

*Worthington City
School District*



*Comprehensive Annual Financial Report
For the Fiscal Year Ending
June 30, 2013
Worthington, Ohio*

WORTHINGTON CITY SCHOOL DISTRICT

WORTHINGTON, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT *For Fiscal Year Ended June 30, 2013*

Issued by:
Office of the Treasurer

Jeffery S. McCuen
Treasurer

Introductory Section



*Thomas Worthington
High School
National Merit Scholar
Semifinalists*



*Worthington Kilbourne High School
National Merit Scholar Semifinalists*



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

November 26, 2013,

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, 2013. This CAFR is prepared by the Treasurer and 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). Management is responsible for the contents of this report, and we believe the data presented is complete and 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. It is divided into three sections: Introductory, Financial, and Statistical. The Introductory section includes this letter of transmittal and organizational information. The Financial section includes the Auditor's report, the basic financial statements, which are prepared in accordance with GASB 34, and supplemental combining individual fund statements and budgetary comparison schedules. The Statistical section provides relevant financial and demographic data over the past ten years.

Management is also required to prepare a narrative introduction and overview of the financial statements in the form of Management's Discussion and Analysis, which can be found on page 3. This letter of transmittal is designed and should be read in conjunction with that analysis. Comments on the report are welcome and requests for additional financial information can be obtained by contacting the Office of the Treasurer.

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 approximately 9,500 students in grades pre-K through 12. 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 District provides a vast range of educational and support services as mandated by State statute and the desires of the community, which include but are not limited to, regular, special

WORTHINGTON CITY SCHOOL DISTRICT

needs, and vocational educational programs, guidance and support services, extracurricular activities, food service activities, and various community programs.

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, contracting body, and policy maker for the District and ensures that all general laws of the State of Ohio are followed in the expenditure of the District's tax dollars. It approves the annual appropriation resolution and five-year forecast and also directly approves all personnel-related expenditures. As of June 30, 2013, board members were as follows:

<u>Board Member</u>	<u>Service Began</u>	<u>Term Expires</u>	<u>Position</u>
David Bressman	1/1/02	12/31/13	President
Julie Keegan	1/1/08	12/31/15	Vice President
Marc Schare	1/1/06	12/31/13	Member
Jennifer Best	1/1/02	12/31/13	Member
Charlie Wilson	2/14/07	12/31/15	Member

The Superintendent is the Chief Executive Officer of the District, responsible to the Board for total educational and support operations. Dr. Thomas Tucker joined the Worthington School District as Superintendent in August 2011. He has been in education for over 20 years and came to Worthington from Licking Heights Local Schools where he served as superintendent for three years. He received his Master's degree and Doctorate from The Ohio State University. Dr. Tucker is member of the Dublin-Worthington Rotary and the Buckeye Association of School Administrators.

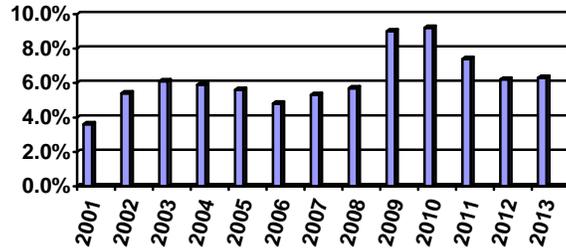
The Treasurer is the Chief Financial Officer of the District, responsible to the Board for maintaining all financial records, issuing warrants in payment of liabilities incurred by the District, acting as custodian of all District funds, preparing the District's 5-year forecast, and investing idle funds as permitted by Ohio law. Jeff McCuen assumed this role in August 2007. Prior to Worthington, he was the Assistant Treasurer in the Dublin City School District and has been in the government finance profession over 20 years. Mr. McCuen is a certified public accountant in the state of Ohio and an active member of the Worthington AM Rotary, the Government Finance Officers Association, and the Ohio Association of School Business Officials. He was recently awarded the Ohio GFOA's lifetime achievement award in recognition of his many years of service to the betterment of the profession.

WORTHINGTON CITY SCHOOL DISTRICT

Economic Outlook

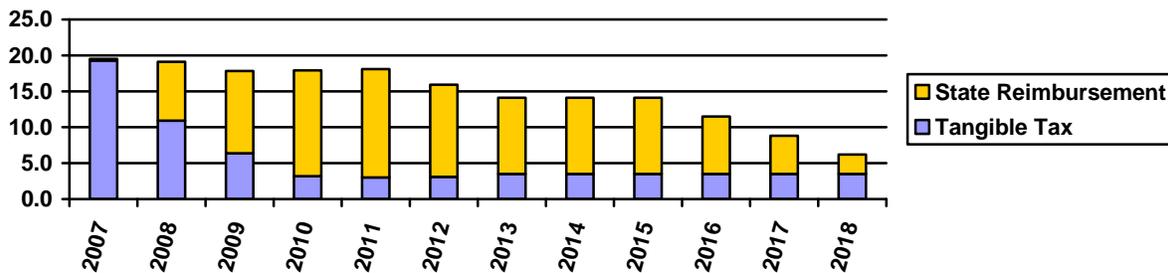
The District's economic condition is stable for the near term. The financial forecast of general fund operations for the next five years, as approved in October 2013, demonstrates that the District has a positive fund balance through June 30, 2018. Unemployment figures for June 2013, as illustrated below, remained consistent with prior year at 6.3 percent and is below the national average of 7.6 percent.

Franklin County Unemployment Rates



While the short term financial picture of the District has improved, there are still long term concerns, mainly the loss of tangible tax revenues that were eliminated in June 2005. The State had been reimbursing districts for this lost revenue. House Bill 153 (2011) accelerated the phase out of this reimbursement, creating a loss of \$2.2 million annually during fiscal years 2012 and 2013. The latest biennial budget, House Bill 59, has enacted a freeze on these monies for fiscal years 2014 and 2015 which will hold the District harmless. However, we have forecast the phase out to resume in fiscal year 2016 and continue as shown below, for a total estimated loss of almost \$13 million annually in 2018. The Board and Administration will continue to work to influence legislation to replace these lost funds.

Tangible Tax and Reimbursement Revenue



In order to maintain current programs and counter this loss in state revenue, the community approved an incremental operating tax levy request and a no new millage capital bond issue request in November 2012. The passage of the levy will allow current programs as well as maintenance upgrades, technology upgrades, and bus and equipment replacements to continue on schedule.

WORTHINGTON CITY SCHOOL DISTRICT

Community Relations

The Administrative team holds in high regard the involvement of key stakeholders, including students, parents, staff members, businesses, public officials and the community members. Management welcomes participation and feedback from these groups. The Superintendent has created several community conversations representing opportunities to engage in two-way communications with a variety of key community groups.

The District is proud of its many partnership programs including those with Worthington Public Libraries, the Griswold Center, the Worthington Arts Council, the American Cancer Society's Relay for Life Program, the United Way, the Worthington Chamber of Commerce and the City of Worthington. It is with solid partnerships and community support that an excellent school district is not only created, but maintained.

