special Rotary from Enterprise to Special Revenue Fund	408,120
Expendable Trust to Special Revenue Fund	33,731
Property Tax revenues	(1,883,812)
Compensated absences	2,096,179
<b>Total Governmental Fund</b>	
<b>Balances at June 30, 2002, as restated</b>	<u>\$ 16,398,575</u>

Additionally, the District restated Capital Assets at the beginning of the year in conjunction with a change in the capital asset capitalization threshold from \$0 to \$1,000, as follows:

	Governmental Capital Assets, at Cost	Proprietary Capital Assets, net
Balance at June 30, 2002	\$ 136,177,157	\$ 733,657
Restatement	(7,734,330)	(154,076)
Balance as restated	<u>\$ 128,442,827</u>	<u>\$ 579,581</u>

Also, the District restated bonds payable at the beginning of the year. The restatement is to properly accrete below market debt issued in accordance with Ohio Law. This principal amount of this debt appreciates over time resulting in additional principal payments on the stated bonds. Under Ohio Law this accretion has no impact on the calculated legal debt margin. The restatement is as follows:

	Bonds Payable
Bonds payable as previously reported	\$51,652,478
Unrecorded accretion	6,769,678
Bonds payable as restated	<u>\$58,422,156</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2003

**17. Fund Deficits / Accountability**

The following funds had fund deficit fund balances as of June 30, 2003:

	Deficit Fund Balance
Special Revenue Funds:	
Alternative Education	\$ (24,528)
Bilingual Education Grant	\$ (1,445)
Title I Grant	\$ (5,747)
Education of the Handicapped	\$ (3,102)
Internal Service Fund - Employee Benefit Insurance Fund	\$ (127,830)

The deficit fund balances are the result of the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit fund balances, however, this is done when cash is needed rather than when accruals occur.

Additionally, Ohio Revised Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. The District failed to comply with the requirement through out the fiscal year. Management is in the process of evaluating various options within the accounting control system to address this issue.

# **REQUIRED SUPPLEMENTARY INFORMATION**

**WORTHINGTON CITY SCHOOL DISTRICT**

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WORTHINGTON CITY SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2003

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Property taxes	\$ 75,203,627	72,177,672	74,091,058	1,913,386
Investment income	275,000	297,249	322,067	24,818
Tuition fees	530,000	532,629	541,911	9,282
Miscellaneous	13,139,796	554,217	557,105	2,888
State sources	17,347,777	24,600,853	24,600,853	-
<b>TOTAL REVENUES</b>	<b>106,496,200</b>	<b>98,162,620</b>	<b>100,112,994</b>	<b>1,950,374</b>
<b>EXPENDITURES:</b>				
<b>Instructional services:</b>				
Salaries	43,010,000	42,588,100	42,531,732	56,368
Benefits	11,383,000	11,676,740	11,676,693	47
Purchased services	2,583,633	2,662,764	2,661,854	910
Supplies and materials	1,948,327	1,610,325	1,597,509	12,816
Capital outlay	620,457	508,055	507,418	637
Other	6,409	6,556	4,817	1,739
<b>TOTAL INSTRUCTIONAL SERVICES</b>	<b>59,551,826</b>	<b>59,052,540</b>	<b>58,980,023</b>	<b>72,517</b>
<b>Support services:</b>				
Salaries	21,836,000	21,420,200	21,408,643	11,557
Benefits	6,609,153	7,256,253	7,254,319	1,934
Purchased services	5,821,723	5,575,346	5,518,680	56,666
Supplies and materials	2,187,648	1,913,826	1,907,965	5,861
Capital outlay	1,519,975	1,261,772	1,260,189	1,583
Other	1,647,510	1,481,423	1,481,348	75
<b>TOTAL SUPPORT SERVICES</b>	<b>39,622,009</b>	<b>38,908,820</b>	<b>38,831,144</b>	<b>77,676</b>
<b>Non-instructional services:</b>				
Benefits	1,500	1,500	560	940
<b>TOTAL NON-INSTRUCTIONAL SERVICES</b>	<b>1,500</b>	<b>1,500</b>	<b>560</b>	<b>940</b>
<b>Co-curricular activities</b>				
Salaries	1,323,150	1,325,150	1,324,731	419
Benefits	366,216	332,816	332,726	90
Purchased services	10,664	24,330	24,330	-
Supplies and materials	75,000	79,036	79,036	-
<b>TOTAL CO-CURRICULAR ACTIVITIES</b>	<b>1,775,030</b>	<b>1,761,332</b>	<b>1,760,823</b>	<b>509</b>
<b>TOTAL EXPENDITURES</b>	<b>100,950,365</b>	<b>99,724,192</b>	<b>99,572,550</b>	<b>151,642</b>
Excess (deficiency) of revenues over expenditures:	5,545,835	(1,561,572)	540,444	2,102,016
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(765,000)	(698,500)	(684,650)	13,850
Advances in	-	974,000	974,000	-
Advances out	-	-	-	-
Refund of prior year expenditures (receipts)	-	76,093	76,093	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(765,000)</b>	<b>351,593</b>	<b>365,443</b>	<b>13,850</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	4,780,835	(1,209,979)	905,887	2,115,866
Prior year encumbrances appropriated	2,115,486	2,115,486	2,115,486	-
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>3,369,682</b>	<b>3,369,682</b>	<b>3,369,682</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>	<b>\$ 10,266,003</b>	<b>4,275,189</b>	<b>6,391,055</b>	<b>2,115,866</b>

See notes to the required supplementary schedule.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Required Supplementary Information, Continued

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***NOTE A - BUDGETARY DATA***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund and one function and one object level for the General Fund. All other Funds are budgeted at the at the fund level. Any budgetary modifications at this level must be made by resolution of the Board of Education.

**Tax Budget:**

Prior to January 15, the Superintendent and the Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

By no later than January 20, the Board-adopted budget is filed with the Franklin County Budget Commission for rate determination.

**Estimated Resources:**

Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year do not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer.

**Appropriations:**

Upon receipt from the County Auditor of an amended official certificate of estimated resources based on the final assessed values and tax rates or a certificate stating no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education by one level function, one level object for the General fund and for all other funds at the fund level, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, for all funds except the General, or alter total function appropriations within a fund, or alter object appropriations within functions for the General fund, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several



**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Required Supplementary Information, Continued

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supplemental appropriations were legally enacted; however, none of these amendments were significant.

Formal budgetary integration is employed as a management control device during the year for all funds, including the Debt Service Fund, consistent with statutory provisions.

**Encumbrances:**

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the Non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at year-end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds.

**Lapsing of Appropriations:**

At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

***NOTE B - RECONCILING BUDGET BASIS AND GAAP***

The District prepares its budget on a basis of accounting that differs from generally accepted accounting principles (GAAP). The actual column presented on the Budgetary Comparison Schedule – General Fund is prepared in accordance with the budget basis of accounting.

The major differences between the budgetary basis of accounting and GAAP are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- B. Expenditures are recorded when encumbered (budget basis) as opposed to when the liability is incurred (GAAP basis);
- C. Encumbrances are recorded as the equivalent of expenditures (budget basis) as opposed to a reservation of fund balance (GAAP basis); and
- D. Investments are recorded at cost (budget basis) as opposed to fair value (GAAP basis).

A reconciliation of the General Fund results of operations at the end of the year on the GAAP basis to the budget basis follows:

Deficiency of revenues and other financing sources under expenditures and other financing uses (GAAP Basis)	\$ (973,611)
 <b>Adjustments</b>	
Due to revenues	4,118,136
Due to expenditures	(3,284,268)
Due to other financing sources	1,045,630
Excess of revenues and other financing sources over expenditures and other financing uses (Budget Basis)	\$ 905,887

**WORTHINGTON CITY SCHOOL DISTRICT**

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**WORTHINGTON CITY SCHOOL DISTRICT**

**SUPPLEMENTAL  
DATA**



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# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

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Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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**Public School Support** - A fund used for the proceeds of specific revenue sources, except for State and Federal grants that are legally restricted to expenditures for specified purposes.

**Grants - Local Sources** - A fund provided to account for specific local revenue sources, other than taxes or expendable trusts (i.e., profits from vending machines sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

**Other Local Sources** - A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District. Profit derived from such sale is to be used for school purposes or activities in connection with the school.

**District-Managed Student Activities** - A fund provided to account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders, flag corps, and other similar types of activities.

**Auxiliary Services Fund** - A fund used to account for monies which provide services and materials to pupils attending non-public schools within the school district. For generally accepted accounting purposes, this fund is accounted for as a special revenue fund.

**Uniform School Supplies** - A rotary fund provided to account for the purchase and sale of school supplies as adopted by the Board of Education for use in the schools of the District. Profit derived from such sale is to be used for school purposes or activities in connection with the school.

**Special Rotary** - A rotary fund provided to account for the income and expenditures in connection with (1) supplemental education classes; (2) A special education preschool program (3) a life enrichment program; and (4) facility rentals.

**Career Development Grants** - A fund provided to account for money received and expended in conjunction with Vocational Education-Career Development projects funded by the State of Ohio, Department of Education, Division of Vocational Education (pass through Upper Arlington City School District).

## WORTHINGTON CITY SCHOOL DISTRICT

**Teacher Development Grants**- A fund provided to account for receipts and expenditures necessary for providing assistance to local school districts for the development of in-service programs.

**EMIS Grant** - A fund provided to account for the monies received and expended for the implementation of the Educational Management Information System that was required by recent legislation in Ohio.

**Data Communications Support** – A fund provided to account for money appropriated from the State of Ohio for Ohio Educational Computer Network Connections.

**School Net Professional Development** – A fund provided to account for a limited number of professional development subsidy grants.

**Textbook Subsidy** - A fund provided to account for moneys received from the state for textbooks, instructional software, instructional materials, and any other materials the district deems to be helpful in providing appropriate instruction to students in the following subject areas: reading, writing, mathematics, science and citizenship.

**Summer School Grant**– A fund provided to account monies received from the State for summer school.

**Alternative Education** – A fund to account for funds for intervention services satisfying criteria defined in section 3313.608 of the Ohio Revised Code.

**Vocational Technology** – A fund provided to account for money received and expended in conjunction with Vocational Education-Career Development projects funded by the State of Ohio, Department of Education, Division of Vocational Education (pass through Upper Arlington City School District).

**Ohio Reads Grant** – A fund intended to improve reading outcomes, especially for fourth grade reading proficiency test and for volunteer coordinators and costs associated with volunteer coordination.

**Other State Grants** – A fund used to account for various monies received from state agencies which are not classified elsewhere. A separate special cost center must be used for each grant and be approved by the Auditor of State.

**JTPA GRANTS** – A fund used to account for the Job Training Partnership Act grant received through the Private Industry Council of Franklin County (a not-for-profit organization) to employ job coaches for handicapped children.

