

**Auditor of State  
Betty Montgomery**





Mary Taylor, CPA  
Auditor of State

January 9, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

*Mary Taylor*

MARY TAYLOR, CPA  
Auditor of State

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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, 2006**

| Federal Grantor/<br>Pass Through Grantor<br>Program Title | Pass Through<br>Entity<br>Number                     | Federal<br>CFDA<br>Number | Receipts   | Non-Cash<br>Receipts | Expenditures   | Non-Cash<br>Disbursements |
|---|--|---------------------------|--|----------------------|--|---------------------------|
| <b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>              |  |                           |  |                      |  |                           |
| <i>Passed Through Ohio Department of Education:</i>       |  |                           |  |                      |  |                           |
| Nutrition Cluster:  |  |                           |  |                      |  |                           |
| Food Donation   | N/A  | 10.550                    | \$0  | \$186,711            | \$0  | \$186,711                 |
| School Breakfast Program                                  | 05-PU-2005<br>05-PU-2006                             | 10.553                    | 7,491<br><u>25,623</u><br>33,114                       |                      | 7,491<br><u>25,623</u><br>33,114                       |                           |
| National School Lunch Program                             | LL-P4-2005<br>LL-P4-2006                             | 10.555                    | 98,108<br><u>263,103</u><br>361,211                    |                      | 98,108<br><u>263,103</u><br>361,211                    |                           |
| Special Milk Program for Children                         | 02-PU-2005<br>02-PU-2006                             | 10.556                    | 4,218<br><u>11,325</u><br>15,543                       |                      | 4,218<br><u>11,325</u><br>15,543                       |                           |
| Total U.S. Department of Agriculture - Nutrition Cluster  |  |                           | <u>409,868</u>   | <u>186,711</u>       | <u>409,868</u>   | <u>186,711</u>            |
| <b><u>U.S. DEPARTMENT OF EDUCATION</u></b>                |  |                           |  |                      |  |                           |
| <i>Passed Through Ohio Department of Education:</i>       |  |                           |  |                      |  |                           |
| Special Education Cluster:                                |  |                           |  |                      |  |                           |
| Special Education - Grants to States                      | 6B-SF-2005<br>6B-SF-2006                             | 84.027                    | 257,556<br><u>1,705,305</u><br>1,962,861               |                      | 266,807<br><u>1,626,699</u><br>1,893,506               |                           |
| Special Education - Preschool Grant                       | PG-S1-2005<br>PG-S1-2006                             | 84.173                    | 12,337<br><u>29,954</u><br>42,291                      |                      | 13,048<br><u>27,098</u><br>40,146                      |                           |
| Total Special Education Cluster                           |  |                           | <u>2,005,152</u>                                       |                      | <u>1,933,652</u>                                       |                           |
| Title I Grants to Local Educational Agencies              | C1-S1-2005<br>C1-S1-2006<br>C1-SD-2005<br>C1-SD-2006 | 84.010                    | 32,405<br>219,734<br>6,669<br><u>30,556</u><br>289,364 |                      | 39,770<br>213,924<br>8,264<br><u>29,137</u><br>291,095 |                           |
| Safe and Drug-Free Schools and Communities - State Grants | DR-S1-2005<br>DR-S1-2006                             | 84.186                    | 4,676<br><u>29,146</u><br>33,822                       |                      | 6,102<br><u>29,146</u><br>35,248                       |                           |
| State Grants for Innovative Programs                      | C2-S1-2005<br>C2-S1-2006                             | 84.298                    | (10,106)<br><u>35,493</u><br>25,387                    |                      | 50<br><u>32,157</u><br>32,207                          |                           |
| Education Technology State Grants                         | TJ-S1-2005<br>TJ-S1-2006                             | 84.318                    | (759)<br><u>6,274</u><br>5,515                         |                      | 0<br><u>3,675</u><br>3,675                             |                           |
| Advanced Placement Program                                | AV-TF-2004   | 84.330                    | 468  |                      | 468  |                           |
| English Language Acquisition Grants                       | T3-S1-2004<br>T3-S1-2005<br>T3-S1-2006               | 84.365                    | 0<br>16,006<br><u>77,041</u><br>93,047                 |                      | 10<br>20,967<br><u>73,084</u><br>94,061                |                           |
| Improving Teacher Quality State Grants                    | TR-S1-2005<br>TR-S1-2006                             | 84.367                    | 83,644<br><u>144,536</u><br>228,180                    |                      | 83,737<br><u>142,074</u><br>225,811                    |                           |
| Hurricane Education Recovery                              | HR-01-2006   | 84.938                    | <u>27,500</u>  |                      | <u>27,500</u>  |                           |
| Total U.S. Department of Education                        |  |                           | <u>\$2,708,435</u>                                     | <u>\$0</u>           | <u>\$2,643,717</u>                                     | <u>\$0</u>                |

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

WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2006  
(Continued)**

| Federal Grantor/<br>Pass Through Grantor<br>Program Title          | Pass Through<br>Entity<br>Number | Federal<br>CFDA<br>Number | Receipts                  | Non-Cash<br>Receipts    | Expenditures              | Non-Cash<br>Disbursements |
|--|----------------------------------|---------------------------|---------------------------|-------------------------|---------------------------|---------------------------|
| <b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>         |                                  |                           |                           |                         |                           |                           |
| <i>Passed Through Ohio Department of Education:</i>                |                                  |                           |                           |                         |                           |                           |
| Refugee and Entrant Assistance - Discretionary Grant               |                                  | 93.576                    | 0                         | 0                       | 2,178                     | 0                         |
| <i>Passed Through Ohio Department of Mental Retardation:</i>       |                                  |                           |                           |                         |                           |                           |
| Medical Assistance Program   |                                  | 93.778                    | 21,703                    |                         | 21,703                    |                           |
| Total U.S. Department of Health and Human Services                 |                                  |                           | 21,703                    |                         | 23,881                    |                           |
| <b><u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES</u></b> |                                  |                           |                           |                         |                           |                           |
| <i>Passed Through Upper Arlington Schools:</i>                     |                                  |                           |                           |                         |                           |                           |
| Learn and Serve America - Community Based Programs                 |                                  | 94.004                    | 5,250                     |                         | 3,990                     |                           |
| <i>Passed Through Ohio Department of Education:</i>                |                                  |                           |                           |                         |                           |                           |
| Learn and Serve America - School and Community Based Programs      | SV-HS-2005<br>SV-HS-2006         | 94.004A                   | 12,699                    |                         | 13,594                    |                           |
|  |                                  |                           | 48,430                    |                         | 51,742                    |                           |
|  |                                  |                           | 61,129                    |                         | 65,336                    |                           |
| Total U.S. Corporation for National and Community Services         |                                  |                           | 66,379                    |                         | 69,326                    |                           |
| <b>Total</b>   |                                  |                           | <b><u>\$3,206,385</u></b> | <b><u>\$186,711</u></b> | <b><u>\$3,146,792</u></b> | <b><u>\$186,711</u></b>   |

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



**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FISCAL YEAR ENDED JUNE 30, 2006**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes activity of the District's federal awards 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 non-monetary 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.

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
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 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, 2006, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the District's management dated November 22, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

**Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the District's management dated November 22, 2006, we reported other matters related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for 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

November 22, 2006



## **Auditor of State Betty Montgomery**

### **INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133, AND ON THE 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 apply to each of its major federal programs for the year ended June 30, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe 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 apply to each of its major federal programs for the year ended June 30, 2006.

#### **Internal Control Over Compliance**

The District's management 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 directly and materially affect a major federal program 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 reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be timely detected by employees when 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 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, as of and for the year ended June 30, 2006, and have issued our report thereon dated November 22, 2006. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information 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 intend this report solely for the information and use of the audit committee, management, the Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Betty Montgomery**  
Auditor of State

November 22, 2006

**WORTHINGTON CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2006**

**1. SUMMARY OF AUDITOR'S RESULTS**

|                     |   |   |
|---------------------|---|---|
| <b>(d)(1)(i)</b>    | <b>Type of Financial Statement Opinion</b>  | Unqualified   |
| <b>(d)(1)(ii)</b>   | <b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>         | No  |
| <b>(d)(1)(ii)</b>   | <b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b> | No  |
| <b>(d)(1)(iii)</b>  | <b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>                       | No  |
| <b>(d)(1)(iv)</b>   | <b>Were there any material internal control weakness conditions reported for major federal programs?</b>              | No  |
| <b>(d)(1)(iv)</b>   | <b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>      | No  |
| <b>(d)(1)(v)</b>    | <b>Type of Major Programs Compliance Opinion</b>  | Unqualified   |
| <b>(d)(1)(vi)</b>   | <b>Are there any reportable findings under § .510?</b>  | No  |
| <b>(d)(1)(vii)</b>  | <b>Major Programs (list):</b>   | Nutrition Cluster -<br>CFDA # 10.550, 10.553, 10.555, and 10.556<br><br>Special Education Cluster -<br>CFDA # 84.027 and 84.173 |
| <b>(d)(1)(viii)</b> | <b>Dollar Threshold: Type A\B Programs</b>  | Type A: > \$ 300,000<br>Type B: all others  |
| <b>(d)(1)(ix)</b>   | <b>Low Risk Auditee?</b>  | Yes   |

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

None

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None





# **WORTHINGTON CITY SCHOOL DISTRICT**



Worthington Schools . . . Where Excellence Is A Tradition

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT** *For Fiscal Year Ended June 30, 2006*

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

**Worthington, Ohio**



# WORTHINGTON CITY SCHOOL DISTRICT

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2006

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# WORTHINGTON CITY SCHOOL DISTRICT

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# WORTHINGTON CITY SCHOOL DISTRICT

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# **WORTHINGTON CITY SCHOOL DISTRICT**

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200 E. Wilson Bridge Rd.  
Worthington, Ohio 43085  
Phone: 614-883-3120  
Fax: 614-883-3125

# Worthington Schools

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November 22, 2006

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, 2006. 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 Accountants' 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.

In addition, this report is designed so that a reader can acquire the maximum understanding of the District's financial activity. This report is provided as a way for the District to communicate openly about the District's finances with its stakeholders.

Comments on the report are welcome and requests for additional financial information can be obtained by contacting the Office of the Treasurer.

# WORTHINGTON CITY SCHOOL DISTRICT

## 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 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 and has an enrollment of 9,553 students in grades K through 12 as of June 30, 2006. 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*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the basic 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).

## Organization of the 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 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, Director of Teaching and Learning, the Director of Human Resources, Director of Special Education, Director

## **WORTHINGTON CITY SCHOOL DISTRICT**

of Elementary Education, Director of Secondary Education, and the Director of Communications.

### **Economic Outlook**

The economic outlook for the District continues to improve for the immediate and short term even though on May 9, 2006 a combined operating levy of 5.0 mills and a permanent improvement levy of 1.25 mills was defeated on the primary ballot. This would have provided sufficient funds to maintain current programs and staff as well as provide \$11 million for badly needed capital expenditures. As a result of this defeat, the Superintendent and administration began reviewing operations looking for opportunities to further reduce expenditures. As a result, \$1.1 million in reductions, which were split 50/50 between personnel and non-personnel, were made beginning in July 2006 for the 2006-2007 school year. In addition to these actual cuts, the administration has committed to cutting an additional \$1.8 million in the 2007-2008 school year, which will be primarily made up of staff reductions. As a result of these reductions and additional revenues received in the 2006 fiscal year and anticipated in future years, a return to voters for additional operating money could be delayed until the 2007 calendar year, with a balanced budget through June 30, 2009.

The financial forecast of general fund operations for the next five years, as approved October 31, 2006, demonstrates that the forecast is balanced through June 30, 2009. This continued improvement in the forecast was the result of changes in forecasting strategies, reduced increases in non-personnel costs for future years, the creation of a contingency reserve in the general fund, which is targeted at \$4 million, and some additional revenues resulting from continued reimbursements from the state for tangible property tax losses from the deregulation of utilities.

Another improvement in the long term financial health of the District is an increase in enrollment in the elementary schools. While the District continues each year to graduate more students than enter in kindergarten and first grade, the rapid decline of students has slowed the past couple of years, which now appears to indicate that the District has reached a steady state with the loss annually of between 50-100 students. Elementary schools are now seeing an increase in enrollment, the reduced elementary class sizes are beginning to work their way through the middle schools and will reach the high schools in about two years.

In addition to an improved general fund forecast, the voters of Worthington Schools approved a \$37.5 million bond issue on November 7, 2006. This bond issue will provide approximately \$18 million for buildings and operating systems, approximately \$3 million for buses, \$3 million in technology, \$1.5 million for miscellaneous furniture and equipment, \$10 million for miscellaneous capital items currently contained in the general fund forecast and \$2 million for contingencies. This levy will help the District

## **WORTHINGTON CITY SCHOOL DISTRICT**

address pressing capital needs and will allow the cost shifting of \$10 million in planned general fund capital expenditures to the bond fund which will further reduce the amount of millage needed in a future operating levy.

While the immediate and short term financial picture of the District has improved, there are still long term concerns. These concerns would include the lack of a permanent reimbursement plan to replace tangible tax revenues eliminated through HB 66 passed in June 2005 and possible further eroding of the Districts tax base through future legislation and other new legislation. While HB 66 contained a reimbursement plan for school districts for lost tangible taxes as a result of the elimination of most tangible taxes, these reimbursements grow as the lost revenue continues through 2011. Beginning in 2012 through 2017 the reimbursements are reduced until which time they are eliminated in the 2018 calendar year. The lost tangible taxes represent 18% of the revenue the District received in the 2006 fiscal year. This revenue cannot easily be replaced, as it would require a 12 mill levy upon property owners. It is unlikely that the community would pass this much additional millage. Therefore, the administration and Board will be working to influence legislation that will continue the reimbursements.

### **Curriculum Developments**

In the 2005-2006 school year, the District continued professional development to ensure coherent and rigorous implementation of the Graded Courses of Study for all content areas. These new curriculum areas align closely with the new Ohio Content Standards. Curriculum leaders and teachers have continued to work on refining curriculum maps and develop quality formative assessments. This has required some retooling of our faculty's skills in teaching new content and pedagogy. Additionally the District is integrating the Ohio Technology Content Standards into the K-8 Math, Science, Social Studies and Language Arts Standards. Alignment is completed for grades K, 3, and 5. Currently they are developing and piloting technology lesson plans for Technology Standards that do not naturally align with other content areas. We are also developing an accountability report for 8<sup>th</sup> graders to document that they are technologically competent as defined by the Ohio Technology Standards. Work is continuing on the alignment of the Fine Arts and Foreign Language Graded Course of Study with the Ohio Content Standards.

Increased emphasis continues to be given to our English as a Second Language (ESL) and Individual Education Plan (IEP) students in order that our District could meet Annual Yearly Progress (AYP) for the 2006-2007 State Report Card. Our District did not pass AYP for the 2005-2006 report. We have maintained our Report Card designation of Excellent for the 6th year in a row as well as increased our Performance Index to 104. Our District is the largest in size to have passed all standards for six successive years.



## **WORTHINGTON CITY SCHOOL DISTRICT**

This year's administration of the Ohio Graduation Test revealed our students passing at high rates in all five areas. 96.5% of our students were proficient or above in Reading; 95% of the students were proficient or above in math; 94.7% were proficient or above in writing; 90.1% were proficient or above in science; and 92.4 % were proficient or above in social studies.

We are continuing to work on incorporating curriculum mapping and formative assessments into classroom instruction so that teachers can continually be measuring students' growth towards the achievement of the standards at high levels.

### **College Entrance Exams**

The results from the 2006 administration of the ACT show that the District continued to be above both national and state averages with the following scores: English 23.5; Math 25.0; Reading 24.0; Science 23.7; and a composite score of 24.2. Results of the ACT test reflect a continued pattern of exceptional student performance that surpasses both state and national averages. On the ACT test the District's 2006 composite score was 24.2, exceeding the national average by 2.7 points. The 2006 SAT test results revealed the following scores: Critical Reading 553; Math 592, and Writing 535. Again, the District surpasses both the state and national averages. The District exceeds the Ohio average by 18 in Critical Reading, 48 in Math and 14 in Writing.

### **Community Relations**

The Administrative team holds in high regard the involvement of key stakeholders. From students to parents and staff members to community members, administrators welcome participation and feedback from these groups.

The Superintendent has created a Staff Advisory Council to address routine issues that impact employment in the District. The group meets once a month, during the school year, and the Council is comprised of one representative from each building. The meetings provide a forum for direct communications between buildings and central office staff.

A Student Advisory Council meets monthly during the school year and is made up of one student representative from each of the middle schools and two from each of the high schools. The Director of Student Services accompanies the Superintendent in facilitating discussion with the students to determine hot issues for them. Some recent topics include school culture, athletics, religion in the schools, and safety issues, just to name a few. The goal is to work with the students and use that input to improve the student experience in our middle schools and high schools.

The District is pleased with many partnership programs including those with Worthington Public Libraries, the Griswold Center, the Worthington Arts Council, the Worthington Chamber of Commerce and the City of Worthington. It is with solid

# WORTHINGTON CITY SCHOOL DISTRICT

partnerships and community support that an excellent District is not only created, but maintained.

## Financial Information

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.
- **Required supplemental budgetary comparison** – This statement presents 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.

As part of this reporting model, management is responsible for preparing a Management's 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 District's finances of 2005-06.

## 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

## WORTHINGTON CITY SCHOOL DISTRICT

- 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 and proprietary 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 Board 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 basis statement of revenue, expenditures and changes in fund balance. The Board adopted its appropriation measure on September 26, 2005. 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 appropriation measure including all transfers made by management was approved by the Board on June 26, 2006.

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.

# WORTHINGTON CITY SCHOOL DISTRICT

## **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, U.S. Agencies, State Treasury Asset Reserve of Ohio (STAR Ohio), negotiable certificates of deposits, and repurchase agreements. The District earned \$1,519,001 on all investments for the year ended June 30, 2006. 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 STAR Ohio. Deposits with financial institutions were either insured by federal depository insurance or collateralized in accordance with the requirements 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 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.

## **WORTHINGTON CITY SCHOOL DISTRICT**

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, except non-negotiable certificates of deposits and repurchase agreements, which are reported at cost.

### **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 \$140,000 at June 30, 2006, 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.

### **Independent Auditors**

The basic financial statements of the District for the year ended June 30, 2006, were audited by the Ohio Auditor of State whose unqualified opinion thereon is included at the beginning of the Financial Section of this report.

### **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

# WORTHINGTON CITY SCHOOL DISTRICT

ended June 30, 2005. This was the 13<sup>th</sup> consecutive year that the District has achieved this prestigious award.

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. The District has received a Certificate of Achievement for the last thirteen 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.


## **Acknowledgments**

The preparation of this report was made possible by the diligence of the staff of the Financial Services department. Their initiative and conscientious work ensured the integrity of the information contained herein and guaranteed this report's successful completion

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

  
\_\_\_\_\_  
Melissa Conrath, Superintendent

# **WORTHINGTON CITY SCHOOL DISTRICT**

## **ELECTED OFFICIALS AND ADMINISTRATIVE STAFF**

**June 30, 2006**

### **Board of Education Members**

|                |                |
|----------------|----------------|
| President      | Gary Tyack     |
| Vice-President | Robert Horton  |
| Member         | Marc Schare    |
| Member         | David Bressman |
| Member         | Jennifer Best  |

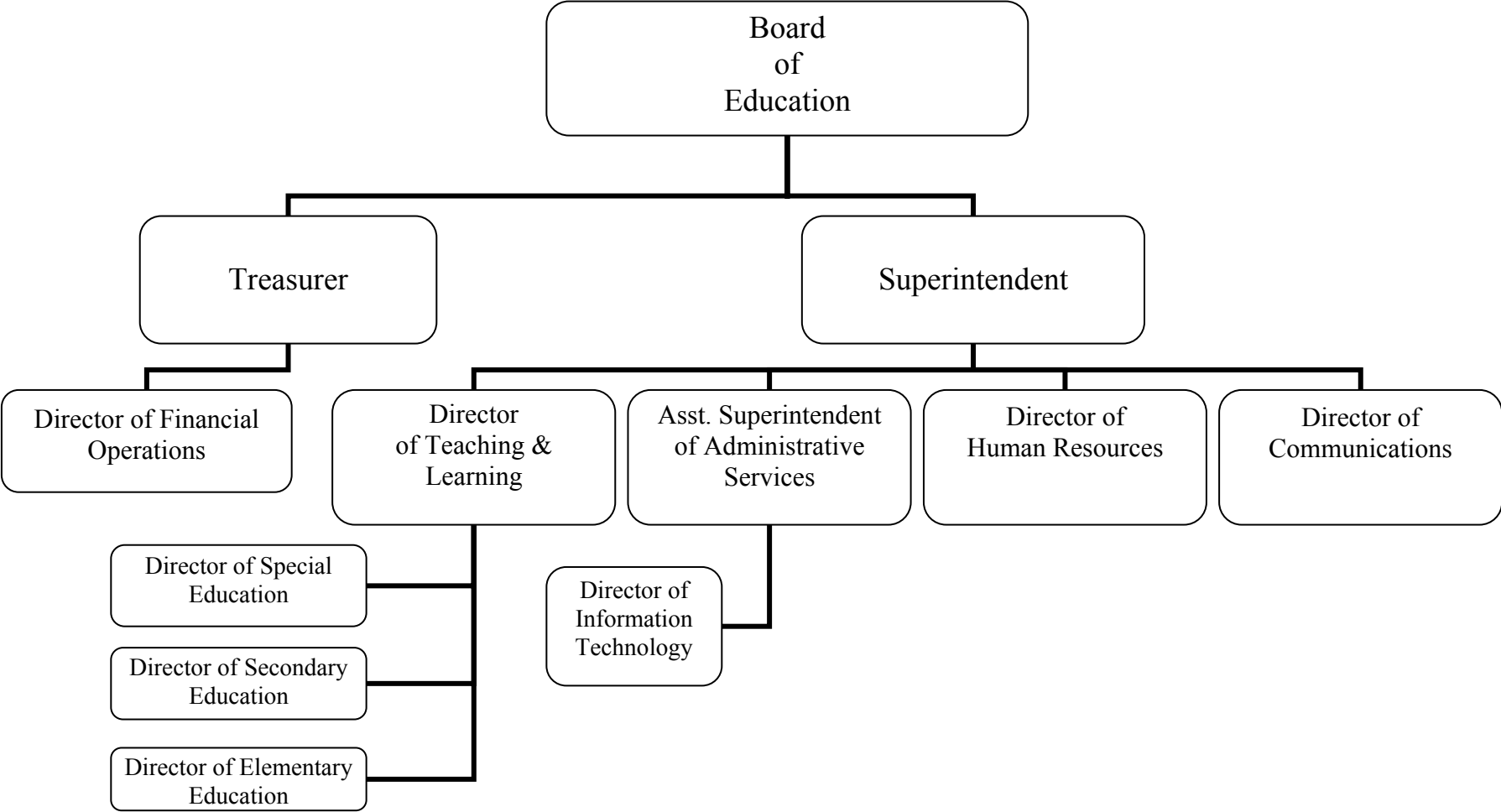
### **Appointed Officials**

|                |                 |
|----------------|-----------------|
| Superintendent | Melissa Conrath |
| Treasurer      | Jonathan Boyd   |

### **Administrative Staff**

|   |                  |
|---|------------------|
| Asst. Superintendent of Admin. Services | Paul Cynkar      |
| Director of Teaching & Learning         | Jennifer Wene    |
| Director of Secondary Education         | Jim McElligott   |
| Director of Elementary Education        | Mark Glasbrenner |
| Director of Special Education           | Lynne Hamelberg  |
| Director of Human Resources             | Jeanne Paliotto  |
| Director of Information Technology      | Keith Schlarb    |
| Director of Communication               | Victoria Gnezda  |
| Director of Financial Operations        | Tracy DeMatteo   |

**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, 2005

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**

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## 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, 2006, 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 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, 2006, and the respective changes in financial position and where applicable, cash flows, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2006, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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 accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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)

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining 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.

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

**Betty Montgomery**  
Auditor of State

November 22, 2006

**Worthington City School District**  
Management's Discussion & Analysis  
For the Fiscal Year Ended June 30, 2006  
(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, 2006. 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 \$57,101,547 as of June 30, 2006 according to the Statement of Net Assets. This represents an increase of \$5,065,981 or 9.7% over last year's restated amount. The increase in net assets is primarily due to the District receiving additional property taxes attributable to the timing of the certification of revenues by the County. An overall increase in market interest rates also provided the district with nearly double the return on investment income as in the previous year and charges for services revenue increased due to the normal fluctuation of open enrollment charges from other districts. Additionally, the District has continued its efforts in implementing the cost savings strategies put in place prior to the passage of the 2004 operating levy. The General Fund reported a positive fund balance of \$25,135,016 on June 30, 2006.

In addition to an improved general fund forecast, the voters of Worthington Schools approved a \$37.5 million bond issue on November 7, 2006. This bond issue will provide approximately \$18 million for buildings and operating systems, approximately \$3 million for buses, \$3 million in technology, \$1.5 million for miscellaneous furniture and equipment, \$10 million for miscellaneous capital items currently contained in the general fund forecast and \$2 million for contingencies. This levy will help the district address pressing capital needs and will allow the cost shifting of \$10 million in planned general fund capital expenditures to the bond fund which will further reduce the amount of millage needed in a future operating levy.

While the 2006 fiscal year financial position improved, the long term financial health of the District continues to deteriorate. The District's most recent 5-year forecast completed in the fall of 2006 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 and elimination of the tangible personal property tax, 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, and a continued erosion of the District's 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 \$5.4 million deficit by June 30, 2010.

### **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's 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 Managed 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 \$57,101,547 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 (45.6%) 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 2006 to 2005 follows from the Statements of Net Assets:

| <b>Worthington City School District</b> |                         |                      |                          |                   |                      |                      |
|---|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
| <b>Net Assets</b>                       |                         |                      |                          |                   |                      |                      |
|   | Governmental Activities |                      | Business-Type Activities |                   | Total                |                      |
|   | <u>2006</u>             | <u>2005</u>          | <u>2006</u>              | <u>2005</u>       | <u>2006</u>          | <u>2005</u>          |
| Current assets                          | \$ 110,550,161          | \$ 103,303,188       | 465,247                  | 520,941           | 111,015,408          | 103,824,129          |
| Capital assets                          | <u>73,219,865</u>       | <u>75,627,729</u>    | <u>93,951</u>            | <u>154,727</u>    | <u>73,313,816</u>    | <u>75,782,456</u>    |
| Total assets                            | <u>183,770,026</u>      | <u>178,930,917</u>   | <u>559,198</u>           | <u>675,668</u>    | <u>184,329,224</u>   | <u>179,606,585</u>   |
| Current liabilities                     | 67,734,132              | 67,828,106           | 313,242                  | 331,023           | 68,047,374           | 68,159,129           |
| Long-term liabilities                   | <u>58,968,418</u>       | <u>59,269,799</u>    | <u>211,885</u>           | <u>142,091</u>    | <u>59,180,303</u>    | <u>59,411,890</u>    |
| Total liabilities                       | <u>126,702,550</u>      | <u>127,097,905</u>   | <u>525,127</u>           | <u>473,114</u>    | <u>127,227,677</u>   | <u>127,571,019</u>   |
| Net Assets:                             |                         |                      |                          |                   |                      |                      |
| Invested in capital, net of debt        | 25,927,423              | 24,659,689           | 93,951                   | 154,727           | 26,021,374           | 24,814,416           |
| Restricted                              | 8,275,610               | 10,393,579           | -                        | -                 | 8,275,610            | 10,393,579           |
| Unrestricted                            | <u>22,864,443</u>       | <u>16,779,744</u>    | <u>(59,880)</u>          | <u>47,827</u>     | <u>22,804,563</u>    | <u>16,827,571</u>    |
| Total net assets                        | <u>\$ 57,067,476</u>    | <u>\$ 51,833,012</u> | <u>\$ 34,071</u>         | <u>\$ 202,554</u> | <u>\$ 57,101,547</u> | <u>\$ 52,035,566</u> |

A portion of the District's net assets (14.5%) 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 |                  | Total              |                    |
|----------------------------------|-------------------------|----------------------|--------------------------|------------------|--------------------|--------------------|
|                                  | 2006                    | 2005                 | 2006                     | 2005             | 2006               | 2005               |
| <b>Program revenues:</b>         |                         |                      |                          |                  |                    |                    |
| Charges for services             | \$ 3,485,011            | \$ 2,623,779         | 2,515,846                | 2,419,317        | 6,000,857          | 5,043,096          |
| Federal grants                   | 2,677,367               | 2,568,537            | 596,579                  | 573,458          | 3,273,946          | 3,141,995          |
| State grants                     | 1,202,273               | 1,457,533            | 13,120                   | 9,316            | 1,215,393          | 1,466,849          |
| <b>General revenues:</b>         |                         |                      |                          |                  |                    |                    |
| Property taxes                   | 91,811,886              | 89,581,704           | -                        | -                | 91,811,886         | 89,581,704         |
| State entitlements               | 25,318,173              | 25,306,239           | -                        | -                | 25,318,173         | 25,306,239         |
| Interest income                  | 1,498,661               | 771,016              | 20,340                   | 7,787            | 1,519,001          | 778,803            |
| Other                            | 434,971                 | 1,338,730            | -                        | -                | 434,971            | 1,338,730          |
| Total revenues                   | <u>126,428,342</u>      | <u>123,647,538</u>   | <u>3,145,885</u>         | <u>3,009,878</u> | <u>129,574,227</u> | <u>126,657,416</u> |
| <b>Program expenses:</b>         |                         |                      |                          |                  |                    |                    |
| Instructional                    | 70,702,179              | 66,002,789           | -                        | -                | 70,702,179         | 66,002,789         |
| Support services                 | 43,583,810              | 39,097,237           | -                        | -                | 43,583,810         | 39,097,237         |
| Co-curricular student activities | 2,661,822               | 2,577,898            | -                        | -                | 2,661,822          | 2,577,898          |
| Community services               | 1,141,769               | 1,457,073            | -                        | -                | 1,141,769          | 1,457,073          |
| Interest on long-term debt       | 3,104,298               | 3,019,567            | -                        | -                | 3,104,298          | 3,019,567          |
| Food service                     | -                       | -                    | 3,314,368                | 3,159,484        | 3,314,368          | 3,159,484          |
| Total expenses                   | <u>121,193,878</u>      | <u>112,154,564</u>   | <u>3,314,368</u>         | <u>3,159,484</u> | <u>124,508,246</u> | <u>115,314,048</u> |
| Increase(decrease) in net assets | <u>\$ 5,234,464</u>     | <u>\$ 11,492,974</u> | <u>(168,483)</u>         | <u>(149,606)</u> | <u>5,065,981</u>   | <u>11,343,368</u>  |

**Governmental Activities**

Net assets of the District's governmental activities increased by \$5,234,464. The increase in net assets is primarily due to the District receiving additional property taxes as a result of the timing of certification of revenues as well as an increase in market returns on investments and tuition fees increased due to the normal fluctuation of open enrollment charges from other districts.