Employee Relations

The District had 1,135 full time equivalent employees during the 2012-13 school year. The Worthington Education Association (WEA) represents certified staff for collective bargaining purposes and the Worthington Educational Support Professionals (WESP) represent classified staff. During fiscal year 2011, the Board successfully concluded negotiations with both organizations. The WESP agreement includes no pay increase in 2012 and a 1.25% increase in 2013 with no step increase and another 0.5% increase for meeting certain academic goals, which the District has met. Additionally, WESP union members agreed in 2013 to take on 1% more of health insurance premium costs as well as 5% more of deductible costs. The WEA agreement included no pay increase in 2011-12, no increase in 2012-13, and a 0.5% increase in 2013-14 with an additional 0.5% increase due to the District meeting certain academic goals in 2012-13. Additionally, WEA members agreed to hold steady the 14% of health insurance premiums they pay while also taking on 20% more of their deductible amount beginning in 2013. Both agreements contain a clause limiting the Board's exposure to an increase in premium renewal rates. Negotiations will begin in the coming months for future years.

Major Achievements - 2013

Worthington has a legacy of offering high quality education for our students while striving to be as efficient as possible. We will continue to trim costs in smart ways with a focus on the excellent quality of our schools and community, all while bringing maximum value to the taxpayers. Over 50 teachers retired at the end of the year and the Human Resources Department has worked tirelessly to fill those positions with bright and upcoming educators. Through our extensive mentorship program and professional development collaboration, we are confident these teachers will provide the same level of service to our students while saving the District over \$1.6 million in annual salary.

The District implemented an entire new student management system, Infinite Campus. The system has allowed the District to better track student information and to integrate into other systems within the District for record keeping.

The 2012-13 report card came with changes on how the Department of Education reports the information. The District met all 24 indicators for testing throughout the District. The District also received an "A" in progress sections labeled Overall, Gifted Students, Students in the Lowest 20% in Achievement and Students with Disabilities. The report card did disclose some areas where improvement can be made which will be a focus of the District moving forward.

WORTHINGTON CITY SCHOOL DISTRICT

Major Goals – 2014 Keeping the Passion

The 2014 school year will be a very exciting yet challenging time for our District. New state academic standards will be implemented, a new teacher evaluation system will be implemented, and all Board of Education policies will be updated over a three-year period. A hallmark of any successful business is its ability to adapt and adjust to an ever changing world. Our District must change to meet the needs of a changing student population, one that is much more diverse, both ethnically and socio-economically, than it was a decade ago. We must be able to adjust both our content and our delivery to meet their needs.

The District will focus on implementing the Common Core Standards in English, Language Arts and Mathematics during the 2013-2014 school year. The standards set a rigorous definition for college and career readiness. The standards will demand that students develop a depth of understanding and ability to apply knowledge to situations as college students and employees regularly do.

The District will also focus on fully implementing the Third Grade Reading Guarantee. Additional support will be offered to those students identified as reading below grade level. High-quality, student-centered, intensive intervention—especially for first and second graders—should help more students read on grade level by the end of third grade and prevent mandatory retentions.

Financial Information

Internal Controls - The management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. Management believes the internal controls adequately meet the above objectives.

Budgetary Information - The District maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds, with the exception of custodial agency funds, are included in the annual appropriation resolution. The level of budgetary control is established at the object level within the General Fund and at the fund level for all other funds. The District maintains an encumbrance method of accounting to accomplish budgetary control. Unencumbered amounts lapse at year end. The District's most recent award winning comprehensive budget document is available on our website, www.worthington.k12.oh.us.

Financial Planning and Policies – As required by Ohio Revised Code, the District adopts a five-year financial forecast annually to ensure long term financial success. It serves as a planning tool to certify if funds are available for future expenditures and to strategize when the District will need to return to voters for additional funds or to reduce expenditures accordingly. The most recent forecast, approved in October 2013, shows positive unrestricted fund balance through fiscal year 2018. Management and the board will continue to monitor future spending and maintain programs to ensure the District offers a top notch education.

WORTHINGTON CITY SCHOOL DISTRICT

Independent Auditors

The basic financial statements of the District for the year ended June 30, 2013, were audited by the Ohio Auditor of State whose unmodified opinion thereon is included at the beginning of the Financial Section of this report.

Awards

GFOA Certificate of Achievement The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Worthington City School District for its Comprehensive Annual Report for the fiscal year ended June 30, 2012. This was the 20th 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 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. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

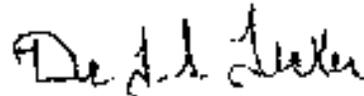
The preparation of this report was made possible by the diligence of the staff of the entire Financial Services department. Their initiative and conscientious work ensured the integrity of the information contained herein and guaranteed this report's successful completion.

In closing, we would like to thank the Board of Education for their support of the value of quality financial information that makes this report possible. The Board's continued support of absolute excellence will continue to have an exponential impact.

Respectfully submitted,



Jeffrey S, McCuen, Treasurer/CFO



Thomas Tucker, Superintendent

Elected Worthington City Schools Board of Education



<u>Board Member</u>	<u>Service Began</u>	<u>Term Expires</u>	<u>Position</u>	<u>Contact</u>
Charlie Wilson	2/14/07	12/31/14	Member	614-292-3079
David Bressman	1/1/02	12/31/13	President	614-507-6195
Jennifer Best	1/1/08	12/31/13	Member	614-761-2746
Marc Schare	1/1/06	12/31/13	Member	614-791-0067
Julie Keegan	1/1/08	12/31/14	Vice President	614-846-8825