**Federal Excellence Grants-Title II** - A fund provided to account for funds used for strengthening instruction in science, mathematics, modern foreign languages, English, arts and humanities, reading, history, geography civics, economics, and industrial arts through acquisition of laboratory and other special equipment and materials and through minor remodeling.

## WORTHINGTON CITY SCHOOL DISTRICT

**Title VIB Grants**- A fund provided to account for grants used to assist states in the identification of handicapped children, development of procedural safeguards, implementation of least restrictive alternative service patterns, and provision of full educational opportunities to handicapped children at the preschool, elementary and secondary levels.

**Vocational Education Grants** - A fund provided to account for amounts received and expended for vocational education, primarily those passed through the State of Ohio Department of Education related to the Carl D. Perkins Vocational and Applied Technology Act of 1990.

**Bilingual Education Grants** - A fund provided to account for the Foreign Language Grant program at the elementary schools, which is funded with U.S. Department of Education grant monies.

**Title I Grants** - A fund which accounts for federal funds used to meet the special needs of educationally deprived children.

**Title VI Grants** - A fund to consolidate various programs into a single authorization of grants to States to be used in accordance with the educational needs and priorities of the state and local agencies.

**Emergency Immigrant Education** – A fund provided to account for educational services and costs for eligible immigrant children enrolled in elementary and secondary schools.

**Drug Free Grants** - A fund which accounts for federal funds used to establish, operate, and improve local programs of drug abuse prevention, early intervention, rehabilitation referral, and education in the District.

**Refugee Children Grant**- A fund to provide for federal funds used to provide supplemental education services to refugee students

**Education of the Handicapped Preschool Grants** - A fund to address the improvement and expansion of services for handicapped children ages three (3) through five (5) years.

**Telecommunications Act Grant Fund (E-Rate)** – A fund used to account for a federal grant which is paid directly to the telecommunication service provider.

**Other Miscellaneous Federal Grants** – A fund used to account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. A separate cost center must be used for each grant and be approved by the Auditor of State.

# WORTHINGTON CITY SCHOOL DISTRICT

## Capital Projects Funds

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Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessments and trust funds).

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**Capital Projects Building Fund** - A fund used to account for the revenues and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, notes, or certificates of indebtedness, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs for acquiring capital facilities including real property.

**Permanent Improvement Fund** - A fund provided to account for all transactions related to the acquiring, constructing, or improving of such permanent improvements as authorized by Section 5705 of the Ohio Revised Code.

**School Net Plus** - A fund used to provide for computer hardware and software in K-4 classrooms in the district.



**WORTHINGTON CITY SCHOOL DISTRICT**

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**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2003**

	SPECIAL REVENUE FUNDS			DISTRICT-MANAGED
	PUBLIC SCHOOL SUPPORT	GRANTS - LOCAL SOURCES	OTHER LOCAL SOURCES	STUDENT ACTIVITIES
<b><u>ASSETS</u></b>				
Cash and investments	\$ 525,840	12,383	37,857	375,224
Cash and investments with trustees	-	-	-	-
Receivables, net	-	-	-	-
Due from other- Governments	-	-	-	-
Total assets	525,840	12,383	37,857	375,224
<b><u>LIABILITIES</u></b>				
Accounts payable	2,325	2,972	-	14,070
Due to other:				
Governments	-	-	-	-
Funds	-	-	-	-
Deferred revenue	-	-	-	-
Accrued liabilities	-	-	-	-
Total liabilities	2,325	2,972	-	14,070
<b>Fund balances:</b>				
Reserve for encumbrances	4,298	3,608	-	49,526
Unreserved	519,217	5,803	37,857	311,628
Total fund balances	523,515	9,411	37,857	361,154
Total liabilities and fund balances	\$ 525,840	12,383	37,857	375,224

**WORTHINGTON CITY SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS**

<u>AUXILIARY SERVICES</u>	<u>UNIFORM SCHOOL SUPPLIES</u>	<u>SPECIAL ROTARY</u>	<u>CAREER DEVELOPMENT GRANTS</u>	<u>TEACHER DEVELOPMENT GRANTS</u>	<u>EMIS GRANTS</u>
161,511	278,868	515,228	18,775	-	32,701
-	-	-	-	-	-
-	-	91,822	-	-	-
-	-	-	-	-	-
<u>161,511</u>	<u>278,868</u>	<u>607,050</u>	<u>18,775</u>	<u>-</u>	<u>32,701</u>
47,559	14,161	8,464	531	-	-
5,075	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
34,622	-	-	-	-	-
<u>87,256</u>	<u>14,161</u>	<u>8,464</u>	<u>531</u>	<u>-</u>	<u>-</u>
28,198	-	-	709	725	-
46,057	264,707	598,586	17,535	(725)	32,701
74,255	264,707	598,586	18,244	-	32,701
<u>161,511</u>	<u>278,868</u>	<u>607,050</u>	<u>18,775</u>	<u>-</u>	<u>32,701</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2003**

	SPECIAL REVENUE FUNDS			
	DATA COMMUNICATIONS SUPPORT	SCHOOLNET PROFESSIONAL DEVELOPMENT	TEXTBOOK/ INSTRUCTIONAL MATERIALS SUBSIDY	SUMMER SCHOOL GRANT
<b><u>ASSETS</u></b>				
Cash and investments	\$ 52,450	5,684	95	-
Cash and investments with trustees	-	-	-	-
Receivables, net	-	-	-	-
Due from other:				
Governments	-	-	-	-
Total assets	<u>52,450</u>	<u>5,684</u>	<u>95</u>	<u>-</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	2,757	-	36	-
Due to other:				
Governments	-	-	-	-
Funds	-	-	-	-
Deferred revenue	-	-	-	-
Accrued liabilities	-	-	-	-
Total liabilities	<u>2,757</u>	<u>-</u>	<u>36</u>	<u>-</u>
<b>Fund balances:</b>				
Reserve for encumbrances	-	-	-	-
Unreserved	49,693	5,684	59	-
Total fund balances	<u>49,693</u>	<u>5,684</u>	<u>59</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 52,450</u>	<u>5,684</u>	<u>95</u>	<u>-</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS**

<u>ALTERNATIVE EDUCATION</u>	<u>VOCATIONAL TECHNOLOGY</u>	<u>OHIO READS GRANT</u>	<u>OTHER STATE GRANTS</u>	<u>JTPA GRANTS</u>	<u>FEDERAL EXCELLENCE GRANTS - TITLE II</u>
15	-	28,509	12,674	971	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>15</u>	<u>-</u>	<u>28,509</u>	<u>12,674</u>	<u>971</u>	<u>-</u>
-	-	2,564	600	64	-
3,241	-	-	511	-	-
900	-	-	-	-	-
-	-	-	-	-	-
20,132	-	-	3,195	-	-
<u>24,273</u>	<u>-</u>	<u>2,564</u>	<u>4,306</u>	<u>64</u>	<u>-</u>
-	-	1,306	26	815	-
(24,258)	-	24,640	8,342	92	-
<u>(24,258)</u>	<u>-</u>	<u>25,945</u>	<u>8,368</u>	<u>907</u>	<u>-</u>
<u>15</u>	<u>-</u>	<u>28,509</u>	<u>12,674</u>	<u>971</u>	<u>-</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2003**

	SPECIAL REVENUE FUNDS			
	TITLE VIB GRANTS	VOCATIONAL EDUCATION GRANTS	BILINGUAL EDUCATION GRANTS	TITLE I GRANTS
<b>ASSETS</b>				
Cash and investments	\$ 6,457	72,459	152	75
Cash and investments with trustees	-	-	-	-
Receivables, net	-	-	-	-
Due from other:				
Governments	383,950	-	12,441	16,440
Total assets	390,407	72,459	12,593	16,515
<b>LIABILITIES</b>				
Accounts payable	1,949	1,546	-	-
Due to other:				
Governments	3,356	-	958	1,350
Funds	-	-	4,400	900
Deferred revenue	276,615	-	2,704	11,008
Accrued liabilities	79,749	-	5,976	9,004
Total liabilities	361,669	1,546	14,038	22,262
<b>Fund balances:</b>				
Reserve for encumbrances	4,080	-	115	-
Unreserved	24,658	70,913	(1,560)	(5,747)
Total fund balances	28,738	70,913	(1,445)	(5,747)
Total liabilities and fund balances	\$ 390,407	72,459	12,593	16,515

**WORTHINGTON CITY SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS**

<u>TITLE VI GRANTS</u>	<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>	<u>EMERGENCY IMMIGRANT EDUCATION</u>	<u>DRUG-FREE GRANTS</u>	<u>REFUGEE CHILDREN GRANT</u>
11,232	-	-	3,602	64
-	-	-	-	-
-	-	-	-	-
47,071	-	-	960	-
<u>58,303</u>	<u>-</u>	<u>-</u>	<u>4,562</u>	<u>64</u>
10,811	-	-	-	-
163	-	-	-	-
3,600	-	-	-	-
33,256	-	-	-	-
1,015	-	-	-	-
<u>48,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
410	-	-	-	-
9,048	-	-	4,562	64
9,458	-	-	4,562	64
<u>58,303</u>	<u>-</u>	<u>-</u>	<u>4,562</u>	<u>64</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2003**

	SPECIAL REVENUE FUNDS		
	EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS	TELECOMMUNICATIONS ACT GRANT	OTHER MISCELLANEOUS FEDERAL GRANTS
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,005	9,641	8,934
Cash and investments with trustees	-	-	-
Receivables, net	-	-	-
Due from other:			
Governments	9,673	-	114,069
Total assets	<u>10,678</u>	<u>9,641</u>	<u>123,003</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	-	514	553
Due to other:			
Governments	567	-	2,496
Funds	-	-	-
Deferred revenue	9,673	-	89,144
Accrued liabilities	3,540	-	16,055
Total liabilities	<u>13,780</u>	<u>514</u>	<u>108,248</u>
Fund balance:			
Reserve for encumbrances	-	-	(553)
Unreserved	(3,102)	9,127	15,308
Total fund balances	<u>(3,102)</u>	<u>9,127</u>	<u>14,755</u>
Total liabilities and fund balances	<u>\$ 10,678</u>	<u>9,641</u>	<u>123,003</u>