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.

| Programs                         | Total Cost of Services |                       | Net Cost of Service |                    |
|----------------------------------|------------------------|-----------------------|---------------------|--------------------|
|                                  | 2006                   | 2005                  | 2006                | 2005               |
| Instructional services           | \$ 70,702,179          | \$ 66,002,789         | 67,066,851          | 62,996,968         |
| Support services                 | 43,583,810             | 39,097,237            | 42,259,760          | 37,540,617         |
| Co-curricular student activities | 2,661,822              | 2,577,898             | 1,598,892           | 1,752,657          |
| Community services               | 1,141,769              | 1,457,073             | (200,574)           | 635,304            |
| Interest on long-term debt       | 3,104,298              | 3,019,567             | 3,104,298           | 3,019,567          |
| Total                            | <u>\$ 121,193,878</u>  | <u>\$ 112,154,564</u> | <u>113,829,227</u>  | <u>105,945,113</u> |

Local property taxes make up 72.6% of total revenues for governmental activities. The net services column reflecting the need for \$113,829,227 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 \$168,483 for the fiscal year. This net decrease is a result of the District planning on spending down available reserves in the Food Service Fund.

#### **The District's Funds**

The District's governmental funds reported a combined fund balance of \$35,015,052, which represents an increase of \$7,127,206 as compared to last year's restated total of \$27,887,846 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, 2006 to 2005.

|                          | Fund Balance at<br>June 30, 2006 | Fund Balance at<br>June 30, 2005<br>(as restated) | Increase<br>(Decrease) |
|--------------------------|----------------------------------|---|------------------------|
| General Fund             | \$ 25,135,016                    | 17,987,038  | 7,147,978              |
| Debt Service Fund        | 4,120,393                        | 4,647,364   | (526,971)              |
| Other Governmental Funds | 5,759,643                        | 5,253,444   | 506,199                |
| Total                    | <u>\$ 35,015,052</u>             | <u>27,887,846</u>                                 | <u>7,127,206</u>       |

#### *General Fund*

The District's General Fund balance increased as a result of the increase in property tax revenues over prior year, an increase in tuition and fees due to normal fluctuation of open enrollment charges from other districts, and an increase in investment earnings due to an overall increase in market interest rates. Expenditures remained relatively stable, increasing only slightly due to normal pay and benefit increases.

**Revenues**

|                   | <u>2006</u>           | <u>2005</u>           | <u>% Change</u> |
|-------------------|-----------------------|-----------------------|-----------------|
| Property taxes    | \$ 83,915,079         | \$ 80,177,201         | 4.66%           |
| Intergovernmental | 24,727,928            | 24,436,727            | 1.19%           |
| Investment income | 1,462,161             | 753,622               | 94.02%          |
| Other revenue     | <u>2,027,171</u>      | <u>1,578,425</u>      | 28.43%          |
| Total             | <u>\$ 112,132,339</u> | <u>\$ 106,945,975</u> | <u>4.85%</u>    |

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

**Expenditures by Function**

|                                  | <u>2006</u>           | <u>2005</u>           | <u>% Change</u> |
|----------------------------------|-----------------------|-----------------------|-----------------|
| Instructional services           | \$ 62,599,280         | \$ 61,003,303         | 2.62%           |
| Support services                 | 40,189,944            | 36,934,026            | 8.82%           |
| Co-curricular student activities | 1,604,251             | 1,585,305             | 1.20%           |
| Community Service                | 258,029               | 565,158               | -54.34%         |
| Debt service                     | 15,730                | -                     | 100.00%         |
| Total                            | <u>\$ 104,667,234</u> | <u>\$ 100,087,792</u> | <u>4.58%</u>    |

Expenditures are up slightly at 4.58% over the prior year due to normal pay and benefit increases. The District has continued its efforts in implementing the cost savings strategies put in place prior to the passage of the 2004 operating levy.

***Debt Service Fund***

The Debt Service Fund balance decreased by \$526,971 due to the expected increase in principal payments and the payment of accreted interest on capital appreciation bonds.

***Other Funds***

Other governmental funds consist of Special Revenue and Capital Projects funds. The Fund balance in the other nonmajor funds increased by \$506,199 due to note proceeds in the capital projects fund from the District's participation in the Ohio Association of School Business Officials Expanded Asset Program. These proceeds will be used to upgrade existing facilities in accordance with House Bill 264.

**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 increased primarily due to the timing of cash tax advances received as of fiscal year end and an increase in state sources for higher than anticipated state revenues as allocated by the State.

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 \$73,313,816 invested in capital assets net of depreciation, with \$73,219,865 attributed to governmental activities. The District restated the June 30, 2005 balance due to a reappraisal of capital asset valuation, causing an increase in beginning balance of \$5,542,434 in governmental activities and a decrease of \$334,019 in business-type activities. Detailed information regarding capital asset activity is included Footnote 8 of the notes to the basic financial statements on page 35.

## **Debt**

On June 30, 2006, the District had \$47,617,442 in outstanding notes, certificates of participation and bonds. This amount includes \$1,830,821 in accretion on deep discount debt. The District paid \$2,910,890 in principal on notes, certificates of participation and bonds outstanding and \$6,194,186 in interest payments during the 2006 fiscal year. Detailed information regarding long-term debt is included in Footnote 9 of the notes to the basic financial statements on page 36.

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 and certificates of participation) of the total taxable valuation of real and personal property. As of June 30, 2006, the District's general obligation debt was below the legal limit.

## **Request for Information**

This financial report is designed to provide the citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show accountability for the money it receives. Questions concerning any information provided in this report or request for additional financial information should be addressed to the Treasurer of the Worthington City School District at 200 E. Wilson Bridge Rd. Worthington, Ohio 43085.

# **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, 2006

|   | GOVERNMENTAL<br>ACTIVITIES | BUSINESS-TYPE<br>ACTIVITIES | TOTAL              |
|---|----------------------------|-----------------------------|--------------------|
| <b>ASSETS:</b>                                  |                            |                             |                    |
| Cash and investments                            | \$ 50,544,613              | 355,113                     | 50,899,726         |
| Cash and investments with trustee               | 112,000                    | -                           | 112,000            |
| Receivables                                     | 59,122,135                 | -                           | 59,122,135         |
| Internal balances                               | (20,340)                   | 20,340                      | -                  |
| Due from other-                                 |                            |                             |                    |
| Governments                                     | 532,778                    | -                           | 532,778            |
| Inventory                                       | 174,174                    | 89,794                      | 263,968            |
| Prepaid assets                                  | 84,801                     | -                           | 84,801             |
| Land and Construction in Progress               | 11,343,473                 | -                           | 11,343,473         |
| Other capital assets, net                       | 61,876,392                 | 93,951                      | 61,970,343         |
| <b>TOTAL ASSETS</b>                             | <b>\$ 183,770,026</b>      | <b>559,198</b>              | <b>184,329,224</b> |
| <b>LIABILITIES:</b>                             |                            |                             |                    |
| Accounts payable                                | \$ 493,132                 | 51                          | 493,183            |
| Due to other-                                   |                            |                             |                    |
| Governments                                     | 5,999,024                  | 121,908                     | 6,120,932          |
| Unearned income                                 | 52,423,253                 | -                           | 52,423,253         |
| Accrued liabilities                             | 8,818,723                  | 191,283                     | 9,010,006          |
| Long-term Liabilities:                          |                            |                             |                    |
| Due within one year                             | 7,961,069                  | 10,537                      | 7,971,606          |
| Due in more than one year                       | 51,007,349                 | 201,348                     | 51,208,697         |
| <b>TOTAL LIABILITIES</b>                        | <b>126,702,550</b>         | <b>525,127</b>              | <b>127,227,677</b> |
| <b>NET ASSETS</b>                               |                            |                             |                    |
| Invested in capital assets, net of related debt | 25,927,423                 | 93,951                      | 26,021,374         |
| Restricted for:                                 |                            |                             |                    |
| Debt Service                                    | 2,415,622                  | -                           | 2,415,622          |
| Capital Projects                                | 3,104,334                  | -                           | 3,104,334          |
| Special revenue                                 | 2,755,654                  | -                           | 2,755,654          |
| Unrestricted                                    | 22,864,443                 | (59,880)                    | 22,804,563         |
| <b>TOTAL NET ASSETS</b>                         | <b>\$ 57,067,476</b>       | <b>34,071</b>               | <b>57,101,547</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, 2006

|                                    |                | Program Revenues                  |                                       |
|------------------------------------|----------------|-----------------------------------|---------------------------------------|
|                                    | Expenses       | Charges for<br>Services and Sales | Operating Grants<br>and Contributions |
| Governmental Activities            |                |                                   |                                       |
| Instructional services:            |                |                                   |                                       |
| Regular                            | \$ 59,004,344  | 1,753,192                         | 188,283                               |
| Special                            | 10,927,935     | 78,362                            | 1,615,491                             |
| Vocational                         | 766,375        | -                                 | -                                     |
| Continuing                         | 3,525          | -                                 | -                                     |
| Support services:                  |                |                                   |                                       |
| Operation and maintenance of plant | 10,423,949     | 2,856                             | 90,720                                |
| School administration              | 8,534,738      | 12,810                            | 76,377                                |
| Pupils                             | 6,155,193      | 29,070                            | 51,030                                |
| Business operations                | 3,712,349      | -                                 | -                                     |
| Instructional staff                | 8,716,053      | 35,229                            | 828,673                               |
| Student transportation             | 3,786,693      | 26,944                            | 81,330                                |
| Central services                   | 2,189,898      | -                                 | 89,011                                |
| General administration             | 64,937         | -                                 | -                                     |
| Co-curricular student activities   | 2,661,822      | 1,062,930                         | -                                     |
| Community services                 | 1,141,769      | 483,618                           | 858,725                               |
| Interest on long-term debt         | 3,104,298      | -                                 | -                                     |
| Total Governmental Activities      | 121,193,878    | 3,485,011                         | 3,879,640                             |
| Business-Type Activities           |                |                                   |                                       |
| Food Service Fund                  | 3,314,368      | 2,515,846                         | 609,699                               |
| Totals                             | \$ 124,508,246 | 6,000,857                         | 4,489,339                             |

General revenues:

  Property taxes

  Grants and entitlements not restricted to specific programs

  Investment earnings

  Miscellaneous

Total general revenues

Change in Net Assets

Net Assets Beginning of Year, as Restated

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<br>Activities | Business-Type<br>Activities | Total                |
|----------------------------|-----------------------------|----------------------|
| (57,062,869)               | -                           | (57,062,869)         |
| (9,234,082)                | -                           | (9,234,082)          |
| (766,375)                  | -                           | (766,375)            |
| (3,525)                    | -                           | (3,525)              |
| (10,330,373)               | -                           | (10,330,373)         |
| (8,445,551)                | -                           | (8,445,551)          |
| (6,075,093)                | -                           | (6,075,093)          |
| (3,712,349)                | -                           | (3,712,349)          |
| (7,852,151)                | -                           | (7,852,151)          |
| (3,678,419)                | -                           | (3,678,419)          |
| (2,100,887)                | -                           | (2,100,887)          |
| (64,937)                   | -                           | (64,937)             |
| (1,598,892)                | -                           | (1,598,892)          |
| 200,574                    | -                           | 200,574              |
| <u>(3,104,298)</u>         | <u>-</u>                    | <u>(3,104,298)</u>   |
| (113,829,227)              | -                           | (113,829,227)        |
| <u>-</u>                   | <u>(188,823)</u>            | <u>(188,823)</u>     |
| <u>(113,829,227)</u>       | <u>(188,823)</u>            | <u>(114,018,050)</u> |
| 91,811,886                 | -                           | 91,811,886           |
| 25,318,173                 | -                           | 25,318,173           |
| 1,498,661                  | 20,340                      | 1,519,001            |
| 434,971                    | -                           | 434,971              |
| <u>119,063,691</u>         | <u>20,340</u>               | <u>119,084,031</u>   |
| 5,234,464                  | (168,483)                   | 5,065,981            |
| <u>\$ 51,833,012</u>       | <u>202,554</u>              | <u>\$ 52,035,566</u> |
| <u>\$ 57,067,476</u>       | <u>34,071</u>               | <u>\$ 57,101,547</u> |

WORTHINGTON CITY SCHOOL DISTRICT  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 JUNE 30, 2006

|   | GOVERNMENTAL FUNDS   |                  |                                | TOTAL              |
|---|----------------------|------------------|--------------------------------|--------------------|
|   | GENERAL              | DEBT<br>SERVICE  | OTHER<br>GOVERNMENTAL<br>FUNDS |                    |
| <b>ASSETS :</b>                                 |                      |                  |                                |                    |
| Cash and investments                            | \$ 39,078,873        | 4,086,393        | 5,991,262                      | 49,156,528         |
| Cash and investments with trustee               | -                    | -                | 112,000                        | 112,000            |
| Receivables                                     | 53,629,135           | 5,493,000        | -                              | 59,122,135         |
| Due from other:                                 |                      |                  |                                |                    |
| Governments                                     | -                    | -                | 532,778                        | 532,778            |
| Inventory                                       | 161,607              | -                | -                              | 161,607            |
| Prepaid assets                                  | 84,801               | -                | -                              | 84,801             |
| <b>TOTAL ASSETS</b>                             | <b>\$ 92,954,416</b> | <b>9,579,393</b> | <b>6,636,040</b>               | <b>109,169,849</b> |
| <b>LIABILITIES:</b>                             |                      |                  |                                |                    |
| Accounts payable                                | \$ 370,096           | -                | 105,236                        | 475,332            |
| Due to other:                                   |                      |                  |                                |                    |
| Governments                                     | 5,835,015            | -                | 147,677                        | 5,982,692          |
| Funds   | 20,340               | -                | -                              | 20,340             |
| Unearned income                                 | 53,203,000           | 5,459,000        | 275,827                        | 58,937,827         |
| Accrued liabilities                             | 8,065,949            | -                | 347,657                        | 8,413,606          |
| Tax anticipation note payable                   | 325,000              | -                | -                              | 325,000            |
| <b>TOTAL LIABILITIES</b>                        | <b>67,819,400</b>    | <b>5,459,000</b> | <b>876,397</b>                 | <b>74,154,797</b>  |
| <b>FUND BALANCES:</b>                           |                      |                  |                                |                    |
| Reserved for encumbrances                       | 4,371,693            | -                | 2,768,918                      | 7,140,611          |
| Reserved for inventory and prepaid expenditures | 246,408              | -                | -                              | 246,408            |
| Reserved for future appropriations              | 20,054,298           | 1,891,002        | -                              | 21,945,300         |
| Unreserved, reported in:                        |                      |                  |                                |                    |
| General fund                                    | 462,617              | -                | -                              | 462,617            |
| Special Revenue funds                           | -                    | -                | 2,522,173                      | 2,522,173          |
| Debt Service fund                               | -                    | 2,229,391        | -                              | 2,229,391          |
| Capital Projects funds                          | -                    | -                | 468,552                        | 468,552            |
| <b>TOTAL FUND BALANCES</b>                      | <b>25,135,016</b>    | <b>4,120,393</b> | <b>5,759,643</b>               | <b>35,015,052</b>  |
| <b>TOTAL LIABILITIES &amp; FUND BALANCES</b>    | <b>\$ 92,954,416</b> | <b>9,579,393</b> | <b>6,636,040</b>               | <b>109,169,849</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, 2006

|   |                             |
|---|-----------------------------|
| <b>Total Governmental Fund Balances</b>   | <b>\$ 35,015,052</b>        |
| <p>Amounts reported for governmental activities in the statement of net assets are different because:</p>   |                             |
| Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.  | 72,851,096                  |
| Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.  | 6,514,574                   |
| 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. | 1,555,569                   |
| 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  | (225,397)                   |
| Compensated absences  | (11,350,976)                |
| Bonds and note payable  | (41,292,442)                |
| Certificates of Participation   | (6,000,000)                 |
| <b>Net Assets of Governmental Activities</b>  | <b><u>\$ 57,067,476</u></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, 2006

|  | GOVERNMENTAL FUNDS   |                  |                                | TOTAL              |
|--|----------------------|------------------|--------------------------------|--------------------|
|  | GENERAL              | DEBT<br>SERVICE  | OTHER<br>GOVERNMENTAL<br>FUNDS |                    |
| <b>REVENUES:</b>   |                      |                  |                                |                    |
| Property taxes   | \$ 83,915,079        | 7,488,045        | -                              | 91,403,124         |
| Intergovernmental:   |                      |                  |                                |                    |
| Federal Restricted Grants-in-aid                           | 21,703               | -                | 2,772,298                      | 2,794,001          |
| State:   |                      |                  |                                |                    |
| Unrestricted Grants-in-aid                                 | 24,516,834           | 801,340          | -                              | 25,318,174         |
| Restricted Grants-in-aid                                   | 189,391              | -                | 1,054,386                      | 1,243,777          |
| Investment income  | 1,462,161            | -                | 36,500                         | 1,498,661          |
| Co-curricular activities                                   | -                    | -                | 739,098                        | 739,098            |
| Tuition fees   | 1,621,056            | -                | 493,327                        | 2,114,383          |
| Other  | 406,115              | -                | 660,386                        | 1,066,501          |
| <b>TOTAL REVENUES</b>                                      | <b>112,132,339</b>   | <b>8,289,385</b> | <b>5,755,995</b>               | <b>126,177,719</b> |
| <b>EXPENDITURES:</b>                                       |                      |                  |                                |                    |
| Current:   |                      |                  |                                |                    |
| Instructional services:                                    |                      |                  |                                |                    |
| Regular  | 53,079,053           | -                | 724,400                        | 53,803,453         |
| Special  | 8,825,298            | -                | 1,658,061                      | 10,483,359         |
| Vocational   | 691,404              | -                | 6                              | 691,410            |
| Continuing   | 3,525                | -                | -                              | 3,525              |
| <b>TOTAL INSTRUCTIONAL SERVICES</b>                        | <b>62,599,280</b>    | <b>-</b>         | <b>2,382,467</b>               | <b>64,981,747</b>  |
| Support services:  |                      |                  |                                |                    |
| Operation and maintenance of plant                         | 9,951,674            | -                | 1,672,893                      | 11,624,567         |
| School administration                                      | 8,122,546            | -                | 90,646                         | 8,213,192          |
| Pupils   | 5,775,251            | -                | 119,256                        | 5,894,507          |
| Business operations  | 3,590,132            | 73,137           | -                              | 3,663,269          |
| Instructional staff  | 7,241,311            | -                | 1,057,137                      | 8,298,448          |
| Student transportation                                     | 3,335,388            | -                | 69,556                         | 3,404,944          |
| Central services   | 2,108,579            | -                | 120,726                        | 2,229,305          |
| General administration                                     | 65,063               | -                | -                              | 65,063             |
| <b>TOTAL SUPPORT SERVICES</b>                              | <b>40,189,944</b>    | <b>73,137</b>    | <b>3,130,214</b>               | <b>43,393,295</b>  |
| Co-curricular student activities                           | 1,604,251            | -                | 963,122                        | 2,567,373          |
| Community services   | 258,029              | -                | 877,695                        | 1,135,724          |
| Capital outlay   | -                    | -                | 208,298                        | 208,298            |
| Debt service:  |                      |                  |                                |                    |
| Principal retirement                                       | -                    | 2,910,890        | -                              | 2,910,890          |
| Interest   | 15,730               | 6,149,456        | 29,000                         | 6,194,186          |
| <b>TOTAL EXPENDITURES</b>                                  | <b>104,667,234</b>   | <b>9,133,483</b> | <b>7,590,796</b>               | <b>121,391,513</b> |
| Excess (deficiency) of revenues<br>over expenditures       | 7,465,105            | (844,098)        | (1,834,801)                    | 4,786,206          |
| <b>OTHER FINANCING SOURCES (USES):</b>                     |                      |                  |                                |                    |
| Proceeds from long - term notes                            | -                    | -                | 2,341,000                      | 2,341,000          |
| Transfers in   | 340,730              | 657,857          | -                              | 998,587            |
| Transfers out  | (657,857)            | (340,730)        | -                              | (998,587)          |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>                | <b>(317,127)</b>     | <b>317,127</b>   | <b>2,341,000</b>               | <b>2,341,000</b>   |
| Net Change in Fund Balances                                | 7,147,978            | (526,971)        | 506,199                        | 7,127,206          |
| <b>FUND BALANCES AT BEGINNING<br/>OF YEAR, as restated</b> | <b>17,987,038</b>    | <b>4,647,364</b> | <b>5,253,444</b>               | <b>27,887,846</b>  |
| <b>FUND BALANCES AT END OF YEAR</b>                        | <b>\$ 25,135,016</b> | <b>4,120,393</b> | <b>5,759,643</b>               | <b>35,015,052</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, 2006

|   |                                   |
|---|-----------------------------------|
| <b>Net Changes in Fund Balances - Total Governmental Funds</b>  | <b>\$ 7,127,206</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>  | (2,313,245)                       |
| <p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>  | 250,623                           |
| <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>   | 2,910,890                         |
| <p>Proceeds from the issuance of long-term notes are a financing source in the governmental fund, but are a liability in the statement of net assets.</p>   | (2,341,000)                       |
| <p>In the statement of activities, interest and accretion on debt are accrued on outstanding bonds, whereas in governmental funds, an interest and accretion expenditure are recorded when due.</p>   | 3,089,888                         |
| <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>  |                                   |
| <p>Compensated absences</p>   | (3,699,217)                       |
| <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> | 209,319                           |
| <b>Change in Net Assets of Governmental Activities</b>  | <b><u><u>\$ 5,234,464</u></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, 2006

|                            | Business-Type Activities    | Governmental<br>Activities |
|----------------------------|-----------------------------|----------------------------|
|                            | Nonmajor<br>Enterprise Fund | Internal Service<br>Funds  |
| <b>ASSETS</b>              |                             |                            |
| Cash and investments       | \$ 355,113                  | 1,388,085                  |
| Due from other funds       | 20,340                      | -                          |
| Inventory                  | 89,794                      | 12,567                     |
| Total current assets       | 465,247                     | 1,400,652                  |
| Capital Assets, Net        | 93,951                      | 368,769                    |
| <b>Total assets</b>        | 559,198                     | 1,769,421                  |
| <b>LIABILITIES</b>         |                             |                            |
| Accounts payable           | 51                          | 17,800                     |
| Due to other governments   | 121,908                     | 16,332                     |
| Accrued liabilities        | 191,283                     | 177,339                    |
| Compensated absences       | 10,537                      | -                          |
| Total current liabilities  | 323,779                     | 211,471                    |
| Long-term liabilities      | 201,348                     | 2,381                      |
| <b>Total liabilities</b>   | 525,127                     | 213,852                    |
| <b>Net Assets</b>          |                             |                            |
| Invested in Capital Assets | 93,951                      | 368,769                    |
| Unrestricted               | (59,880)                    | 1,186,800                  |
| <b>Total Net Assets</b>    | \$ 34,071                   | 1,555,569                  |

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, 2006

|   | <u>Business-Type Activities</u> | <u>Governmental<br/>Activities</u> |
|---|---------------------------------|------------------------------------|
|   | Nonmajor<br>Enterprise Fund     | Internal Service<br>Funds          |
| <b>Operating Revenues:</b>                          |                                 |                                    |
| Food service sales                                  | \$ 2,515,846                    | -                                  |
| Charges for services                                | -                               | 12,429,174                         |
| Total operating revenues                            | 2,515,846                       | 12,429,174                         |
| <b>Operating Expenses:</b>                          |                                 |                                    |
| Supplies and materials                              | 1,346,931                       | 156,019                            |
| Personal services                                   | 1,859,388                       | 146,405                            |
| Purchased services                                  | 42,630                          | 11,822,813                         |
| Depreciation  | 65,313                          | 94,618                             |
| Other   | 106                             | -                                  |
| Total operating expenses                            | 3,314,368                       | 12,219,855                         |
| Operating income (loss)                             | (798,522)                       | 209,319                            |
| <b>Nonoperating Revenues (Expenses):</b>            |                                 |                                    |
| State sources                                       | 13,120                          | -                                  |
| Federal sources                                     | 596,579                         | -                                  |
| Investment income                                   | 20,340                          | -                                  |
| Total nonoperating revenues                         | 630,039                         | -                                  |
| <b>Change in Net Assets</b>                         | (168,483)                       | 209,319                            |
| <b>Net assets at beginning of year, as restated</b> | 202,554                         | 1,346,250                          |
| <b>Net assets at end of year</b>                    | \$ 34,071                       | 1,555,569                          |

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, 2006

|   | <u>Business-Type Activities</u> | <u>Governmental Activities</u> |
|---|---------------------------------|--------------------------------|
|   | Nonmajor<br>Enterprise Fund     | Internal Service<br>Funds      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                                 |                                |
| Cash received from sales  | \$ 2,515,846                    | 640,310                        |
| Cash received from charges for services   | -                               | 11,788,864                     |
| Cash payments for personal services   | (1,806,334)                     | (105,217)                      |
| Cash payments for purchased services  | (42,630)                        | (11,827,308)                   |
| Cash payments for supplies and materials  | (1,164,492)                     | (212,187)                      |
| Cash payments for other expenses  | (3,162)                         | -                              |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>  | <b>(500,772)</b>                | <b>284,462</b>                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>  |                                 |                                |
| Interest  | 7,787                           | -                              |
| <b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>   | <b>7,787</b>                    | <b>-</b>                       |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>   |                                 |                                |
| State sources   | 13,120                          | -                              |
| Federal sources   | 409,868                         | -                              |
| <b>NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>  | <b>422,988</b>                  | <b>-</b>                       |
| <b>CASH FLOWS USED IN CAPITAL AND OTHER RELATED RELATED FINANCING ACTIVITIES-</b>                               |                                 |                                |
| Acquisition of Property, plant and equipment  | (4,537)                         | -                              |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>   | <b>(74,534)</b>                 | <b>284,462</b>                 |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>   | <b>429,647</b>                  | <b>1,103,623</b>               |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>   | <b>\$ 355,113</b>               | <b>1,388,085</b>               |
| <b>ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b> |                                 |                                |
| <b>Operating income (loss)</b>  | <b>\$ (798,522)</b>             | <b>209,319</b>                 |
| Depreciation  | 65,313                          | 94,618                         |
| Donated commodities used  | 186,711                         | -                              |
| Change in assets and liabilities:   |                                 |                                |
| Inventory   | (6,287)                         | (4,003)                        |
| Accounts payable  | (1,041)                         | (56,660)                       |
| Due to other governments  | (9,536)                         | 10,307                         |
| Accrued liabilities and Compensated absences  | 62,590                          | 30,881                         |
| Net cash provided (used) by operating activities  | <b>\$ (500,772)</b>             | <b>284,462</b>                 |
| Supplemental Information  |                                 |                                |
| Noncash activities-   |                                 |                                |
| Donated commodities   | <b>\$ 186,711</b>               | <b>-</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, 2006

|                                       | PRIVATE<br>PURPOSE<br>TRUST | AGENCY<br>FUNDS |
|---------------------------------------|-----------------------------|-----------------|
| <b>ASSETS:</b>                        |                             |                 |
| Cash and investments                  | \$ 157,830                  | 545,954         |
| Inventory                             | -                           | 9,359           |
| <b>TOTAL ASSETS</b>                   | <b>157,830</b>              | <b>555,313</b>  |
| <b>LIABILITIES:</b>                   |                             |                 |
| Accounts payable                      | -                           | 1,780           |
| Due to other:                         |                             |                 |
| Other                                 |                             | 553,533         |
| <b>TOTAL LIABILITIES</b>              | <b>\$ -</b>                 | <b>555,313</b>  |
| <b>NET ASSETS</b>                     |                             |                 |
| Assets held in trust for scholarships | <b>\$ 157,830</b>           |                 |

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, 2006

|                                  |    | PRIVATE<br>PURPOSE<br>TRUST |
|----------------------------------|----|-----------------------------|
|                                  |    | <u>          </u>           |
| <b>ADDITIONS:</b>                |    |                             |
| Investment Earnings              | \$ | 6,360                       |
| Contributions                    |    | 2,890                       |
| <b>TOTAL ADDITIONS</b>           |    | <u>9,250</u>                |
| <br><b>DEDUCTIONS -</b>          |    |                             |
| Contributions-Scholarships       |    | 4,089                       |
| <b>TOTAL DEDUCTIONS</b>          |    | <u>4,089</u>                |
| Change in net assets             |    | 5,161                       |
| NET ASSETS-beginning of the year |    | 152,669                     |
| NET ASSETS-end of the year       | \$ | <u><u>157,830</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, 2006

### 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*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, 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, 2006

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. Beginning July 1, 2002, the District changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Disclosures*. 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 activities) report information on all the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. Internal Service Fund operating activity is eliminated by allocating net revenue/expenses to the appropriate function accounts so as to avoid overstatement of revenues and expenses. 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 applicants 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 expenses 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

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

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 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 unearned income for amounts not collected and available for advance on June 30<sup>th</sup> 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

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

measurement of results of operations. The District has one Private Purpose Trust fund as well as two Agency funds.