Appointed Administrative Leaders



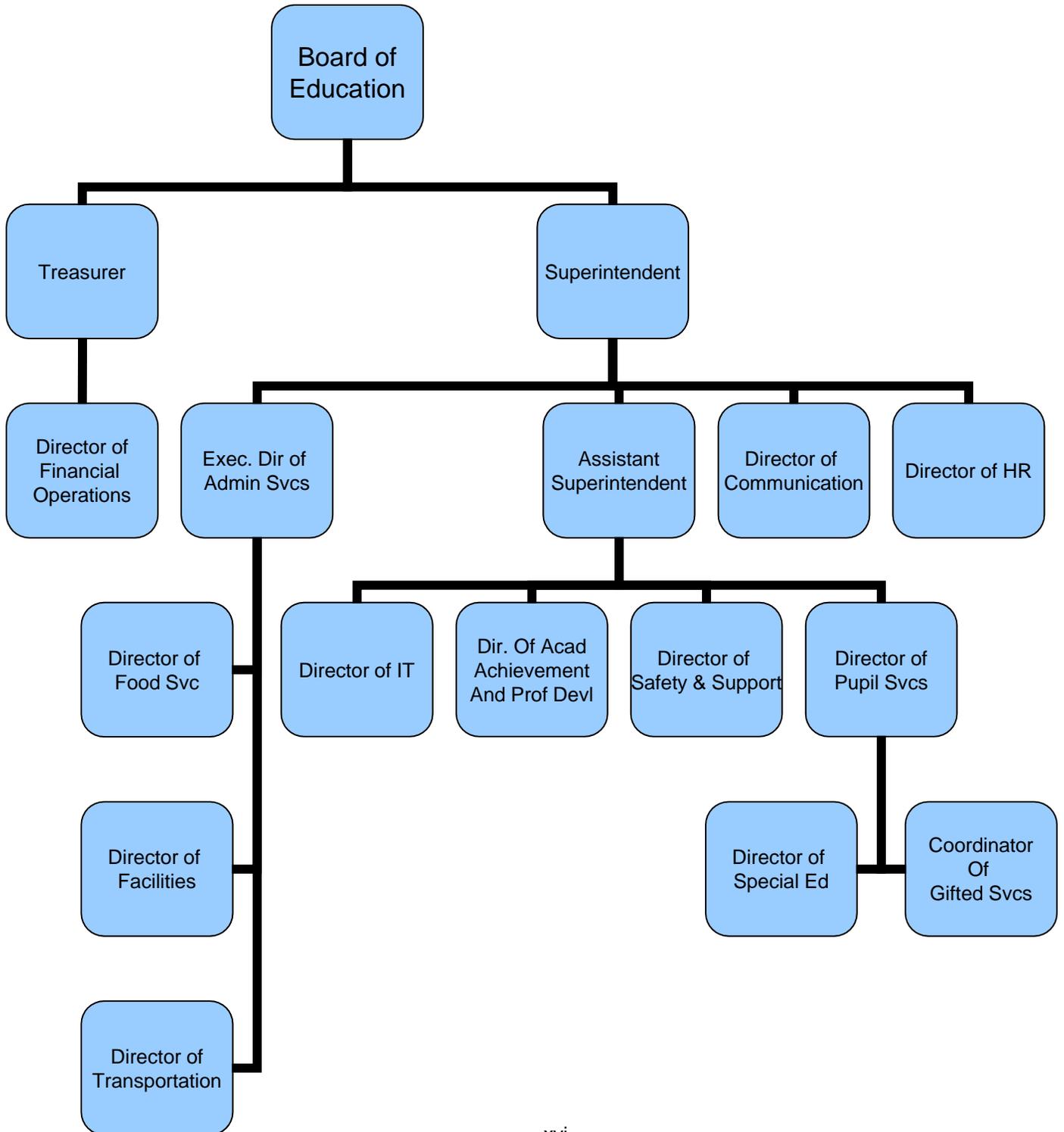
Thomas Tucker, PhD
Superintendent
 614-450-6021

- Trent Bowers, Assistant Superintendent..... 450-6040
- TJ Cusick, Director of Financial Operations..... 450-6171
- Rebecca Dunn, Director of Food Services 450-6142
- Tim Gehring, Director of Facilities..... 450-6177
- Vicki Gnezda, Director of Communications 450-6012
- Shirley Hamilton, Director of Pupil Services..... 450-6014
- George Joseph, Director of Administrative Services..... 450-6031
- Jeff Maddox, Director of Student Support/Safety..... 450-6029
- Keith Schlarb, Director of Technology..... 450-6131
- George Sontag, Director of Transportation..... 450-6600
- Jennifer Wene, Director of Academic Achievement..... 450-6000



Jeff McCuen, CPA
Chief Financial Officer
 614-450-6121

Worthington City School District
Organizational Chart
June 30, 2013





Government Finance Officers Association

**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, 2012

Executive Director

WORTHINGTON CITY SCHOOL DISTRICT

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Financial Section



*Phoenix Middle School
students utilize pumpkins
during a Math lesson*



*Colonial Hills Elementary students
participate in Bully Prevention Month*





Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Worthington City School District, Franklin County, Ohio, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* and *required budgetary comparison schedule* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The financial section's combining statements, individual fund statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are 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 section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2013, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

November 26, 2013

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Worthington City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013
(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, 2013. 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

Key financial highlights for the fiscal year 2013 were as follows:

- Total Assets increased \$52.0 million, primarily the result of the issuance of \$40 million of capital improvement bonds as a result of the passage of a bond levy in November 2012. The District will utilize these funds over a five year period to improve facilities, upgrade technology, replace buses and replace student instructional equipment.
- Receivables increased \$8.5 million as a result of property taxes receivable due to passage of an incremental property tax levy in November 2012. Funds generated from this levy will be used to offset lost state revenue and maintain current programs.
- Total liabilities of the District increased \$37.4 million primarily the result of the issuance of the capital improvement bonds discussed above.
- Total revenues remained flat at \$136 million. A decrease in state revenues of \$1.6 million was offset by an increase in general property tax revenues of \$2.0 million.
- Total expenses of the District decreased \$0.7 million. Over forty teachers retired at the end of fiscal year 2012 and the District was able to utilize the savings from lower replacement salaries to offset inflationary increases in healthcare costs, purchased serves and supplies.

Using this Comprehensive Annual Financial Report

This comprehensive annual financial report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole, and then proceed to provide an increasingly detailed look at specific financial statements.

The Statement of Net Position and the Statement of Activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide a greater level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds, with all other non-major funds presented in total in a single column.

Worthington City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

Reporting the District as a Whole

The Statement of Net Position 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 Position 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, deferred outflows of resources, liabilities and deferred inflows of resources 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 position and changes in it. The change in net position 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.

In the Statement of Net Position and the Statement of Activities, all of the District's activities are reported as governmental including instruction, support, non-instruction, co-curricular, and interest and fiscal charges.

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 Position and the Statement of Activities) and governmental funds is reconciled in the basic financial statements.

Worthington City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

Proprietary Funds

Proprietary funds use the accrual basis of accounting; the same as on the entity-wide statements. The District uses an internal service fund to account for the Intra-District Services Fund which provides copy and print services to other funds, as well as an internal service fund to account for a self-insurance program for workers compensation insurance. The assets, liabilities, and net position of the internal service funds have been included within the governmental activities.

Fiduciary Funds

The District has three fiduciary funds: a Private Purpose Trust Fund and two Agency Funds including a Student Managed Activities and a District Tournament Host fund. The District's fiduciary activities are reported in the Statement of Net Position, 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 position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$91.1 million according to the Statement of Net Position at the close of the most recent fiscal year.

One of the larger portions of the District's net position (17.6%) reflects its net 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 usually 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.