**WORTHINGTON CITY SCHOOL DISTRICT**

TOTAL NONMAJOR SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS			TOTAL NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	BUILDING FUND	PERMANENT IMPROVEMENTS	SCHOOL NET PLUS		
2,172,406	77,052	1,819,401	7	1,896,460	4,068,866
-	1,762,361	-	-	1,762,361	1,762,361
91,822	-	-	-	-	91,822
584,604	-	-	-	-	584,604
<u>2,848,832</u>	<u>1,839,413</u>	<u>1,819,401</u>	<u>7</u>	<u>3,658,821</u>	<u>6,507,653</u>
111,476	3,677	-	-	3,677	115,153
17,717	-	-	-	-	17,717
9,800	518,000	-	-	518,000	527,800
422,400	-	-	-	-	422,400
173,288	-	-	-	-	173,288
<u>734,681</u>	<u>521,677</u>	<u>-</u>	<u>-</u>	<u>521,677</u>	<u>1,256,358</u>
93,262	140,100	53,000	-	193,100	286,362
2,020,888	1,177,636	1,766,401	7	2,944,044	4,964,932
<u>2,114,151</u>	<u>1,317,736</u>	<u>1,819,401</u>	<u>7</u>	<u>3,137,144</u>	<u>5,251,295</u>
<u>2,848,832</u>	<u>1,839,413</u>	<u>1,819,401</u>	<u>7</u>	<u>3,658,821</u>	<u>6,507,653</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2003**

	SPECIAL REVENUE FUNDS			DISTRICT-MANAGED
	PUBLIC SCHOOL SUPPORT	GRANTS - LOCAL SOURCES	OTHER LOCAL SOURCES	STUDENT ACTIVITIES
<b>Revenues</b>				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	-	9,200	-	-
Investment income	-	-	507	-
Co-curricular activities	-	-	-	637,009
Class fees	-	-	-	-
Other	282,902	950	18,779	-
Total Revenues	<u>282,902</u>	<u>10,150</u>	<u>19,286</u>	<u>637,009</u>
<b>Expenditures</b>				
Current:				
Instructional services:				
Regular	155,239	3,770	-	-
Special	62,101	-	-	373
Vocational	-	-	-	-
Total Instructional Services	<u>217,340</u>	<u>3,770</u>	<u>-</u>	<u>373</u>
Support services:				
Operation and maintenance of plant	86,747	-	-	-
School administration	795	2,972	-	235
Pupil services	8,093	-	-	89
Business operations	-	-	-	-
Instructional staff	22,412	-	-	-
Student transportation	1,215	-	-	-
Central services	-	-	-	-
Total Support Services	<u>119,262</u>	<u>2,972</u>	<u>-</u>	<u>324</u>
Co-curricular student activities	3,552	-	-	694,790
Community services	-	-	15,159	5,208
Capital outlay	-	-	-	-
Debt Service - Interest	-	-	-	-
Total Expenditures	<u>340,154</u>	<u>6,742</u>	<u>15,159</u>	<u>700,695</u>
Excess (deficiency) of revenues over expenditures	(57,252)	3,408	4,127	(63,686)
Other financing sources:				
Transfers in	-	-	-	24,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(57,252)	3,408	4,127	(39,686)
Fund balance at beginning of year	580,767	6,003	33,730	400,840
Fund balance at end of year	<u>\$ 523,515</u>	<u>9,411</u>	<u>37,857</u>	<u>361,154</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS**

<u>AUXILIARY SERVICES</u>	<u>UNIFORM SCHOOL SUPPLIES</u>	<u>SPECIAL ROTARY</u>	<u>CAREER DEVELOPMENT GRANTS</u>	<u>TEACHER DEVELOPMENT GRANTS</u>	<u>EMIS GRANTS</u>
-	-	-	-	-	-
774,884	-	-	11,250	-	36,300
-	-	-	-	-	-
-	-	-	-	-	-
-	405,404	64,221	-	-	-
-	-	240,566	-	-	-
<u>774,884</u>	<u>405,404</u>	<u>304,787</u>	<u>11,250</u>	<u>-</u>	<u>36,300</u>
363,667	367,751	-	-	-	-
191,696	-	-	-	-	-
-	-	-	-	-	-
<u>555,363</u>	<u>367,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
43,387	-	-	-	-	-
123,209	-	-	-	-	-
27,451	-	-	-	-	-
-	-	-	-	833	-
-	-	-	-	-	-
-	-	-	-	-	47,225
<u>194,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>833</u>	<u>47,225</u>
-	-	114,321	6,307	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>749,410</u>	<u>367,751</u>	<u>114,321</u>	<u>6,307</u>	<u>833</u>	<u>47,225</u>
25,474	37,653	190,466	4,943	(833)	(10,925)
-	-	-	-	-	-
-	-	-	-	-	-
25,474	37,653	190,466	4,943	(833)	(10,925)
48,781	227,054	408,120	13,301	833	43,626
<u>74,255</u>	<u>264,707</u>	<u>598,586</u>	<u>18,244</u>	<u>-</u>	<u>32,701</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**FOR THE YEAR ENDED JUNE 30, 2003**

	SPECIAL REVENUE FUNDS			
	DATA	SCHOOLNET	TEXTBOOK/	SUMMER
	COMMUNICATIONS SUPPORT	PROFESSIONAL DEVELOPMENT	INSTRUCTIONAL MATERIALS SUBSIDY	SCHOOL GRANT
<b>Revenues</b>				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	63,000	7,500	-	-
Investment income	-	-	-	-
Co-curricular activities	-	-	-	-
Class fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>63,000</u>	<u>7,500</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
Instructional services:				
Regular	-	-	7,758	18,538
Special	-	-	-	-
Vocational	-	-	-	-
Total Instructional Services	<u>-</u>	<u>-</u>	<u>7,758</u>	<u>18,538</u>
Support services:				
Operation and maintenance of plant	-	-	-	-
School administration	-	-	-	-
Pupil services	-	-	-	-
Business operations	-	-	-	-
Instructional staff	-	10,849	-	-
Student transportation	-	-	-	-
Central services	62,439	-	-	-
Total Support Services	<u>62,439</u>	<u>10,849</u>	<u>-</u>	<u>-</u>
Co-curricular student activities	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service - Interest				
Total Expenditures	<u>62,439</u>	<u>10,849</u>	<u>7,758</u>	<u>18,538</u>
Excess (deficiency) of revenues over expenditures	561	(3,349)	(7,758)	(18,538)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	561	(3,349)	(7,758)	(18,538)
Fund balance at beginning of year	49,132	9,033	7,817	18,538
Fund balance at end of year	<u>\$ 49,693</u>	<u>5,684</u>	<u>59</u>	<u>-</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS**

<u>ALTERNATIVE EDUCATION</u>	<u>VOCATIONAL TECHNOLOGY</u>	<u>OHIO READS GRANT</u>	<u>OTHER STATE GRANTS</u>	<u>JTPA GRANTS</u>	<u>FEDERAL EXCELLENCE GRANTS - TITLE II</u>
-	-	-	-	-	11,113
153,218	1,978	47,673	61,754	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>153,218</u>	<u>1,978</u>	<u>47,673</u>	<u>61,754</u>	<u>-</u>	<u>11,113</u>
-	-	49,564	13,117	-	17,988
9,165	-	-	-	-	-
-	1,978	-	-	3,422	-
<u>9,165</u>	<u>1,978</u>	<u>49,564</u>	<u>13,117</u>	<u>3,422</u>	<u>17,988</u>
-	-	-	-	-	-
-	-	-	-	-	-
12,969	-	-	-	-	-
-	-	-	75,225	-	9,968
-	-	2,010	-	-	-
-	-	-	-	-	-
<u>12,969</u>	<u>-</u>	<u>2,010</u>	<u>75,225</u>	<u>-</u>	<u>9,968</u>
-	-	-	-	-	-
-	-	-	-	-	2,056
-	-	-	600	-	-
<u>22,134</u>	<u>1,978</u>	<u>51,574</u>	<u>88,942</u>	<u>3,422</u>	<u>30,012</u>
131,084	-	(3,901)	(27,188)	(3,422)	(18,899)
-	-	-	-	-	-
-	-	-	-	-	-
131,084	-	(3,901)	(27,188)	(3,422)	(18,899)
(155,342)	-	29,846	35,556	4,329	18,899
<u>(24,258)</u>	<u>-</u>	<u>25,945</u>	<u>8,368</u>	<u>907</u>	<u>-</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**FOR THE YEAR ENDED JUNE 30, 2003**

	SPECIAL REVENUE FUNDS			
	TITLE VIB GRANTS	VOCATIONAL EDUCATION GRANTS	BILINGUAL EDUCATION GRANTS	TITLE I GRANTS
<b>Revenues</b>				
Intergovernmental:				
Federal restricted grants-in-aid	\$ 742,796	66,888	56,782	31,561
State restricted grants-in-aid	-	-	-	-
Investment income	-	-	-	-
Co-curricular activities	-	-	-	-
Class fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>742,796</u>	<u>66,888</u>	<u>56,782</u>	<u>31,561</u>
<b>Expenditures</b>				
Current:				
Instructional services:				
Regular	-	-	2,698	-
Special	21,245	-	53,631	41,366
Vocational	-	3,673	-	-
Total Instructional Services	<u>21,245</u>	<u>3,673</u>	<u>56,329</u>	<u>41,366</u>
Support services:				
Operation and maintenance of plant	-	-	-	-
School administration	62,658	-	9	-
Pupil services	97,367	31,292	210	11,599
Business operations	-	2,822	-	-
Instructional staff	439,418	14,895	-	-
Student transportation	-	-	-	-
Central services	18,800	-	-	-
Total Support Services	<u>618,243</u>	<u>49,009</u>	<u>219</u>	<u>11,599</u>
Co-curricular student activities	-	-	-	-
Community services	20,809	-	-	-
Capital outlay	-	-	-	-
Debt Service - Interest				
Total Expenditures	<u>660,297</u>	<u>52,682</u>	<u>56,548</u>	<u>52,965</u>
Excess (deficiency) of revenues over expenditures	82,499	14,206	234	(21,404)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	82,499	14,206	234	(21,404)
Fund balance at beginning of year	(53,761)	56,707	(1,679)	15,657
Fund balance at end of year	<u>\$ 28,738</u>	<u>70,913</u>	<u>(1,445)</u>	<u>(5,747)</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

**SPECIAL REVENUE FUNDS**

<u>TITLE VI GRANTS</u>	<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>	<u>EMERGENCY IMMIGRANT EDUCATION</u>	<u>DRUG-FREE GRANTS</u>	<u>REFUGEE CHILDREN GRANT</u>
84,274	-	-	36,021	-
-	-	-	-	1,500
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>84,274</u>	<u>-</u>	<u>-</u>	<u>36,021</u>	<u>1,500</u>
97,069	-	-	42,108	-
-	-	1,969	-	10,357
-	-	-	-	-
<u>97,069</u>	<u>-</u>	<u>1,969</u>	<u>42,108</u>	<u>10,357</u>
-	-	-	-	-
-	-	-	-	-
5,449	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>5,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
11,889	-	-	-	-
-	-	-	-	-
<u>114,407</u>	<u>-</u>	<u>1,969</u>	<u>42,108</u>	<u>10,357</u>
(30,133)	-	(1,969)	(6,087)	(8,857)
-	-	-	-	-
-	-	-	-	-
(30,133)	-	(1,969)	(6,087)	(8,857)
39,591	-	1,969	10,649	8,921
<u>9,458</u>	<u>-</u>	<u>-</u>	<u>4,562</u>	<u>64</u>