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 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.

Proprietary funds distinguish operating revenues and expenses 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, 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.

All reported capital assets, with the exception of land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
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capital assets. Depreciation is computed using the straight-line method over the following useful lives:

|                                   |              |
|-----------------------------------|--------------|
| Land Improvements                 | <b>20</b>    |
| Buildings & Improvements          | <b>20-50</b> |
| Furniture, Fixtures and Equipment | <b>3-15</b>  |
| Buses, Autos, and Trucks          | <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 compensated absence liability is reported on the entity-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "accrued liabilities" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**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

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

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.

**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, and property tax revenue reserved by the Board for future year's appropriations.

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 2006, 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 year 2006 investment income of \$1,498,661 was recorded in the Governmental funds. Also, \$20,340 was owed from the General Fund to the Food Service Fund.



**WORTHINGTON CITY SCHOOL DISTRICT**  
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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. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2006.

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 2006, the District and public depositories complied with the provisions of these statutes.

**b. Deposits with Financial Institutions**

At June 30, 2006, the carrying amount of all District deposits was \$ 26,382,285, exclusive of the \$3,253,594 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2006, \$31,615,050 of the District's bank balance of \$ 31,815,050 was exposed to custodial risk as discussed below, while \$200,000 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities in amounts equal to at least 105% of the carrying value of the deposits. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

**c. Investments**

As of June 30, 2006, the District had the following investments and maturities.

| Investment Type                    | Fair Value           | Investment Maturities |                   |                   |
|------------------------------------|----------------------|-----------------------|-------------------|-------------------|
|                                    |                      | 6 Months or Less      | 7 to 12 Months    | 13 to 18 Months   |
| Repurchase Agreement               | \$ 3,253,594         | \$ 3,253,594          |                   |                   |
| Star Ohio                          | 7,729,807            | \$ 7,729,807          |                   |                   |
| FNMA                               | 893,875              | 893,875               |                   |                   |
| FHLB                               | 6,283,248            | 6,283,248             |                   |                   |
| FHLMC                              | 5,478,935            | 4,984,500             | 494,435           |                   |
| Negotiable Certificates of Deposit | 1,577,466            | 890,000               | 292,466           | 395,000           |
|                                    | <u>\$ 25,216,925</u> | <u>\$ 24,035,024</u>  | <u>\$ 786,901</u> | <u>\$ 395,000</u> |

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less.

*Credit Risk.* The District's investments, except for the repurchase agreement as discussed above and STAROhio, were rated AAA and Aaa by Standard & Poor's and Moody's Investor Services, respectively. Standard & Poor's has assigned STAROhio an AAAM money market rating.

*Concentration of Credit Risk.* The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage to total of each investment type held by the District at June 30, 2006:

| <b>Investment Type</b>             | <b>Fair Value</b>    | <b>% of Total</b> |
|------------------------------------|----------------------|-------------------|
| Repurchase Agreement               | \$ 3,253,594         | 12.95%            |
| Star Ohio                          | 7,729,807            | 30.77%            |
| FNMA                               | 893,875              | 3.56%             |
| FHLB                               | 6,283,248            | 25.01%            |
| FHLMC                              | 5,478,935            | 21.81%            |
| Negotiable Certificates of Deposit | 1,577,466            | 5.90%             |
|                                    | <u>\$ 25,216,925</u> | <u>100.00%</u>    |

*Custodial Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments. The District is not the issuer of the negotiable certificates of deposit, therefore, these certificates of deposit are not insured.

*Reconciliation of Cash and Investments to the Statement of Net Assets*

|  |                      |
|--|----------------------|
| Investments (summarized above)                     | \$ 25,216,925        |
| Carrying Amount of Deposits                        | 26,382,285           |
| Cash On Hand                                       | 4,300                |
| Less: Fiduciary Fund Cash and Equivalents          | (703,784)            |
| Total Cash and Investments-Statement of Net Assets | <u>\$ 50,899,726</u> |

Cash and Investments with trustee in the amount of \$112,000 exists due to the District's participation in the Ohio Association of School Business Officials expanded asset pooled financing program. See footnote 9, General Long Term Obligations, for further information.

**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.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
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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 2006, upon which the 2005 levies were based, were as follows:

|                                      |           |                      |
|--------------------------------------|-----------|----------------------|
| Agricultural/Residential Real Estate | \$        | 1,302,759,720        |
| Commercial/Industrial Real Estate    |           | 449,378,550          |
| Public Utility Real Estate           |           | 113,220              |
| Public Utility Tangible              |           | 53,865,420           |
| General Tangible Property            |           | 132,307,380          |
| Total                                | <u>\$</u> | <u>1,938,424,290</u> |

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, 2006. However, monies legally available as an advance to the District as of June 30, 2006 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, 2006 consisted of taxes, and other accounts. Taxes receivable include current and delinquent taxes receivable. A summary of the principal items of receivables follows:

Governmental Activities:

|                  | General<br>Fund      | Debt Service<br>Fund |           | Total             |
|------------------|----------------------|----------------------|-----------|-------------------|
| Taxes current    | \$ 47,600,406        | 5,068,602            | \$        | 52,669,008        |
| Taxes delinquent | 5,956,594            | 424,398              |           | 6,380,992         |
| Other            | 72,135               | -                    |           | 72,135            |
| Total            | <u>\$ 53,629,135</u> | <u>\$ 5,493,000</u>  | <u>\$</u> | <u>59,122,135</u> |

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

**6. Due From Other Governments**

Intergovernmental receivables at June 30, 2006 consist of the following:

|                          |                           |
|--------------------------|---------------------------|
| Governmental Activities: | Other                     |
| Federal                  | <u>Governmental Funds</u> |
|                          | \$ 532,778                |

The receivable is a result of federal awards not yet received at year end.

**7. Interfund Receivables and Payables**

Interfund balances at June 30, 2006 consist of the following individual fund receivables and payables on the fund basis:

|                           | <u>Receivable</u>           | <u>Payable</u>              |
|---------------------------|-----------------------------|-----------------------------|
| Governmental Activities:  |                             |                             |
| General Fund              | \$ -                        | \$ 20,340                   |
|                           | <u>                    </u> | <u>                    </u> |
| Business Type Activities: |                             |                             |
| Food Service              | \$ 20,340                   | \$ -                        |
|                           | <u>                    </u> | <u>                    </u> |

The payable and receivable is for unallocated interest income.

Transfers during fiscal year 2006 were as follows:

|                          | <u>Transfer In</u> | <u>Transfer Out</u> |
|--------------------------|--------------------|---------------------|
| Governmental Activities: |                    |                     |
| General Fund             | \$ 340,730         | \$ 657,857          |
| Debt Service Fund        | \$ 657,857         | \$ 340,730          |

The transfers were to fund debt service payments among funds as well as to record the tax anticipation note repayment within the general fund.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

**8. Capital Assets**

The capital asset balances have been restated due to an official reappraisal of the District's assets. A summary of capital asset activity for the fiscal year follows:

|  | Balance<br>June 30, 2005 | Restatement        | Restated Bal.<br>June 30, 2005 | Additions/<br>Transfers | Disposals/<br>Transfers | Balance<br>June 30, 2006 |
|--|--------------------------|--------------------|--------------------------------|-------------------------|-------------------------|--------------------------|
| <b>Governmental Activities</b>                           |                          |                    |                                |                         |                         |                          |
| <i>Non Depreciable Capital Assets</i>                    |                          |                    |                                |                         |                         |                          |
| Land   | 10,303,370               | -                  | 10,303,370                     | -                       | -                       | 10,303,370               |
| Construction In Progress                                 | -                        | -                  | -                              | 1,040,103               | -                       | 1,040,103                |
| <b>Total Non Depreciable Capital Assets</b>              | <b>10,303,370</b>        | <b>-</b>           | <b>10,303,370</b>              | <b>1,040,103</b>        | <b>-</b>                | <b>11,343,473</b>        |
| <i>Depreciable Capital Assets</i>                        |                          |                    |                                |                         |                         |                          |
| Land Improvements  |                          | 9,325,316          | 9,325,316                      | 57,485                  |                         | 9,382,801                |
| Building and improvements                                | 102,286,167              | 4,009,483          | 106,295,650                    | 303,074                 | -                       | 106,598,724              |
| Furniture, fixtures and equipment                        | 14,484,060               | (484,205)          | 13,999,855                     | 307,719                 | (291,236)               | 14,016,338               |
| Buses, autos and trucks                                  | 4,636,009                | 55,163             | 4,691,172                      | 62,707                  | -                       | 4,753,879                |
| <b>Total Depreciable Capital Assets</b>                  | <b>121,406,236</b>       | <b>12,905,757</b>  | <b>134,311,993</b>             | <b>730,985</b>          | <b>(291,236)</b>        | <b>134,751,742</b>       |
| <i>Accumulated Depreciation</i>                          |                          |                    |                                |                         |                         |                          |
| Land Improvements  | -                        | (6,542,079)        | (6,542,079)                    | (376,051)               |                         | (6,918,130)              |
| Building and improvements                                | (46,794,213)             | (2,626,509)        | (49,420,722)                   | (2,597,173)             | -                       | (52,017,895)             |
| Furniture, fixtures and equipment                        | (11,760,797)             | 1,454,234          | (10,306,563)                   | (897,889)               | 290,195                 | (10,914,257)             |
| Buses, autos and trucks                                  | (3,069,301)              | 351,031            | (2,718,270)                    | (306,798)               | -                       | (3,025,068)              |
| <b>Total accumulated depreciation</b>                    | <b>(61,624,311)</b>      | <b>(7,363,323)</b> | <b>(68,987,634)</b>            | <b>(4,177,911)</b>      | <b>290,195</b>          | <b>(72,875,350)</b>      |
| <b>Depreciable Capital Assets, net</b>                   | <b>59,781,925</b>        | <b>5,542,434</b>   | <b>65,324,359</b>              | <b>(3,446,926)</b>      | <b>(1,041)</b>          | <b>61,876,392</b>        |
| <b>Total Governmental Activities Capital Assets, Net</b> | <b>70,085,295</b>        | <b>5,542,434</b>   | <b>75,627,729</b>              | <b>(2,406,823)</b>      | <b>(1,041)</b>          | <b>73,219,865</b>        |
| <br><i>Business - Type Activities</i>                    |                          |                    |                                |                         |                         |                          |
| Furniture, fixtures and equipment                        | 1,405,194                | (199,780)          | 1,205,414                      | 4,537                   | -                       | 1,209,951                |
| Less accumulated depreciation                            | (916,448)                | (134,239)          | (1,050,687)                    | (65,313)                | -                       | (1,116,000)              |
| <b>Total Business Type Capital Assets, net</b>           | <b>488,746</b>           | <b>(334,019)</b>   | <b>154,727</b>                 | <b>(60,776)</b>         | <b>-</b>                | <b>93,951</b>            |

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
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Depreciation expense was charged to governmental functions as follows:

|                                    |              |  |
|------------------------------------|--------------|--|
| Instructional Services:            |              |  |
| Regular                            | \$ 3,490,800 |  |
| Special                            | 125          |  |
| Support Services:                  |              |  |
| Pupils                             | 2,978        |  |
| Instructional Staff                | 61,361       |  |
| Administration                     | 48,372       |  |
| Business Operations                | 7,060        |  |
| Operation and Maintenance of Plant | 71,653       |  |
| Transportation                     | 342,679      |  |
| Central                            | 40,258       |  |
| Co-Curricular Student Services     | 112,625      |  |
| Total Depreciation Expense         | \$ 4,177,911 |  |

**9. General Long-Term Obligations**

As of June 30, 2006, the District had five general obligation bond issues, three general obligation long-term note issues 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<br>Rate (1) | Final<br>Maturity | Original<br>Amount | Balance at June<br>30, 2006 |
|---|-------------|----------------------|-------------------|--------------------|-----------------------------|
| Improvement of elementary and middle school | 6/1/1986    | 7.590%               | 12/1/2009         | \$ 10,500,000      | \$ 1,820,000                |
| 1992 Refunding issue                        | 5/15/1992   | 6.294%               | 12/1/2006         | 42,036,234         | 1,856,291                   |
| 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          | 745,000                     |
| Permanent Improvement and refunding issue   | 2/1/1998    | 4.645%               | 12/1/2013         | 18,594,790         | (1) 8,085,151               |
| Energy Conservation notes                   | 3/2/1999    | 4.200%               | 12/1/2013         | 2,800,000          | 1,705,000                   |
| Airport Authority Conservation Note         | 10/6/2005   | 4.260%               | 10/1/2020         | 2,341,000          | 2,341,000                   |
| Certificates of Participation               | 3/30/2000   | 5.393%               | 12/1/2019         | 6,545,000          | 6,000,000                   |
| 2004 Tax Anticipation note                  | 4/15/2004   | 2.420%               | 4/15/2007         | 650,000            | 325,000                     |
|   |             |                      |                   |                    | \$ 47,617,442               |

(1) 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  
June 30, 2006

A summary of the governmental activities changes in long-term liabilities follows:

|   | Balance<br>June 30,<br>2005, as<br>restated | Additions/<br>Accretion | Reductions       | Balance<br>June 30, 2006 | Amounts Due<br>in One Year |
|---|---|-------------------------|------------------|--------------------------|----------------------------|
| Accrued liabilities (accrued vacation sick, and termination benefits) | 7,651,759                                   | 4,351,541               | 652,324          | 11,350,976               | 1,391,627                  |
| Cetificates of Participation  | 6,130,000                                   | -                       | 130,000          | 6,000,000                | 155,000                    |
| General obligation bonds payable                                      | 42,958,040                                  | 608,402                 | 6,320,000        | 37,246,442               | 5,791,442                  |
| General obligation notes payable                                      | 2,530,000                                   | 2,341,000               | 500,000          | 4,371,000                | 623,000                    |
|   | <u>\$ 59,269,799</u>                        | <u>7,300,943</u>        | <u>7,602,324</u> | <u>58,968,418</u>        | <u>7,961,069</u>           |

**Business Type activities changes in long-term liabilities are as follows:**

|   | Balance<br>June 30, 2005 | Additions | Reductions | Balance<br>June 30, 2006 | Amounts Due<br>in One Year |
|---|--------------------------|-----------|------------|--------------------------|----------------------------|
| Accrued liabilities (accrued vacation and sick leave) | 171,351                  | 70,154    | 29,620     | 211,885                  | 10,537                     |

Included in the reduction amount above is \$3,714,110 in redeemed accretion maturity and \$325,000 of principal repayment of the tax anticipation note.

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.

On October 6, 2005, the District entered into a note Agreement with the Columbus Regional Airport Authority in the amount of \$2,341,000 relating to the Ohio Association of School Business Official's Expanded Asset Pooled Financing Program. This program authorizes the issuance of revenue bonds by the Airport Authority to assist school districts in financing project costs associated with constructing and installing certain energy conservation measures to existing school buildings and facilities in accordance with House Bill 264. Participating districts enter into a note agreement with the Airport Authority for an approved amount which is deposited into a third party trustee account and a payment and interest

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schedule is determined. Districts can only request disbursement from the Trustee after project costs have already been incurred. As of June 30, 2006, \$112,000 of the remaining balance was being held in a trust account in the name of the District and is classified as Cash and Investments with Trustee in accordance with the note Agreement.

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.

General Obligation Bonds and Notes will be paid from the Debt Service Fund and compensated absences will be paid from the fund from which the employees' salaries are paid. Interest on the tax anticipation note and interest on the Airport Authority conservation note is paid from the General Fund and the Permanent Improvement Fund, respectively.

Included in the above calculation of Accrued Liabilities is \$2,588,419 representing a separation incentive payment accepted by employees of the District as of June 30, 2006. This payment is available to members who notified the District not later than November 30, 2005, resigned from all contracts effective July 1, 2006, has satisfactorily completed all teaching responsibilities through the 2005/2006 school year, has completed at least 10 years of service in the District, is compensated at the 24<sup>th</sup> or higher step of the salary schedule, and has executed and delivered a valid, unrevoked release of claims to the Board. The incentive was \$40,000 plus the individuals' normal compensated absence severance pay and is to be paid over 36 equal monthly installments beginning in September 2006. The amount due for fiscal year 2007 is \$719,005 and is included in the due in one year calculation above.

The annual maturities of the general obligation bonds, notes and COPS, as of June 30, 2006, and related interest payments are as follows (principal amount does not include accumulated accretion of \$1,830,821):

| <u>Year ending June 30,</u> | <u>Interest rates</u> | <u>Principal</u>            | <u>Interest</u>             |
|-----------------------------|-----------------------|-----------------------------|-----------------------------|
| 2007                        | 2.420-12.200%         | \$ 4,738,621                | \$ 4,428,289                |
| 2008                        | 2.420-12.200%         | 5,659,000                   | 2,185,583                   |
| 2009                        | 2.420-12.200%         | 5,960,000                   | 1,859,069                   |
| 2010                        | 4.200-5.700%          | 6,285,000                   | 1,509,068                   |
| 2011                        | 4.200-5.700%          | 6,130,000                   | 1,155,623                   |
| 2012-2016                   | 4.200-5.700%          | 13,284,000                  | 2,038,011                   |
| 2017-2021                   | 4.200-5.700%          | 3,730,000                   | 439,539                     |
| <b>Total</b>                |                       | <b><u>\$ 45,786,621</u></b> | <b><u>\$ 13,615,182</u></b> |

The above bonds include current interest serial bonds, capital appreciation bonds, and current term interest bonds. For Fiscal year 2006, the capital appreciation bonds accreted \$608,402.



**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

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, 2006 are a voted debt margin of \$139,359,713 and an unvoted debt margin of \$1,938,424. The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with various governmental entities. As of June 30, 2006, these entities have complied with the requirement that the unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value. Management believes that the District has complied with all bond covenants.

#### **10. 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 \$500 deductible for comprehensive and a \$500 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 non-certificated 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 \$98 per employee as of June 30, 2006, 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.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

A claims liability of approximately \$140,000 at June 30, 2006, 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 estimated by an accredited actuary, as required by state statute. A summary of the changes in insurance claims liability for the years ended June 30, 2006, 2005, and 2004, follows:

|                                       |                  |                  |                  |
|---------------------------------------|------------------|------------------|------------------|
| Claims liability at beginning of year | \$ 140,000       | \$ 120,000       | \$ 120,000       |
| Incurred claims                       | 974,295          | 697,131          | 452,541          |
| Paid claims                           | <u>(974,295)</u> | <u>(677,131)</u> | <u>(452,541)</u> |
| Claims liability at end of year       | <u>140,000</u>   | <u>140,000</u>   | <u>120,000</u>   |

**11. Defined Benefit Pension Plans**

State Teachers Retirement System of Ohio

The District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371, by calling (614) 227-4090, or by visiting the STRS Ohio Web site at [www.strsoh.org](http://www.strsoh.org).

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 an 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.

For the fiscal year ended June 30, 2006 plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent;

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004, were \$8,456,881, \$7,605,111, and \$7,625,000, respectively; 86 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. The unpaid contribution for fiscal year 2006 of \$1,121,965 has been booked as a liability in the general fund.

***B. School Employees Retirement System***

The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2006 (latest information available), 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005, and 2004, were \$2,374,644, \$2,177,738, and \$2,151,000, respectively; 92 percent has been contributed for fiscal year 2006 and 100 percent for fiscal years 2005 and 2004. The unpaid contribution for fiscal year 2006 of \$175,548 has been recorded as a liability in the general fund.

***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System of Ohio. As of June 30, 2006, two members of the Board of Education elected Social Security. The Board's liability is 6.2 percent of wages paid.

**12. 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 of Ohio (STRS Ohio) and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

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 on a pay-as-you-go basis.

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006 (latest information available), the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$552,867 for fiscal year end 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) the balance in the Fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs paid by STRS Ohio were \$254,780,000 and STRS Ohio had 115,395 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to 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.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2006 (latest information available), employer contributions to fund health care benefits were 3.42 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 2005, the minimum pay was established at \$35,800. For the School District, the amount contributed to fund health care benefits during the 2006 fiscal year equaled \$878,464 based on the 2005 rate.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available), were \$178,221,113. The target level for the health care fund is 150% of the projected claims less premium contributions for the next fiscal year. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267.5 million, which is about 168% of next year's projected net health care costs of \$158,776,151. On the basis of actuarial projections, the allocated contributions will be insufficient, in the long term, to provide for a health care reserve equal to at least 150% of estimated annual net claim costs. At June 30, 2005, SERS had approximately 58,123 participants currently receiving health care benefits.

### **13. 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

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

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.

**14. 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 and capital acquisition. Disclosure of this information is required by State statute.

|  | Textbooks   | Capital<br>Acquisitions |
|--|-------------|-------------------------|
| Set-aside Cash Balance carried forward at July 1, 2005 | \$ -        | -                       |
| Current year set-aside requirements                    | 1,402,790   | 1,402,790               |
| Qualifying disbursements                               | (1,526,214) | (1,417,169)             |
| Total  | (123,424)   | (14,379)                |
| Set-aside Cash Balance at June 30, 2006                | \$ -        | -                       |

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.

**15. Fund Deficits / Accountability**

The following funds had deficit fund balances as of June 30, 2006:

|                            |    | Deficit<br>Fund Balance |
|----------------------------|----|-------------------------|
| Special Revenue Funds-     |    |                         |
| Summer School Intervention | \$ | (588)                   |
| Ohio Reads                 |    | (577)                   |
| Alternative Education      |    | (1,814)                 |
| Special Education Grants   |    | (28,060)                |
| Title I Reading Grant      |    | (16,937)                |
| Safe and Drug Free Schools |    | (572)                   |
| Bilingual Education Grant  |    | (3,214)                 |

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.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Basic Financial Statements, continued  
June 30, 2006

Additionally, appropriations exceeded estimated resources in the General fund for the support services capital outlay object line by \$1,758, due to an unanticipated expenditure.

**16. Restatement**

The beginning net assets of the governmental and business-type activities have been restated due to the reappraisal of the capital assets of the District, as well as to properly reflect beginning accumulated accretion on deep discount debt. The adjustments had the following effect on net assets as previously reported:

|                                      | Governmental<br>Activities | Business-Type<br>Activities |
|--------------------------------------|----------------------------|-----------------------------|
| Net Assets June 30, 2005             | \$49,878,365               | 536,573                     |
| Adjustment for Capital Assets        | 5,542,434                  | (334,019)                   |
| Adjustment for accumulated accretion | (3,587,787)                |                             |
| Restated Net Assets June 30, 2005    | \$51,833,012               | 202,554                     |

Additionally, beginning fund balances of the General Fund and the Other Governmental Funds have been restated to more appropriately account for certain external revenue sources within the General Fund.

|                                      | General<br>Fund | Other<br>Governmental<br>Funds |
|--------------------------------------|-----------------|--------------------------------|
| Fund Balance June 30, 2005           | \$17,964,311    | 5,276,171                      |
| Adjustment for Fund Reclassification | 22,727          | (22,727)                       |
| Restated Fund June 30, 2005          | \$17,987,038    | 5,253,444                      |

**17. Subsequent Event**

On October 6, 2006 the District sold 2 parcels of land for \$2.7 million that originally cost \$281,000 for a gain of \$2.4 million.

## **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, 2006

|   | GENERAL FUND         |                    |                    | VARIANCE<br>POSITIVE<br>(NEGATIVE) |
|---|----------------------|--------------------|--------------------|------------------------------------|
|   | ORIGINAL<br>BUDGET   | REVISED<br>BUDGET  | ACTUAL             |                                    |
| <b>REVENUES:</b>                                  |                      |                    |                    |                                    |
| Property taxes                                    | \$ 74,535,025        | 84,000,000         | 83,719,079         | (280,921)                          |
| Investment income                                 | 693,949              | 1,500,000          | 1,501,963          | 1,963                              |
| Tuition fees                                      | 750,000              | 1,100,000          | 1,173,330          | 73,330                             |
| Miscellaneous                                     | 625,776              | 625,776            | 447,330            | (178,446)                          |
| State sources                                     | 24,793,747           | 32,694,493         | 24,727,929         | (7,966,564)                        |
| <b>TOTAL REVENUES</b>                             | <b>101,398,497</b>   | <b>119,920,269</b> | <b>111,569,631</b> | <b>(8,350,638)</b>                 |
| <b>EXPENDITURES:</b>                              |                      |                    |                    |                                    |
| <b>Instructional services:</b>                    |                      |                    |                    |                                    |
| Salaries  | 45,187,935           | 45,486,427         | 45,486,427         | -                                  |
| Benefits  | 16,771,296           | 13,940,540         | 13,794,251         | 146,289                            |
| Purchased services                                | 3,791,181            | 3,937,157          | 3,936,806          | 351                                |
| Supplies and materials                            | 1,331,487            | 1,508,732          | 1,496,218          | 12,514                             |
| Capital outlay                                    | 566,553              | 423,998            | 423,362            | 636                                |
| Other   | 6,552                | 6,238              | 6,238              | -                                  |
| <b>TOTAL INSTRUCTIONAL SERVICES</b>               | <b>67,655,004</b>    | <b>65,303,092</b>  | <b>65,143,302</b>  | <b>159,790</b>                     |
| <b>Support services:</b>                          |                      |                    |                    |                                    |
| Salaries  | 21,156,880           | 21,320,446         | 21,320,446         | -                                  |
| Benefits  | 8,556,561            | 9,955,640          | 9,860,664          | 94,976                             |
| Purchased services                                | 6,003,780            | 5,899,882          | 5,886,544          | 13,338                             |
| Supplies and materials                            | 2,099,488            | 1,866,870          | 1,862,961          | 3,909                              |
| Capital outlay                                    | 325,753              | 350,358            | 352,116            | (1,758)                            |
| Other   | 1,984,274            | 1,782,582          | 1,758,043          | 24,539                             |
| <b>TOTAL SUPPORT SERVICES</b>                     | <b>40,126,736</b>    | <b>41,175,778</b>  | <b>41,040,774</b>  | <b>135,004</b>                     |
| <b>Non-instructional services:</b>                |                      |                    |                    |                                    |
| Benefits  | -                    | -                  | (310)              | 310                                |
| Purchased services                                | 300                  | -                  | -                  | -                                  |
| Supplies and materials                            | 500                  | 500                | 500                | -                                  |
| <b>TOTAL NON-INSTRUCTIONAL SERVICES</b>           | <b>800</b>           | <b>500</b>         | <b>190</b>         | <b>310</b>                         |
| <b>Co-curricular activities</b>                   |                      |                    |                    |                                    |
| Salaries  | 1,350,000            | 1,307,323          | 1,303,117          | 4,206                              |
| Benefits  | 375,000              | 320,740            | 319,680            | 1,060                              |
| Purchased services                                | 30,695               | 23,490             | 18,532             | 4,958                              |
| Supplies and materials                            | -                    | 12,504             | -                  | 12,504                             |
| Capital outlay                                    | -                    | -                  | -                  | -                                  |
| <b>TOTAL CO-CURRICULAR ACTIVITIES</b>             | <b>1,755,695</b>     | <b>1,664,057</b>   | <b>1,641,329</b>   | <b>22,728</b>                      |
| <b>TOTAL EXPENDITURES</b>                         | <b>109,538,235</b>   | <b>108,143,427</b> | <b>107,825,595</b> | <b>317,832</b>                     |
| Excess (deficiency) of revenues over expenditures | (8,139,738)          | 11,776,842         | 3,744,036          | (8,032,806)                        |
| <b>OTHER FINANCING SOURCES (USES):</b>            |                      |                    |                    |                                    |
| Transfers out                                     | (675,857)            | (657,857)          | (657,857)          | -                                  |
| Sale of assets                                    | 19,310               | 19,310             | -                  | (19,310)                           |
| Refund of prior year expenditures (receipts)      | -                    | -                  | 496                | 496                                |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>       | <b>(656,547)</b>     | <b>(638,547)</b>   | <b>(657,361)</b>   | <b>(18,814)</b>                    |
| Net change in fund balance                        | (8,796,285)          | 11,138,295         | 3,086,675          | (8,051,620)                        |
| Prior year encumbrances appropriated              | 3,281,636            | 3,281,636          | 3,281,636          | -                                  |
| <b>FUND BALANCES AT BEGINNING OF YEAR</b>         | <b>25,666,439</b>    | <b>25,666,439</b>  | <b>25,666,439</b>  | <b>-</b>                           |
| <b>FUND BALANCES (DEFICIT) AT END OF YEAR</b>     | <b>\$ 20,151,790</b> | <b>40,086,370</b>  | <b>32,034,750</b>  | <b>(8,051,620)</b>                 |

See notes to the required supplementary schedule.