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A comparative analysis of fiscal year 2013 to 2012 follows from the Statements of Net Position:

Worthington City School District		
Net Position		
	<u>2013</u>	<u>Restated**</u> <u>2012</u>
Current Assets	\$ 201,991,908	\$ 149,056,774
Capital Assets	65,235,943	66,140,349
Total Assets	<u>267,227,851</u>	<u>215,197,123</u>
Total Deferred Outflows of Resources	<u>172,447</u>	<u>196,747</u>
Current Liabilities	19,860,450	18,776,743
Long-Term Liabilities	98,228,190	61,867,462
Total Liabilities	<u>118,088,640</u>	<u>80,644,205</u>
Total Deferred Inflows of Resources	<u>58,200,707</u>	<u>48,837,015</u>
Net Position:		
Net Investment in Capital Assets	16,037,554	19,805,237
Restricted	6,997,526	4,092,720
Unrestricted	68,075,871	62,014,693
Total Net Position	<u>\$ 91,110,951</u>	<u>\$ 85,912,650</u>

** Restatement of prior year financial statements due to GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement No. 65 "Items Previously Recognized as Assets and Liabilities". See note 18 for additional information.

Total assets increased \$52.0 million. Receivables increased \$8.5 million due to the passage of a property tax operating levy in November 2012. Cash and investments increased by \$44.8 million primarily due to the issuance of \$40 million of capital improvement bonds that will be utilized over the next five years.

Long term liabilities increased \$36.4 million primarily due to the issuance of new debt offset by \$4.5 million in principal payments on outstanding debt.

Deferred inflows of resources increased \$9.4 million due to the passage of the operating property tax levy. Property taxes are collected one year in arrears and future anticipated revenues are not available to fund current period.

Total net position increased \$5.2 million from the prior year. A portion of the net position (7.7 percent) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing activities. In order to further understand what makes up the changes in net position for the current year, the following comparative analysis of fiscal year 2013 and 2012 follows from the statement of activities:

Worthington City School District
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For the Fiscal Year Ended June 30, 2013
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**Worthington City School District
Changes in Net Position**

	2013	Restated 2012
<u>Program revenues:</u>		
Charges for services	\$ 4,843,791	\$ 5,051,652
Operating Grants and Contributions	5,738,411	5,637,083
Total Program Revenues	\$ 10,582,202	\$ 10,688,735
<u>General revenues:</u>		
Property taxes	\$ 90,248,190	\$ 88,420,529
State entitlements	34,956,257	36,551,716
Investment income	157,364	294,842
Other	771,847	768,401
Total General Revenues	\$ 126,133,658	\$ 126,035,488
Total Revenues	\$ 136,715,860	\$ 136,724,223
<u>Expenses:</u>		
Instructional	\$ 74,523,358	\$ 74,047,494
Support services	47,043,311	47,950,360
Food service	2,899,772	3,145,849
Community services	2,007,388	1,612,180
Co-curricular student activities	2,703,946	2,660,440
Interest and Fiscal Charges	2,339,784	2,792,187
Total expenses	\$ 131,517,559	\$ 132,208,510
Change in Net Position	\$ 5,198,301	\$ 4,515,713
Net Position Beginning of Year, As Restated	85,912,650	81,396,937
Net Position End of Year	\$ 91,110,951	\$ 85,912,650

Key elements of the change in net position are:

- State entitlements decreased \$1.6 million due mainly to the phase out of tangible personal property tax reimbursement from the State (\$2.2 million) offset by an increase in homestead and rollback revenues relating to the November 2012 levy.
- Property taxes increased \$1.8 million as a result of the November 2012 incremental levy.
- Total expenses decreased \$0.7 million. Over forty teachers retired at the end of fiscal year 2012 and the District was able to utilize the savings from lower replacement salaries to offset inflationary increases in healthcare costs, purchased serves and supplies.

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

Worthington City School District
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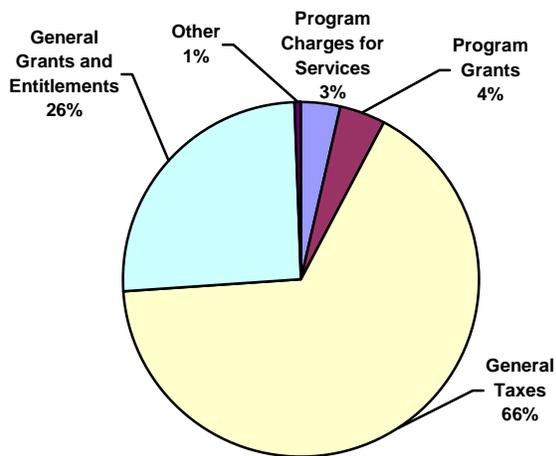
of operating tax issues, management of the resources is of paramount concern to the District's administration and the voting public. The District utilizes a five-year cash financial forecast to estimate revenues and control expenditures to assure tax levy revenues can maintain operations for a significant period of time.

Governmental Activities

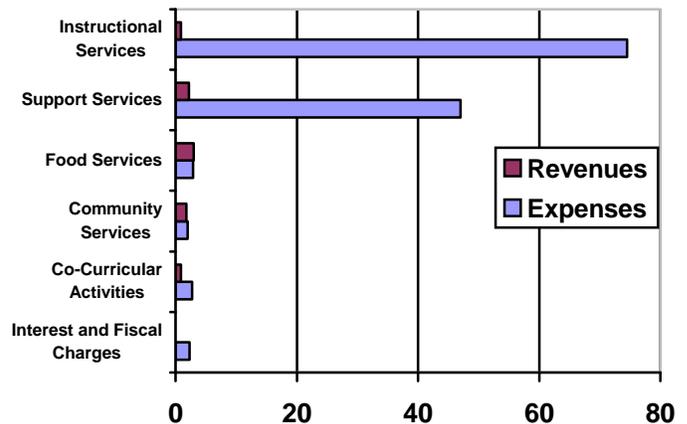
The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for the governmental activities. General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

<u>Programs</u>	Governmental Activities			
	Total Cost of Services		Net Cost (Benefit) of Services	
	<u>2013</u>	Restated <u>2012</u>	<u>2013</u>	Restated <u>2012</u>
Instructional services	\$ 74,523,358	\$ 74,047,494	71,819,477	71,063,443
Support services	47,043,311	47,950,360	44,872,749	45,888,659
Food services	2,899,772	3,145,849	(98,857)	113,592
Community services	2,007,388	1,612,180	226,865	(156,614)
Co-curricular student activities	2,703,946	2,660,440	1,775,329	1,818,508
Interest and Fiscal Charges	2,339,784	2,792,187	2,339,784	2,792,187
Total	\$ 131,517,559	\$ 132,208,510	120,935,347	121,519,775

Revenue By Source



Expense and Program Revenue (in millions)



The District's reliance upon tax revenues is demonstrated by the graph above that indicates 66% of total revenues for governmental activities come from local taxes. The net services

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column reflecting the need for \$120.9 million of support indicates the reliance on general revenues to support governmental activities.

The chart above reflects how the District funds its programs through program revenues. Instructional services, support services, co-curricular activities, and interest charges rely heavily on general revenues. Food services and community services still rely on general revenues, but not to as great an extent.