(Continued)





**WORTHINGTON CITY SCHOOL DISTRICT**

TOTAL NONMAJOR SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS			TOTAL NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	BUILDING FUND	PERMANENT IMPROVEMENTS	SCHOOL NET PLUS		
1,342,234	-	-	-	-	1,342,234
1,168,257	-	-	160,397	160,397	1,328,654
507	81,084	9,120	-	90,204	90,711
637,009	-	-	-	-	637,009
469,625	-	-	-	-	469,625
545,340	-	240,845	-	240,845	786,185
<u>4,162,972</u>	<u>81,084</u>	<u>249,965</u>	<u>160,397</u>	<u>491,446</u>	<u>4,654,418</u>
1,289,222	-	132,610	60	132,670	1,421,892
401,981	-	-	-	-	401,981
9,073	-	-	-	-	9,073
<u>1,700,276</u>	<u>-</u>	<u>132,610</u>	<u>60</u>	<u>132,670</u>	<u>1,832,946</u>
186,963	-	-	-	-	186,963
110,056	-	-	-	-	110,056
290,277	-	-	-	-	290,277
30,273	172,687	-	-	172,687	202,960
646,753	-	-	-	-	646,753
3,225	-	-	-	-	3,225
128,464	-	-	160,390	160,390	288,854
<u>1,396,011</u>	<u>172,687</u>	<u>-</u>	<u>160,390</u>	<u>333,077</u>	<u>1,729,088</u>
818,970	-	-	-	-	818,970
55,950	-	-	-	-	55,950
6,049	315,082	165,830	-	480,912	486,961
-	30,650	-	-	30,650	30,650
<u>3,977,256</u>	<u>518,419</u>	<u>298,440</u>	<u>160,450</u>	<u>977,309</u>	<u>4,954,565</u>
185,716	(437,335)	(48,475)	(53)	(485,863)	(300,147)
24,000	660,650	-	-	660,650	684,650
<u>24,000</u>	<u>660,650</u>	<u>-</u>	<u>-</u>	<u>660,650</u>	<u>684,650</u>
209,716	223,315	(48,475)	(53)	174,787	384,503
1,904,435	1,094,421	1,867,876	60	2,962,357	4,866,792
<u>2,114,151</u>	<u>1,317,736</u>	<u>1,819,401</u>	<u>7</u>	<u>3,137,144</u>	<u>5,251,295</u>

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
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 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
<b>Special Revenue Funds</b>				
<b>Public School Support</b>				
Total Revenues and Other Sources	\$ 439,500	\$ 281,070	\$ 282,902	\$ 1,832
Total Expenditures and Other Uses	1,041,691	883,261	365,878	517,383
Net Change in Fund Balance	(602,191)	(602,191)	(82,976)	519,215
Fund Balance, July 1	553,902	553,902	553,902	-
Prior Year Encumbrances Appropriated	48,289	48,289	48,289	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,215</u>	<u>\$ 519,215</u>
<b>Grants Local Sources</b>				
Total Revenues and Other Sources	\$ -	\$ 10,150	\$ 10,150	\$ -
Total Expenditures and Other Uses	7,702	9,234	9,234	-
Net Change in Fund Balance	(7,702)	916	916	-
Fund Balance, July 1	5,956	5,956	5,956	-
Prior Year Encumbrances Appropriated	1,902	1,902	1,902	-
Fund Balance, June 30	<u>\$ 156</u>	<u>\$ 8,774</u>	<u>\$ 8,774</u>	<u>\$ -</u>
<b>Other Local Sources</b>				
Total Revenues and Other Sources	\$ -	\$ 16,427	\$ 19,286	\$ 2,859
Total Expenditures and Other Uses	10,200	15,159	15,159	-
Net Change in Fund Balance	(10,200)	1,268	4,127	2,859
Fund Balance, July 1	33,730	33,730	33,730	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 23,530</u>	<u>\$ 34,998</u>	<u>\$ 37,857</u>	<u>\$ 2,859</u>

Worthington City School District  
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 For the fiscal year ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
<b>Special Revenue Funds</b>				
<b>District-Managed Student Activities</b>				
Total Revenues and Other Sources	\$ 727,700	\$ 635,224	\$ 661,009	\$ 25,785
Total Expenditures and Other Uses	1,146,508	1,054,098	768,255	285,843
Net Change in Fund Balance	(418,808)	(418,874)	(107,246)	311,628
Fund Balance, July 1	372,066	372,066	372,066	-
Prior Year Encumbrances Appropriated	46,808	46,808	46,808	-
Fund Balance, June 30	<u>\$ 66</u>	<u>\$ 0</u>	<u>\$ 311,628</u>	<u>\$ 311,628</u>
<b>Auxiliary Services</b>				
Total Revenues and Other Sources	\$ -	\$ 669,995	\$ 669,995	\$ -
Total Expenditures and Other Uses	200,397	887,685	801,932	85,753
Net Change in Fund Balance	(200,397)	(217,690)	(131,937)	85,753
Fund Balance, July 1	187,493	187,493	187,493	-
Prior Year Encumbrances Appropriated	30,197	30,197	30,197	-
Fund Balance, June 30	<u>\$ 17,293</u>	<u>\$ 0</u>	<u>\$ 85,753</u>	<u>\$ 85,753</u>
<b>Uniform School Supplies</b>				
Total Revenues and Other Sources	\$ 378,900	\$ 404,963	\$ 405,404	\$ 441
Total Expenditures and Other Uses	614,491	614,491	398,831	215,660
Net Change in Fund Balance	(235,591)	(209,528)	6,573	216,101
Fund Balance, July 1	184,577	184,577	184,577	-
Prior Year Encumbrances Appropriated	51,091	51,091	51,091	-
Fund Balance, June 30	<u>\$ 77</u>	<u>\$ 26,140</u>	<u>\$ 242,241</u>	<u>\$ 216,101</u>

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
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	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
<b>Special Revenue Funds</b>				
<b>Special Rotary Funds</b>				
Total Revenues and Other Sources	\$ 287,600	\$ 268,312	\$ 268,412	\$ 100
Total Expenditures and Other Uses	649,689	630,496	116,581	513,915
Net Change in Fund Balance	(362,089)	(362,184)	151,831	514,015
Fund Balance, July 1	348,295	348,295	348,295	-
Prior Year Encumbrances Appropriated	13,889	13,889	13,889	-
Fund Balance, June 30	<u>\$ 95</u>	<u>\$ -</u>	<u>\$ 514,015</u>	<u>\$ 514,015</u>
<b>Career Development</b>				
Total Revenues and Other Sources	\$ -	\$ 11,250	\$ 11,250	\$ -
Total Expenditures and Other Uses	13,551	24,801	7,266	17,535
Net Change in Fund Balance	(13,551)	(13,551)	3,984	17,535
Fund Balance, July 1	13,301	13,301	13,301	-
Prior Year Encumbrances Appropriated	250	250	250	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,535</u>	<u>\$ 17,535</u>
<b>Teacher Development</b>				
Total Revenues and Other Sources	\$ -	\$ (5,106)	\$ (5,106)	\$ -
Total Expenditures and Other Uses	954	948	948	-
Net Change in Fund Balance	(954)	(6,054)	(6,054)	-
Fund Balance, July 1	5,700	5,700	5,700	-
Prior Year Encumbrances Appropriated	354	354	354	-
Fund Balance, June 30	<u>\$ 5,100</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ -</u>

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
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	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Special Revenue Funds</b>				
<b>Management Information Systems (EMIS)</b>				
Total Revenues and Other Sources	\$ -	\$ 36,300	\$ 36,300	\$ -
Total Expenditures and Other Uses	47,732	84,085	51,385	32,700
Net Change in Fund Balance	(47,732)	(47,785)	(15,085)	32,700
Fund Balance, July 1	38,853	38,853	38,853	-
Prior Year Encumbrances Appropriated	8,932	8,932	8,932	-
Fund Balance, June 30	<u>\$ 53</u>	<u>\$ 0</u>	<u>\$ 32,700</u>	<u>\$ 32,700</u>
<b>Data Communication Support</b>				
Total Revenues and Other Sources	\$ -	\$ 63,000	\$ 63,000	\$ -
Total Expenditures and Other Uses	50,900	113,992	61,542	52,450
Net Change in Fund Balance	(50,900)	(50,992)	1,458	52,450
Fund Balance, July 1	50,992	50,992	50,992	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$92</u>	<u>\$0</u>	<u>\$52,450</u>	<u>\$52,450</u>
<b>School Net Professional Development</b>				
Total Revenues and Other Sources	\$ -	\$ 7,500	\$ 7,500	\$ -
Total Expenditures and Other Uses	3,800	11,322	5,639	5,683
Net Change in Fund Balance	(3,800)	(3,822)	1,861	5,683
Fund Balance, July 1	3,822	3,822	3,822	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 5,683</u>	<u>\$ 5,683</u>

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
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	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Special Revenue Funds</b>				
<b>Textbook Subsidy</b>				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	67,790	67,807	67,744	63
Net Change in Fund Balance	(67,790)	(67,807)	(67,744)	63
Fund Balance, July 1	3,617	3,617	3,617	-
Prior Year Encumbrances Appropriated	64,190	64,190	64,190	-
Fund Balance, June 30	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 63</u>	<u>\$ 63</u>
<b>Summer School Grant</b>				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	18,500	18,538	18,538	-
Net Change in Fund Balance	(18,500)	(18,538)	(18,538)	-
Fund Balance, July 1	18,538	18,538	18,538	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 38</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ -</u>
<b>Alternative Education Grant</b>				
Total Revenues and Other Sources	\$ -	\$ 154,118	\$ 154,118	\$ -
Total Expenditures and Other Uses	-	154,103	154,103	-
Net Change in Fund Balance	-	15	15	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 15</u>	<u>\$ -</u>