**WORTHINGTON CITY SCHOOL DISTRICT**  
Notes to the Required Supplementary Information  
For the Year Ended June 30, 2006

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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, 1 level function, and 1 level object for the General Fund. All other Funds are budgeted 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. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 2006.

**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 at the fund, 1 level function, and 1 level object for General Fund expenditures, and at the fund level for all other funds, 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 or alter total function appropriations within a fund, or alter object appropriations within functions, 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 supplemental appropriations were legally enacted; however, none of these

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

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amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the original and final appropriation amounts, including all supplemental appropriations.

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:

|   |              |
|---|--------------|
| Net change in fund balance (GAAP Basis)   | \$ 7,147,978 |
| <b>Adjustments</b>                        |              |
| Due to revenues                           | (562,708)    |
| Due to expenditures                       | (3,158,361)  |
| Due to other financing sources            | (340,234)    |
| Net change in fund balance (Budget Basis) | \$ 3,086,675 |

# **WORTHINGTON CITY SCHOOL DISTRICT**

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## WORTHINGTON CITY SCHOOL DISTRICT

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### MAJOR GOVERNMENTAL FUNDS

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#### **General Fund**

The **General Fund** is the general operating fund of the District. It is used to account for financial resources except those required to be accounted for in another fund. A budget comparison schedule has been included in the Required Supplementary Information section of this report.

#### **Debt Service Fund**

The **Bond Retirement Fund** is a debt service fund used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2006

|                                      | Budgeted Amounts   |                    | Actual             | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|--------------------|--------------------|--------------------|---|
|                                      | Original           | Final              |                    |   |
| <b>Debt Service Fund</b>             |                    |                    |                    |   |
| Total Revenues and Other Sources     | \$7,739,194        | \$8,336,593        | \$8,931,242        | \$594,649   |
| Total Expenditures and Other Uses    | 10,000,000         | 11,012,902         | 9,474,213          | 1,538,689   |
| Net Change in Fund Balance           | (2,260,806)        | (2,676,309)        | (542,971)          | 2,133,338   |
| Fund Balance, July 1                 | 4,629,363          | 4,629,363          | 4,629,363          | 0   |
| Prior Year Encumbrances Appropriated | 0                  | 0                  | 0                  | 0   |
| Fund Balance, June 30                | <u>\$2,368,557</u> | <u>\$1,953,054</u> | <u>\$4,086,392</u> | <u>\$2,133,338</u>                                    |

## NON-MAJOR GOVERNMENTAL FUNDS

### 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 (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.

**Entry Year Grants** - A fund to account for funds used to implement entry year programs pursuant to division (T) of section 3317.024 of the Ohio Revised Code.

**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.

**Summer School Grant**– A fund provided to account for 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.

**Ohio Reads Grant** – A fund intended to improve reading outcomes, especially for the 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.

**Special Education Part B IDEA 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.

**Title III Immigrant/LEP** - 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 V 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.

**Title IV** - 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

**Special Education 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.

**Non-Major  
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).

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**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, 2006**

**SPECIAL REVENUE FUNDS**

|                                     | <u>PUBLIC SCHOOL<br/>SUPPORT</u> | <u>GRANTS - LOCAL<br/>SOURCES</u> | <u>OTHER LOCAL<br/>SOURCES</u> | <u>DISTRICT-MANAGED<br/>STUDENT<br/>ACTIVITIES</u> |
|-------------------------------------|----------------------------------|-----------------------------------|--------------------------------|--|
| <b><u>ASSETS</u></b>                |                                  |                                   |                                |  |
| Cash and investments                | \$ 637,041                       | 6,397                             | 68,910                         | 420,932  |
| Cash and investments with trustees  |                                  |                                   |                                |  |
| Receivables, net                    | -                                | -                                 | -                              | -  |
| Due from other-<br>Governments      | -                                | -                                 | -                              | -  |
| Total assets                        | <u>637,041</u>                   | <u>6,397</u>                      | <u>68,910</u>                  | <u>420,932</u>                                     |
| <b><u>LIABILITIES</u></b>           |                                  |                                   |                                |  |
| Accounts payable                    | 3,866                            | -                                 | 250                            | 13,351   |
| Due to other-<br>Governments        | 286                              | -                                 | -                              | 7,545  |
| Unearned income                     | -                                | -                                 | -                              | -  |
| Accrued liabilities                 | -                                | -                                 | -                              | 7,869  |
| Total liabilities                   | <u>4,152</u>                     | <u>-</u>                          | <u>250</u>                     | <u>28,765</u>                                      |
| <b>Fund balances:</b>               |                                  |                                   |                                |  |
| Reserve for encumbrances            | 7,288                            | 30                                | -                              | 28,761   |
| Unreserved                          | <u>625,601</u>                   | <u>6,367</u>                      | <u>68,660</u>                  | <u>363,406</u>                                     |
| Total fund balances                 | <u>632,889</u>                   | <u>6,397</u>                      | <u>68,660</u>                  | <u>392,167</u>                                     |
| Total liabilities and fund balances | <u>\$ 637,041</u>                | <u>6,397</u>                      | <u>68,910</u>                  | <u>420,932</u>                                     |

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

| AUXILIARY<br>SERVICES | UNIFORM<br>SCHOOL<br>SUPPLIES | SPECIAL<br>ROTARY | ENTRY<br>YEAR<br>GRANTS | EMIS<br>GRANTS |
|-----------------------|-------------------------------|-------------------|-------------------------|----------------|
| 136,542               | 576,200                       | 583,019           | 16,000                  | 42,424         |
| -                     | -                             | -                 | -                       | -              |
| -                     | -                             | -                 | -                       | -              |
| <u>136,542</u>        | <u>576,200</u>                | <u>583,019</u>    | <u>16,000</u>           | <u>42,424</u>  |
| 9,628                 | 12,317                        | 15,117            | -                       | 990            |
| 17,807                | -                             | 3,617             | 392                     | -              |
| -                     | -                             | -                 | -                       | -              |
| 49,549                | -                             | -                 | -                       | -              |
| <u>76,984</u>         | <u>12,317</u>                 | <u>18,734</u>     | <u>392</u>              | <u>990</u>     |
| 12,711                | 38,036                        | 26,199            | -                       | -              |
| 46,847                | 525,847                       | 538,086           | 15,608                  | 41,434         |
| 59,558                | 563,883                       | 564,285           | 15,608                  | 41,434         |
| <u>136,542</u>        | <u>576,200</u>                | <u>583,019</u>    | <u>16,000</u>           | <u>42,424</u>  |

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2006**

SPECIAL REVENUE FUNDS

|                                     | DATA<br>COMMUNICATIONS<br>SUPPORT | SCHOOLNET<br>PROFESSIONAL<br>DEVELOPMENT | SUMMER<br>SCHOOL<br>GRANT |
|-------------------------------------|-----------------------------------|--|---------------------------|
| <b><u>ASSETS</u></b>                |                                   |  |                           |
| Cash and investments                | \$ 36,311                         | 1,000                                    | -                         |
| Cash and investments with trustees  |                                   |  |                           |
| Receivables, net                    | -                                 | -  | -                         |
| Due from other-<br>Governments      | -                                 | -  | -                         |
| Total assets                        | <u>36,311</u>                     | <u>1,000</u>                             | <u>-</u>                  |
| <b><u>LIABILITIES</u></b>           |                                   |  |                           |
| Accounts payable                    | 11,030                            | -  | -                         |
| Due to other-<br>Governments        | -                                 | -  | 588                       |
| Unearned income                     | -                                 | -  | -                         |
| Accrued liabilities                 | -                                 | -  | -                         |
| Total liabilities                   | <u>11,030</u>                     | <u>-</u>                                 | <u>588</u>                |
| <b>Fund balances:</b>               |                                   |  |                           |
| Reserve for encumbrances            | 4,469                             | -  | -                         |
| Unreserved                          | <u>20,812</u>                     | <u>1,000</u>                             | <u>(588)</u>              |
| Total fund balances                 | <u>25,281</u>                     | <u>1,000</u>                             | <u>(588)</u>              |
| Total liabilities and fund balances | <u>\$ 36,311</u>                  | <u>1,000</u>                             | <u>-</u>                  |

WORTHINGTON CITY SCHOOL DISTRICT

| SPECIAL REVENUE FUNDS    |                        |                       |                |
|--------------------------|------------------------|-----------------------|----------------|
| ALTERNATIVE<br>EDUCATION | OHIO<br>READS<br>GRANT | OTHER STATE<br>GRANTS | JTPA<br>GRANTS |
| 15,497                   | -                      | 14,406                | -              |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| <u>15,497</u>            | <u>-</u>               | <u>14,406</u>         | <u>-</u>       |
| -                        | -                      | -                     | -              |
| 4,249                    | 577                    | 1,306                 | -              |
| -                        | -                      | -                     | -              |
| 13,062                   | -                      | 2,420                 | -              |
| <u>17,311</u>            | <u>577</u>             | <u>3,726</u>          | <u>-</u>       |
| -                        | -                      | -                     | -              |
| (1,814)                  | (577)                  | 10,680                | -              |
| <u>(1,814)</u>           | <u>(577)</u>           | <u>10,680</u>         | <u>-</u>       |
| <u>15,497</u>            | <u>-</u>               | <u>14,406</u>         | <u>-</u>       |

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2006**

**SPECIAL REVENUE FUNDS**

|                                     | SPECIAL EDUCATION<br>PART B IDEA<br>GRANTS | VOCATIONAL<br>EDUCATION<br>GRANTS | TITLE III<br>IMMIGRANT/LEP<br>GRANTS |
|-------------------------------------|--|-----------------------------------|--------------------------------------|
|                                     | <u>                    </u>                | <u>                    </u>       | <u>                    </u>          |
| <b><u>ASSETS</u></b>                |  |                                   |                                      |
| Cash and investments                | \$ 78,606                                  | 100,217                           | 3,957                                |
| Cash and investments with trustees  |  |                                   |                                      |
| Receivables, net                    | -  | -                                 | -                                    |
| Due from other-<br>Governments      | 311,964                                    | -                                 | 5,422                                |
| Total assets                        | <u>390,570</u>                             | <u>100,217</u>                    | <u>9,379</u>                         |
| <b><u>LIABILITIES</u></b>           |  |                                   |                                      |
| Accounts payable                    | 1,214                                      | -                                 | -                                    |
| Due to other-<br>Governments        | 85,671                                     | 46                                | 4,944                                |
| Unearned income                     | 119,133                                    | -                                 | -                                    |
| Accrued liabilities                 | 212,612                                    | -                                 | 7,649                                |
| Total liabilities                   | <u>418,630</u>                             | <u>46</u>                         | <u>12,593</u>                        |
| <b>Fund balances:</b>               |  |                                   |                                      |
| Reserve for encumbrances            | 4,888                                      | 7,387                             | 215                                  |
| Unreserved                          | <u>(32,948)</u>                            | <u>92,784</u>                     | <u>(3,429)</u>                       |
| Total fund balances                 | <u>(28,060)</u>                            | <u>100,171</u>                    | <u>(3,214)</u>                       |
| Total liabilities and fund balances | <u>\$ 390,570</u>                          | <u>100,217</u>                    | <u>9,379</u>                         |



WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

| TITLE I<br>GRANTS | TITLE V<br>GRANTS | TITLE IV<br>GRANTS | REFUGEE<br>CHILDREN<br>GRANT |
|-------------------|-------------------|--------------------|------------------------------|
| 7,229             | 3,335             | -                  | 86                           |
| -                 | -                 | -                  | -                            |
| 29,787            | 41,277            | -                  | -                            |
| <u>37,016</u>     | <u>44,612</u>     | <u>-</u>           | <u>86</u>                    |
| -                 | 2,400             | -                  | -                            |
| 10,805            | 560               | 572                | -                            |
| 5,103             | 39,823            | -                  | -                            |
| 38,045            | 903               | -                  | -                            |
| <u>53,953</u>     | <u>43,686</u>     | <u>572</u>         | <u>-</u>                     |
| -                 | 215               | -                  | -                            |
| <u>(16,937)</u>   | <u>711</u>        | <u>(572)</u>       | <u>86</u>                    |
| <u>(16,937)</u>   | <u>926</u>        | <u>(572)</u>       | <u>86</u>                    |
| <u>37,016</u>     | <u>44,612</u>     | <u>-</u>           | <u>86</u>                    |

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**JUNE 30, 2006**

|                                     | SPECIAL REVENUE FUNDS |                    |                                 | TOTAL NONMAJOR<br>SPECIAL<br>REVENUE<br>FUNDS |
|-------------------------------------|-----------------------|--------------------|---------------------------------|---|
|                                     | SPECIAL<br>EDUCATION  | TELECOMMUNICATIONS | OTHER                           |   |
|                                     | PRESCHOOL GRANTS      | ACT GRANT          | MISCELLANEOUS<br>FEDERAL GRANTS |   |
| <b><u>ASSETS</u></b>                |                       |                    |                                 |   |
| Cash and investments                | \$ 2,856              | 209,210            | 6,230                           | 2,966,405                                     |
| Cash and investments with trustees  | -                     | -                  | -                               | -   |
| Receivables, net                    | -                     | -                  | -                               | -   |
| Due from other-<br>Governments      | 9,941                 | -                  | 134,387                         | 532,778                                       |
| Total assets                        | <u>12,797</u>         | <u>209,210</u>     | <u>140,617</u>                  | <u>3,499,183</u>                              |
| <b><u>LIABILITIES</u></b>           |                       |                    |                                 |   |
| Accounts payable                    | -                     | -                  | 2,550                           | 72,713  |
| Due to other-<br>Governments        | 2,062                 | -                  | 6,650                           | 147,677                                       |
| Unearned income                     | -                     | -                  | 111,768                         | 275,827                                       |
| Accrued liabilities                 | 3,183                 | -                  | 12,365                          | 347,657                                       |
| Total liabilities                   | <u>5,245</u>          | <u>-</u>           | <u>133,333</u>                  | <u>843,874</u>                                |
| Fund balance:                       |                       |                    |                                 |   |
| Reserve for encumbrances            | -                     | -                  | 2,937                           | 133,136                                       |
| Unreserved                          | 7,552                 | 209,210            | 4,347                           | 2,522,173                                     |
| Total fund balances                 | <u>7,552</u>          | <u>209,210</u>     | <u>7,284</u>                    | <u>2,655,309</u>                              |
| Total liabilities and fund balances | <u>\$ 12,797</u>      | <u>209,210</u>     | <u>140,617</u>                  | <u>3,499,183</u>                              |

**WORTHINGTON CITY SCHOOL DISTRICT**

| CAPITAL PROJECTS FUNDS |                           |                    | TOTAL NONMAJOR<br>CAPITAL<br>PROJECTS<br>FUNDS | TOTAL NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|------------------------|---------------------------|--------------------|--|---|
| BUILDING FUND          | PERMANENT<br>IMPROVEMENTS | SCHOOL NET<br>PLUS |  |   |
| 1,097,193              | 1,927,664                 | -                  | 3,024,857                                      | 5,991,262                               |
| -                      | 112,000                   | -                  | 112,000  | 112,000                                 |
| -                      | -                         | -                  | -  | -                                       |
| -                      | -                         | -                  | -  | 532,778                                 |
| <u>1,097,193</u>       | <u>2,039,664</u>          | <u>-</u>           | <u>3,136,857</u>                               | <u>6,636,040</u>                        |
| -                      | 32,523                    | -                  | 32,523   | 105,236                                 |
| -                      | -                         | -                  | -  | 147,677                                 |
| -                      | -                         | -                  | -  | 275,827                                 |
| -                      | -                         | -                  | -  | 347,657                                 |
| -                      | <u>32,523</u>             | -                  | <u>32,523</u>                                  | <u>876,397</u>                          |
| 950,765                | 1,685,017                 | -                  | 2,635,782                                      | 2,768,918                               |
| 146,428                | 322,124                   | -                  | 468,552  | 2,990,725                               |
| <u>1,097,193</u>       | <u>2,007,141</u>          | -                  | <u>3,104,334</u>                               | <u>5,759,643</u>                        |
| <u>1,097,193</u>       | <u>2,039,664</u>          | <u>-</u>           | <u>3,136,857</u>                               | <u>6,636,040</u>                        |

**WORTHINGTON CITY SCHOOL DISTRICT**  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2006

SPECIAL REVENUE FUNDS

|  | PUBLIC SCHOOL<br>SUPPORT | GRANTS - LOCAL<br>SOURCES | OTHER LOCAL<br>SOURCES | DISTRICT-MANAGED<br>STUDENT<br>ACTIVITIES |
|--|--------------------------|---------------------------|------------------------|---|
| <b>Revenues</b>                                      |                          |                           |                        |   |
| Intergovernmental:                                   |                          |                           |                        |   |
| Federal restricted grants-in-aid                     | \$ -                     | -                         | -                      | -   |
| State restricted grants-in-aid                       | -                        | -                         | -                      | -   |
| Investment income                                    | -                        | -                         | 3,351                  | -   |
| Co-curricular activities                             | 366                      | -                         | -                      | 738,732                                   |
| Class fees   | -                        | -                         | -                      | -   |
| Other  | 362,070                  | 250                       | 8,883                  | 15,000                                    |
| Total Revenues                                       | <u>362,436</u>           | <u>250</u>                | <u>12,234</u>          | <u>753,732</u>                            |
| <b>Expenditures</b>                                  |                          |                           |                        |   |
| Current:   |                          |                           |                        |   |
| Instructional services:                              |                          |                           |                        |   |
| Regular  | 151,216                  | 2,536                     | -                      | -   |
| Special  | 61,920                   | -                         | -                      | -   |
| Vocational   | -                        | -                         | -                      | -   |
| Total Instructional Services                         | <u>213,136</u>           | <u>2,536</u>              | <u>-</u>               | <u>-</u>                                  |
| Support services:                                    |                          |                           |                        |   |
| Operation and maintenance of plant                   | 2,258                    | -                         | -                      | -   |
| School administration                                | 10,122                   | -                         | -                      | -   |
| Pupil services                                       | 11,384                   | -                         | -                      | 47,621                                    |
| Instructional staff                                  | 27,857                   | -                         | -                      | -   |
| Student transportation                               | -                        | -                         | -                      | -   |
| Central services                                     | -                        | -                         | -                      | -   |
| Total Support Services                               | <u>51,621</u>            | <u>-</u>                  | <u>-</u>               | <u>47,621</u>                             |
| Co-curricular student activities                     | 7,799                    | -                         | -                      | 641,715                                   |
| Community services                                   | 21,342                   | -                         | 13,241                 | -   |
| Capital outlay                                       | 59                       | -                         | -                      | -   |
| Debt Service - Interest                              | -                        | -                         | -                      | -   |
| Total Expenditures                                   | <u>293,957</u>           | <u>2,536</u>              | <u>13,241</u>          | <u>689,336</u>                            |
| Excess (deficiency) of revenues<br>over expenditures | 68,479                   | (2,286)                   | (1,007)                | 64,396                                    |
| Other financing sources:                             |                          |                           |                        |   |
| Proceeds from sale of Capital Assets                 | -                        | -                         | -                      | -   |
| Proceeds from long-term loan                         | -                        | -                         | -                      | -   |
| Total other financing sources                        | <u>-</u>                 | <u>-</u>                  | <u>-</u>               | <u>-</u>                                  |
| Net Change in Fund Balances                          | 68,479                   | (2,286)                   | (1,007)                | 64,396                                    |
| Fund balance at beginning of year                    | 564,410                  | 8,683                     | 69,667                 | 327,771                                   |
| Fund balance at end of year                          | <u>\$ 632,889</u>        | <u>6,397</u>              | <u>68,660</u>          | <u>392,167</u>                            |

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

| AUXILIARY<br>SERVICES | UNIFORM<br>SCHOOL<br>SUPPLIES | SPECIAL<br>ROTARY | ENTRY<br>YEAR<br>GRANTS | EMIS<br>GRANTS  |
|-----------------------|-------------------------------|-------------------|-------------------------|-----------------|
| -                     | -                             | -                 | -                       | -               |
| 785,642               | -                             | -                 | 16,000                  | 32,011          |
| -                     | -                             | -                 | -                       | -               |
| -                     | -                             | -                 | -                       | -               |
| -                     | 414,822                       | 78,505            | -                       | -               |
| -                     | -                             | 245,327           | -                       | -               |
| <u>785,642</u>        | <u>414,822</u>                | <u>323,832</u>    | <u>16,000</u>           | <u>32,011</u>   |
| -                     | 311,405                       | -                 | 4,792                   | -               |
| -                     | -                             | -                 | -                       | -               |
| -                     | -                             | -                 | -                       | -               |
| -                     | <u>311,405</u>                | -                 | <u>4,792</u>            | -               |
| -                     | -                             | -                 | -                       | -               |
| -                     | -                             | -                 | -                       | -               |
| -                     | -                             | -                 | -                       | -               |
| -                     | -                             | -                 | -                       | 43,040          |
| -                     | -                             | -                 | -                       | <u>43,040</u>   |
| -                     | -                             | 313,608           | -                       | -               |
| 759,895               | -                             | -                 | -                       | -               |
| -                     | -                             | -                 | -                       | -               |
| <u>759,895</u>        | <u>311,405</u>                | <u>313,608</u>    | <u>4,792</u>            | <u>43,040</u>   |
| 25,747                | 103,417                       | 10,224            | 11,208                  | (11,029)        |
| -                     | -                             | -                 | -                       | -               |
| -                     | -                             | -                 | -                       | -               |
| <u>25,747</u>         | <u>103,417</u>                | <u>10,224</u>     | <u>11,208</u>           | <u>(11,029)</u> |
| 33,811                | 460,466                       | 554,061           | 4,400                   | 52,463          |
| <u>59,558</u>         | <u>563,883</u>                | <u>564,285</u>    | <u>15,608</u>           | <u>41,434</u>   |

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
 COMBINING STATEMENT OF REVENUES,  
 EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS, Continued  
 YEAR ENDED JUNE 30, 2006

SPECIAL REVENUE FUNDS

|  | DATA<br>COMMUNICATIONS<br>SUPPORT | SCHOOLNET<br>PROFESSIONAL<br>DEVELOPMENT | SUMMER<br>SCHOOL<br>GRANT |
|--|-----------------------------------|--|---------------------------|
| <b>Revenues</b>                                      |                                   |  |                           |
| Intergovernmental:                                   |                                   |  |                           |
| Federal restricted grants-in-aid                     | \$ -                              | -  | -                         |
| State restricted grants-in-aid                       | 57,000                            | 6,300                                    | 2,754                     |
| Investment income                                    | -                                 | -  | -                         |
| Co-curricular activities                             | -                                 | -  | -                         |
| Class fees   | -                                 | -  | -                         |
| Other  | -                                 | -  | -                         |
| Total Revenues                                       | <u>57,000</u>                     | <u>6,300</u>                             | <u>2,754</u>              |
| <b>Expenditures</b>                                  |                                   |  |                           |
| Current:   |                                   |  |                           |
| Instructional services:                              |                                   |  |                           |
| Regular  | -                                 | -  | 6,866                     |
| Special  | -                                 | -  | -                         |
| Vocational   | -                                 | -  | -                         |
| Total Instructional Services                         | <u>-</u>                          | <u>-</u>                                 | <u>6,866</u>              |
| Support services:                                    |                                   |  |                           |
| Operation and maintenance of plant                   | -                                 | -  | -                         |
| School administration                                | -                                 | -  | -                         |
| Pupil services                                       | -                                 | -  | -                         |
| Instructional staff                                  | -                                 | 12,185                                   | 31,410                    |
| Student transportation                               | -                                 | -  | 5,949                     |
| Central services                                     | 77,679                            | -  | -                         |
| Total Support Services                               | <u>77,679</u>                     | <u>12,185</u>                            | <u>37,359</u>             |
| Co-curricular student activities                     | -                                 | -  | -                         |
| Community services                                   | -                                 | -  | -                         |
| Capital outlay                                       | -                                 | -  | -                         |
| Debt Service - Interest                              | -                                 | -  | -                         |
| Total Expenditures                                   | <u>77,679</u>                     | <u>12,185</u>                            | <u>44,225</u>             |
| Excess (deficiency) of revenues<br>over expenditures | (20,679)                          | (5,885)                                  | (41,471)                  |
| Other financing sources:                             |                                   |  |                           |
| Proceeds from sale of Capital Assets                 | -                                 | -  | -                         |
| Proceeds from long-term loan                         | -                                 | -  | -                         |
| Total other financing sources                        | <u>-</u>                          | <u>-</u>                                 | <u>-</u>                  |
| Net Change in Fund Balances                          | (20,679)                          | (5,885)                                  | (41,471)                  |
| Fund balance at beginning of year                    | 45,960                            | 6,885                                    | 40,883                    |
| Fund balance at end of year                          | <u>\$ 25,281</u>                  | <u>1,000</u>                             | <u>(588)</u>              |

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

| ALTERNATIVE<br>EDUCATION | OHIO<br>READS<br>GRANT | OTHER STATE<br>GRANTS | JTPA<br>GRANTS |
|--------------------------|------------------------|-----------------------|----------------|
| -                        | -                      | -                     | -              |
| 105,266                  | 25,038                 | 24,375                | -              |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| <u>105,266</u>           | <u>25,038</u>          | <u>24,375</u>         | <u>-</u>       |
| -                        | 28,881                 | 1,533                 | -              |
| 114,953                  | -                      | -                     | -              |
| -                        | -                      | -                     | 6              |
| <u>114,953</u>           | <u>28,881</u>          | <u>1,533</u>          | <u>6</u>       |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| 694                      | -                      | -                     | -              |
| -                        | -                      | 23,891                | -              |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| <u>694</u>               | <u>-</u>               | <u>23,891</u>         | <u>-</u>       |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| <u>115,647</u>           | <u>28,881</u>          | <u>25,424</u>         | <u>6</u>       |
| (10,381)                 | (3,843)                | (1,049)               | (6)            |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| -                        | -                      | -                     | -              |
| <u>(10,381)</u>          | <u>(3,843)</u>         | <u>(1,049)</u>        | <u>(6)</u>     |
| 8,567                    | 3,266                  | 11,729                | 6              |
| <u>(1,814)</u>           | <u>(577)</u>           | <u>10,680</u>         | <u>-</u>       |

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**YEAR ENDED JUNE 30, 2006**

**SPECIAL REVENUE FUNDS**

|  | SPECIAL EDUCATION<br>PART B IDEA<br>GRANTS | VOCATIONAL<br>EDUCATION<br>GRANTS | TITLE III<br>IMMIGRANT/LEP<br>GRANTS |
|--|--|-----------------------------------|--------------------------------------|
| <b>Revenues</b>                                      |  |                                   |                                      |
| Intergovernmental:                                   |  |                                   |                                      |
| Federal restricted grants-in-aid                     | \$ 1,940,211                               | -                                 | 86,721                               |
| State restricted grants-in-aid                       | -  | -                                 | -                                    |
| Investment income                                    | -  | -                                 | -                                    |
| Co-curricular activities                             | -  | -                                 | -                                    |
| Class fees   | -  | -                                 | -                                    |
| Other  | -  | -                                 | -                                    |
| Total Revenues                                       | <u>1,940,211</u>                           | <u>-</u>                          | <u>86,721</u>                        |
| <b>Expenditures</b>                                  |  |                                   |                                      |
| Current:   |  |                                   |                                      |
| Instructional services:                              |  |                                   |                                      |
| Regular  | -  | -                                 | -                                    |
| Special  | 1,173,584                                  | -                                 | 14,290                               |
| Vocational   | -  | -                                 | -                                    |
| Total Instructional Services                         | <u>1,173,584</u>                           | <u>-</u>                          | <u>14,290</u>                        |
| Support services:                                    |  |                                   |                                      |
| Operation and maintenance of plant                   | -  | -                                 | -                                    |
| School administration                                | 80,524                                     | -                                 | -                                    |
| Pupil services                                       | -  | -                                 | -                                    |
| Instructional staff                                  | 648,112                                    | 40,009                            | 73,062                               |
| Student transportation                               | -  | -                                 | -                                    |
| Central services                                     | -  | -                                 | -                                    |
| Total Support Services                               | <u>728,636</u>                             | <u>40,009</u>                     | <u>73,062</u>                        |
| Co-curricular student activities                     | -  | -                                 | -                                    |
| Community services                                   | 76,326                                     | -                                 | -                                    |
| Capital outlay                                       | -  | -                                 | -                                    |
| Debt Service - Interest                              | -  | -                                 | -                                    |
| Total Expenditures                                   | <u>1,978,546</u>                           | <u>40,009</u>                     | <u>87,352</u>                        |
| Excess (deficiency) of revenues<br>over expenditures | (38,335)                                   | (40,009)                          | (631)                                |
| Other financing sources:                             |  |                                   |                                      |
| Proceeds from sale of Capital Assets                 | -  | -                                 | -                                    |
| Proceeds from long-term loan                         | -  | -                                 | -                                    |
| Total other financing sources                        | <u>-</u>                                   | <u>-</u>                          | <u>-</u>                             |
| Net Change in Fund Balances                          | (38,335)                                   | (40,009)                          | (631)                                |
| Fund balance at beginning of year                    | 10,275                                     | 140,180                           | (2,583)                              |
| Fund balance at end of year                          | <u>\$ (28,060)</u>                         | <u>100,171</u>                    | <u>(3,214)</u>                       |



WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

| TITLE I<br>GRANTS | TITLE V<br>GRANTS | TITLE IV<br>GRANTS | REFUGEE<br>CHILDREN<br>GRANT |
|-------------------|-------------------|--------------------|------------------------------|
| 273,466           | 26,841            | 26,959             | -                            |
| -                 | -                 | -                  | -                            |
| -                 | -                 | -                  | -                            |
| -                 | -                 | -                  | -                            |
| -                 | -                 | -                  | -                            |
| <u>273,466</u>    | <u>26,841</u>     | <u>26,959</u>      | <u>-</u>                     |
| -                 | 4,708             | 19,912             | -                            |
| 289,817           | -                 | -                  | 2,178                        |
| -                 | -                 | -                  | -                            |
| <u>289,817</u>    | <u>4,708</u>      | <u>19,912</u>      | <u>2,178</u>                 |
| -                 | -                 | -                  | -                            |
| -                 | -                 | -                  | -                            |
| 858               | 28,532            | 15,303             | -                            |
| -                 | -                 | -                  | -                            |
| -                 | -                 | -                  | -                            |
| <u>858</u>        | <u>28,532</u>     | <u>15,303</u>      | <u>-</u>                     |
| -                 | -                 | -                  | -                            |
| 3,250             | 2,780             | 605                | -                            |
| -                 | -                 | -                  | -                            |
| <u>293,925</u>    | <u>36,020</u>     | <u>35,820</u>      | <u>2,178</u>                 |
| (20,459)          | (9,179)           | (8,861)            | (2,178)                      |
| -                 | -                 | -                  | -                            |
| -                 | -                 | -                  | -                            |
| <u>(20,459)</u>   | <u>(9,179)</u>    | <u>(8,861)</u>     | <u>(2,178)</u>               |
| 3,522             | 10,105            | 8,289              | 2,264                        |
| <u>(16,937)</u>   | <u>926</u>        | <u>(572)</u>       | <u>86</u>                    |

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS, Continued**  
**YEAR ENDED JUNE 30, 2006**

|  | SPECIAL REVENUE FUNDS |                    |                                 | TOTAL NONMAJOR<br>SPECIAL<br>REVENUE<br>FUNDS |
|--|-----------------------|--------------------|---------------------------------|---|
|  | SPECIAL<br>EDUCATION  | TELECOMMUNICATIONS | OTHER                           |   |
|  | PRESCHOOL GRANTS      | ACT GRANT          | MISCELLANEOUS<br>FEDERAL GRANTS |   |
| <b>Revenues</b>                                      |                       |                    |                                 |   |
| Intergovernmental:                                   |                       |                    |                                 |   |
| Federal restricted grants-in-aid                     | \$ 44,966             | 90,720             | 282,414                         | 2,772,298                                     |
| State restricted grants-in-aid                       | -                     | -                  | -                               | 1,054,386                                     |
| Investment income                                    | -                     | -                  | -                               | 3,351   |
| Co-curricular activities                             | -                     | -                  | -                               | 739,098                                       |
| Class fees   | -                     | -                  | -                               | 493,327                                       |
| Other  | -                     | -                  | -                               | 631,530                                       |
| Total Revenues                                       | <u>44,966</u>         | <u>90,720</u>      | <u>282,414</u>                  | <u>5,693,990</u>                              |
| <b>Expenditures</b>                                  |                       |                    |                                 |   |
| Current:   |                       |                    |                                 |   |
| Instructional services:                              |                       |                    |                                 |   |
| Regular  | -                     | -                  | 129,529                         | 661,378                                       |
| Special  | -                     | -                  | 1,319                           | 1,658,061                                     |
| Vocational   | -                     | -                  | -                               | 6   |
| Total Instructional Services                         | <u>-</u>              | <u>-</u>           | <u>130,848</u>                  | <u>2,319,445</u>                              |
| Support services:                                    |                       |                    |                                 |   |
| Operation and maintenance of plant                   | -                     | 51,709             | -                               | 53,967  |
| School administration                                | -                     | -                  | -                               | 90,646  |
| Pupil services                                       | 3,700                 | -                  | 55,857                          | 119,256                                       |
| Instructional staff                                  | 37,356                | -                  | 118,562                         | 1,057,137                                     |
| Student transportation                               | -                     | -                  | 900                             | 6,849   |
| Central services                                     | -                     | -                  | -                               | 120,719                                       |
| Total Support Services                               | <u>41,056</u>         | <u>51,709</u>      | <u>175,319</u>                  | <u>1,448,574</u>                              |
| Co-curricular student activities                     | -                     | -                  | -                               | 963,122                                       |
| Community services                                   | -                     | -                  | 256                             | 877,695                                       |
| Capital outlay                                       | -                     | -                  | -                               | 59  |
| Debt Service - Interest                              | -                     | -                  | -                               | -   |
| Total Expenditures                                   | <u>41,056</u>         | <u>51,709</u>      | <u>306,423</u>                  | <u>5,608,895</u>                              |
| Excess (deficiency) of revenues<br>over expenditures | 3,910                 | 39,011             | (24,009)                        | 85,095  |
| Other financing sources:                             |                       |                    |                                 |   |
| Proceeds from sale of Capital Assets                 | -                     | -                  | -                               | -   |
| Proceeds from long-term loan                         | -                     | -                  | -                               | -   |
| Total other financing sources                        | <u>-</u>              | <u>-</u>           | <u>-</u>                        | <u>-</u>                                      |
| Net Change in Fund Balances                          | 3,910                 | 39,011             | (24,009)                        | 85,095  |
| Fund balance at beginning of year                    | 3,642                 | 170,199            | 31,293                          | 2,570,214                                     |
| Fund balance at end of year                          | <u>\$ 7,552</u>       | <u>209,210</u>     | <u>7,284</u>                    | <u>2,655,309</u>                              |

**WORTHINGTON CITY SCHOOL DISTRICT**

| CAPITAL PROJECTS FUNDS |                           |                    | TOTAL NONMAJOR<br>CAPITAL<br>PROJECTS<br>FUNDS | TOTAL NONMAJOR<br>GOVERNMENTAL<br>FUNDS |
|------------------------|---------------------------|--------------------|--|---|
| BUILDING FUND          | PERMANENT<br>IMPROVEMENTS | SCHOOL NET<br>PLUS |  |   |
| -                      | -                         | -                  | -  | 2,772,298                               |
| -                      | -                         | -                  | -  | 1,054,386                               |
| 5,369                  | 27,780                    | -                  | 33,149   | 36,500                                  |
| -                      | -                         | -                  | -  | 739,098                                 |
| -                      | -                         | -                  | -  | 493,327                                 |
| -                      | 28,856                    | -                  | 28,856   | 660,386                                 |
| <u>5,369</u>           | <u>56,636</u>             | <u>-</u>           | <u>62,005</u>                                  | <u>5,755,995</u>                        |
| -                      | 63,022                    | -                  | 63,022   | 724,400                                 |
| -                      | -                         | -                  | -  | 1,658,061                               |
| -                      | -                         | -                  | -  | 6                                       |
| <u>-</u>               | <u>63,022</u>             | <u>-</u>           | <u>63,022</u>                                  | <u>2,382,467</u>                        |
| -                      | 1,618,926                 | -                  | 1,618,926                                      | 1,672,893                               |
| -                      | -                         | -                  | -  | 90,646                                  |
| -                      | -                         | -                  | -  | 119,256                                 |
| -                      | -                         | -                  | -  | 1,057,137                               |
| -                      | 62,707                    | -                  | 62,707   | 69,556                                  |
| -                      | -                         | 7                  | 7  | 120,726                                 |
| <u>-</u>               | <u>1,681,633</u>          | <u>7</u>           | <u>1,681,640</u>                               | <u>3,130,214</u>                        |
| -                      | -                         | -                  | -  | 963,122                                 |
| -                      | -                         | -                  | -  | 877,695                                 |
| 191,974                | 16,265                    | -                  | 208,239  | 208,298                                 |
| -                      | 29,000                    | -                  | 29,000   | 29,000                                  |
| <u>191,974</u>         | <u>1,789,920</u>          | <u>7</u>           | <u>1,981,901</u>                               | <u>7,590,796</u>                        |
| (186,605)              | (1,733,284)               | (7)                | (1,919,896)                                    | (1,834,801)                             |
| -                      | -                         | -                  | -  | -                                       |
| -                      | 2,341,000                 | -                  | 2,341,000                                      | 2,341,000                               |
| <u>-</u>               | <u>2,341,000</u>          | <u>-</u>           | <u>2,341,000</u>                               | <u>2,341,000</u>                        |
| (186,605)              | 607,716                   | (7)                | 421,104  | 506,199                                 |
| 1,283,798              | 1,399,425                 | 7                  | 2,683,230                                      | 5,253,444                               |
| <u>1,097,193</u>       | <u>2,007,141</u>          | <u>-</u>           | <u>3,104,334</u>                               | <u>5,759,643</u>                        |

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2006

|                                      | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|------------------|-----------|-----------|---|
|                                      | Original         | Final     |           |   |
| <b>Public School Support</b>         |                  |           |           |   |
| Total Revenues and Other Sources     | \$250,000        | \$332,627 | \$362,436 | \$29,809  |
| Total Expenditures and Other Uses    | 315,537          | 551,983   | 312,264   | 239,719   |
| Net Change in Fund Balance           | (65,537)         | (219,356) | 50,172    | 269,528   |
| Fund Balance, July 1                 | 571,156          | 571,156   | 571,156   | 0   |
| Prior Year Encumbrances Appropriated | 8,415            | 8,415     | 8,415     | 0   |
| Fund Balance, June 30                | \$514,034        | \$360,215 | \$629,743 | \$269,528   |
| <b>Grants - Local Sources</b>        |                  |           |           |   |
| Total Revenues and Other Sources     | \$0              | \$0       | (\$1,556) | (\$1,556)   |
| Total Expenditures and Other Uses    | 8,683            | 4,507     | 760       | 3,747   |
| Net Change in Fund Balance           | (8,683)          | (4,507)   | (2,316)   | 2,191   |
| Fund Balance, July 1                 | 8,653            | 8,653     | 8,653     | 0   |
| Prior Year Encumbrances Appropriated | 30               | 30        | 30        | 0   |
| Fund Balance, June 30                | \$0              | \$4,176   | \$6,367   | \$2,191   |
| <b>Other Local Sources</b>           |                  |           |           |   |
| Total Revenues and Other Sources     | \$1,000          | \$55,680  | \$56,362  | \$682   |
| Total Expenditures and Other Uses    | 70,000           | 70,000    | 57,369    | 12,631  |
| Net Change in Fund Balance           | (69,000)         | (14,320)  | (1,007)   | 13,313  |
| Fund Balance, July 1                 | 69,916           | 69,916    | 69,916    | 0   |
| Prior Year Encumbrances Appropriated | 0                | 0         | 0         | 0   |
| Fund Balance, June 30                | \$916            | \$55,596  | \$68,909  | \$13,313  |

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2006

|  | <u>Budgeted Amounts</u> |                  | Actual           | Variance with<br>Final Budget:<br>positive (negative) |
|--|-------------------------|------------------|------------------|---|
|  | Original                | Final            |                  |   |
| <b>District-Managed Student Activities</b> |                         |                  |                  |   |
| Total Revenues and Other Sources           | \$500,000               | \$669,683        | \$753,732        | \$84,049  |
| Total Expenditures and Other Uses          | 798,261                 | 850,931          | 724,496          | 126,435   |
| Net Change in Fund Balance                 | (298,261)               | (181,248)        | 29,236           | 210,484   |
| Fund Balance, July 1                       | 336,426                 | 336,426          | 336,426          | 0   |
| Prior Year Encumbrances Appropriated       | 25,094                  | 25,094           | 25,094           | 0   |
| Fund Balance, June 30                      | <u>\$63,259</u>         | <u>\$180,272</u> | <u>\$390,756</u> | <u>\$210,484</u>                                      |
| <b>Auxiliary Services</b>                  |                         |                  |                  |   |
| Total Revenues and Other Sources           | \$745,365               | \$785,642        | \$785,642        | \$0   |
| Total Expenditures and Other Uses          | 871,768                 | 871,768          | 800,789          | 70,979  |
| Net Change in Fund Balance                 | (126,403)               | (86,126)         | (15,147)         | 70,979  |
| Fund Balance, July 1                       | 71,749                  | 71,749           | 71,749           | 0   |
| Prior Year Encumbrances Appropriated       | 54,654                  | 54,654           | 54,654           | 0   |
| Fund Balance, June 30                      | <u>\$0</u>              | <u>\$40,277</u>  | <u>\$111,256</u> | <u>\$70,979</u>                                       |
| <b>Uniform School Supplies</b>             |                         |                  |                  |   |
| Total Revenues and Other Sources           | \$400,000               | \$402,962        | \$414,822        | \$11,860  |
| Total Expenditures and Other Uses          | 605,727                 | 621,341          | 402,432          | 218,909   |
| Net Change in Fund Balance                 | (205,727)               | (218,379)        | 12,390           | 230,769   |
| Fund Balance, July 1                       | 427,934                 | 427,934          | 427,934          | 0   |
| Prior Year Encumbrances Appropriated       | 47,789                  | 47,789           | 47,789           | 0   |
| Fund Balance, June 30                      | <u>\$269,996</u>        | <u>\$257,344</u> | <u>\$488,113</u> | <u>\$230,769</u>                                      |

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2006

|  | <u>Budgeted Amounts</u> |                  | Actual           | Variance with<br>Final Budget:<br>positive (negative) |
|--|-------------------------|------------------|------------------|---|
|  | Original                | Final            |                  |   |
| <b>Special Rotary Funds</b>                  |                         |                  |                  |   |
| Total Revenues and Other Sources             | \$200,000               | \$293,834        | \$328,207        | \$34,373  |
| Total Expenditures and Other Uses            | 651,625                 | 351,625          | 308,685          | 42,940  |
| Net Change in Fund Balance                   | (451,625)               | (57,791)         | 19,522           | 77,313  |
| Fund Balance, July 1                         | 550,921                 | 550,921          | 550,921          | 0   |
| Prior Year Encumbrances Appropriated         | 1,625                   | 1,625            | 1,625            | 0   |
| Fund Balance, June 30                        | <u>\$100,921</u>        | <u>\$494,755</u> | <u>\$572,068</u> | <u>\$77,313</u>                                       |
| <b>Entry Year Grants</b>                     |                         |                  |                  |   |
| Total Revenues and Other Sources             | \$0                     | \$16,000         | \$16,000         | \$0   |
| Total Expenditures and Other Uses            | 4,400                   | 20,400           | 4,400            | 16,000  |
| Net Change in Fund Balance                   | (4,400)                 | (4,400)          | 11,600           | 16,000  |
| Fund Balance, July 1                         | 4,400                   | 4,400            | 4,400            | 0   |
| Prior Year Encumbrances Appropriated         | 0                       | 0                | 0                | 0   |
| Fund Balance, June 30                        | <u>\$0</u>              | <u>\$0</u>       | <u>\$16,000</u>  | <u>\$16,000</u>                                       |
| <b>Management Information Systems (EMIS)</b> |                         |                  |                  |   |
| Total Revenues and Other Sources             | \$6,038                 | \$32,011         | \$32,011         | \$0   |
| Total Expenditures and Other Uses            | 62,101                  | 88,075           | 46,640           | 41,435  |
| Net Change in Fund Balance                   | (56,063)                | (56,064)         | (14,629)         | 41,435  |
| Fund Balance, July 1                         | 56,063                  | 56,063           | 56,063           | 0   |
| Prior Year Encumbrances Appropriated         |                         | 0                | 0                | 0   |
| Fund Balance, June 30                        | <u>\$0</u>              | <u>(\$1)</u>     | <u>\$41,434</u>  | <u>\$41,435</u>                                       |

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2006

|                                      | Budgeted Amounts |          | Actual   | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|------------------|----------|----------|---|
|                                      | Original         | Final    |          |   |
| <b>Data Communication Support</b>    |                  |          |          |   |
| Total Revenues and Other Sources     | \$0              | \$57,000 | \$57,000 | \$0   |
| Total Expenditures and Other Uses    | 45,960           | 102,960  | 82,148   | 20,812  |
| Net Change in Fund Balance           | (45,960)         | (45,960) | (25,148) | 20,812  |
| Fund Balance, July 1                 | 45,960           | 45,960   | 45,960   | 0   |
| Prior Year Encumbrances Appropriated | 0                | 0        | 0        | 0   |
| Fund Balance, June 30                | \$0              | \$0      | \$20,812 | \$20,812  |

|  |         |         |         |         |
|--|---------|---------|---------|---------|
| <b>School Net Professional Development</b> |         |         |         |         |
| Total Revenues and Other Sources           | \$0     | \$6,300 | \$6,300 | \$0     |
| Total Expenditures and Other Uses          | 6,885   | 13,185  | 12,185  | 1,000   |
| Net Change in Fund Balance                 | (6,885) | (6,885) | (5,885) | 1,000   |
| Fund Balance, July 1                       | 6,885   | 6,885   | 6,885   | 0       |
| Prior Year Encumbrances Appropriated       | 0       | 0       | 0       | 0       |
| Fund Balance, June 30                      | \$0     | \$0     | \$1,000 | \$1,000 |

|                                      |          |          |          |     |
|--------------------------------------|----------|----------|----------|-----|
| <b>Summer School Grant</b>           |          |          |          |     |
| Total Revenues and Other Sources     | \$29,558 | \$29,558 | \$29,558 | \$0 |
| Total Expenditures and Other Uses    | 46,132   | 46,132   | 46,132   | 0   |
| Net Change in Fund Balance           | (16,574) | (16,574) | (16,574) | 0   |
| Fund Balance, July 1                 | 0        | 0        | 0        | 0   |
| Prior Year Encumbrances Appropriated | 16,574   | 16,574   | 16,574   | 0   |
| Fund Balance, June 30                | \$0      | \$0      | \$0      | \$0 |

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2006

|                                      | <u>Budgeted Amounts</u> |            | Actual          | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|-------------------------|------------|-----------------|---|
|                                      | Original                | Final      |                 |   |
| <b>Alternative Education Grant</b>   |                         |            |                 |   |
| Total Revenues and Other Sources     | \$126,658               | \$131,899  | \$131,899       | \$0   |
| Total Expenditures and Other Uses    | 126,658                 | 131,899    | 116,402         | 15,497  |
| Net Change in Fund Balance           | 0                       | 0          | 15,497          | 15,497  |
| Fund Balance, July 1                 | 0                       | 0          | 0               | 0   |
| Prior Year Encumbrances Appropriated | 0                       | 0          | 0               | 0   |
| Fund Balance, June 30                | <u>\$0</u>              | <u>\$0</u> | <u>\$15,497</u> | <u>\$15,497</u>                                       |
| <b>Ohio Reads Grant</b>              |                         |            |                 |   |
| Total Revenues and Other Sources     | \$3,038                 | \$25,039   | \$25,039        | \$0   |
| Total Expenditures and Other Uses    | 6,304                   | 28,305     | 28,305          | 0   |
| Net Change in Fund Balance           | (3,266)                 | (3,266)    | (3,266)         | 0   |
| Fund Balance, July 1                 | 3,266                   | 3,266      | 3,266           | 0   |
| Prior Year Encumbrances Appropriated | 0                       | 0          | 0               | 0   |
| Fund Balance, June 30                | <u>\$0</u>              | <u>\$0</u> | <u>\$0</u>      | <u>\$0</u>  |
| <b>Other State Grants</b>            |                         |            |                 |   |
| Total Revenues and Other Sources     | \$24,375                | \$24,375   | \$24,375        | \$0   |
| Total Expenditures and Other Uses    | 37,191                  | 37,191     | 22,785          | 14,406  |
| Net Change in Fund Balance           | (12,816)                | (12,816)   | 1,590           | 14,406  |
| Fund Balance, July 1                 | 11,173                  | 11,173     | 11,173          | 0   |
| Prior Year Encumbrances Appropriated | 1,643                   | 1,643      | 1,643           | 0   |
| Fund Balance, June 30                | <u>\$0</u>              | <u>\$0</u> | <u>\$14,406</u> | <u>\$14,406</u>                                       |



Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2006

|  | Budgeted Amounts |             | Actual          | Variance with<br>Final Budget:<br>positive (negative) |
|--|------------------|-------------|-----------------|---|
|  | Original         | Final       |                 |   |
| <b>JTPA School To Work Grant</b>       |                  |             |                 |   |
| Total Revenues and Other Sources       | \$0              | \$0         | \$0             | \$0   |
| Total Expenditures and Other Uses      | 6                | 6           | 6               | 0   |
| Net Change in Fund Balance             | (6)              | (6)         | (6)             | 0   |
| Fund Balance, July 1                   | 6                | 6           | 6               | 0   |
| Prior Year Encumbrances Appropriated   | 0                | 0           | 0               | 0   |
| Fund Balance, June 30                  | <u>\$0</u>       | <u>\$0</u>  | <u>\$0</u>      | <u>\$0</u>  |
| <br>                                   |                  |             |                 |   |
| <b>Special Education Part B - IDEA</b> |                  |             |                 |   |
| Total Revenues and Other Sources       | \$2,134,210      | \$1,962,861 | \$1,962,861     | \$0   |
| Total Expenditures and Other Uses      | 2,143,461        | 1,972,112   | 1,898,694       | 73,418  |
| Net Change in Fund Balance             | (9,251)          | (9,251)     | 64,167          | 73,418  |
| Fund Balance, July 1                   | 5,684            | 5,684       | 5,684           | 0   |
| Prior Year Encumbrances Appropriated   | 3,567            | 3,567       | 3,567           | 0   |
| Fund Balance, June 30                  | <u>\$0</u>       | <u>\$0</u>  | <u>\$73,418</u> | <u>\$73,418</u>                                       |
| <br>                                   |                  |             |                 |   |
| <b>Vocational Education Grants</b>     |                  |             |                 |   |
| Total Revenues and Other Sources       | \$0              | \$0         | \$0             | \$0   |
| Total Expenditures and Other Uses      | 69,121           | 140,738     | 47,908          | 92,830  |
| Net Change in Fund Balance             | (69,121)         | (140,738)   | (47,908)        | 92,830  |
| Fund Balance, July 1                   | 140,395          | 140,395     | 140,395         | 0   |
| Prior Year Encumbrances Appropriated   | 343              | 343         | 343             | 0   |
| Fund Balance, June 30                  | <u>\$71,617</u>  | <u>\$0</u>  | <u>\$92,830</u> | <u>\$92,830</u>                                       |

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2006

|                                      | Budgeted Amounts |            | Actual         | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|------------------|------------|----------------|---|
|                                      | Original         | Final      |                |   |
| <b>Title III Immigrant/LEP</b>       |                  |            |                |   |
| Total Revenues and Other Sources     | \$83,802         | \$93,047   | \$93,047       | \$0   |
| Total Expenditures and Other Uses    | 88,773           | 98,018     | 94,276         | 3,742   |
| Net Change in Fund Balance           | (4,971)          | (4,971)    | (1,229)        | 3,742   |
| Fund Balance, July 1                 | 2,882            | 2,882      | 2,882          | 0   |
| Prior Year Encumbrances Appropriated | 2,089            | 2,089      | 2,089          | 0   |
| Fund Balance, June 30                | <u>\$0</u>       | <u>\$0</u> | <u>\$3,742</u> | <u>\$3,742</u>  |
| <br>                                 |                  |            |                |   |
| <b>Title I</b>                       |                  |            |                |   |
| Total Revenues and Other Sources     | \$314,721        | \$289,365  | \$289,365      | \$0   |
| Total Expenditures and Other Uses    | 323,680          | 298,324    | 291,095        | 7,229   |
| Net Change in Fund Balance           | (8,959)          | (8,959)    | (1,730)        | 7,229   |
| Fund Balance, July 1                 | 8,959            | 8,959      | 8,959          | 0   |
| Prior Year Encumbrances Appropriated | 0                | 0          | 0              | 0   |
| Fund Balance, June 30                | <u>\$0</u>       | <u>\$0</u> | <u>\$7,229</u> | <u>\$7,229</u>  |
| <br>                                 |                  |            |                |   |
| <b>Title V Innovative Education</b>  |                  |            |                |   |
| Total Revenues and Other Sources     | \$19,524         | \$25,387   | \$25,387       | \$0   |
| Total Expenditures and Other Uses    | 29,680           | 35,543     | 34,822         | 721   |
| Net Change in Fund Balance           | (10,156)         | (10,156)   | (9,435)        | 721   |
| Fund Balance, July 1                 | 10,106           | 10,106     | 10,106         | 0   |
| Prior Year Encumbrances Appropriated | 50               | 50         | 50             | 0   |
| Fund Balance, June 30                | <u>\$0</u>       | <u>\$0</u> | <u>\$721</u>   | <u>\$721</u>  |

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2006

|  | <u>Budgeted Amounts</u> |            | Actual         | Variance with<br>Final Budget:<br>positive (negative) |
|--|-------------------------|------------|----------------|---|
|  | Original                | Final      |                |   |
| <b>Title IV Safe Drug Free Schools</b> |                         |            |                |   |
| Total Revenues and Other Sources       | \$31,524                | \$33,822   | \$33,822       | \$0   |
| Total Expenditures and Other Uses      | 32,950                  | 35,248     | 35,248         | 0   |
| Net Change in Fund Balance             | (1,426)                 | (1,426)    | (1,426)        | 0   |
| Fund Balance, July 1                   | 1,426                   | 1,426      | 1,426          | 0   |
| Prior Year Encumbrances Appropriated   | 0                       | 0          | 0              | 0   |
| Fund Balance, June 30                  | <u>\$0</u>              | <u>\$0</u> | <u>\$0</u>     | <u>\$0</u>  |
| <b>Refugee Children Grant</b>          |                         |            |                |   |
| Total Revenues and Other Sources       | \$0                     | \$0        | \$0            | \$0   |
| Total Expenditures and Other Uses      | 2,263                   | 2,263      | 2,178          | 85  |
| Net Change in Fund Balance             | (2,263)                 | (2,263)    | (2,178)        | 85  |
| Fund Balance, July 1                   | 2,263                   | 2,263      | 2,263          | 0   |
| Prior Year Encumbrances Appropriated   |                         | 0          | 0              | 0   |
| Fund Balance, June 30                  | <u>\$0</u>              | <u>\$0</u> | <u>\$85</u>    | <u>\$85</u>   |
| <b>Special Education Preschool</b>     |                         |            |                |   |
| Total Revenues and Other Sources       | \$46,639                | \$42,291   | \$42,291       | \$0   |
| Total Expenditures and Other Uses      | 47,349                  | 43,001     | 40,146         | 2,855   |
| Net Change in Fund Balance             | (710)                   | (710)      | 2,145          | 2,855   |
| Fund Balance, July 1                   | 710                     | 710        | 710            | 0   |
| Prior Year Encumbrances Appropriated   | 0                       | 0          | 0              | 0   |
| Fund Balance, June 30                  | <u>\$0</u>              | <u>\$0</u> | <u>\$2,855</u> | <u>\$2,855</u>  |

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2006

|   | Budgeted Amounts |           | Actual    | Variance with<br>Final Budget:<br>positive (negative) |
|---|------------------|-----------|-----------|---|
|   | Original         | Final     |           |   |
| <b>Telecommunications Act</b>             |                  |           |           |   |
| Total Revenues and Other Sources          | \$0              | \$90,720  | \$90,720  | \$0   |
| Total Expenditures and Other Uses         | 170,199          | 260,919   | 170,199   | 90,720  |
| Net Change in Fund Balance                | (170,199)        | (170,199) | (79,479)  | 90,720  |
| Fund Balance, July 1                      | 170,199          | 170,199   | 170,199   | 0   |
| Prior Year Encumbrances Appropriated      | 0                | 0         | 0         | 0   |
| Fund Balance, June 30                     | \$0              | \$0       | \$90,720  | \$90,720  |
| <b>Other Miscellaneous Federal Grants</b> |                  |           |           |   |
| Total Revenues and Other Sources          | \$282,820        | \$327,575 | \$327,575 | \$0   |
| Total Expenditures and Other Uses         | 287,788          | 332,543   | 331,800   | 743   |
| Net Change in Fund Balance                | (4,968)          | (4,968)   | (4,225)   | 743   |
| Fund Balance, July 1                      | 4,874            | 4,874     | 4,874     | 0   |
| Prior Year Encumbrances Appropriated      | 94               | 94        | 94        | 0   |
| Fund Balance, June 30                     | \$0              | \$0       | \$743     | \$743   |

Worthington City School District  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
(Non-GAAP Budgetary Basis)  
For the fiscal year ended June 30, 2006

|                                      | <u>Budgeted Amounts</u> |                  | Actual           | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|-------------------------|------------------|------------------|---|
|                                      | Original                | Final            |                  |   |
| <b>Building Fund</b>                 |                         |                  |                  |   |
| Total Revenues and Other Sources     | \$500,000               | \$4,785          | \$5,369          | \$584   |
| Total Expenditures and Other Uses    | 1,206,851               | 1,206,851        | 1,142,739        | 64,112  |
| Net Change in Fund Balance           | (706,851)               | (1,202,066)      | (1,137,370)      | 64,696  |
| Fund Balance, July 1                 | 1,276,947               | 1,276,947        | 1,276,947        | 0   |
| Prior Year Encumbrances Appropriated | 6,851                   | 6,851            | 6,851            | 0   |
| Fund Balance, June 30                | <u>\$576,947</u>        | <u>\$81,732</u>  | <u>\$146,428</u> | <u>\$64,696</u>                                       |
| <b>Permanent Improvements Fund</b>   |                         |                  |                  |   |
| Total Revenues and Other Sources     | \$0                     | \$2,263,846      | \$2,266,637      | \$2,791   |
| Total Expenditures and Other Uses    | 1,350,000               | 3,550,000        | 3,450,138        | 99,862  |
| Net Change in Fund Balance           | (1,350,000)             | (1,286,154)      | (1,183,501)      | 102,653   |
| Fund Balance, July 1                 | 1,053,624               | 1,053,624        | 1,053,624        | 0   |
| Prior Year Encumbrances Appropriated | 350,000                 | 350,000          | 350,000          | 0   |
| Fund Balance, June 30                | <u>\$53,624</u>         | <u>\$117,470</u> | <u>\$220,123</u> | <u>\$102,653</u>                                      |
| <b>School Net Plus</b>               |                         |                  |                  |   |
| Total Revenues and Other Sources     | \$0                     | \$0              | \$0              | \$0   |
| Total Expenditures and Other Uses    | 6                       | 6                | 6                | 0   |
| Net Change in Fund Balance           | (6)                     | (6)              | (6)              | 0   |
| Fund Balance, July 1                 | 6                       | 6                | 6                | 0   |
| Prior Year Encumbrances Appropriated | 0                       | 0                | 0                | 0   |
| Fund Balance, June 30                | <u>\$0</u>              | <u>\$0</u>       | <u>\$0</u>       | <u>\$0</u>  |

# **WORTHINGTON CITY SCHOOL DISTRICT**

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WORTHINGTON CITY SCHOOL DISTRICT

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**ENTERPRISE FUND**

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**Enterprise Funds may be used to account for any activity for which a fee is charged to external users of goods or services.**

Food Service Fund - A fund used to record the financial transactions related to the District's food service operation.