The District's Funds

The District's governmental funds reported a combined fund balance of \$117.3 million, which represents an increase of \$42.6 million from the prior year. A comparison of total fund balance for each major fund is shown below:

Fund	Fund Balance June 30, 2013	Fund Balance June 30, 2012	Increase (Decrease)
General Fund	\$ 70,559,677	\$ 63,356,359	\$ 7,203,318
Debt Service Fund	5,699,723	4,274,857	1,424,866
Building Fund	38,334,956	4,198,543	34,136,413
Other Governmental Funds	2,678,214	2,884,674	(206,460)
Total	<u>\$ 117,272,570</u>	<u>\$ 74,714,433</u>	<u>\$ 42,558,137</u>

General Fund

The District's General Fund balance increased \$7.2 million from the prior year. The tables that follow illustrate the financial activities of the General Fund.

Revenues	2013	2012	Change
Property Taxes	\$ 84,566,195	\$ 82,750,042	\$ 1,816,153
Intergovernmental	34,317,217	35,647,818	(1,330,601)
Investment Income	42,556	263,780	(221,224)
Other Revenue	2,823,788	2,510,923	312,865
Total	<u>\$ 121,749,756</u>	<u>\$ 121,172,563</u>	<u>\$ 577,193</u>

Property tax revenue increased due to an incremental operating levy passed in November 2012. Intergovernmental revenue decreased due to the phase out of tangible personal property tax reimbursement from the State (\$2.2 million) offset by an increase in homestead and rollback revenues relating to the November 2012 levy (\$0.7). Investment income decreased due to a sharp decline in bond values in June. The District marks its investments to market but intends to hold them to maturity and not realize any losses. Other revenues include tuition and fees, co-curricular, and miscellaneous revenue.

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As the table below indicates, the largest portion of General Fund expenditures is for instructional services, primarily for salaries and fringe benefits. The District is a service entity and therefore is labor intensive.

General Fund Expenditures by Function			
	2013	2012	Change
Instructional services	\$ 68,662,367	\$ 67,876,874	1.2%
Support services	42,882,024	42,730,094	0.4%
Community Service	1,084,983	880,447	23.2%
Co-curricular student activities	1,851,971	1,840,106	0.6%
Capital outlay	180,321	269,959	-33.2%
Total	\$ 114,661,666	\$ 113,597,480	0.9%

Total General Fund expenditures increased by \$1.0 million from the prior year, less than 1 percent. Instruction services increased \$.8 million due to the rising costs of special education staff and services. Over forty teachers retired at the end of fiscal year 2012 and the District was able to utilize the savings from lower replacement salaries to offset inflationary increases in healthcare costs, purchased serves and supplies.

Debt Service Fund

The Debt Service Fund balance increased \$1.4 million from the prior year. This is due to the timing variances between property tax collections and debt payments as well the premium on the new debt issuance that will be used to pay down the debt.

Building Fund

The Building Fund increased \$34.1 million as a result of the passage of a capital improvement bond levy in November 2012. Although these funds will be used over a five year period, the District issued all bonds during 2013 to take advantage of historically low interest rates and mitigate future interest rate risk. Several projects were completed including heating and cooling upgrades, purchase of 5 new buses, a new roof at McCord Middle School , and the purchase of other classroom replacement equipment. A complete list of projects can be found on our website, www.worthington.k12.oh.us.

Other Governmental Funds

Other governmental funds consist of a capital project fund and special revenue funds. These are mainly grant funds in which proceeds are to be spent timely and revenues generally approximate expenditures. The total fund balances of Other Nonmajor Governmental Funds decreased \$206,460, mainly the result of spending down remaining auxiliary service grant funds which were in second year of their biennium budget.

Worthington City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

Internal Service Funds

The District has two internal service funds, an Intra-District Services Fund to provide printing and copying services and an Employee Benefits Insurance Fund to account for a worker's compensation self-insurance program. Premiums paid into the fund remained consistent at 0.7% of covered payroll from 2012 to 2013. Net position of the fund at the June 30, 2013 was \$1.6 million.

Capital Assets

The District has \$65.2 million invested in capital assets net of depreciation at the close of fiscal year 2013. Acquisitions totaled \$3.2 million and include a new roof at McCord Middle School, 5 new buses, and various other replacement equipment. Depreciation for the year totaled \$4.1 million. Detailed information regarding capital asset activity is included Footnote 8 of the notes to the basic financial statements. In addition, the District had numerous construction commitments outstanding at June 30, 2013 as a result of the ongoing capital improvement plan; these commitments are described in footnote 14 of the notes to the basic financial statements.

Debt

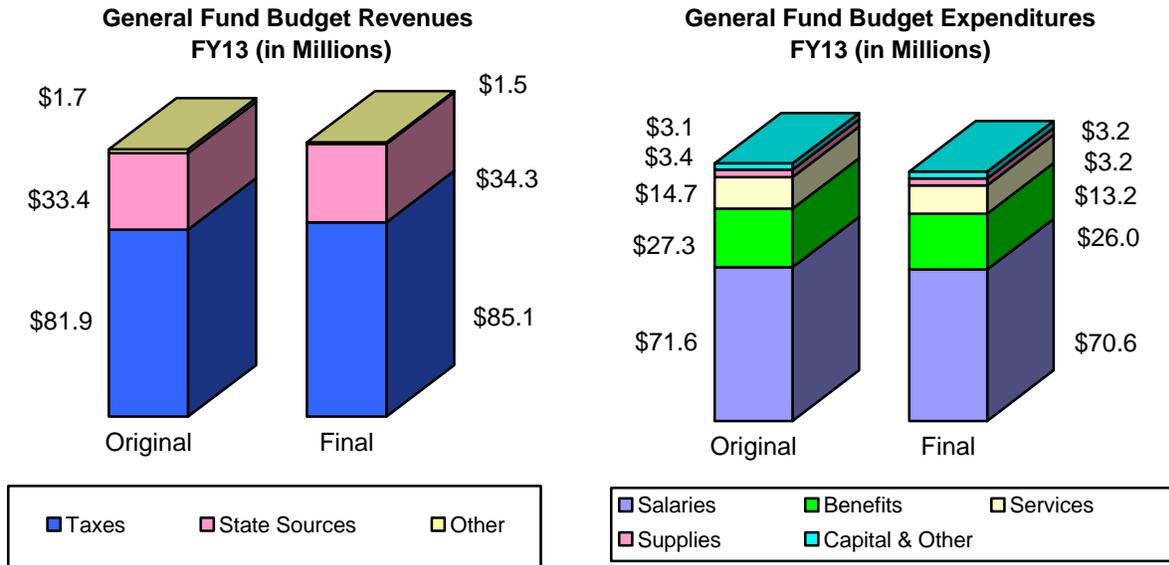
On June 30, 2013, the District had \$88.4 million in outstanding notes, certificates of participation and bonds. The District issued \$40.4 million in total debt during the fiscal year, and paid \$4.5 million in principal and \$1.8 million in interest on that debt during the year. Detailed information regarding long-term debt is included in Footnote 9 of the notes to the basic financial statements.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% (exclusive of any accretion on deep discount debt and certificates of participation) of the total taxable valuation of real and personal property. As of June 30, 2013, the District's general obligation debt was below the legal limit.