Worthington City School District  
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	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Special Revenue Funds</b>				
<b>Vocational Technology Grant</b>				
Total Revenues and Other Sources	\$ -	\$ 1,978	\$ 1,978	\$ -
Total Expenditures and Other Uses	-	1,978	1,978	-
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Ohio Reads</b>				
Total Revenues and Other Sources	\$ 30,000	\$ 47,601	\$ 47,601	\$ -
Total Expenditures and Other Uses	60,049	77,672	53,034	24,638
Net Change in Fund Balance	(30,049)	(30,071)	(5,433)	24,638
Fund Balance, July 1	10,122	10,122	10,122	-
Prior Year Encumbrances Appropriated	19,949	19,949	19,949	-
Fund Balance, June 30	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 24,638</u>	<u>\$ 24,638</u>
<b>Other State Grants</b>				
Total Revenues and Other Sources	\$ -	\$ 53,120	\$ 53,120	\$ -
Total Expenditures and Other Uses	38,248	98,363	86,314	12,049
Net Change in Fund Balance	(38,248)	(45,243)	(33,194)	12,049
Fund Balance, July 1	42,095	42,095	42,095	-
Prior Year Encumbrances Appropriated	3,148	3,148	3,148	-
Fund Balance, June 30	<u>\$ 6,995</u>	<u>\$ 0</u>	<u>\$ 12,049</u>	<u>\$ 12,049</u>

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	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Special Revenue Funds</b>				
<b>JTPA</b>				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	5,126	5,192	5,099	93
Net Change in Fund Balance	(5,126)	(5,192)	(5,099)	93
Fund Balance, July 1	3,566	3,566	3,566	-
Prior Year Encumbrances Appropriated	1,626	1,626	1,626	-
Fund Balance, June 30	<u>\$ 66</u>	<u>\$ -</u>	<u>\$ 93</u>	<u>\$ 93</u>
<b>Federal Excellence Grants - Title II</b>				
Total Revenues and Other Sources	\$ 36,500	\$ 22,307	\$ 22,307	\$ -
Total Expenditures and Other Uses	46,452	32,278	32,278	-
Net Change in Fund Balance	(9,952)	(9,971)	(9,971)	-
Fund Balance, July 1	6,719	6,719	6,719	-
Prior Year Encumbrances Appropriated	3,252	3,252	3,252	-
Fund Balance, June 30	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Title VI-B (Part B - IDEA)</b>				
Total Revenues and Other Sources	\$ 156,100	\$ 635,461	\$ 635,461	\$ -
Total Expenditures and Other Uses	161,265	640,626	640,198	428
Net Change in Fund Balance	(5,165)	(5,165)	(4,737)	428
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	5,165	5,165	5,165	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428</u>	<u>\$ 428</u>



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	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Special Revenue Funds</b>				
<b>Vocational Education Grants</b>				
Total Revenues and Other Sources	\$ 66,900	\$ 133,776	\$ 133,776	\$ -
Total Expenditures and Other Uses	57,571	124,552	52,283	72,269
Net Change in Fund Balance	9,329	9,224	81,493	72,269
Fund Balance, July 1	(9,895)	(9,895)	(9,895)	-
Prior Year Encumbrances Appropriated	671	671	671	-
Fund Balance, June 30	<u>\$ 105</u>	<u>\$ -</u>	<u>\$ 72,269</u>	<u>\$ 72,269</u>
<b>Bilingual Education</b>				
Total Revenues and Other Sources	\$ 12,000	\$ 68,646	\$ 68,646	\$ -
Total Expenditures and Other Uses	23,195	79,925	79,900	25
Net Change in Fund Balance	(11,195)	(11,279)	(11,254)	25
Fund Balance, July 1	10,197	10,197	10,197	-
Prior Year Encumbrances Appropriated	1,095	1,095	1,095	-
Fund Balance, June 30	<u>\$ 97</u>	<u>\$ 13</u>	<u>\$ 38</u>	<u>\$ 25</u>
<b>Title I</b>				
Total Revenues and Other Sources	\$ 16,000	\$ 34,000	\$ 34,000	\$ -
Total Expenditures and Other Uses	32,743	50,843	50,767	76
Net Change in Fund Balance	(16,743)	(16,843)	(16,767)	76
Fund Balance, July 1	2,400	2,400	2,400	-
Prior Year Encumbrances Appropriated	14,443	14,443	14,443	-
Fund Balance, June 30	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 76</u>	<u>\$ 76</u>

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	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Special Revenue Funds</b>				
<b>Title VI (Title V)</b>				
Total Revenues and Other Sources	\$ 64,900	\$ 88,353	\$ 88,353	\$ -
Total Expenditures and Other Uses	96,992	120,539	120,528	11
Net Change in Fund Balance	(32,092)	(32,186)	(32,175)	11
Fund Balance, July 1	11,294	11,294	11,294	-
Prior Year Encumbrances Appropriated	20,892	20,892	20,892	-
Fund Balance, June 30	<u>\$ 94</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>
<b>Emergency Immigrant Education Assistance</b>				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	-
Total Expenditures and Other Uses	2,000	1,969	1,969	-
Net Change in Fund Balance	(2,000)	(1,969)	(1,969)	-
Fund Balance, July 1	1,969	1,969	1,969	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ (31)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ -</u>
<b>Drug Free Schools (Title IV)</b>				
Total Revenues and Other Sources	\$ 4,600	\$ 39,700	\$ 39,700	-
Total Expenditures and Other Uses	10,600	45,709	42,107	3,602
Net Change in Fund Balance	(6,000)	(6,009)	(2,407)	3,602
Fund Balance, July 1	6,009	6,009	6,009	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ 3,602</u>	<u>\$ 3,602</u>

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances-Budget and Actual-All Governmental Funds, Except General Fund  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Special Revenue Funds</b>				
<b>Refugee Children</b>				
Total Revenues and Other Sources	\$ -	\$ 1,500	\$ 1,500	\$ -
Total Expenditures and Other Uses	10,100	11,570	11,507	63
Net Change in Fund Balance	(10,100)	(10,070)	(10,007)	63
Fund Balance, July 1	10,070	10,070	10,070	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ (30)</u>	<u>\$ -</u>	<u>\$ 63</u>	<u>\$ 63</u>
<b>Preschool</b>				
Total Revenues and Other Sources	\$ 18,500	\$ 28,470	\$ 28,470	\$ -
Total Expenditures and Other Uses	19,600	29,679	28,674	1,005
Net Change in Fund Balance	(1,100)	(1,209)	(204)	1,005
Fund Balance, July 1	1,209	1,209	1,209	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 109</u>	<u>\$ 0</u>	<u>\$ 1,005</u>	<u>\$ 1,005</u>
<b>Telecommunications Act</b>				
Total Revenues and Other Sources	\$ -	\$ 90,148	\$ 90,148	\$ -
Total Expenditures and Other Uses	14,200	104,344	94,703	9,641
Net Change in Fund Balance	(14,200)	(14,196)	(4,555)	9,641
Fund Balance, July 1	14,196	14,196	14,196	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ (4)</u>	<u>\$ -</u>	<u>\$ 9,641</u>	<u>\$ 9,641</u>

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances-Budget and Actual-All Governmental Funds, Except General Fund  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2003

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Special Revenue Funds</b>				
<b>Other Miscellaneous Federal Grants</b>				
Total Revenues and Other Sources	\$ 2,300	\$ 198,952	\$ 198,952	\$ -
Total Expenditures and Other Uses	106,794	231,420	222,487	8,933
Net Change in Fund Balance	(104,494)	(32,469)	(23,536)	8,933
Fund Balance, July 1	32,175	32,175	32,175	-
Prior Year Encumbrances Appropriated	294	294	294	-
Fund Balance, June 30	<u>\$ (72,025)</u>	<u>\$ 0</u>	<u>\$ 8,933</u>	<u>\$ 8,933</u>

**Debt Service Fund**

<b>Debt Service Fund</b>				
Total Revenues and Other Sources	\$ 9,544,724	\$ 9,780,064	\$ 10,707,328	\$ 927,264
Total Expenditures and Other Uses	11,120,000	12,131,510	12,131,510	-
Net Change in Fund Balance	(1,575,276)	(2,351,446)	(1,424,182)	927,264
Fund Balance, July 1	3,921,522	3,921,522	3,921,522	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 2,346,246</u>	<u>\$ 1,570,076</u>	<u>\$ 2,497,340</u>	<u>\$ 927,264</u>

**Capital Project Funds**

<b>Permanent Improvements Fund</b>				
Total Revenues and Other Sources	\$ -	\$ 249,371	\$ 249,965	\$ 594
Total Expenditures and Other Uses	1,651,773	1,651,773	351,439	1,300,334
Net Change in Fund Balance	(1,651,773)	(1,402,402)	(101,474)	1,300,928
Fund Balance, July 1	1,816,103	1,816,103	1,816,103	-
Prior Year Encumbrances Appropriated	51,773	51,773	51,773	-
Fund Balance, June 30	<u>\$ 216,103</u>	<u>\$ 465,474</u>	<u>\$ 1,766,402</u>	<u>\$ 1,300,928</u>

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances-Budget and Actual-All Governmental Funds, Except General Fund  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
<b>Capital Project Funds</b>				
<b>Building Fund</b>				
Total Revenues and Other Sources	\$ 135,600	\$ 586,576	\$ 590,013	\$ 3,437
Total Expenditures and Other Uses	289,277	740,287	740,274	13
<hr/>				
Net Change in Fund Balance	(153,677)	(153,711)	(150,261)	3,450
Fund Balance, July 1	9,934	9,934	9,934	-
Prior Year Encumbrances Appropriated	143,777	143,777	143,777	-
<hr/>				
Fund Balance, June 30	\$ 34	\$ -	\$ 3,450	\$ 3,450
<hr/>				
<b>School Net Plus</b>				
Total Revenues and Other Sources	\$ 160,400	\$ 160,397	\$ 160,397	\$ -
Total Expenditures and Other Uses	160,400	160,457	160,450	7
<hr/>				
Net Change in Fund Balance	-	(60)	(54)	7
Fund Balance, July 1	60	60	60	-
Prior Year Encumbrances Appropriated	-	-	-	-
<hr/>				
Fund Balance, June 30	\$ 60	\$ -	\$ 7	\$ 7
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**WORTHINGTON CITY SCHOOL DISTRICT**

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## INTERNAL SERVICE FUNDS

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**The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost-reimbursement basis.**

Intra-District Services Fund - A fund provided to account for operations that provide goods or services to other governmental units on a cost-reimbursement basis.

Employee Benefit Insurance Fund - A fund provided to account for money received from other funds as payment for providing medical, hospitalization, life and dental insurance. Payments are made to a third party administrator for claims payments, claims administration and stop-loss coverage.