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2006

|                                      | Budgeted Amounts |             | Actual      | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|------------------|-------------|-------------|---|
|                                      | Original         | Final       |             |   |
| <b>Food Service</b>                  |                  |             |             |   |
| Total Revenues and Other Sources     | \$3,440,962      | \$2,871,451 | \$2,946,621 | \$75,170  |
| Total Expenditures and Other Uses    | 3,870,609        | 3,270,609   | 3,064,435   | 206,174   |
| Net Change in Fund Balance           | (429,647)        | (399,158)   | (117,814)   | 281,344   |
| Fund Balance, July 1                 | 416,783          | 416,783     | 416,783     | 0   |
| Prior Year Encumbrances Appropriated | 12,864           | 12,864      | 12,864      | 0   |
| Fund Balance, June 30                | \$0              | \$30,489    | \$311,833   | \$281,344   |



## 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. As of October 1, 2002 this fund accounted for the premium based plan, except for dental cost which are self insured.

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2006**

|                            | <u>INTRA-DISTRICT<br/>SERVICES</u> | <u>EMPLOYEE BENEFIT<br/>INSURANCE</u> | <u>TOTAL</u>     |
|----------------------------|------------------------------------|---------------------------------------|------------------|
| <b><u>ASSETS</u></b>       |                                    |                                       |                  |
| Cash and investments       | \$ 191,307                         | 1,196,778                             | 1,388,085        |
| Inventory                  | 12,567                             | -                                     | 12,567           |
| Capital assets, net        | 368,769                            | -                                     | 368,769          |
| Total assets               | <u>572,643</u>                     | <u>1,196,778</u>                      | <u>1,769,421</u> |
| <b><u>LIABILITIES</u></b>  |                                    |                                       |                  |
| Accounts payable           | 17,260                             | 540                                   | 17,800           |
| Due to other governments   | 16,332                             | -                                     | 16,332           |
| Accrued liabilities        | 39,720                             | 140,000                               | 179,720          |
| Total liabilities          | <u>73,312</u>                      | <u>140,540</u>                        | <u>213,852</u>   |
| <b><u>Net Assets</u></b>   |                                    |                                       |                  |
| Invested in capital assets | 368,769                            | -                                     | 368,769          |
| Unrestricted               | 130,562                            | 1,056,238                             | 1,186,800        |
| Total net assets           | <u>\$ 499,331</u>                  | <u>1,056,238</u>                      | <u>1,555,569</u> |

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS**  
**ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2006**

|  | INTRA-DISTRICT<br>SERVICES  | EMPLOYEE BENEFIT<br>INSURANCE | TOTAL                       |
|--|-----------------------------|-------------------------------|-----------------------------|
|  | <u>                    </u> | <u>                    </u>   | <u>                    </u> |
| <b>Operating Revenues</b>                        |                             |                               |                             |
| Charges for services                             | \$ 640,310                  | 11,788,864                    | 12,429,174                  |
| Total operating revenues                         | <u>640,310</u>              | <u>11,788,864</u>             | <u>12,429,174</u>           |
| <b>Operating Expenses</b>                        |                             |                               |                             |
| Supplies and materials                           | 156,019                     | -                             | 156,019                     |
| Personal services                                | 102,174                     | -                             | 102,174                     |
| Employee benefits                                | 44,231                      | -                             | 44,231                      |
| Purchased services                               | 239,028                     | 11,583,785                    | 11,822,813                  |
| Depreciation                                     | 94,618                      | -                             | 94,618                      |
| Total operating expenses                         | <u>636,070</u>              | <u>11,583,785</u>             | <u>12,219,855</u>           |
| Operating income (loss)                          | 4,240                       | 205,079                       | 209,319                     |
| Net assets at the beginning of year, as restated | <u>495,091</u>              | <u>851,159</u>                | <u>1,346,250</u>            |
| Net assets at the end of year                    | <u>\$ 499,331</u>           | <u>1,056,238</u>              | <u>1,555,569</u>            |

**WORTHINGTON CITY SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2006**

|   | INTRA-<br>DISTRICT<br>SERVICES | EMPLOYEE<br>BENEFIT SELF-<br>INSURANCE | TOTALS           |
|---|--------------------------------|--|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                                |  |                  |
| Cash received from sales  | \$ 640,310                     | -                                      | 640,310          |
| Cash received from charges for services   | -                              | 11,788,864                             | 11,788,864       |
| Cash payments for personal services   | (105,217)                      | -                                      | (105,217)        |
| Cash payments for purchased services  | (239,028)                      | (11,588,280)                           | (11,827,308)     |
| Cash payments for supplies and materials  | (212,187)                      | -                                      | (212,187)        |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>  | <u>83,878</u>                  | <u>200,584</u>                         | <u>284,462</u>   |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>  | <u>83,878</u>                  | <u>200,584</u>                         | <u>284,462</u>   |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>   | 107,429                        | 996,194                                | 1,103,623        |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>   | <u>\$ 191,307</u>              | <u>1,196,778</u>                       | <u>1,388,085</u> |
| <b>ADJUSTMENTS TO RECONCILE OPERATING<br/>INCOME (LOSS) TO NET CASH PROVIDED BY<br/>(USED IN) OPERATING ACTIVITIES:</b> |                                |  |                  |
| <b>Operating income</b>   | \$ 4,240                       | 205,079                                | 209,319          |
| Depreciation  | 94,618                         | -                                      | 94,618           |
| Inventory   | (4,003)                        | -                                      | (4,003)          |
| Accounts payable  | (52,165)                       | (4,495)                                | (56,660)         |
| Due to other governments  | 10,307                         | -                                      | 10,307           |
| Accrued liabilities   | 30,881                         | -                                      | 30,881           |
| <b>Net cash provided (used) by operating activities</b>   | <u>\$ 83,878</u>               | <u>200,584</u>                         | <u>284,462</u>   |

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balances - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2006

|                                      | Budgeted Amounts |                  | Actual             | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|------------------|------------------|--------------------|---|
|                                      | Original         | Final            |                    |   |
| <b>Intra-District Services Fund</b>  |                  |                  |                    |   |
| Total Revenues and Other Sources     | \$700,000        | \$1,086,160      | \$1,125,068        | \$38,908  |
| Total Expenditures and Other Uses    | 956,538          | 1,256,538        | 871,454            | 385,084   |
| Net Change in Fund Balance           | (256,538)        | (170,378)        | 253,614            | 423,992   |
| Fund Balance, July 1                 | 366,529          | 366,529          | 366,529            | 0   |
| Prior Year Encumbrances Appropriated | 56,538           | 56,538           | 56,538             | 0   |
| Fund Balance, June 30                | <u>\$166,529</u> | <u>\$252,689</u> | <u>\$676,681</u>   | <u>\$423,992</u>                                      |
| <br>                                 |                  |                  |                    |   |
| <b>Employee Benefit Insurance</b>    |                  |                  |                    |   |
| Total Revenues and Other Sources     | \$13,000,000     | \$11,810,736     | \$11,788,864       | (\$21,872)  |
| Total Expenditures and Other Uses    | 13,000,000       | 12,500,000       | 11,588,287         | 911,713   |
| Net Change in Fund Balance           | 0                | (689,264)        | 200,577            | 889,841   |
| Fund Balance, July 1                 | 996,194          | 996,194          | 996,194            | 0   |
| Prior Year Encumbrances Appropriated | 0                | 0                | 0                  | 0   |
| Fund Balance, June 30                | <u>\$996,194</u> | <u>\$306,930</u> | <u>\$1,196,771</u> | <u>\$889,841</u>                                      |

**WORTHINGTON CITY SCHOOL DISTRICT**

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# WORTHINGTON CITY SCHOOL DISTRICT

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## FIDUCIARY FUND TYPE

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### TRUST AND AGENCY FUNDS

**The Trust Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.**

**The Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governments and/or other funds.**

Private Purpose Trust Fund - The District's Private Purpose Trust Fund is used to account for money which has been set aside for scholarship purposes. The income from such funds may be expended in accordance with the related trust agreement, but the principal must remain intact.

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

Student Activity Agency 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.

WORTHINGTON CITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF ASSETS AND LIABILITIES - AGENCY FUNDS  
 JUNE 30, 2006

|                          | <u>DISTRICT<br/>MANAGED<br/>FUNDS</u> | <u>STUDENT<br/>AGENCY<br/>FUNDS</u> | <u>TOTAL<br/>AGENCY<br/>FUNDS</u> |
|--------------------------|---------------------------------------|-------------------------------------|-----------------------------------|
| <b>ASSETS:</b>           |                                       |                                     |                                   |
| Cash and investments     | \$ 234,683                            | 311,271                             | 545,954                           |
| Inventory                | 0                                     | 9,359                               | 9,359                             |
| <b>TOTAL ASSETS</b>      | <u>234,683</u>                        | <u>320,630</u>                      | <u>555,313</u>                    |
| <b>LIABILITIES:</b>      |                                       |                                     |                                   |
| Accounts payable         | 0                                     | 1,780                               | 1,780                             |
| Due to others            | 234,683                               | 318,850                             | 553,533                           |
| <b>TOTAL LIABILITIES</b> | <u>\$ 234,683</u>                     | <u>320,630</u>                      | <u>555,313</u>                    |



WORTHINGTON CITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2006

| District Managed Funds   | BALANCE<br>At<br><u>July 1, 2005</u> | <u>Additions</u> | <u>Deductions</u> | BALANCE<br>At<br><u>June 30, 2006</u> |
|--------------------------|--------------------------------------|------------------|-------------------|---------------------------------------|
| <b>ASSETS:</b>           |                                      |                  |                   |                                       |
| Cash and investments     | \$ 298,962                           | 197,903          | 262,182           | 234,683                               |
| <b>TOTAL ASSETS</b>      | <u>298,962</u>                       | <u>197,903</u>   | <u>262,182</u>    | <u>234,683</u>                        |
| <b>LIABILITIES:</b>      |                                      |                  |                   |                                       |
| Due to others            | 298,962                              | 197,903          | 262,182           | 234,683                               |
| <b>TOTAL LIABILITIES</b> | <u>\$ 298,962</u>                    | <u>197,903</u>   | <u>262,182</u>    | <u>234,683</u>                        |
|                          |                                      |                  |                   |                                       |
| Student Agency Funds     | BALANCE<br>At<br><u>July 1, 2005</u> | <u>Additions</u> | <u>Deductions</u> | BALANCE<br>At<br><u>June 30, 2006</u> |
| <b>ASSETS:</b>           |                                      |                  |                   |                                       |
| Cash and investments     | \$ 340,247                           | 293,083          | 322,059           | 311,271                               |
| Inventory                | 8,260                                | 9,359            | 8,260             | 9,359                                 |
| <b>TOTAL ASSETS</b>      | <u>348,507</u>                       | <u>302,442</u>   | <u>330,319</u>    | <u>320,630</u>                        |
| <b>LIABILITIES:</b>      |                                      |                  |                   |                                       |
| Accounts payable         | 19,171                               | 1,780            | 19,171            | 1,780                                 |
| Due to others            | 329,336                              | 300,662          | 311,148           | 318,850                               |
| <b>TOTAL LIABILITIES</b> | <u>\$ 348,507</u>                    | <u>302,442</u>   | <u>330,319</u>    | <u>320,630</u>                        |
|                          |                                      |                  |                   |                                       |
| Total Agency Funds       | BALANCE<br>At<br><u>July 1, 2005</u> | <u>Additions</u> | <u>Deductions</u> | BALANCE<br>At<br><u>June 30, 2006</u> |
| <b>ASSETS:</b>           |                                      |                  |                   |                                       |
| Cash and investments     | \$ 639,209                           | 490,986          | 584,241           | 545,954                               |
| Inventory                | 8,260                                | 9,359            | 8,260             | 9,359                                 |
| <b>TOTAL ASSETS</b>      | <u>647,469</u>                       | <u>500,345</u>   | <u>592,501</u>    | <u>555,313</u>                        |
| <b>LIABILITIES:</b>      |                                      |                  |                   |                                       |
| Accounts payable         | 19,171                               | 1,780            | 19,171            | 1,780                                 |
| Due to others            | 628,298                              | 498,565          | 573,330           | 553,533                               |
| <b>TOTAL LIABILITIES</b> | <u>\$ 647,469</u>                    | <u>500,345</u>   | <u>592,501</u>    | <u>555,313</u>                        |

Worthington City School District  
 Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual  
 (Non-GAAP Budgetary Basis)  
 For the fiscal year ended June 30, 2006

|                                      | Budgeted Amounts |                  | Actual           | Variance with<br>Final Budget:<br>positive (negative) |
|--------------------------------------|------------------|------------------|------------------|---|
|                                      | Original         | Final            |                  |   |
| <b>Private Purpose Trust Fund</b>    |                  |                  |                  |   |
| Total Revenues and Other Sources     | \$5,000          | \$5,713          | \$9,250          | \$3,537   |
| Total Expenditures and Other Uses    | 5,040            | 5,040            | 4,089            | 951   |
| Net Change in Fund Balance           | (40)             | 673              | 5,161            | 4,488   |
| Fund Balance, July 1                 | 152,629          | 152,629          | 152,629          | 0   |
| Prior Year Encumbrances Appropriated | 40               | 40               | 40               | 0   |
| Fund Balance, June 30                | <u>\$152,629</u> | <u>\$153,342</u> | <u>\$157,830</u> | <u>\$4,488</u>  |

**WORTHINGTON CITY SCHOOL DISTRICT**

**STATISTICAL  
SECTION**



Worthington Schools . . . Where Excellence Is A Tradition



# Statistical Section

This part of the Worthington City School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

| <b><u>Contents</u></b>   | <b><u>Page(s)</u></b> |
|--|-----------------------|
| <b>Financial Trends</b><br>These schedules contain trend information to help the reader understand how the District's financial position has changed over time.  | <b>98</b>             |
| <b>Revenue Capacity</b><br>These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.  | <b>106</b>            |
| <b>Debt Capacity</b><br>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.    | <b>114</b>            |
| <b>Economic and Demographic Information</b><br>These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.                | <b>118</b>            |
| <b>Operating Information</b><br>These schedules contain service to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | <b>120</b>            |

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**Worthington City School District**  
*Net Assets by Component*  
*Last Four Years*  
*(accrual basis of accounting)*

|   | 2003         | 2004         | 2005         | 2006         |
|---|--------------|--------------|--------------|--------------|
| <b>Governmental Activities:</b>                 |              |              |              |              |
| Invested in Capital Assets, Net of Related Debt | \$14,796,297 | \$22,678,684 | \$24,659,689 | \$25,927,423 |
| Restricted for:                                 |              |              |              |              |
| Capital Projects                                | 0            | 2,792,513    | 2,683,230    | 3,104,334    |
| Debt Service                                    | 2,664,172    | 2,991,327    | 4,858,924    | 2,415,622    |
| Special Revenue                                 | 0            | 0            | 2,851,425    | 2,755,654    |
| Other Purposes                                  | 5,431,342    | 2,386,118    | 0            | 0            |
| Unrestricted (Deficit)                          | 2,836,602    | 7,536,749    | 16,779,744   | 22,864,443   |
| Total Governmental Activities Net Assets        | \$25,728,413 | \$38,385,391 | \$51,833,012 | \$57,067,476 |
| <b>Business-type Activities:</b>                |              |              |              |              |
| Invested in Capital Assets, Net of Related Debt | \$542,468    | \$508,450    | \$154,727    | \$93,951     |
| Restricted                                      | 0            | 0            | 0            | 0            |
| Unrestricted (Deficit)                          | 423,241      | 177,729      | 47,827       | (59,880)     |
| Total Business-type Activities Net Assets       | \$965,709    | \$686,179    | \$202,554    | \$34,071     |
| <b>Primary Government:</b>                      |              |              |              |              |
| Invested in Capital Assets, Net of Related Debt | \$15,338,765 | \$23,187,134 | \$24,814,416 | \$26,021,374 |
| Restricted                                      | 8,095,514    | 8,169,958    | 10,393,579   | 8,275,610    |
| Unrestricted (Deficit)                          | 3,259,843    | 7,714,478    | 16,827,571   | 22,804,563   |
| Total Primary Government Net Assets             | \$26,694,122 | \$39,071,570 | \$52,035,566 | \$57,101,547 |

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**Worthington City School District**

*Changes in Net Assets*

*Last Four Years*

*(accrual basis of accounting)*

|   | 2003               | 2004               | 2005               | 2006               |
|---|--------------------|--------------------|--------------------|--------------------|
| <b>Expenses</b>                                       |                    |                    |                    |                    |
| Governmental Activities:                              |                    |                    |                    |                    |
| Instruction   |                    |                    |                    |                    |
| Regular   | \$53,565,809       | \$55,235,340       | \$55,292,157       | \$59,004,344       |
| Special   | \$8,886,851        | \$9,238,641        | \$10,052,086       | \$10,927,935       |
| Vocational  | 754,971            | 820,984            | 651,839            | 766,375            |
| Continuing  | 72,551             | 12,421             | 6,707              | 3,525              |
| Support Services                                      |                    |                    |                    |                    |
| Operation and maintenance of plant                    | 9,407,107          | 9,610,080          | 9,830,408          | 10,423,949         |
| School Administration                                 | 7,300,943          | 6,880,882          | 8,213,238          | 8,534,738          |
| Pupils  | 6,004,897          | 6,227,846          | 5,650,850          | 6,155,193          |
| Business Operations                                   | 3,048,658          | 2,828,248          | 2,797,146          | 3,712,349          |
| Instructional Staff                                   | 6,796,474          | 6,714,675          | 6,970,982          | 8,716,053          |
| Student Transportation                                | 3,720,671          | 3,439,100          | 3,410,132          | 3,786,693          |
| Central Services                                      | 2,489,505          | 1,789,935          | 2,167,366          | 2,189,898          |
| General Administration                                | 58,479             | 57,969             | 57,115             | 64,937             |
| Co-curricular Activities                              | 2,509,797          | 2,486,200          | 2,577,898          | 2,661,822          |
| Community Services                                    | 66,290             | 729,158            | 1,457,073          | 1,141,769          |
| Interest and Fiscal Charges                           | 4,948,779          | 3,403,043          | 3,019,567          | 3,104,298          |
| <i>Total Governmental Activities Expenses</i>         | <u>109,631,782</u> | <u>109,474,522</u> | <u>112,154,564</u> | <u>121,193,878</u> |
| Business-type Activities:                             |                    |                    |                    |                    |
| Food Service  | 2,949,126          | 3,157,516          | 3,159,484          | 3,314,368          |
| <i>Total Business-type Activities Expenses</i>        | <u>2,949,126</u>   | <u>3,157,516</u>   | <u>3,159,484</u>   | <u>3,314,368</u>   |
| <i>Total Primary Government Expenses</i>              | <u>112,580,908</u> | <u>112,632,038</u> | <u>115,314,048</u> | <u>124,508,246</u> |
| <b>Program Revenues</b>                               |                    |                    |                    |                    |
| Governmental Activities:                              |                    |                    |                    |                    |
| Charges for Services                                  |                    |                    |                    |                    |
| Instruction   |                    |                    |                    |                    |
| Regular   | 534,514            | 548,429            | 882,830            | 1,753,192          |
| Special   | 910,926            | 1,130,244          | 440,398            | 78,362             |
| Support Services                                      |                    |                    |                    |                    |
| Operation and maintenance of plant                    | 72,146             | 5,259              | 10,021             | 2,856              |
| School Administration                                 | 661                | 2,739              | 5,015              | 12,810             |
| Pupils  | 6,731              | 99,572             | 9,040              | 29,070             |
| Business Operations                                   | 0                  | 0                  | 0                  | 0                  |
| Instructional Staff                                   | 18,640             | 29,823             | 18,936             | 35,229             |
| Student Transportation                                | 1,011              | 0                  | 0                  | 0                  |
| Central Services                                      | 0                  | 0                  | 0                  | 26,944             |
| General Administration                                | 0                  | 0                  | 0                  | 0                  |
| Co-curricular student activities                      | 944,750            | 819,534            | 817,141            | 1,062,930          |
| Community services                                    | 18,779             | 34,769             | 440,398            | 483,618            |
| Operating Grants and Contributions                    | 2,854,915          | 3,237,543          | 4,026,070          | 3,879,640          |
| <i>Total Governmental Activities Program Revenues</i> | <u>5,363,073</u>   | <u>5,907,912</u>   | <u>6,649,849</u>   | <u>7,364,651</u>   |

(continued)



**Worthington City School District**  
*Changes in Net Assets (continued)*  
*Last Four Years*  
*(accrual basis of accounting)*

|   | 2003                   | 2004                   | 2005                   | 2006                   |
|---|------------------------|------------------------|------------------------|------------------------|
| Business-type Activities:                               |                        |                        |                        |                        |
| Charges for Services                                    |                        |                        |                        |                        |
| Food Service  | 2,464,283              | 2,470,919              | 2,419,317              | 2,515,846              |
| Operating Grants and Contributions                      | 395,534                | 397,501                | 582,774                | 609,699                |
| <i>Total Business-type Activities Program Revenues</i>  | <u>2,859,817</u>       | <u>2,868,420</u>       | <u>3,002,091</u>       | <u>3,125,545</u>       |
| <i>Total Primary Government Program Revenues</i>        | <u>8,222,890</u>       | <u>8,776,332</u>       | <u>9,651,940</u>       | <u>10,490,196</u>      |
| <b>Net (Expense)/Revenue</b>                            |                        |                        |                        |                        |
| Governmental Activities                                 | (104,268,709)          | (103,566,610)          | (105,504,715)          | (113,829,227)          |
| Business-type Activities                                | (89,309)               | (289,096)              | (157,393)              | (188,823)              |
| <i>Total Primary Government Net (Expense)/Revenue</i>   | <u>(\$104,358,018)</u> | <u>(\$103,855,706)</u> | <u>(\$105,662,108)</u> | <u>(\$114,018,050)</u> |
| <b>General Revenues and Other Changes in Net Assets</b> |                        |                        |                        |                        |
| Governmental Activities:                                |                        |                        |                        |                        |
| Property Taxes Levied for:                              |                        |                        |                        |                        |
| General Purpose   | 69,706,542             | 79,203,511             | 80,964,661             | 84,289,841             |
| Debt Service  | 8,545,077              | 9,730,641              | 8,617,043              | 7,522,045              |
|   | 0                      | 0                      | 0                      | 0                      |
| Capital Projects  | 0                      | 0                      | 0                      | 0                      |
|   | 0                      | 0                      | 0                      | 0                      |
| Grants and Entitlements not                             | 0                      | 0                      | 0                      | 0                      |
| Restricted to Specific Programs                         | 25,515,527             | 25,332,184             | 25,306,239             | 25,318,173             |
| Investment Earnings                                     | 407,404                | 272,874                | 771,016                | 1,498,661              |
| Gain (Loss) on Disposal of Capital Assets               | (14,979)               | 860,343                | 0                      | 0                      |
| Miscellaneous   | 995,079                | 824,035                | 1,338,730              | 434,971                |
| Transfers   | 0                      | 0                      | 0                      | 0                      |
| <i>Total Governmental Activities</i>                    | <u>105,154,650</u>     | <u>116,223,588</u>     | <u>116,997,689</u>     | <u>119,063,691</u>     |
| Business-type Activities:                               |                        |                        |                        |                        |
| Investment Earnings                                     | 9,844                  | 9,566                  | 7,787                  | 20,340                 |
| Gain (Loss) on Disposal of Capital Assets               | (3,231)                | 0                      | 0                      | 0                      |
| <i>Total Business-type Activities</i>                   | <u>6,613</u>           | <u>9,566</u>           | <u>7,787</u>           | <u>20,340</u>          |
| <i>Total Primary Government</i>                         | <u>105,161,263</u>     | <u>116,233,154</u>     | <u>117,005,476</u>     | <u>119,084,031</u>     |
| <b>Change in Net Assets</b>                             |                        |                        |                        |                        |
| Governmental Activities                                 | 885,941                | 12,656,978             | 11,492,974             | 5,234,464              |
| Business-type Activities                                | (82,696)               | (279,530)              | (149,606)              | (168,483)              |
| <i>Total Primary Government Change in Net Assets</i>    | <u>\$803,245</u>       | <u>\$12,377,448</u>    | <u>\$11,343,368</u>    | <u>\$5,065,981</u>     |

**Worthington City School District**  
*Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(modified accrual basis of accounting)*

|   | <u>1997</u>                | <u>1998</u>                | <u>1999</u>                | <u>2000</u>                |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund                              |                            |                            |                            |                            |
| Reserved                                  | \$19,929,991               | \$21,059,919               | \$21,928,630               | \$23,005,214               |
| Unreserved                                | <u>4,775,094</u>           | <u>5,801,678</u>           | <u>5,371,239</u>           | <u>1,158,634</u>           |
| <i>Total General Fund</i>                 | 24,705,085                 | 26,861,597                 | 27,299,869                 | 24,163,848                 |
| All Other Governmental Funds              |                            |                            |                            |                            |
| Reserved                                  | 3,768,097                  | 5,160,021                  | 5,550,825                  | 4,854,683                  |
| Unreserved, Undesignated,<br>Reported in: |                            |                            |                            |                            |
| Special Revenue Funds                     | 326,887                    | 386,010                    | 353,643                    | 437,975                    |
| Debt Service Funds                        | 2,190,276                  | 2,640,813                  | 2,665,054                  | 2,746,739                  |
| Capital Projects Funds                    | <u>(451,619)</u>           | <u>12,396,532</u>          | <u>9,083,400</u>           | <u>5,672,616</u>           |
| <i>Total All Other Governmental Funds</i> | <u>5,833,641</u>           | <u>20,583,376</u>          | <u>17,652,922</u>          | <u>13,712,013</u>          |
| <i>Total Governmental Funds</i>           | <u><u>\$30,538,726</u></u> | <u><u>\$47,444,973</u></u> | <u><u>\$44,952,791</u></u> | <u><u>\$37,875,861</u></u> |

| 2001                | 2002                | 2003                | 2004                | 2005                | 2006                |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| \$20,354,110        | \$13,588,887        | \$6,797,415         | \$16,258,285        | \$22,056,097        | \$24,672,399        |
| <u>(6,295,222)</u>  | <u>(7,379,942)</u>  | <u>(1,256,932)</u>  | <u>(3,046,951)</u>  | <u>(4,091,786)</u>  | <u>462,617</u>      |
| 14,058,888          | 6,208,945           | 5,540,483           | 13,211,334          | 17,964,311          | 25,135,016          |
| 8,055,369           | 1,461,262           | 718,287             | 2,316,948           | 2,581,443           | 4,659,920           |
| 1,360,832           | 1,056,444           | 2,020,889           | 2,351,628           | 2,490,155           | 2,522,173           |
| (907,849)           | 4,016,811           | 2,664,172           | 2,406,138           | 2,525,558           | 2,229,391           |
| <u>2,111,103</u>    | <u>2,773,841</u>    | <u>2,944,044</u>    | <u>2,453,096</u>    | <u>2,326,379</u>    | <u>468,552</u>      |
| 10,619,455          | 9,308,358           | 8,347,392           | 9,527,810           | 9,923,535           | 9,880,036           |
| <u>\$24,678,343</u> | <u>\$15,517,303</u> | <u>\$13,887,875</u> | <u>\$22,739,144</u> | <u>\$27,887,846</u> | <u>\$35,015,052</u> |