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 budget as changes in revenues and spending patterns are experienced. The most significant budgeted fund is the General Fund, and it is monitored closely, looking for possible shortfalls or overspending by individual departments.

Worthington City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)



General Fund revenues and other financing sources were originally budgeted for \$116.9 million and final budget and actual revenues and other financing sources were \$121.0 million. The increase was due to the passage of the operating levy in November 2012. Other revenues include investment income, tuition and fees, miscellaneous, and other financing sources. Expenditures and other financing uses were originally budgeted at \$120.5 million and final and actual expenditures and other financing uses were \$116.6 million. This was a result of savings related to over 40 retirees that were replaced with entry level teachers.

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.

Current Financial and Economic Conditions

The latest five-year forecast passed in October 2013 shows a positive cash balance through fiscal year 2018. However, the long term financial stability of the District is not without challenges.

The first challenge is for management to ensure resources can be preserved as long as possible by continuing to maintain careful financial planning and prudent fiscal management. We will closely monitor budget area and seek ways in which spending can be reduced without hindering the quality of education.

Worthington City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)

The second challenge is based in the local economy and the state funding of education in Ohio. The district has limited available land upon which to build new homes and businesses, creating a minimal rate of new construction upon which the primary revenue source of local taxes is based. Flaws in the state funding formula result in more lost state revenue from inflationary increases in home and business values than is generated in local tax increases from the increased value, commonly known as phantom revenue. Additionally, we are forecasting the continued phase out of tangible tax reimbursement after fiscal year 2015 which represents a significant portion of total state revenues. The District passed an incremental operating property tax levy in November 2012 to replace lost state funds, these funds will be used to continue to offer a high quality of education to students and the community.

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/CFO of the Worthington City School District, Jeffrey S. McCuen at 200 E. Wilson Bridge Rd. Worthington, Ohio 43085.

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BASIC FINANCIAL STATEMENTS

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

	Governmental Activities
Assets:	
Cash and Investments	\$ 107,912,344
Inventory	271,737
Receivables	93,078,440
Intergovernmental Receivable	729,387
Land and Construction in Progress	10,537,123
Depreciable Capital Assets, net	54,698,820
Total Assets	267,227,851
Deferred Outflows of Resources	172,447
Liabilities:	
Accounts Payable	4,473,944
Accrued Liabilities	10,055,924
Intergovernmental Payable	5,330,582
Long-Term Liabilities:	
Due within One Year	5,740,653
Due in More Than One Year	92,487,537
Total Liabilities	118,088,640
Deferred Inflows of Resources	58,200,707
Net Position:	
Net Investment in Capital Assets	16,037,554
Restricted for:	
Debt Service	5,720,009
Capital Oulay	893,745
School Supplies	146,936
Non-Public Schools	58,650
Other Purposes	178,186
Unrestricted	68,075,871
Total Net Posiiton	\$ 91,110,951

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
Governmental Activities				
Instruction				
Regular	\$ 59,983,167	\$ 774,544	\$ 91,732	\$ (59,116,891)
Special	13,505,383	207,238	1,528,055	(11,770,090)
Vocational	1,011,980	-	91,288	(920,692)
Other	22,828	-	11,014	(11,814)
Support Services				
Pupils	6,723,710	89,283	935,276	(5,699,151)
Instructional Staff	10,760,491	10,434	848,377	(9,901,680)
Board of Education	36,938	-	-	(36,938)
Administration	8,432,818	2,857	78,493	(8,351,468)
Business	3,101,183	-	-	(3,101,183)
Operation and Maintenance of Plant	12,076,687	122,973	-	(11,953,714)
Pupil Transportation	4,509,730	16,174	801	(4,492,755)
Central	1,401,754	33,494	32,400	(1,335,860)
Food Service Operations	2,899,772	1,706,788	1,291,841	98,857
Community Services	2,007,388	951,389	829,134	(226,865)
Co-curricular Student Activities	2,703,946	928,617	-	(1,775,329)
Interest and Fiscal Charges	2,339,784	-	-	(2,339,784)
Total Governmental Activities	\$ 131,517,559	\$ 4,843,791	\$ 5,738,411	\$ (120,935,357)
General Revenues				
Property Taxes Levied for:				
				\$ 84,497,215
				5,750,975
				34,956,257
				157,364
				771,847
				<u>126,133,658</u>
				5,198,301
				<u>85,912,650</u>
				<u>\$ 91,110,951</u>

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013**

	General Fund	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Investments	\$ 58,648,106	\$ 3,776,723	\$40,296,170	\$ 3,417,924	\$ 106,138,923
Inventory	142,703	-	-	81,837	224,540
Receivables	87,316,434	5,760,670	-	1,336	93,078,440
Interfund Receivable	126,927	-	-	-	126,927
Intergovernmental Receivable	13,478	-	-	715,909	729,387
Total Assets	\$146,247,648	\$ 9,537,393	\$40,296,170	\$ 4,217,006	\$ 200,298,217
Liabilities:					
Accounts Payable	\$ 2,290,585	\$ -	\$ 1,961,214	\$ 195,746	\$ 4,447,545
Accrued Liabilities	9,219,262	-	-	556,416	9,775,678
Interfund Payable	54,209	-	-	130,164	184,373
Intergovernmental Payable	5,104,185	-	-	187,840	5,292,025
Total Liabilities	16,668,241	-	1,961,214	1,070,166	19,699,621
Deferred Inflows of Resources:					
Unavailable Revenue	4,356,161	300,532	-	468,626	5,125,319
Property Taxes	54,663,569	3,537,138	-	-	58,200,707
Total Deferred Inflows of Resources	59,019,730	3,837,670	-	468,626	63,326,026
Fund Balances:					
Nonspendable:					
Inventory	142,703	-	-	81,837	224,540
Restricted for:					
Debt Service	-	5,699,723	-	-	5,699,723
Capital Outlay	-	-	38,334,956	-	38,334,956
School Supplies	-	-	-	146,936	146,936
Non-public Schools	-	-	-	93,797	93,797
Other Purposes	-	-	-	68,896	68,896
Committed to:					
Capital Outlay	-	-	-	2,334,169	2,334,169
Extracurricular Activities	-	-	-	345,324	345,324
Budget Contingency	3,118,000	-	-	-	3,118,000
Assigned for:					
Encumbrances	2,350,474	-	-	-	2,350,474
Unassigned	64,948,500	-	-	(392,745)	64,555,755
Total Fund Balances	70,559,677	5,699,723	38,334,956	2,678,214	117,272,570
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$146,247,648	\$ 9,537,393	\$40,296,170	\$ 4,217,006	\$ 200,298,217

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

Total Governmental Fund Balances \$ 117,272,570

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 65,133,138

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavaiilable revenue in the funds.