**WORTHINGTON CITY SCHOOL DISTRICT**

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**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2003**

	<u>INTRA-DISTRICT SERVICES</u>	<u>EMPLOYEE BENEFIT INSURANCE</u>	<u>TOTAL</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 348,472	1,708	350,180
Inventory	12,603	-	12,603
Total assets	<u>361,075</u>	<u>1,708</u>	<u>362,783</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	9,048	-	9,048
Due to other governments	3,795	-	3,795
Accrued liabilities	4,052	129,538	133,590
Total liabilities	<u>16,895</u>	<u>129,538</u>	<u>146,433</u>
Net Assets-unrestricted	<u>\$ 344,180</u>	<u>(127,830)</u>	<u>216,350</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2003**

	<u>INTRA-DISTRICT SERVICES</u>	<u>EMPLOYEE BENEFIT INSURANCE</u>	<u>TOTAL</u>
<b>Operating Revenues</b>			
Charges for services	\$ 556,119	9,928,638	10,484,757
Total operating revenues	<u>556,119</u>	<u>9,928,638</u>	<u>10,484,757</u>
<b>Operating Expenses</b>			
Supplies and materials	91,165	-	91,165
Personal services	116,096	-	116,096
Employee benefits	45,868	-	45,868
Purchased services	176,499	9,835,796	10,012,295
Other	8,075	-	8,075
Total operating expenses	<u>437,703</u>	<u>9,835,796</u>	<u>10,273,499</u>
Change in net assets	118,416	92,842	211,258
Net assets at the beginning of year	<u>225,764</u>	<u>(220,672)</u>	<u>5,092</u>
Net assets at the end of year	<u>\$ 344,180</u>	<u>(127,830)</u>	<u>216,350</u>

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2003**

	INTRA- DISTRICT SERVICES	EMPLOYEE BENEFIT SELF- INSURANCE	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from sales	\$ 556,119	-	556,119
Cash received from charges for services	-	10,578,638	10,578,638
Cash payments for personal services	(160,058)	-	(160,058)
Cash payments for purchased services	(200,366)	(9,926,930)	(10,127,296)
Cash payments for supplies and materials	(89,232)	-	(89,232)
Cash payments for other expenses	(8,075)	-	(8,075)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>98,388</u>	<u>651,708</u>	<u>750,096</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Advances out	-	(650,000)	(650,000)
<b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	<u>-</u>	<u>(650,000)</u>	<u>(650,000)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	98,388	1,708	100,096
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	250,084	-	250,084
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$ 348,472</u>	<u>1,708</u>	<u>350,180</u>
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
<b>Operating income (loss)</b>	\$ 118,416	92,842	211,258
Inventory	(6,333)	-	(6,333)
Accounts payable	(15,601)	-	(15,601)
Due to other governments	946	-	946
Due to other funds	-	650,000	650,000
Accrued liabilities	960	(91,134)	(90,174)
<b>Net cash provided (used) by operating activities</b>	<u>\$ 98,388</u>	<u>651,708</u>	<u>750,096</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

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# FIDUCIARY FUNDS

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## Trust and Agency Funds

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**Private Purpose Trust Fund** - A trust fund to account for assets held in a trust that were created by scholarship trust agreements, whereby income of those assets held is used for student scholarships.

**District Agency Fund** – An agency fund used to account for the deferred compensation plans offered to employees.

**Student Activity Fund** - An agency fund provided to account for those student activity programs which have student participation in the activity and have students involved in the management of the program. This fund typically includes those student activities which consist of a student body, student president, student treasurer, and faculty advisor.

The statement of Fiduciary Net Assets and Statement of Changes in Fiduciary Net Assets are not presented here since there is only one permanent trust fund and one Agency fund which are presented in the basic financial statements.

**WORTHINGTON CITY SCHOOL DISTRICT**

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WORTHINGTON CITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND LIABILITIES - AGENCY FUNDS  
 JUNE 30, 2003

	DISTRICT MANAGED FUNDS	STUDENT AGENCY FUNDS	TOTAL AGENCY FUNDS
<b>ASSETS:</b>			
Cash and investments	\$ 302,477	319,688	622,165
Inventory	0	33,946	33,946
<b>TOTAL ASSETS</b>	<b>302,477</b>	<b>353,634</b>	<b>656,111</b>
<b>LIABILITIES:</b>			
Accounts payable	0	18,730	18,730
Due to other:			
Other	302,477	334,904	637,381
<b>TOTAL LIABILITIES</b>	<b>\$ 302,477</b>	<b>353,634</b>	<b>656,111</b>

Worthington City School District  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Proprietary and  
 Fiduciary Funds (Non GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
<b>Proprietary-Enterprise Funds</b>				
<b>Food Service</b>				
Total Revenues and Other Sources	\$ 2,971,000	\$ 2,701,038	\$ 2,733,243	\$ 32,205
Total Expenditures and Other Uses	3,724,580	3,454,658	2,811,214	643,444
Net Change in Fund Balance	(753,580)	(753,620)	(77,971)	675,649
Fund Balance, July 1	723,540	723,540	723,540	-
Prior Year Encumbrances Appropriated	30,080	30,080	30,080	-
Fund Balance, June 30	<u>\$ 40</u>	<u>\$ 0</u>	<u>\$ 675,649</u>	<u>\$ 675,649</u>
<b>Proprietary-Internal Service Funds</b>				
<b>Intra-District Services Fund</b>				
Total Revenues and Other Sources	\$ 300,900	\$ 456,240	\$ 556,119	\$ 99,879
Total Expenditures and Other Uses	550,912	550,912	481,150	69,762
Net Change in Fund Balance	(250,012)	(94,672)	74,969	169,641
Fund Balance, July 1	226,272	226,272	226,272	-
Prior Year Encumbrances Appropriated	23,812	23,812	23,812	-
Fund Balance, June 30	<u>\$ 72</u>	<u>\$ 155,412</u>	<u>\$ 325,053</u>	<u>\$ 169,641</u>
<b>Employee Benefit Insurance</b>				
Total Revenues and Other Sources	\$ 30,000	\$ 10,631,638	\$ 10,578,638	\$ (53,000)
Total Expenditures and Other Uses	30,000	10,629,930	10,576,930	53,000
Net Change in Fund Balance	-	1,708	1,708	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 1,708</u>	<u>\$ 1,708</u>	<u>\$ -</u>



Worthington City School District  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances-Budget and Actual-All Proprietary and  
 Fiduciary Funds (Non GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2003

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
<b>Fiduciary Fund</b>				
<b>Private Purpose Trust Fund</b>				
<b>Private Purpose Trust Fund</b>				
Total Revenues and Other Sources	\$ -	\$ 4,445	\$ 4,615	\$ 170
Total Expenditures and Other Uses	4,600	4,600	3,780	820
<hr/>				
Net Change in Fund Balance	(4,600)	(155)	835	990
Fund Balance, July 1	169,887	169,887	169,887	-
Prior Year Encumbrances Appropriated	-	-	-	-
<hr/>				
Fund Balance, June 30	<u>\$ 165,287</u>	<u>\$ 169,732</u>	<u>\$ 170,722</u>	<u>\$ 990</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

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**WORTHINGTON CITY SCHOOL DISTRICT**

**STATISTICAL  
SECTION**



Worthington Schools . . . Where Excellence Is A Tradition



**WORTHINGTON CITY SCHOOL DISTRICT**  
 General Governmental Expenditures by Function (1)  
 Last Ten Fiscal Years

Fiscal Year	Instructional Services	Support Services	Co-curricular			Capital Outlay	Debt Service	Total
			Student Activities	Community Service	Debt Service			
1994	\$ 39,074,328	24,868,884	1,606,418	2,956	2,319,524	9,313,975	77,186,085	
1995	\$ 39,335,253	24,184,454	1,588,046	865	6,326,425	9,591,013	81,026,056	
1996	\$ 41,344,200	26,817,568	1,844,956	1,294	5,832,261	9,496,256	85,336,535	
1997	\$ 41,747,564	27,106,825	1,842,044	12,219	3,445,805	9,377,035	83,531,492	
1998	\$ 44,617,413	28,969,603	1,894,514	8,640	3,574,334	9,375,811	88,440,315	
1999	\$ 47,909,079	30,153,734	2,066,833	4,406	8,871,466	10,518,747	99,524,265	
2000	\$ 50,329,385	32,727,619	2,224,510	12,580	13,777,632	11,074,404	110,146,130	
2001	\$ 54,871,777	35,134,052	2,398,536	19,321	6,966,795	10,575,803	109,966,284	
2002	\$ 56,520,441	36,142,847	2,294,699	12,250	1,782,704	12,354,999	109,107,940	
2003	\$ 59,685,321	38,473,504	2,546,701	55,950	487,521	11,423,109	112,672,106	

Notes: (1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 General Fund Expenditures by Function  
 Last Ten Fiscal Years

Fiscal Year	Instructional Services	Support Services	Co-curricular			Debt Service	Total
			Student Activities	Community Service	Capital Outlay		
1994	\$ 38,684,391	24,289,710	1,170,464	-	770,827	-	64,915,392
1995	\$ 38,606,906	23,358,770	1,163,061	-	679,484	23,757	63,831,978
1996	\$ 40,811,581	25,867,346	1,243,589	-	1,415,213	-	69,337,729
1997	\$ 41,120,178	25,714,728	1,283,500	-	1,741,254	-	69,859,660
1998	\$ 43,988,284	27,838,516	1,305,612	-	1,283,697	-	74,416,109
1999	\$ 47,064,429	29,119,038	1,411,163	-	1,826,678	-	79,421,308
2000	\$ 49,064,429	31,553,370	1,499,043	-	2,575,184	-	85,066,864
2001	\$ 53,985,363	34,009,941	1,638,097	-	1,799,760	-	91,433,161
2002	\$ 54,995,662	34,750,128	1,604,729	-	5,015	68,928	91,424,462
2003	\$ 57,852,375	36,681,382	1,727,731	-	560	26,234	96,288,282

**WORTHINGTON CITY SCHOOL DISTRICT**  
 General Governmental Revenues by Source (1)  
 Last Ten Fiscal Years

Fiscal Year	State		Federal		Investment		Other	Total
	Taxes	Sources	Sources	Income	Income			
1994	\$ 56,118,721	14,395,462	753,126	679,922	1,527,233	73,474,464		
1995	\$ 63,779,408	15,642,392	623,413	1,392,119	1,964,208	83,401,540		
1996	\$ 67,076,737	17,486,793	656,469	1,692,089	2,138,163	89,050,251		
1997	\$ 62,627,259	17,367,025	635,168	1,907,935	1,661,269	84,198,656		
1998	\$ 66,602,486	19,431,400	574,232	2,493,703	2,344,951	91,446,772		
1999	\$ 68,288,250	20,547,588	599,585	2,433,679	2,152,209	94,021,311		
2000	\$ 69,737,913	20,851,679	999,067	2,256,811	2,547,547	96,393,017		
2001	\$ 71,965,768	23,174,312	1,041,975	2,143,211	2,612,173	100,937,439		
2002	\$ 65,901,275	26,612,711	1,303,459	664,559	2,045,001	96,527,005		
2003	\$ 77,987,633	26,916,435	1,342,234	407,404	3,503,237	110,156,943		