**Worthington City School District**  
*Changes in Fund Balances, Governmental Funds*  
*Last Ten Years*  
*(modified accrual basis of accounting)*

|  | 1997              | 1998                | 1999                 | 2000                 |
|--|-------------------|---------------------|----------------------|----------------------|
| <b>Revenues</b>  |                   |                     |                      |                      |
| Taxes  | \$62,627,259      | \$66,602,486        | \$68,288,250         | \$69,737,913         |
| Intergovernmental - Federal                                | 635,168           | 574,232             | 599,585              | 999,067              |
| Intergovernmental - State                                  | 17,367,025        | 19,431,400          | 20,547,588           | 20,851,679           |
| Earnings on Investments                                    | 1,907,935         | 2,493,703           | 2,433,679            | 2,256,811            |
| Co-Curricular Activities                                   | 549,647           | 625,896             | 633,925              | 708,943              |
| Tuition  | 682,322           | 664,172             | 817,809              | 811,118              |
| Other Revenues   | 429,300           | 1,054,883           | 700,475              | 1,027,486            |
| <i>Total Revenues</i>                                      | <u>84,198,656</u> | <u>91,446,772</u>   | <u>94,021,311</u>    | <u>96,393,017</u>    |
| <b>Expenditures</b>  |                   |                     |                      |                      |
| Current:   |                   |                     |                      |                      |
| Instruction  |                   |                     |                      |                      |
| Regular  | 35,055,602        | 37,938,282          | 40,590,817           | 42,765,317           |
| Special  | 5,717,824         | 5,858,585           | 6,250,526            | 6,508,617            |
| Vocational   | 756,943           | 634,860             | 888,095              | 807,553              |
| Continuing   | 217,195           | 185,686             | 179,641              | 247,898              |
| Support Services   |                   |                     |                      |                      |
| Operation and Maintenance of Plant                         | 7,195,125         | 7,482,358           | 7,984,502            | 8,597,488            |
| School Administration                                      | 4,963,185         | 5,115,821           | 5,414,368            | 5,911,875            |
| Pupils   | 3,993,587         | 4,526,302           | 4,760,721            | 5,037,447            |
| Business Operations  | 2,117,968         | 2,505,590           | 2,498,590            | 2,711,352            |
| Instructional Staff  | 4,994,666         | 5,299,036           | 5,311,631            | 5,896,163            |
| Student Transportation                                     | 2,435,726         | 2,474,412           | 2,514,848            | 2,905,813            |
| Central Services   | 1,367,106         | 1,519,247           | 1,618,893            | 1,601,589            |
| General Administration                                     | 39,462            | 46,837              | 50,181               | 65,892               |
| Co-Curricular Activities                                   | 1,842,044         | 1,894,514           | 2,066,833            | 2,224,510            |
| Community Services   | 12,219            | 8,640               | 4,406                | 12,580               |
| Capital Outlay   | 3,445,805         | 3,574,334           | 8,871,466            | 13,777,632           |
| Debt Service   |                   |                     |                      |                      |
| Principal Retirement                                       | 4,985,000         | 5,185,000           | 6,380,000            | 7,025,077            |
| Interest and Fiscal Charges                                | 4,392,035         | 4,190,811           | 4,138,747            | 4,049,327            |
| <i>Total Expenditures</i>                                  | <u>83,531,492</u> | <u>88,440,315</u>   | <u>99,524,265</u>    | <u>110,146,130</u>   |
| <i>Excess of Revenues Over<br/>(Under) Expenditures</i>    | <u>667,164</u>    | <u>3,006,457</u>    | <u>(5,502,954)</u>   | <u>(13,753,113)</u>  |
| <b>Other Financing Sources (Uses)</b>                      |                   |                     |                      |                      |
| Sale of Capital Assets                                     | 0                 | 0                   | 210,772              | 0                    |
| Proceeds from Issuance of Debt                             | 0                 | 13,899,790          | 2,800,000            | 6,676,183            |
| Transfers In   | 671,576           | 1,091,400           | 105,142              | 469,692              |
| Transfers Out  | (671,576)         | (1,091,400)         | (105,142)            | (469,692)            |
| <i>Total Other Financing Sources (Uses)</i>                | <u>0</u>          | <u>13,899,790</u>   | <u>3,010,772</u>     | <u>6,676,183</u>     |
| <i>Net Change in Fund Balances</i>                         | <u>\$667,164</u>  | <u>\$16,906,247</u> | <u>(\$2,492,182)</u> | <u>(\$7,076,930)</u> |
| Debt Service as a Percentage of<br>Noncapital Expenditures | 11.71%            | 11.05%              | 11.60%               | 11.49%               |

| 2001          | 2002          | 2003          | 2004         | 2005         | 2006         |
|---------------|---------------|---------------|--------------|--------------|--------------|
| \$71,965,768  | \$65,901,275  | \$77,987,633  | \$88,092,800 | \$88,710,525 | \$91,403,124 |
| 1,041,975     | 1,303,459     | 1,342,234     | 2,135,321    | 2,435,704    | 2,794,001    |
| 23,174,312    | 26,612,711    | 26,916,435    | 26,586,297   | 26,733,148   | 26,561,951   |
| 2,143,211     | 664,559       | 407,404       | 272,874      | 771,016      | 1,498,661    |
| 646,410       | 748,000       | 637,009       | 700,212      | 732,247      | 739,098      |
| 799,213       | 558,197       | 1,328,902     | 1,781,998    | 967,724      | 2,114,383    |
| 1,166,550     | 738,804       | 1,537,326     | 1,012,194    | 1,215,571    | 1,066,501    |
| 100,937,439   | 96,527,005    | 110,156,943   | 120,581,696  | 121,565,935  | 126,177,719  |
| 46,560,834    | 48,146,419    | 50,104,265    | 51,413,278   | 52,377,093   | 53,803,453   |
| 7,528,202     | 7,689,408     | 8,756,288     | 9,154,521    | 10,247,277   | 10,483,359   |
| 612,100       | 603,996       | 748,943       | 816,251      | 680,743      | 691,410      |
| 170,641       | 80,618        | 75,825        | 13,545       | 6,238        | 3,525        |
| 8,746,596     | 8,778,621     | 9,351,420     | 9,515,496    | 9,792,370    | 11,624,567   |
| 6,711,764     | 7,179,876     | 7,210,797     | 6,932,008    | 7,893,372    | 8,213,192    |
| 5,541,336     | 5,629,054     | 5,925,965     | 6,082,351    | 5,719,017    | 5,894,507    |
| 2,897,959     | 3,101,654     | 3,083,989     | 2,866,972    | 2,760,312    | 3,663,269    |
| 6,218,486     | 6,208,049     | 6,700,625     | 6,679,333    | 7,042,871    | 8,298,448    |
| 3,151,978     | 3,013,271     | 3,682,368     | 4,481,248    | 3,258,371    | 3,404,944    |
| 1,808,353     | 2,186,939     | 2,459,893     | 1,910,485    | 2,192,266    | 2,229,305    |
| 57,580        | 45,383        | 58,447        | 55,840       | 57,402       | 65,063       |
| 2,398,536     | 2,294,699     | 2,546,701     | 2,498,870    | 2,606,752    | 2,567,373    |
| 19,321        | 12,250        | 55,950        | 730,557      | 1,031,187    | 1,135,724    |
| 6,966,795     | 1,782,704     | 487,521       | 307,563      | 208,913      | 208,298      |
| 6,603,546     | 6,703,348     | 8,364,690     | 7,603,710    | 7,443,254    | 2,910,890    |
| 3,972,257     | 5,651,651     | 3,058,419     | 2,422,611    | 2,238,067    | 6,194,186    |
| 109,966,284   | 109,107,940   | 112,672,106   | 113,484,639  | 115,555,505  | 121,391,513  |
| (9,028,845)   | (12,580,935)  | (2,515,163)   | 7,097,057    | 6,010,430    | 4,786,206    |
| 0             | 1,629,198     | 4,463         | 1,030,915    | 647,557      | 0            |
| 600,000       | 1,790,697     | 0             | 650,000      | 0            | 2,341,000    |
| 1,347,248     | 2,029,285     | 684,650       | 748,773      | 658,925      | 998,587      |
| (1,347,248)   | (2,029,285)   | (684,650)     | (675,476)    | (658,925)    | (998,587)    |
| 600,000       | 3,419,895     | 4,463         | 1,754,212    | 647,557      | 2,341,000    |
| (\$8,428,845) | (\$9,161,040) | (\$2,510,700) | \$8,851,269  | \$6,657,987  | \$7,127,206  |
| 10.27%        | 11.51%        | 10.23%        | 8.97%        | 8.45%        | 7.61%        |

**Worthington City School District**  
*Assessed and Estimated Actual Value of Taxable Property*  
*Last Ten Years*

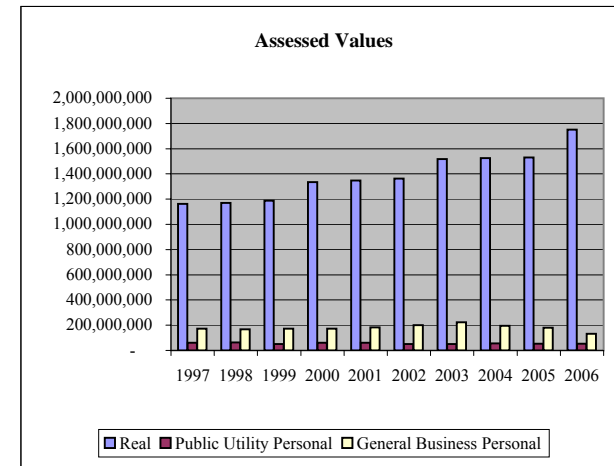
| Collection Year | Real Property   |                        | Tangible Personal Property |                        | Tangible Personal Property |                        | Total           |                        |
|-----------------|-----------------|------------------------|----------------------------|------------------------|----------------------------|------------------------|-----------------|------------------------|
|                 | Assessed Value  | Estimated Actual Value | Public Utility             |                        | General Business           |                        | Assessed Value  | Estimated Actual Value |
|                 |                 |                        | Assessed Value             | Estimated Actual Value | Assessed Value             | Estimated Actual Value |                 |                        |
| 1997            | \$1,161,727,240 | \$3,319,220,686        | \$ 62,029,110              | \$ 177,226,029         | \$ 172,035,095             | \$688,140,380          | \$1,395,791,445 | \$4,184,587,094        |
| 1998            | 1,170,127,840   | 3,343,222,400          | 62,811,200                 | 179,460,571            | 168,152,747                | \$672,610,988          | 1,401,091,787   | 4,195,293,959          |
| 1999            | 1,187,226,200   | 3,392,074,857          | 51,529,460                 | 147,227,029            | 172,157,630                | \$688,630,520          | 1,410,913,290   | 4,227,932,406          |
| 2000            | 1,334,885,820   | 3,813,959,486          | 61,834,790                 | 176,670,829            | 173,673,482                | \$694,693,928          | 1,570,394,092   | 4,685,324,242          |
| 2001            | 1,348,010,980   | 3,851,459,943          | 60,284,870                 | 172,242,486            | 182,366,084                | \$729,464,336          | 1,590,661,934   | 4,753,166,765          |
| 2002            | 1,361,777,250   | 3,890,792,143          | 50,099,860                 | 143,142,457            | 199,935,920                | \$799,743,680          | 1,611,813,030   | 4,833,678,280          |
| 2003            | 1,517,928,590   | 4,336,938,829          | 51,560,220                 | 147,314,914            | 222,111,873                | \$888,447,492          | 1,791,600,683   | 5,372,701,235          |
| 2004            | 1,526,293,780   | 4,360,839,371          | 55,641,930                 | 158,976,943            | 196,298,030                | \$785,192,120          | 1,778,233,740   | 5,305,008,434          |
| 2005            | 1,531,629,970   | 4,376,085,629          | 54,413,770                 | 155,467,914            | 180,456,129                | \$721,824,516          | 1,766,499,869   | 5,253,378,059          |
| 2006            | 1,752,251,490   | 5,006,432,829          | 53,865,420                 | 153,901,200            | 132,307,380                | \$529,229,520          | 1,938,424,290   | 5,689,563,549          |

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Property is assessed every year. The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property is assumed to be 35%. General business tangible personal property is assessed at 25 percent for everything except inventories, which are assessed at 23 percent.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed.

**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)*

| <b>Collection<br/>Year</b> | <b>City of<br/>Worthington</b> | <b>Franklin<br/>County</b> | <b>Sharon<br/>Township</b> | <b>Library</b> | <b>Worthington<br/>School Dist.</b> | <b>Full<br/>Rate</b> | <b>Residential/<br/>Agriculture<br/>Effective<br/>Rate</b> | <b>Commercial/<br/>Industrial<br/>Effective<br/>Rate</b> |
|----------------------------|--------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|----------------------|--|--|
| 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  |
| 2004                       | 3.00                           | 17.64                      | 0.50                       | 2.20           | 77.71                               | 101.05               | 60.4806  | 69.2569  |
| 2005                       | 3.00                           | 18.44                      | 0.50                       | 2.20           | 84.56                               | 108.70               | 68.3933  | 78.2246  |
| 2006                       | 3.00                           | 18.44                      | 0.50                       | 4.80           | 83.23                               | 109.97               | 61.2328  | 77.6238  |

Source: County Auditor, Franklin County, Ohio

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)*

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| <b>Collection<br/>Year</b> | <b>City of<br/>Columbus</b> | <b>Franklin<br/>County</b> | <b>Library</b> | <b>Worthington<br/>School<br/>District</b> | <b>Full<br/>Rate</b> | <b>Residential/<br/>Agriculture<br/>Effective<br/>Rate</b> | <b>Commercial/<br/>Industrial<br/>Effective<br/>Rate</b> |
|----------------------------|-----------------------------|----------------------------|----------------|--|----------------------|--|--|
| 1997                       | 3.14                        | 15.12                      | 2.20           | 72.88                                      | 93.34                | 62.6757  | 69.7397  |
| 1998                       | 3.14                        | 15.22                      | 2.20           | 73.66                                      | 94.22                | 63.6304  | 70.7637  |
| 1999                       | 3.14                        | 17.54                      | 2.20           | 73.66                                      | 96.54                | 65.8837  | 72.3507  |
| 2000                       | 3.14                        | 17.64                      | 2.20           | 72.65                                      | 95.63                | 60.4806  | 67.2209  |
| 2001                       | 3.14                        | 17.64                      | 2.20           | 72.65                                      | 95.63                | 60.3508  | 66.7061  |
| 2002                       | 3.14                        | 17.64                      | 2.20           | 78.38                                      | 101.36               | 66.0430  | 71.8163  |
| 2003                       | 3.14                        | 17.64                      | 2.20           | 77.88                                      | 100.86               | 60.3953  | 68.9200  |
| 2004                       | 3.14                        | 17.64                      | 2.20           | 77.71                                      | 100.69               | 60.1206  | 68.8969  |
| 2005                       | 3.14                        | 18.44                      | 2.20           | 84.56                                      | 108.34               | 68.0333  | 77.8646  |
| 2006                       | 3.14                        | 18.44                      | 4.80           | 83.23                                      | 109.61               | 60.8728  | 77.2638  |

Source: County Auditor, Franklin County, Ohio

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)*

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| <u>Collection<br/>Year</u> | <u>Village of<br/>Riverlea</u> | <u>Franklin<br/>County</u> | <u>Sharon<br/>Township</u> | <u>Library</u> | <u>Worthington<br/>School Dist.</u> | <u>Full<br/>Rate</u> | <u>Residential/<br/>Agriculture<br/>Effective<br/>Rate</u> | <u>Commercial/<br/>Industrial<br/>Effective<br/>Rate</u> |
|----------------------------|--------------------------------|----------------------------|----------------------------|----------------|-------------------------------------|----------------------|--|--|
| 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  |
| 2004                       | 6.00                           | 17.64                      | 3.50                       | 2.20           | 77.71                               | 107.05               | 63.8290  | 73.6360  |
| 2005                       | 6.00                           | 18.44                      | 3.50                       | 2.20           | 84.56                               | 114.70               | 71.7394  | 82.6036  |
| 2006                       | 6.50                           | 18.44                      | 3.50                       | 4.80           | 83.23                               | 116.47               | 65.2771  | 81.8795  |

Source: County Auditor, Franklin County, Ohio

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)*

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| <b>Collection<br/>Year</b> | <b>Franklin<br/>County</b> | <b>Perry<br/>Township</b> | <b>Library</b> | <b>Worthington<br/>School<br/>District</b> | <b>Full<br/>Rate</b> | <b>Residential/<br/>Agriculture<br/>Effective<br/>Rate</b> | <b>Commercial/<br/>Industrial<br/>Effective<br/>Rate</b> |
|----------------------------|----------------------------|---------------------------|----------------|--|----------------------|--|--|
| 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  |
| 2004                       | 17.64                      | 20.40                     | 2.20           | 77.71                                      | 117.95               | 72.9892  | 81.2885  |
| 2005                       | 18.44                      | 18.40                     | 2.20           | 84.56                                      | 123.60               | 81.2259  | 90.7246  |
| 2006                       | 18.44                      | 18.40                     | 4.80           | 83.23                                      | 124.87               | 71.7258  | 89.3501  |

Source: County Auditor, Franklin County, Ohio

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)*

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| <u>Collection<br/>Year</u> | <u>Franklin<br/>County</u> | <u>Sharon<br/>Township</u> | <u>Library</u> | <u>Worthington<br/>School<br/>District</u> | <u>Full<br/>Rate</u> | <u>Residential/<br/>Agriculture<br/>Effective<br/>Rate</u> | <u>Commercial/<br/>Industrial<br/>Effective<br/>Rate</u> |
|----------------------------|----------------------------|----------------------------|----------------|--|----------------------|--|--|
| 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  |
| 2004                       | 17.64                      | 23.50                      | 2.20           | 77.71                                      | 121.05               | 74.2750  | 85.0758  |
| 2005                       | 18.44                      | 23.50                      | 2.20           | 84.56                                      | 128.70               | 82.1828  | 94.0435  |
| 2006                       | 18.44                      | 23.50                      | 4.80           | 83.23                                      | 129.97               | 72.4852  | 91.4852  |

Source: County Auditor, Franklin County, Ohio

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 Taxpayers*

*June 30, 2006 and June 30, 1997*

| Name of Taxpayer                   | June 30, 2006          |                                 | Name of Taxpayer                        | June 30, 1997          |                                 |
|------------------------------------|------------------------|---------------------------------|---|------------------------|---------------------------------|
|                                    | Assessed Value         | Percent of Total Assessed Value |   | Assessed Value         | Percent of Total Assessed Value |
| <b>Public Utilities</b>            |                        |                                 |   |                        |                                 |
| 1 Columbus Southern Power Co       | \$ 24,364,070          | 1.26%                           | 1 Columbus Souther Power Company        | \$21,856,650           | 1.57%                           |
| 2 Sprintcom Inc.                   | 9,178,690              | 0.47%                           | 2 Ohio Bell Telephone Company           | 18,897,670             | 1.35%                           |
| 3 Ohio Bell Telephone Co.          | 9,127,490              | 0.47%                           | 3 Columbus Cellular Telephone Co.       | 10,997,530             | 0.79%                           |
| <b>Real Estate</b>                 |                        |                                 |   |                        |                                 |
| 1 Anheuser-Busch Inc.              | 18,922,050             | 0.98%                           | 1 Anheuser-Busch, Inc                   | 15,427,290             | 1.11%                           |
| 2 Eastrich No 167 Corp.            | 12,005,030             | 0.62%                           | 2 Allstate Insurance Company            | 11,655,070             | 0.84%                           |
| 3 EOP-Community Corporate          | 8,610,000              | 0.44%                           | 3 Aetna Life Insurance Company          | 8,334,040              | 0.60%                           |
| 4 ASP Boma II LLC                  | 8,050,020              | 0.42%                           | 4 ZML Community Corporate Center        | 7,700,000              | 0.55%                           |
| 5 Columbus Retail Inc              | 7,903,110              | 0.41%                           | 5 OTR                                   | 7,647,710              | 0.55%                           |
| 6 Worthington Industries           | 7,817,650              | 0.40%                           | 6 Trinity Secureco Worthington Partners | 6,468,000              | 0.46%                           |
| 7 Fieldstone Trace Partnership     | 7,805,010              | 0.40%                           | 7 Fieldstone Trace Partnership          | 6,394,180              | 0.46%                           |
| 8 Worthington Meadows              | 7,665,040              | 0.40%                           | 8 General Electric Company              | 5,370,040              | 0.38%                           |
| 9 Regency Centers LP               | 6,729,070              | 0.35%                           | 9 Sheraton Suites Investment LP         | 5,108,250              | 0.37%                           |
| 10 Corporate Hill LLC              | 6,300,040              | 0.33%                           | 10 Busch Properties, Inc                | 4,989,480              | 0.36%                           |
| <b>Tangible Personal Property</b>  |                        |                                 |   |                        |                                 |
| 1 Anheuser-Busch Inc.              | 57,694,376             | 2.98%                           | 1 Anheuser-Busch, Inc                   | 35,666,000             | 2.56%                           |
| 2 Worthington Steel Inc.           | 7,829,745              | 0.40%                           | 2 General Electric Company              | 21,847,480             | 1.57%                           |
| 3 Liebert North America Inc.       | 3,729,405              | 0.19%                           | 3 Worthington Industries, Inc.          | 16,021,370             | 1.15%                           |
| 4 J P Morgan Chase & Co            | 2,385,840              | 0.12%                           | 4 Mettler Toledo, Inc                   | 7,061,140              | 0.51%                           |
| 5 Worthington Cylinder Corporation | 2,030,993              | 0.10%                           | 5 Liebert Corporation                   | 7,010,670              | 0.50%                           |
| 6 Mettler Toledo Inc.              | 1,889,460              | 0.10%                           | 6 Worthington Foods, Inc                | 5,406,150              | 0.39%                           |
| 7 Abbot Laboratories               | 1,847,843              | 0.10%                           | 7 Worthington Cylinder Corporation      | 4,737,790              | 0.34%                           |
| 8 Sanese Services Inc              | 1,522,658              | 0.08%                           | 8 Abbott Laboratories                   | 3,508,440              | 0.25%                           |
| 9 Genuine Parts Company            | 1,309,575              | 0.07%                           | 9 Jack Maxton Chevrolet, Inc            | 3,397,820              | 0.24%                           |
| 10 Lowes Home Centers              | 1,177,313              | 0.06%                           | 10 Sanese Services Inc.                 | 2,541,750              | 0.18%                           |
| All Others                         | 1,722,529,812          | 88.85%                          | All Others                              | 1,157,746,925          | 82.95%                          |
| Total Assessed Valuation           | <u>\$1,938,424,290</u> | <u>100.00%</u>                  | Total Assessed Valuation                | <u>\$1,395,791,445</u> | <u>100.00%</u>                  |

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

**Note:** Assessed Values are for the valuation year of 2005 and 1996 respectively

**Worthington City School District**  
*Property Tax Levies and Collections (1)*  
*Last Ten Years*

| <u>Tax/<br/>Collection<br/>Year</u> | <u>Current<br/>Tax<br/>Levy</u> | <u>Current Tax<br/>Collections</u> | <u>Percent of<br/>Current Tax<br/>Collections to<br/>Current<br/>Tax Levy</u> | <u>Delinquent<br/>Tax<br/>Collections (2)</u> | <u>Total Tax<br/>Collections</u> | <u>Percent of<br/>Total Tax<br/>Collections to<br/>Current Tax Levy</u> |
|-------------------------------------|---------------------------------|------------------------------------|---|---|----------------------------------|---|
| 1996/1997                           | 71,429,318                      | 69,160,239                         | 96.82%  | 1,773,077                                     | \$70,933,316                     | 99.31%  |
| 1997/1998                           | 71,755,160                      | 71,227,448                         | 99.26   | 2,361,553                                     | 73,589,001                       | 102.56  |
| 1998/1999                           | 73,623,396                      | 73,056,853                         | 99.23   | 1,491,730                                     | 74,548,583                       | 101.26  |
| 1999/2000                           | 73,464,531                      | 74,598,352                         | 101.54  | 1,743,994                                     | 76,342,346                       | 103.92  |
| 2000/2001                           | 76,356,202                      | 74,691,790                         | 97.82   | 1,800,298                                     | 76,492,088                       | 100.18  |
| 2001/2002                           | 77,711,146                      | 76,318,858                         | 98.21   | 1,856,130                                     | 78,174,988                       | 100.60  |
| 2002/2003                           | 88,036,586                      | 85,884,488                         | 97.56   | 3,526,269                                     | 89,410,757                       | 101.56  |
| 2003/2004                           | 87,483,625                      | 85,329,743                         | 97.54   | 2,311,928                                     | 87,641,671                       | 100.18  |
| 2004/2005                           | 86,312,043                      | 84,257,612                         | 97.62   | 2,387,052                                     | 86,644,664                       | 100.39  |
| 2005/2006                           | 98,614,998                      | NA                                 | NA  | 2,014,981                                     | 2,014,981                        | 2.04  |

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.
- (2) The District does not identify delinquent tax collections by tax year and only pertains to real estate tax, personal property information is unavailable

**Worthington City School District**  
*Ratio of Outstanding Debt by Type*

*Last Ten Years*

| Year | Governmental Activities        |                                |                                     | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income (a) | Per<br>Capita (a) |
|------|--------------------------------|--------------------------------|-------------------------------------|--------------------------------|---|-------------------|
|      | General<br>Obligation<br>Bonds | General<br>Obligation<br>Notes | Certificates<br>of<br>Participation |                                |   |                   |
| 1997 | 68,061,234                     | 280,000                        | -                                   | \$68,341,234                   | 5.47%                                   | \$1,238.20        |
| 1998 | 76,911,024                     | 145,000                        | -                                   | \$77,056,024                   | 6.09%                                   | \$1,378.61        |
| 1999 | 70,676,024                     | 2,800,000                      | -                                   | \$73,476,024                   | 5.78%                                   | \$1,309.38        |
| 2000 | 63,841,024                     | 2,793,018                      | 6,545,000                           | \$73,179,042                   | 3.73%                                   | \$1,285.24        |
| 2001 | 57,542,478                     | 3,203,018                      | 6,430,000                           | \$67,175,496                   | 3.42%                                   | \$1,179.03        |
| 2002 | 51,652,478                     | 2,389,670                      | 6,385,000                           | \$60,427,148                   | 3.07%                                   | \$1,060.59        |
| 2003 | 51,834,787                     | 2,210,000                      | 6,320,000                           | \$60,364,787                   | 2.98%                                   | \$1,028.59        |
| 2004 | 45,471,420                     | 2,700,000                      | 6,235,000                           | \$54,406,420                   | 2.67%                                   | \$921.16          |
| 2005 | 39,370,253                     | 2,530,000                      | 6,130,000                           | \$48,030,253                   | 2.31%                                   | \$797.21          |
| 2006 | 37,246,442                     | 4,371,000                      | 6,000,000                           | \$47,617,442                   | 2.30%                                   | \$793.85          |

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

(a) See Schedule Demographic and Economic Statistics for Personal income and population data

**Worthington City School District**  
*Ratios of General Bonded Debt Outstanding*  
*Last Ten Years*

| Year | (a)<br>Estimated<br>Actual<br>Value | (b)<br>General<br>Obligation<br>Debt | (d)<br>Resources<br>Available to<br>Pay Principal | Net General<br>Bonded Debt | (e)<br>Ratio of Net<br>Bonded Debt<br>to Estimated<br>Actual Value | (e)<br>Net<br>Bonded<br>Debt per<br>Capita |
|------|-------------------------------------|--------------------------------------|---|----------------------------|--|--|
| 1997 | 4,184,587,094                       | \$68,341,234                         | 3,010,288   | 65,330,946                 | 1.56%  | \$1,183.66                                 |
| 1998 | 4,195,293,959                       | 77,056,024                           | 3,342,286   | 73,713,738                 | 1.76%  | \$1,318.81                                 |
| 1999 | 4,227,932,406                       | 73,476,024                           | 4,504,174   | 68,971,850                 | 1.63%  | \$1,229.12                                 |
| 2000 | 4,685,324,242                       | 73,179,042                           | 3,660,337   | 69,518,705                 | 1.48%  | \$1,220.95                                 |
| 2001 | 4,753,166,765                       | 67,175,496                           | 3,826,883   | 63,348,613                 | 1.33%  | \$1,111.87                                 |
| 2002 | 4,833,678,280                       | 60,427,148                           | 4,058,412   | 56,368,736                 | 1.17%  | \$989.36                                   |
| 2003 | 5,372,701,235                       | 60,364,787                           | 2,634,230   | 57,730,557                 | 1.07%  | \$983.70                                   |
| 2004 | 5,305,008,434                       | 54,406,420                           | 4,227,822   | 50,178,598                 | 0.95%  | \$849.58                                   |
| 2005 | 5,253,378,059                       | 48,030,253                           | 4,629,364   | 43,400,889                 | 0.83%  | \$720.37                                   |
| 2006 | 5,689,563,549                       | 47,617,442                           | 4,086,393   | 43,531,049                 | 0.77%  | \$725.72                                   |

**Sources:**

- (a) County Auditor, Franklin County, Ohio, as presented on page 106
- (b) See Schedule Ratios of Outstanding Debt By Type
- (d) Cash balance in the Debt Service Fund for the respective fiscal year
- (e) See Schedule of Demographic and Economic Statistics for population figures, page 118

**Worthington City School District**  
*Computation of Direct and Overlapping  
Debt Attributable to Governmental Activities  
June 30, 2006*

|                                   | Total Assessed Value of That Subdivision | Assessed Value In Worthington | Net Debt Outstanding (2) | Percentage Applicable to County (1) | Amount Applicable to Worthington CSD |
|-----------------------------------|--|-------------------------------|--------------------------|-------------------------------------|--------------------------------------|
| Direct:                           |  |                               |                          |                                     |                                      |
| Worthington City School District  | 1,938,424,290                            | 1,938,424,290                 | 43,531,049               | 100.00%                             | \$43,531,049                         |
| Overlapping:                      |  |                               |                          |                                     |                                      |
| Franklin County                   | 28,168,095,000                           | 1,938,424,290                 | \$144,596,863            | 6.882%                              | \$9,950,622                          |
| City of Worthington               | 600,897,843                              | 600,897,843                   | \$9,242,057              | 100.000%                            | \$9,242,057                          |
| City of Columbus                  | 15,924,318,000                           | 1,154,611,256                 | \$283,748,348            | 7.251%                              | \$20,573,505                         |
| Tptal Overlapping                 |  |                               | <u>\$437,587,268</u>     |                                     | <u>\$39,766,184</u>                  |
| Total Direct and Overlapping Debt |  |                               | <u>\$481,118,317</u>     |                                     | <u>\$83,297,233</u>                  |

**Source:** Office of the Auditor, Franklin County, Ohio, and Financial Statements for the respective subdivision

- (1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivision. The valuations used were for the 2006 collection year and the Debt outstanding was at December 31, 2005
- (2) The Net Debt Outstanding is obtained from the respective governmental subdivisions financial statements for December 31, 2005, Net Bonded Debt outstanding and reflects only the governmental activities debt outstanding. Overlapping governments with no outstanding debt are not reflected above.