Taxes	4,577,293	
Intergovernmental	475,296	
Interest	72,730	
Total	5,125,319	5,125,319

The accounting loss reported as a deferred outflow of resources is applicable to future reporting periods and is not reported on the fund statements. 172,447

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.

Bonds Payable	(82,263,970)	
Notes Payable	(1,676,000)	
Certificates of Participation	(4,459,622)	
Interest Payable	(280,246)	
Compensated Absences	(9,558,924)	
Total	(98,238,762)	(98,238,762)

Two Internal Service Funds are used by management to charge the cost of copying and printing as well as workers compensation insurance to individual funds. The assets and liabilities of the Internal Service fund are included in governmental activities in the Statement of Net Position. 1,646,239

Net Position of Governmental Activities \$ 91,110,951

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Debt Service Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property and Other Local Taxes	\$ 84,566,195	\$ 5,779,687	\$ -	\$ -	\$ 90,345,882
Intergovernmental	34,317,217	925,538	-	5,594,818	40,837,573
Investment Income	42,556	-	40,565	1,513	84,634
Tuition and Fees	1,614,160	-	-	367,032	1,981,192
Co-curricular Activities	-	-	-	669,730	669,730
Customer Sales and Services	321,885	-	-	1,708,994	2,030,879
Other	887,743	-	-	46,092	933,835
Total Revenues	121,749,756	6,705,225	40,565	8,388,179	136,883,725
Expenditures:					
Current:					
Instruction:					
Regular	55,875,583	-	882,218	461,378	57,219,179
Special	11,773,109	-	1,284	1,621,403	13,395,796
Vocational	1,011,878	-	-	-	1,011,878
Other	1,797	-	-	21,047	22,844
Support services:					
Pupils	5,920,762	-	-	843,505	6,764,267
Instructional Staff	9,527,969	-	200,076	952,691	10,680,736
Board of Education	36,964	-	-	-	36,964
Administration	8,302,140	-	6,048	79,316	8,387,504
Business	2,893,847	99,369	64,449	45,656	3,103,321
Operation and Maintenance of Plant	10,885,879	-	741,694	1,912	11,629,485
Pupil Transportation	4,055,772	-	-	3,407	4,059,179
Central	1,258,691	-	422	49,669	1,308,782
Food Service Operations	-	-	6,309	2,926,293	2,932,602
Community Services	1,084,983	-	-	887,313	1,972,296
Co-curricular Student Activities	1,851,971	-	-	611,585	2,463,556
Capital Outlay	180,321	-	2,810,377	160,892	3,151,590
Debt service:					
Principal	-	4,487,000	-	-	4,487,000
Interest	-	1,789,597	-	-	1,789,597
Issuance Costs	-	392,332	-	-	392,332
Total Expenditures	114,661,666	6,768,298	4,712,877	8,666,067	134,808,908
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,088,090	(63,073)	(4,672,312)	(277,888)	2,074,817
Other financing sources (uses):					
Proceeds from Sale of Capital Assets	-	-	-	71,428	71,428
General Obligation Bonds Issued	-	-	37,240,000	-	37,240,000
Premium on Bonds Issued	-	411,892	2,760,000	-	3,171,892
Transfers In	1,191,275	1,076,047	-	-	2,267,322
Transfers Out	(1,076,047)	-	(1,191,275)	-	(2,267,322)
Total other financing sources (uses)	115,228	1,487,939	38,808,725	71,428	40,483,320
Net Change in Fund Balances	7,203,318	1,424,866	34,136,413	(206,460)	42,558,137
Fund Balance Beginning of Year	63,356,359	4,274,857	4,198,543	2,884,674	74,714,433
Fund Balance End of Year	\$ 70,559,677	\$ 5,699,723	\$ 38,334,956	\$ 2,678,214	\$ 117,272,570

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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, 2013

Net Change in Fund Balances - Total Governmental Funds **\$ 42,558,137**

Amounts reported for governmental activities in the statement of activities are different because:

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.

Depreciation Expense	(4,068,497)	
Capital Outlay	3,151,590	
Total	(916,907)	(916,907)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the gains and losses on the disposal of capital assets.

Proceeds From Sale of Capital Assets	(71,426)	
Loss on Disposal of Capital Assets	(2,131)	
Total	(73,557)	(73,557)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Taxes	(97,692)	
Intergovernmental	(142,905)	
Interest	72,730	
Total	(167,867)	(167,867)

Proceeds from the sale of bonds and notes are recorded as other financing sources in the governmental funds, but the proceeds are recorded as a liability and therefore not recorded in the statement of activities

(37,240,000)

Repayment of bond principal is recorded as expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities

4,487,000

The accounting loss on refunded debt is reported as an expenditure at the time of refunding in the governmental funds, but is amortized over the life of the new debt in the statement of activities

(24,300)

Premium on issuance of bonds is recorded as other financing sources in the governmental funds, but the premium is recorded as part of the bond liability and amortized over the life of the bonds in the statement of activities and therefore is not recorded in the statement of activities.

Premium Received	(3,171,892)	
Current Year Amortization	371,344	
Total	(2,800,548)	(2,800,548)

In the statement of activities, interest is accrued on outstanding bonds and long term notes payable, whereas in governmental funds, an interest expenditure is reported when due.

(110,806)

Some expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Compensated Absences	(207,203)	
Capital Bond Accretion	(394,093)	
Total	(601,296)	(601,296)

Two internal service funds used by management to charge the costs of copying and printing services and workers compensation 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 (expense) of the internal service fund is allocated among the governmental activities.