Notes: (1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 General Fund Revenues by Source  
 Last Ten Fiscal Years

Fiscal Year	State		Investment		Other	Total
	Taxes	Sources	Income			
1994	\$ 47,409,880	13,342,099	556,467		985,501	62,293,947
1995	\$ 55,147,201	13,982,956	1,075,378		1,166,218	71,371,753
1996	\$ 58,217,466	14,966,472	1,572,253		1,272,011	76,028,202
1997	\$ 54,473,145	15,285,840	1,856,501		886,702	72,502,188
1998	\$ 57,348,808	16,783,557	2,083,454		1,448,202	77,664,021
1999	\$ 58,598,139	18,243,046	1,893,498		1,230,039	79,964,722
2000	\$ 60,247,634	18,661,769	1,819,399		1,488,638	82,217,440
2001	\$ 62,339,365	20,635,748	1,677,538		1,168,774	85,821,425
2002	\$ 58,757,516	24,761,194	580,270		874,824	84,973,804
2003	\$ 69,466,893	24,600,854	316,693		1,610,418	95,994,858



**WORTHINGTON CITY SCHOOL DISTRICT**  
Property Tax Levies and Collections  
Last Ten Years

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>% of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes</u>
1993	\$ 60,543,884	59,777,091	98.73	1,392,825	61,169,916	101.03	2,372,465
1994	\$ 62,701,833	61,756,217	98.49	3,926,283	65,682,500	104.75	2,218,441
1995	\$ 72,637,450	71,376,503	98.26	1,807,180	73,183,683	100.75	2,465,995
1996	\$ 71,429,318	69,160,239	96.82	1,773,077	70,933,316	99.31	3,110,548
1997	\$ 71,755,160	71,227,448	99.26	2,361,553	73,589,000	102.56	2,067,455
1998	\$ 73,623,396	73,056,853	99.23	1,491,730	74,548,583	101.26	2,683,127
1999	\$ 73,464,531	74,598,352	101.54	1,743,994	76,342,346	103.92	2,594,757
2000	\$ 76,356,202	74,691,790	97.82	1,800,298	76,492,088	100.18	2,968,985
2001	\$ 77,711,146	76,318,858	98.21	1,856,130	78,174,988	100.60	4,087,123
2002	\$ 88,036,586	85,884,488	95.56	3,526,269	89,410,757	101.56	4,359,612
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**WORTHINGTON CITY SCHOOL DISTRICT**  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Years

Collection Year	Real Property			Personal Property			Public Utility			Total	
	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1994	35%	1,076,717,810	3,076,336,600	25%	145,248,015	580,992,060	35%	77,825,100	222,357,429	1,299,790,925	3,879,686,089
1995	35%	1,083,785,060	3,096,528,743	25%	156,146,893	624,587,572	35%	90,480,810	258,516,600	1,330,412,763	3,979,632,915
1996	35%	1,090,651,200	3,116,146,286	25%	164,705,264	658,821,056	35%	60,811,950	173,748,429	1,316,168,414	3,948,715,771
1997	35%	1,161,727,240	3,319,220,686	25%	172,035,095	688,140,380	35%	62,029,110	177,226,029	1,395,791,445	4,184,587,095
1998	35%	1,170,127,840	3,343,222,400	25%	168,152,747	672,610,988	35%	62,811,200	179,460,571	1,401,091,787	4,195,293,959
1999	35%	1,187,226,200	3,392,074,857	25%	172,157,630	688,630,520	35%	51,529,460	147,227,029	1,410,913,290	4,227,932,406
2000	35%	1,334,885,820	3,813,959,485	25%	173,673,482	694,693,928	35%	61,834,790	176,670,828	1,570,394,092	4,685,324,241
2001	35%	1,348,010,980	3,851,459,942	25%	182,366,084	729,464,336	35%	60,284,870	172,242,485	1,590,661,934	4,753,166,763
2002	35%	1,361,777,250	3,890,792,142	25%	199,935,920	799,743,680	35%	50,099,860	143,142,456	1,611,813,030	4,833,678,278
2003	35%	1,517,928,590	4,336,938,828	25%	222,111,873	888,447,492	35%	51,560,220	147,314,913	1,791,600,683	5,372,701,233

Source: Office of the County Auditor, Franklin County, Ohio

**WORTHINGTON CITY SCHOOL DISTRICT**  
Assessed and Estimated Actual Value of Taxable Property by Sub-Division  
2002 Collection Year

Sub-division	Real Property			Personal Property			Public Utility			Total		
	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value	% to Total
City of Worthington	\$ 481,214,500	\$ 1,374,898,570	31.70%	\$ 60,175,677	\$ 240,702,708	27.09%	\$ 15,437,900	\$ 44,108,286	29.94%	\$ 556,828,077	\$ 1,659,709,564	30.89%
City of Columbus	894,212,700	2,554,893,429	58.91%	158,928,970	635,715,880	71.55%	26,639,580	76,113,086	51.67%	1,079,781,250	3,266,722,395	60.80%
Village of Riverlea	18,006,630	51,447,514	1.19%	136,850	547,400	0.06%	160,010	457,171	0.31%	18,303,490	52,452,085	0.98%
Perry Township	95,244,470	272,127,057	6.27%	2,033,458	8,133,832	0.92%	1,963,560	5,610,171	3.81%	99,241,488	285,871,060	5.32%
Sharon Township	29,250,290	83,572,257	1.93%	836,918	3,347,672	0.38%	7,359,170	21,026,200	14.27%	37,446,378	107,946,129	2.01%
<b>Total</b>	<b>1,517,928,590</b>	<b>4,336,938,827</b>		<b>222,111,873</b>	<b>888,447,492</b>		<b>51,560,220</b>	<b>147,314,914</b>		<b>1,791,600,683</b>	<b>5,372,701,233</b>	

Note--Real property, personal property and public utility assessed value represents 35%, 25% and 35% of estimated actual values respectively, as established by state law.

Source: Office of the County Auditor, Franklin County, Ohio

**WORTHINGTON CITY SCHOOL DISTRICT**

Real Property Tax Rates - Direct and Overlapping Governments  
Last Ten Years

CITY OF WORTHINGTON  
(Per \$1,000 of Assessed Valuation)

<u>Collection Year</u>	<u>City of Worthington</u>	<u>Franklin County</u>	<u>Sharon Township</u>	<u>Library</u>	<u>Worthington School Dist.</u>	<u>Full Rate</u>	<u>Residential/ Agriculture Effective Rate</u>	<u>Commercial/ Industrial Effective Rate</u>
1994	3.50	14.57	0.60	2.20	67.27	88.14	60.7671	64.8690
1995	3.50	14.57	0.60	2.20	73.43	94.30	66.7599	71.2343
1996	3.00	14.82	0.60	2.20	73.40	94.02	66.5440	71.4522
1997	3.00	15.12	0.60	2.20	72.88	93.80	63.1357	70.1997
1998	3.00	15.22	0.60	2.20	73.66	94.68	64.0904	71.2237
1999	3.00	17.54	0.60	2.20	73.66	97.00	66.3437	72.8107
2000	3.00	17.64	0.60	2.20	72.65	96.09	60.9406	67.6809
2001	3.00	17.64	0.60	2.20	72.65	96.09	60.7908	67.1461
2002	3.00	17.64	0.50	2.20	78.38	101.72	66.4030	72.1763
2003	3.00	17.64	0.50	2.20	77.88	101.22	60.7553	69.2800

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 CITY OF COLUMBUS  
 (Per \$1,000 of Assessed Valuation)

Collection Year	City of Columbus	Franklin County	Worthington		Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
			Library	School District		
			Full	Rate		
1994	3.14	14.57	2.20	67.27	59.8071	63.9090
1995	3.14	14.57	2.20	73.43	65.7999	70.2743
1996	3.14	14.82	2.20	73.40	66.0840	70.9922
1997	3.14	15.12	2.20	72.88	62.6757	69.7397
1998	3.14	15.22	2.20	73.66	63.6304	70.7637
1999	3.14	17.54	2.20	73.66	65.8837	72.3507
2000	3.14	17.64	2.20	72.65	60.4806	67.2209
2001	3.14	17.64	2.20	72.65	60.3508	66.7061
2002	3.14	17.64	2.20	78.38	66.0430	71.8163
2003	3.14	17.64	2.20	77.88	60.3953	68.9200

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 VILLAGE OF RIVERLEA  
 (Per \$1,000 of Assessed Valuation)

<u>Collection Year</u>	<u>Village of Riverlea</u>	<u>Franklin County</u>	<u>Sharon Township</u>	<u>Library</u>	<u>Worthington School Dist.</u>	<u>Full Rate</u>	<u>Residential/ Agriculture Effective Rate</u>	<u>Commercial/ Industrial Effective Rate</u>
1994	9.09	14.57	3.60	2.20	67.27	96.73	67.8442	72.1695
1995	8.00	14.57	3.60	2.20	73.43	101.80	72.7471	77.4415
1996	8.00	14.82	3.60	2.20	73.40	102.02	73.0376	78.0091
1997	6.00	15.12	3.60	2.20	72.88	99.80	68.0212	75.8408
1998	6.00	15.22	3.60	2.20	73.66	100.68	68.9757	76.8790
1999	6.00	17.54	3.60	2.20	73.66	103.00	71.2311	78.2554
2000	6.00	17.64	3.60	2.20	72.65	102.09	65.1213	72.6177
2001	6.00	17.64	3.60	2.20	72.65	102.09	64.9731	72.0228
2002	6.00	17.64	3.50	2.20	78.38	107.72	65.1213	72.6177
2003	6.00	17.64	3.50	2.20	77.88	107.22	64.0975	73.6590

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 PERRY TOWNSHIP  
 (Per \$1,000 of Assessed Valuation)

<u>Collection Year</u>	<u>Franklin County</u>	<u>Perry Township</u>	<u>Library</u>	<u>Worthington School District</u>	<u>Full Rate</u>	<u>Residential/ Agriculture Effective Rate</u>	<u>Commercial/ Industrial Effective Rate</u>
1994	14.57	23.80	2.20	67.27	107.84	72.9947	75.3726
1995	14.57	23.80	2.20	73.43	114.00	79.1882	81.6995
1996	14.82	23.80	2.20	73.40	114.22	79.4902	82.3926
1997	15.12	23.80	2.20	72.88	114.00	74.9921	80.8787
1998	15.22	23.80	2.20	73.66	114.88	76.0275	81.8584
1999	17.54	23.80	2.20	73.66	117.20	78.6678	86.1906
2000	17.64	23.80	2.20	72.65	116.29	71.6184	78.8807
2001	17.64	23.80	2.20	72.65	116.29	70.2258	77.3188
2002	17.64	23.80	2.20	78.38	122.02	79.2200	85.6251
2003	17.64	23.80	2.20	77.88	121.52	71.8528	81.6524