**Worthington City School District**  
*Computation of Legal Debt Margin*  
*Last Ten Years*

|   | 1997            | 1998            | 1999            | 2000            | 2001            | 2002            | 2003            | 2004            | 2005            | 2006            |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Assessed Valuation  | \$1,395,168,414 | \$1,401,091,787 | \$1,410,913,290 | \$1,570,394,092 | \$1,590,661,934 | \$1,611,813,030 | \$1,791,600,683 | \$1,778,233,740 | \$1,766,499,869 | \$1,938,424,290 |
| Debt Limit - 9% of Assessed Value (1)                               | \$125,565,157   | \$126,098,261   | \$126,982,196   | \$141,335,468   | \$143,159,574   | \$145,063,173   | \$161,244,061   | \$160,041,037   | \$158,984,988   | \$174,458,186   |
| Amount of Debt Applicable to Debt Limit                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| General Obligation Debt   | 68,341,234      | 77,056,024      | 73,476,024      | 73,179,042      | 67,175,496      | 60,427,148      | 60,364,787      | 54,406,420      | 48,030,253      | 47,617,442      |
| Less Exempted Debt (2)  | (280,000)       | (145,000)       | (2,800,000)     | (9,338,018)     | (9,633,018)     | (8,774,670)     | (8,530,000)     | (8,935,000)     | (8,660,000)     | (10,371,000)    |
| Less Amount Available in Debt Service                               | (3,010,288)     | (3,342,286)     | (4,504,174)     | (3,660,337)     | (3,826,883)     | (4,058,412)     | (2,634,230)     | (4,227,822)     | (4,629,364)     | (4,086,393)     |
| Amount of Debt Subject to Limit                                     | 65,050,946      | 73,568,738      | 66,171,850      | 60,180,687      | 53,715,595      | 47,594,066      | 49,200,557      | 41,243,598      | 34,740,889      | 33,160,049      |
| Legal Debt Margin   | \$60,514,211    | \$52,529,523    | \$60,810,346    | \$81,154,781    | \$89,443,979    | \$97,469,107    | \$112,043,504   | \$118,797,439   | \$124,244,099   | \$141,298,137   |
| Legal Debt Margin as a Percentage of the Debt Limit                 | 48.19%          | 41.66%          | 47.89%          | 57.42%          | 62.48%          | 67.19%          | 69.49%          | 74.23%          | 78.15%          | 80.99%          |
| Unvoted Debt Limit - .10% of Assessed Value                         | \$1,395,168     | \$1,401,092     | \$1,410,913     | \$1,570,394     | \$1,590,662     | \$1,611,813     | \$1,791,601     | \$1,778,234     | \$1,766,500     | \$1,938,424     |
| Amount of Debt Subject to Limit                                     | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               | 0               |
| Unvoted Legal Debt Margin   | \$1,395,168     | \$1,401,092     | \$1,410,913     | \$1,570,394     | \$1,590,662     | \$1,611,813     | \$1,791,601     | \$1,778,234     | \$1,766,500     | \$1,938,424     |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit | 100.00%         | 100.00%         | 100.00%         | 100.00%         | 100.00%         | 100.00%         | 100.00%         | 100.00%         | 100.00%         | 100.00%         |

**Source:** Office of the Auditor, Franklin County, Ohio and School District Records

(1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.

(2) Certificates of Participation, Energy Conservation Notes, and Tax Levy Anticipation Notes are excluded from Debt Margin Calculation in accordance with Ohio Revised Code 133.04

Note: The District issued \$650,000 of unvoted Tax Anticipation Notes in 2005, of which \$325,000 was outstanding at June 30, 2006, however, as stated above this is not subject to debt margin calculations.

**Worthington City School District**  
*Demographic and Economic Statistics*  
*Last Ten Years*

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| Year | Population (1) | Personal Income (2)<br>(in thousands) | Per Capita<br>Personal<br>Income (4) | Unemployment<br>Rate (3) |
|------|----------------|---------------------------------------|--------------------------------------|--------------------------|
| 1997 | 55,194         | 1,249,978,518                         | \$22,647                             | 2.8%                     |
| 1998 | 55,894         | 1,265,831,418                         | 22,647                               | 2.9%                     |
| 1999 | 56,115         | 1,270,836,405                         | 22,647                               | 2.8%                     |
| 2000 | 56,938         | 1,964,076,310                         | 34,495                               | 3.6%                     |
| 2001 | 56,975         | 1,965,352,625                         | 34,495                               | 3.6%                     |
| 2002 | 56,975         | 1,965,352,625                         | 34,495                               | 5.4%                     |
| 2003 | 58,687         | 2,024,408,065                         | 34,495                               | 6.1%                     |
| 2004 | 59,063         | 2,037,378,185                         | 34,495                               | 5.9%                     |
| 2005 | 60,248         | 2,078,254,760                         | 34,495                               | 5.6%                     |
| 2006 | 59,983         | 2,069,113,585                         | 34,495                               | 4.8%                     |

**Sources:** (1) Mid Ohio Regional Planning Commission  
(2) Calculated based on Per capita income and population  
(3) Ohio Bureau of Employment Services, not available for  
Worthington CSD. Figures presented are for Franklin County  
(4) United States Census Bureau, 2000 and 1990 respectively

**Worthington City School District**

*Principal Employers*

*Current Year*

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| Employer                    | Nature of Business | December 2005       |      |
|-----------------------------|--------------------|---------------------|------|
|                             |                    | Number of Employees | Rank |
| Worthington School District | Education          | 1,176               | 1    |
| Worthington Industries      | Steel Industry     | 1,100               | 2    |
| Liebert Corporation         | Energy/Power       | 1,000               | 3    |
| Anheuser Busch              | Production Plant   | 892                 | 4    |
| Anthem Blue Cross           | Insurance          | 840                 | 5    |
| Huntington Bank             | Mortgage/Banking   | 540                 | 6    |
| Diamond Innovations         | Diamond Products   | 375                 | 7    |
| The Laurels Healthcare      | Healthcare         | 290                 | 8    |
| Medvet Medical Center       | Animal Care        | 250                 | 9    |
| American Health Holding     | Healthcare         | 231                 | 10   |

Source: Chamber of Commerce and Individual employer records

Note: Above figures are estimates based on Chamber of Commerce information and employer data provided to the district. Actual information as well as information for 9 years prior was not available.

Worthington City School District  
District Employees by Function/Activity  
Last Two Fiscal Years

|                                      | 2006                   | 2005                   |
|--------------------------------------|------------------------|------------------------|
| <b>Official/ Administrative</b>      |                        |                        |
| Associate Superintendent             | 1.00                   | 1.00                   |
| Assistant Principal                  | 6.00                   | 6.00                   |
| Principal                            | 17.00                  | 18.00                  |
| Superintendent                       | 1.00                   | 1.00                   |
| Supervising/Managing/Directing       | 4.00                   | 4.00                   |
| Treasurer                            | 1.00                   | 1.00                   |
| Coordinator                          | 9.50                   | 9.50                   |
| Education Administrative Specialist  | 3.00                   | 3.00                   |
| Director                             | 1.00                   | 1.00                   |
| Other Official/Administrative        | 3.00                   | 2.00                   |
| Total Official/Administrative        | <u>46.50</u>           | <u>46.50</u>           |
| <b>Professional - Educational</b>    |                        |                        |
| Counseling                           | 20.40                  | 20.90                  |
| Librarian/Media                      | 17.00                  | 18.00                  |
| Regular Teaching                     | 479.97                 | 484.17                 |
| Special Education Teaching           | 89.46                  | 91.10                  |
| Vocation Education Teaching          | 14.30                  | 14.40                  |
| Education Service Personnel Teacher  | 57.17                  | 58.90                  |
| Suppl Service Teacher - Special Ed   | 2.00                   | 2.00                   |
| Teacher Mentor/Evaluator             | 1.00                   | 1.00                   |
| Other Professional                   | 15.00                  | 15.00                  |
| Total Professional - Educational     | <u>696.30</u>          | <u>705.47</u>          |
| <b>Professional - Other</b>          |                        |                        |
| Accounting/Analyst                   | 3.00                   | 3.00                   |
| Psychologist                         | 10.00                  | 10.50                  |
| Registered Nurse                     | 7.10                   | 7.00                   |
| Physical Therapist                   | 0.60                   | 0.60                   |
| Speech and Language Therapist        | 11.70                  | 11.40                  |
| Occupational Therapist               | 5.60                   | 5.40                   |
| Adapted Physical Education Therapist | 1.00                   | 1.00                   |
| Total Professional - Other           | <u>39.00</u>           | <u>38.90</u>           |
| <b>Technical</b>                     |                        |                        |
| Computer Operating                   | 5.00                   | 4.00                   |
| Purchasing Agent                     | 1.00                   | 1.00                   |
| Library Technician                   | 3.00                   | 3.00                   |
| Other Technical                      | 13.00                  | 13.00                  |
| Total Technical                      | <u>22.00</u>           | <u>21.00</u>           |
| <b>Office/Clerical</b>               |                        |                        |
| Bookkeeping                          | 7.00                   | 7.00                   |
| Clerical                             | 67.66                  | 70.35                  |
| Teaching Aide                        | 100.94                 | 101.58                 |
| Parent Mentor                        | 0.81                   | 0.81                   |
| Other Office/Clerical                | 2.00                   | 2.00                   |
| Total Office/Clerical                | <u>178.41</u>          | <u>181.74</u>          |
| <b>Crafts and Trades</b>             |                        |                        |
| General Maintenance                  | 14.00                  | 14.00                  |
| Mechanic                             | 4.00                   | 4.00                   |
| Foreman                              | 2.00                   | 2.00                   |
| Other Crafts and Trades              | 5.00                   | 5.00                   |
| Total Crafts and Trades              | <u>25.00</u>           | <u>25.00</u>           |
| <b>Operative</b>                     |                        |                        |
| Vehical Operator Non Bus             | 2.00                   | 2.00                   |
| Vehical Operator Bus                 | 47.41                  | 49.16                  |
| Total Operative                      | <u>49.41</u>           | <u>51.16</u>           |
| <b>Service Work/Laborer</b>          |                        |                        |
| Custodian                            | 59.53                  | 59.90                  |
| Food Service                         | 47.28                  | 47.34                  |
| Security                             | 1.01                   | 1.01                   |
| Monitoring                           | 2.00                   | 2.00                   |
| Groundskeeping                       | 7.00                   | 7.00                   |
| Attendant                            | 0.69                   | 2.43                   |
| Other Service Work/Laborer           | 2.00                   | 2.00                   |
| Total Service Work/Laborer           | <u>119.51</u>          | <u>121.68</u>          |
| <b>Total</b>                         | <u><u>1,176.13</u></u> | <u><u>1,191.45</u></u> |
| <b>Function</b>                      |                        |                        |
| Governmental Activities              |                        |                        |
| Instruction                          |                        |                        |
| Regular                              | 673.48                 | 680.55                 |
| Special                              | 93.46                  | 95.10                  |
| Vocational                           | 15.30                  | 15.40                  |
| Support Services                     |                        |                        |
| Pupils                               | 37.00                  | 36.90                  |
| Instructional Staff                  | 17.00                  | 18.00                  |
| Administration                       | 113.47                 | 116.16                 |
| Fiscal Services                      | 6.00                   | 6.00                   |
| Business Services                    | 2.00                   | 2.00                   |
| Operation and Maintenance of Plant   | 93.23                  | 94.44                  |
| Pupil Transportation                 | 53.41                  | 55.16                  |
| Central                              | 24.50                  | 24.40                  |
| Total Governmental Activities        | <u>1,128.85</u>        | <u>1,144.11</u>        |
| Business Type Activities             |                        |                        |
| Food Service Operations              | 47.28                  | 47.34                  |
| Total Primary Government             | <u><u>1,176.13</u></u> | <u><u>1,191.45</u></u> |

**Method:** 1.00 for each full-time, 0.50 for each part-time and 0.25 for each seasonal employee

**Source:** School District Records, EMIS Staff Summary Report, Ohio Department of Education

**Note:** Staff FTE data was not available by function prior to fiscal year 2005 when USAS was implemented.

**Worthington City School District**  
*Operating Indicators by Function/Activity*  
*Last Three Fiscal Years*

| <b>Function</b>   | <b>2006</b> | <b>2005</b> | <b>2004</b> |
|---|-------------|-------------|-------------|
| <b>Governmental Activities</b>  |             |             |             |
| Instruction   |             |             |             |
| Regular and Special   |             |             |             |
| K-12 Pupil To Regular Teacher Ratio   | 16.6        | 16.7        | 17.1        |
| Average # of Years of Teaching Experience                                   | 20.0        | 15.8        | 15.3        |
| Per Pupil Cost based on Expenses as reported in the Statement of Activities | 13,062      | 11,614      | 11,343      |
| Support Services  |             |             |             |
| Pupil   |             |             |             |
| Enrollment (Students)   | 9,553       | 9,619       | 9,651       |
| Graduation Rate   | 97.9%       | 96.6%       | 97.6%       |
| % of Students with Disabilities   | 9.9%        | 10.1%       | 9.3%        |
| % of Limited English Proficient Students                                    | 3.7%        | 3.1%        | 3.2%        |
| Instructional Staff   |             |             |             |
| IT Work Orders Completed  | 5,938       | n/a         | n/a         |
| Administration  |             |             |             |
| Student Attendance Rate   | 95.7%       | 95.8%       | 95.7%       |
| Fiscal and Business   |             |             |             |
| Purchase Orders Processed   | 15,610      | n/a         | n/a         |
| Nonpayroll Checks Issued  | 13,301      | n/a         | n/a         |
| Maintenance   |             |             |             |
| Maintenance Work Orders Completed   | 5,589       | n/a         | n/a         |
| District Square Footage Maintained By Custodians and Maintenance Staff      | 1,638,562   | 1,638,562   | 1,638,562   |
| District Acreage Maintained By Grounds Staff                                | 379         | 379         | 379         |
| Transportation  |             |             |             |
| Average Students Transported Daily  | 5,233       | n/a         | n/a         |
| Average Daily Bus Fleet Mileage   | 4,756       | 4,756       | 4,756       |
| Number of Busses in Fleet   | 86          | 85          | 85          |
| Co-Curricular Activities  |             |             |             |
| High School Varsity Teams   | 58          | 58          | 58          |
| <b>Business Type Activities</b>   |             |             |             |
| Food Service  |             |             |             |
| Meals Served to Students  | 468,987     | 491,305     | 482,524     |
| % of Students Receiving Free Meals  | 21.9%       | 17.7%       | 13.8%       |
| % of Students Receiving Reduced Meals                                       | 6.9%        | 6.5%        | 6.5%        |

**Sources:** Ohio Department of Education Local Report Card and School District Records

**Note:** Operating Indicators before 2004 not presented because the District had not implemented GASB 34.

**Worthington City School District**  
*Educational Operating Indicators*  
*Last Ten School Years*

|  | 2006        |                   |               | Worthington |       |       |       |       |       |       |       |      |
|--|-------------|-------------------|---------------|-------------|-------|-------|-------|-------|-------|-------|-------|------|
|  | Worthington | Similar Districts | State Average | 2005        | 2004  | 2003  | 2002  | 2001  | 2000  | 1999  | 1998  | 1997 |
| <b>3rd Grade Achievement Tests</b><br>(Tests Initiated March, 2005)            |             |                   |               |             |       |       |       |       |       |       |       |      |
| Reading  | 86.0%       | 88.1%             | 75.1%         | 88.9%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Mathematics  | 85.0%       | 86.5%             | 74.9%         | 87.9%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| <b>4th Grade Proficiency/Achievement Tests</b><br>(Tests Initiated March 1995) |             |                   |               |             |       |       |       |       |       |       |       |      |
| Writing  | 92.8%       | 93.9%             | 85.9%         | 92.8%       | 86.0% | 88.9% | 92.0% | 89.1% | 74.9% | 78.8% | 80.0% | n/a  |
| Reading  | 89.3%       | 88.5%             | 76.8%         | 90.7%       | 86.6% | 83.0% | 76.4% | 76.3% | 74.2% | 70.1% | 68.2% | n/a  |
| Mathematics  | 89.3%       | 88.7%             | 76.9%         | 82.3%       | 83.6% | 78.2% | 79.6% | 73.9% | 70.1% | 70.2% | 64.8% | n/a  |
| Science  | n/a         | n/a               | n/a           | 78.9%       | 81.3% | 76.5% | 75.6% | 71.2% | 68.8% | 73.2% | 65.4% | n/a  |
| Citizenship  | n/a         | n/a               | n/a           | 88.1%       | 77.8% | 81.6% | 83.4% | 83.0% | 84.6% | 78.9% | 74.0% | n/a  |
| <b>5th Grade Achievement Tests</b><br>(Test Initiated March 2005)              |             |                   |               |             |       |       |       |       |       |       |       |      |
| Reading  | 89.8%       | 89.1%             | 75.3%         | 90.4%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Mathematics  | 83.3%       | 79.7%             | 62.7%         | n/a         | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| <b>6th Grade Proficiency/Achievement Tests</b><br>(Tests Initiated March 1996) |             |                   |               |             |       |       |       |       |       |       |       |      |
| Reading  | 95.4%       | 94.3%             | 83.6%         | 84.2%       | 84.3% | 83.5% | 77.0% | 75.9% | 74.2% | 73.1% | 65.9% | n/a  |
| Writing  | n/a         | n/a               | n/a           | 93.1%       | 96.4% | 95.2% | 92.6% | 89.9% | 91.1% | 92.0% | 84.0% | n/a  |
| Mathematics  | 84.6%       | 85.5%             | 68.4%         | 83.0%       | 86.0% | 79.3% | 82.3% | 80.7% | 81.5% | 73.2% | 75.6% | n/a  |
| Science  | n/a         | n/a               | n/a           | 84.7%       | 85.0% | 85.3% | 76.4% | 76.5% | 67.8% | 69.7% | 60.0% | n/a  |
| Citizenship  | n/a         | n/a               | n/a           | 90.5%       | 89.2% | 88.8% | 85.2% | 87.5% | 88.9% | 81.9% | 81.4% | n/a  |
| <b>7th Grade Achievement Tests</b><br>(Tests Initiated March 2005)             |             |                   |               |             |       |       |       |       |       |       |       |      |
| Reading  | 88.9%       | 92.1%             | 78.9%         | n/a         | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Mathematics  | 82.4%       | 82.9%             | 63.2%         | 84.1%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| <b>8th Grade Achievement Tests</b><br>(Tests Initiated March 2005)             |             |                   |               |             |       |       |       |       |       |       |       |      |
| Reading  | 92.1%       | 91.0%             | 77.1%         | 90.0%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Mathematics  | 87.1%       | 86.8%             | 68.6%         | 83.7%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| <b>10th Grade Ohio Graduation Test (OGT)</b><br>(Tests Initiated March 2005)   |             |                   |               |             |       |       |       |       |       |       |       |      |
| Reading  | 96.5%       | 96.5%             | 89.4%         | 96.5%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Writing  | 94.7%       | 95.3%             | 88.0%         | 94.8%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Mathematics  | 95.0%       | 93.5%             | 82.7%         | 93.4%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Science  | 91.0%       | 89.1%             | 73.1%         | 90.9%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Social Studies   | 92.4%       | 92.3%             | 79.5%         | 92.5%       | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| <b>11th Grade Ohio Graduation Test (OGT)</b>                                   |             |                   |               |             |       |       |       |       |       |       |       |      |
| Reading  | 97.5%       | 98.1%             | 93.7%         | n/a         | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Writing  | 96.8%       | 97.4%             | 91.9%         | n/a         | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Mathematics  | 96.8%       | 96.2%             | 88.9%         | n/a         | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Science  | 94.3%       | 94.3%             | 82.8%         | n/a         | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| Social Studies   | 95.6%       | 92.3%             | 86.4%         | n/a         | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a   | n/a  |
| <b>ACT Scores (Average)</b>  |             |                   |               |             |       |       |       |       |       |       |       |      |
| Worthington  | 24.2        | n/a               | n/a           | 24.0        | 23.9  | 23.5  | 24.0  | 23.7  | 23.7  | 23.5  | 23.8  | 23.5 |
| National   | 21.1        | n/a               | n/a           | 20.9        | 20.8  | 20.1  | 20.1  | 21.0  | 21.0  | 21.0  | 21.0  | 21.0 |
| <b>SAT Scores (Average)</b>  |             |                   |               |             |       |       |       |       |       |       |       |      |
| <b>Reading (Verbal)</b>  |             |                   |               |             |       |       |       |       |       |       |       |      |
| Worthington  | 553         | n/a               | n/a           | 547         | 538   | 540   | 541   | 548   | 540   | 543   | 548   | 548  |
| National   | 503         | n/a               | n/a           | 508         | 504   | 504   | 504   | 505   | 505   | 505   | 505   | 505  |
| <b>Mathematics</b>   |             |                   |               |             |       |       |       |       |       |       |       |      |
| Worthington  | 592         | n/a               | n/a           | 580         | 567   | 576   | 575   | 575   | 567   | 570   | 587   | 565  |
| National   | 518         | n/a               | n/a           | 518         | 516   | 516   | 516   | 514   | 514   | 511   | 512   | 511  |
| <b>Writing (initiated 2006)</b>  |             |                   |               |             |       |       |       |       |       |       |       |      |
| Worthington  | 535         |                   |               |             |       |       |       |       |       |       |       |      |
| National   | 497         |                   |               |             |       |       |       |       |       |       |       |      |

Source: School District Records and the Ohio Department of Education Local Report Card  
n/a - Not Available

**Worthington City School District**  
*Capital Assets By Function/Class*  
*Last Two Fiscal Years*

|                                 | <u>2006</u>        | <u>2005</u>        |
|---------------------------------|--------------------|--------------------|
| <b>Governmental Activities</b>  |                    |                    |
| Regular Instruction             |                    |                    |
| Land and Improvements           | 16,605,883         | 16,576,552         |
| Buildings                       | 104,341,480        | 104,341,480        |
| Furniture and Equipment         | 11,112,436         | 11,287,054         |
| Special Instruction             |                    |                    |
| Land and Improvements           | 1,279              | 1,279              |
| Furniture and Equipment         | 1,371              | -                  |
| Pupil Support                   |                    |                    |
| Furniture and Equipment         | 47,827             | 47,827             |
| Instructional Staff Support     |                    |                    |
| Furniture and Equipment         | 1,047,229          | 1,047,229          |
| Administrative Support          |                    |                    |
| Furniture and Equipment         | 612,247            | 598,299            |
| Fiscal Services Support         |                    |                    |
| Furniture and Equipment         | 45,825             | 45,825             |
| Business Services Support       |                    |                    |
| Furniture and Equipment         | 34,801             | 33,706             |
| Operation and Maint of Plant    |                    |                    |
| Land and Improvements           | 189,260            | 161,106            |
| Buildings                       | 2,147,525          | 804,348            |
| Furniture and Equipment         | 654,744            | 565,438            |
| Pupil Transportation            |                    |                    |
| Land and Improvements           | 245,281            | 245,281            |
| Buildings                       | 683,175            | 683,175            |
| Furniture and Equipment         | 79,265             | 79,265             |
| Vehicles                        | 4,753,879          | 4,691,172          |
| Central Support                 |                    |                    |
| Furniture and Equipment         | 277,661            | 205,065            |
| Extracurricular Activities      |                    |                    |
| Land and Improvements           | 2,644,468          | 2,644,468          |
| Buildings                       | 466,647            | 466,647            |
| Furniture and Equipment         | 102,932            | 90,147             |
| Total Governmental Activities   | <u>146,095,215</u> | <u>144,615,363</u> |
| <b>Business Type Activities</b> |                    |                    |
| Food Service Operations         |                    |                    |
| Furniture and Equipment         | <u>1,209,951</u>   | <u>1,205,414</u>   |

**Source:** School District records through the State Equipment Inventory System

Note: The District began to utilize the system in 2005, so records are only available since then

**Worthington City School District**  
*School Building Information*

|                                       | Original<br>Construction | Addition<br>Dates | Area<br>(Sq. Ft.) | Acreage |     | Student<br>Capacity |
|---------------------------------------|--------------------------|-------------------|-------------------|---------|-----|---------------------|
| <b><u>Elementary Schools</u></b>      |                          |                   |                   |         |     |                     |
| Bluffsview                            | 1991                     |                   | 59,461            | 12.12   |     | 500                 |
| Brookside                             | 1964                     | 1967<br>1988      | 52,072            | 12.42   |     | 500                 |
| Colonial Hills                        | 1955                     | 1988              | 43,600            | 12.53   |     | 500                 |
| Evening Street                        | 1963                     | 1988              | 49,927            | 2.50    | (3) | 500                 |
| Granby                                | 1988                     |                   | 59,004            | 1.57    |     | 500                 |
| Liberty                               | 1981                     |                   | 53,297            | 25.57   | (1) | 500                 |
| Slate Hill                            | 1991                     |                   | 59,461            | 16.28   |     | 500                 |
| Sutter Park                           | 1986                     |                   | 57,642            | 25.57   | (1) | 500                 |
| Wilson Hill                           | 1962                     | 1968<br>1988      | 62,600            | 15.00   |     | 600                 |
| Worthington Estates                   | 1966                     | 1988<br>1988      | 66,338            | 12.00   |     | 600                 |
| Worthington Hills                     | 1970                     | 1999              | 53,006            | 12.02   |     | 500                 |
| Worthington Park                      | 1988                     |                   | 59,004            | 18.26   |     | 500                 |
| <b><u>Middle Schools</u></b>          |                          |                   |                   |         |     |                     |
| Kilbourne                             | 1938                     | 1965<br>1995      | 83,536            | 5.00    |     | 500                 |
| McCord                                | 1986                     |                   | 74,518            | 38.38   |     | 500                 |
| Perry                                 | 1970                     | 1988              | 67,738            | 33.48   | (5) | 500                 |
| Worthingway                           | 1966                     |                   | 65,587            | 14.94   |     | 500                 |
| <b><u>High Schools</u></b>            |                          |                   |                   |         |     |                     |
| Thomas Worthington                    | 1951                     | 1992<br>1994      | 283,964           | 81.50   | (2) | 1500                |
| Worthington Kilbourne                 | 1991                     |                   | 272,000           | 55.09   |     | 1500                |
| Linworth Alternative Campus           | 1918                     | 1992              | 16,400            | 4.46    | (4) | 250                 |
| <b><u>Miscellaneous Buildings</u></b> |                          |                   |                   |         |     |                     |
| Thomas Worthington HS Annex           | 1915                     |                   | 10,950            | 81.50   | (2) | N/A                 |
| Thomas Worthington HS Fieldhouse      | 1968                     |                   | 6,500             | 81.50   | (2) | N/A                 |
| Thomas Worthington Outdoor Bldg       | 1969                     |                   | 2,880             | 81.50   | (2) | N/A                 |
| Kingsmill Transportation Building     | 1988                     |                   | 10,100            | 3.58    |     | N/A                 |
| High Street Administration Bldg       | 1927                     |                   | 13,956            | 0.14    |     | N/A                 |
| Plant Operations Building             | 1970                     |                   | 4,980             | 4.46    | (4) | N/A                 |
| Receiving Center                      | 1970                     |                   | 4,980             | 4.46    | (4) | N/A                 |
| Landscape Maintenance Building        | 1963                     |                   | 10,400            | 2.50    | (3) | N/A                 |
| Perry Bus Garage                      | 1988                     |                   | 22,500            | 33.48   | (5) | N/A                 |
| Worthington Education Center          | 1979                     | 2001              | 66,787            | 6.99    |     | N/A                 |

- (1) Liberty and Sutter Park are on the same parcel
- (2) Included on the same parcel for Thomas Worthington High School
- (3) Landscape Building located on Evening Street parcel
- (4) Receiving Center and Plant Operations buildings located on Linworth Alternative parcel
- (5) Perry Bus garage located on Perry School parcel

Source: School District Records





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**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  
JANUARY 16, 2007**