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Real Property Tax Rates - Direct and Overlapping Governments  
 Last Ten Years  
 SHARON TOWNSHIP  
 (Per \$1,000 of Assessed Valuation)

<b>Collection Year</b>	<b>Franklin County</b>	<b>Sharon Township</b>	<b>Library</b>	<b>Worthington School District</b>	<b>Full Rate</b>	<b>Residential/Agriculture Effective Rate</b>	<b>Commercial/Industrial Effective Rate</b>
1994	14.57	8.10	2.20	67.27	92.14	63.6473	68.8690
1995	14.57	8.10	2.20	73.43	98.30	69.6402	75.2253
1996	14.82	13.10	2.20	73.40	103.52	74.9410	80.2697
1997	15.12	13.10	2.20	72.88	103.30	70.6388	78.7684
1998	15.22	13.10	2.20	73.66	104.18	71.5919	79.8566
1999	17.54	13.10	2.20	73.66	106.50	73.8558	81.4284
2000	17.64	19.10	2.20	72.65	111.59	72.4310	80.9014
2001	17.64	19.10	2.20	72.65	111.59	72.2968	79.9594
2002	17.64	19.00	2.20	78.38	117.22	77.9002	84.8649
2003	17.64	23.50	2.20	77.88	121.22	74.5215	85.0989

Note -- The Worthington City School District consists of the following five taxing districts: City of Worthington, City of Columbus, Village of Riverlea, Perry Township and Sharon Township.



**WORTHINGTON CITY SCHOOL DISTRICT**  
**PRINCIPAL PROPERTY TAXPAYERS**  
(2002 Collection Year)

Table 6

<u>Public Utilities</u>		
	Assessed Valuation	% of Total Assessed Valuation
1. Columbus Southern Power Company	\$ 22,366,040	1.25%
2. Ohio Bell Telephone Company	12,304,870	0.69%
3. Sprintcom Inc.	5,867,940	0.33%
<u>Real Estate</u>		
1. Anheuser-Busch Inc.	17,729,950	0.99%
2. ASP Boma LLC	12,749,310	0.71%
3. Eastrich No 167 Corp.	11,511,520	0.64%
4. Worthington Meadows	10,024,400	0.56%
5. Worthington Industries	8,490,470	0.47%
6. Columbus Retail Inc.	8,393,530	0.47%
7. EOP-Community Corporate	8,050,000	0.45%
8. Fieldstone Trace Partnership	7,392,010	0.41%
9. Regency Centers LP	7,039,540	0.39%
10. Donald R Kenney TR	6,950,270	0.39%
<u>Tangible Personal Property</u>		
1. Anheuser-Busch Inc.	89,244,821	4.98%
2. General Electric Company	15,372,520	0.86%
3. Worthington Steel Inc.	12,710,960	0.71%
4. Liebert North America Inc.	9,327,500	0.52%
5. Worthington Foods Inc.	5,934,180	0.33%
6. Mettler Toledo Inc.	5,003,280	0.28%
7. Chase Manhattan Mortgage Corp.	4,468,880	0.25%
8. Jack Maxton Chevrolet, Inc.	3,950,020	0.22%
9. Worthington Cylinder Corporation	3,396,720	0.19%
10. Abbott Laboratories	2,956,230	0.17%
ALL OTHERS	1,500,365,722	83.74%
TOTAL ASSESSED VALUATION	\$ 1,791,600,683	100.00%

Source: Office of the County Auditor, Franklin County, Ohio

**WORTHINGTON CITY SCHOOL DISTRICT**

Table 7

Computation of Legal Debt Margin  
June 30, 2003

Total Assessed Valuation	\$ 1,791,600,683
OVERALL DEBT LIMITATION:	
9% of assessed valuation	161,244,061
Gross indebtedness	52,062,458
Less: Debt outside limitations	-
Net debt within limitation	52,062,458
Legal debt margin within 9% limitation	109,181,603
UNVOTED DEBT LIMITATION:	
.1% of assessed valuation	1,791,601
Gross indebtedness	-
Less: Debt outside limitations	-
Net debt within limitation	-
Legal debt margin within .1% limitation	1,791,601

Notes: Assessed valuation from Table 4.  
Gross indebtedness excludes accretion of deep discount debt in accordance with State laws

Source: Office of the Treasurer, Worthington City School District

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Ratio of Net General Bonded Debt  
 to Assessed Value and Net Bonded Debt per Capita  
 Last Ten Years

Collection Year	Estimated Population (1)	Assessed Value Real & Personal Property (2)	General Bonded Debt (3)	Ratio of Bonded Debt to Assessed Value (%)	Net Bonded Debt Per Capita
1994	54,072	1,299,790,925	82,084,608	6.17%	1,518.06
1995	54,546	1,330,412,763	77,586,233	5.89%	1,422.40
1996	54,919	1,316,168,414	72,916,234	5.22%	1,327.71
1997	55,194	1,395,791,445	68,061,234	4.86%	1,233.13
1998	55,894	1,401,091,787	76,911,024	5.45%	1,376.02
1999	56,115	1,410,913,290	70,676,024	4.50%	1,259.49
2000	56,938	1,570,394,092	70,676,024	4.44%	1,241.28
2001	56,975	1,590,661,934	64,572,478	4.06%	1,133.35
2002	56,975	1,611,813,030	60,402,478	3.75%	1,060.16
2003	56,687	1,791,600,683	47,796,547	2.67%	843.17

- Notes: (1) Population estimates were obtained from the Mid-Ohio Regional Planning Commission.  
 (2) Assessed values from Table 4.  
 (3) Office of the Treasurer, Worthington City School District.

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Ratio of Annual General Obligation Bonded Debt Service Expenditures  
 to Total General Governmental Expenditures  
 Last Ten Years

<u>Fiscal Year</u>	<u>Total General Obligation Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of General Obligation Bonded Debt Service to Total General Fund Expenditures</u>
1994	9,591,013	81,026,056	0.12
1995	9,496,256	85,336,535	0.11
1996	9,377,035	83,531,492	0.11
1997	9,375,811	88,440,315	0.11
1998	10,518,747	99,524,265	0.11
1999	11,074,404	110,146,130	0.10
2000	10,575,803	109,966,284	0.10
2001	10,575,803	109,966,284	0.10
2002	12,354,999	109,107,940	0.11
2003	11,423,109	112,672,106	0.10

Source: Office of the Treasurer, Worthington City School District

**WORTHINGTON CITY SCHOOL DISTRICT**  
 Computation of Direct and Overlapping Debt  
 December 31, 2003

	<u>Assessed Valuation</u>	<u>General Bonded Debt</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to Worthington City School District</u>
Direct				
Worthington City School District	\$ 1,791,600,683	\$ 47,796,547	100.00%	\$ 47,796,547
Overlapping				
Franklin County	24,744,179,485	151,355,625	7.24%	10,958,147
City of Worthington	556,828,077	10,347,940	100.00%	10,347,940
City of Columbus	14,239,292,209	331,606,545	7.58%	25,135,776
Village of Riverlea	18,303,490	-	100.00%	-
Perry Township	131,022,160	-	75.74%	-
Sharon Township	635,781,469	-	96.35%	-
Total Overlapping		<u>\$ 493,310,110</u>		<u>\$ 46,441,863</u>
Total Direct and Overlapping		<u>\$ 541,106,657</u>		<u>\$ 94,238,410</u>

**WORTHINGTON CITY SCHOOL DISTRICT**

Table 11

Demographic Statistics  
Enrollment Data  
Last Ten Fiscal Years

<u>School Year</u>	<u>Enrollment K - 12</u>	<u>Increase/ Decrease</u>	<u>Percent Increase/ Decrease</u>
1993-94	10,619	201	1.93%
1994-95	10,801	182	1.71%
1995-96	10,818	17	0.16%
1996-97	10,790	(28)	(0.26%)
1997-98	10,680	(110)	(1.02%)
1998-99	10,604	(76)	(0.71%)
1999-00	10,498	(106)	(1.00%)
2000-01	10,323	(175)	(1.67%)
2001-02	10,031	(292)	(2.83%)
2002-03	9,934	(97)	(0.97%)

Source: Office of the Treasurer, Worthington City School District

**WORTHINGTON CITY SCHOOL DISTRICT**  
 New Construction and Real Property Values  
 Last Ten Years

Collection Year	New Construction (1)			Real Property Values (1)		
	Agricultural/ Residential	Commercial/ Industrial	Total	Agricultural/ Residential	Commercial/ Industrial	Total
1993	7,541,590	12,594,700	20,136,290	651,042,120	338,210,660	989,252,780
1994	7,510,195	7,973,280	15,483,475	735,417,890	341,299,920	1,076,717,810
1995	8,034,150	15,168,410	23,202,560	744,999,220	338,785,840	1,083,785,060
1996	8,920,340	3,886,200	12,806,540	755,940,280	334,710,920	1,090,651,200
1997	6,471,600	7,285,460	13,757,060	816,606,370	345,040,400	1,161,646,770
1998	6,622,640	533,730	7,156,370	824,289,160	345,838,680	1,170,127,840
1999	2,964,420	9,024,050	11,988,470	831,202,970	356,023,230	1,187,226,200
2000	2,935,310	9,024,050	11,959,360	929,520,290	405,365,530	1,334,885,820
2001	4,927,160	6,228,260	11,155,420	934,815,990	413,194,990	1,348,010,980
2002	4,707,220	4,208,430	8,915,650	937,915,140	423,862,110	1,361,777,250
2003	2,003,120	1,849,600	3,852,720	1,072,551,470	445,377,120	1,517,815,880

Sources: (1) Office of the County Auditor, Franklin County, Ohio.

Miscellaneous Statistics

**Enrollment**

October 2002 9,934

**Staff**

	<u>FTE</u>	<u>Head Count</u>
Certificated	791.52	801
Classified	433.40	522
	<u>1,224.92</u>	<u>1,323</u>

**Education and Experience of Teaching Staff**

Average classroom teaching experience (in years) 18.0

Percentage of Teachers with Master's Degrees (or beyond) 72.0%

**Percentage of High School graduates:**

Enrolling in 4 year college or university 76.0%  
 Enrolling in 2 year college or vocational training 16.0%

**ACT Scores Composite 2001-2002**

(National Average 20.08 ) 23.5

**SAT Scores Average 2001-2002**

Verbal (National Average 504 ) 540  
 Math (National Average 516) 576

Source: Office of the Treasurer, Worthington City School District





**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**WORTHINGTON CITY SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 8, 2004**