88,445

Change in Net Position of Governmental Activities **\$ 5,198,301**

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF NET POSITION
PROPRIETARY FUND
AS OF JUNE 30, 2013

	Governmental Activities- Internal Service Funds
Assets	
Current Assets:	
Cash and Investments	\$ 1,773,421
Inventory	47,197
Interfund Receivable	57,446
Total Current Assets	1,878,064
Noncurrent Assets:	
Depreciable Capital Assets, net	102,805
Total Assets	1,980,869
Liabilities	
Current Liabilities:	
Accounts Payable	26,399
Intergovernmental Payable	38,557
Compensated Absences Payable	7,647
Claims Payable	105,000
Total Current Liabilities	177,603
Long-Term Liabilities:	
Claims Payable	157,027
Total Liabilities	334,630
Net Position	
Net Investment in Capital Assets	102,805
Unrestricted	1,543,434
Total Net Position	\$ 1,646,239

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR FISCAL YEAR ENDED JUNE 30, 2013

	Governmental Activities- Internal Service Funds
OPERATING REVENUES:	
Charges for Services	\$ 1,052,250
Total Operating Revenues	1,052,250
OPERATING EXPENSES:	
Salaries	178,397
Fringe benefits	93,425
Purchased Services	300,470
Material and Supplies	248,793
Depreciation	36,550
Claims	109,543
Total Operating Expenses	967,178
Operating Income	85,072
NON-OPERATING REVENUES:	
Interest	3,373
Total Non-Operating Revenues	3,373
Net Change in Net Position	88,445
Net Position at Beginning of Year	1,557,794
Net Position at End of Year	\$ 1,646,239

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

		Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from charges from services	\$	1,065,685
Cash payments for personal services		(271,884)
Cash payments for purchased services		(291,361)
Cash payments for supplies and materials		(259,860)
Cash payments for claims		(109,543)
NET CASH PROVIDED BY OPERATING ACTIVITIES		133,037
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for Capital Acquisitions		(51,182)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		(51,182)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Earnings on Investments		3,373
NET CASH PROVIDED BY INVESTING ACTIVITIES		3,373
INCREASE IN CASH AND INVESTMENTS		85,228
CASH AND INVESTMENTS BEGINNING OF YEAR		1,688,193
CASH AND INVESTMENTS END OF YEAR	\$	1,773,421
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income		85,072
Adjustments		
Depreciation		36,550
Decrease in Assets:		
Inventory		3,180
Interfund Receivable		13,435
Increase (Decrease) in Liabilities:		
Accounts payable		(21,068)
Accrued liabilities		6,827
Intergovernmental payable		6,731
Compensated Absences		2,310
Net cash provided by operating activities	\$	133,037

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
AS OF JUNE 30, 2013

	Private Purpose Trust Fund	Agency Funds
Assets		
Current Assets:		
Cash and Investments	\$ 173,412	\$ 190,410
Receivables, net	-	360
Total Assets	\$ 173,412	\$ 190,770
Liabilities		
Current Liabilities:		
Accounts Payable	\$ -	\$ 5,570
Due to Others	-	185,200
Total Liabilities	-	\$ 190,770
Net Position:		
Held in Trust for Scholarships	173,412	
Total Net Position	\$ 173,412	

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Private Purpose Trust Fund
Additions:	
Gifts and Contributions	\$ 6,050
Interest	424
Total Additions	<u>6,474</u>
Deductions	
Contributions- Scholarships	<u>1,200</u>
Total Deductions	<u>1,200</u>
Change in Net Position	5,274
Net Position Beginning of Year	168,138
Net Position End of Year	<u>\$ 173,412</u>

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

WORTHINGTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

June 30, 2013

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*, Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities, and functions for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; or (3) the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. The District had no component units for the fiscal year ended June 30, 2013.

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-seven (27) 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.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

The Governing Board of the Academy consists of seven members appointed by each member school as well as one from the Rockbridge Foundation and one from The Buckeye Ranch. 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.

The Educational Service Center of Central Ohio is the financial agent for the Academy. Further detailed financial information may be obtained by contacting the ESCCO at 614-445-3750.

2. Summary of Significant Accounting Policies

The basic 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 Position 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, which is not eliminated. 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 District reports no such business-type activities.

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 private purpose trust 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 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.

The agency funds have no measurement focus and do not report revenues, expenses, or net position but rather changes in assets and liabilities are recognized on the accrual basis.

Property taxes are recognized as revenue in the fiscal year for which taxes have been levied, provided they are collected and certified by the county auditor by the fiscal year-end. Additionally, taxes collected within 60 days after fiscal year-end are recorded as a receivable with an offset to deferred inflows of resources-unavailable revenue for amounts not collected and available for advance on June 30th 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 not accounted for and reported in another fund.

Debt Service Fund, a governmental fund. The Debt Service Fund is used to account for and report financial resources that are restricted to expenditure for principal and interest.

Building Fund, a governmental fund. The *building fund* is used to account for and report financial resources that are restricted to expenditures related to the District's capital bond improvements.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

The District's non-major governmental funds include the following fund types:

Special Revenue Funds, governmental funds that are used to account for and report the proceeds of specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

Capital Projects Funds, governmental funds that are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

The District's non-major proprietary funds include the following fund type:

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, an Intra-District Services Fund that accounts for copying and printing services provided to other funds and an Employee Benefits (Worker's Compensation) Self-Insurance Fund.

Additionally, the District reports *Fiduciary Funds*. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds, a type of fiduciary fund, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one Private Purpose Trust fund that accounts for money which has been set aside for scholarship purposes from which the income may be expended in accordance with the related trust agreements but the principal must remain intact. The District also has two agency funds that accounts for student managed activities and district tournament host account funds.

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. Charges for services are the principal operating revenues for the District's internal service funds. Operating expenses for the 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.

c. Deferred Outflows/Inflows of Resources

Deferred Outflows/Inflows of Resources— In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the District, deferred outflows of resources include a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

d. 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.

e. Inventory

Inventories of supplies are presented at cost determined on a first-in, first-out basis while inventories held for resale are presented at the lower of cost or market. For all funds, inventories are determined by physical count.

f. 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 capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Land Improvements	10-20
Buildings & Improvements	20-50
Furniture, Fixtures and Equipment	3-15
Buses, Autos, and Trucks	5-10

g. Interfund Activity

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 interfund receivables/payables. These amounts are eliminated in the statement of net position.

h. 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 compensated absence liability is reported only if they have matured and represent the current portion of unpaid compensated absences 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.

i. Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt is reported in the entity-wide financial statements as well as the proprietary fund financial statements. For governmental fund financial statements, these accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and compensated absences paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due. All premiums, and deferred amounts on refunding related to long-term debt are amortized using the straight line method over the life of the debt. Issuance costs are expensed in which the year they are incurred.

j. Fund Balances

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District's formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net position are available. The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used. Committed fund balances are established, modified and rescinded with the formal action of a board resolution.

The District has a formal minimum fund balance policy. The District recognizes the need to maintain sufficient year-end carry-over balances in its general fund to minimize undesirable programmatic reductions, including staffing reductions. Therefore it is essential to clearly define a fund balance level that triggers a decision to make budgetary adjustments and possibly seek voter approval of new taxes well in advance of a cash shortfall. Further, the District recognizes the value of such a policy with respect to its debt management practices and underlying bond rating. As such, the District defines its minimum unrestricted general fund balance as 1/12 of annual expenditures in the third year of the forecast and will initiate budgetary actions or proposed levy to voters in a timely manner to address projected balances below this level.

The Board has committed \$3.1 million in the General Fund for 2013 as a budget contingency. Formal board resolution amending and appropriating this \$3.1 million must be made in order for it to be spent.

k. 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.

I. 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; and repurchase agreements secured by United States obligations. During fiscal year 2013, investments were limited to CDs, commercial paper, and federal agency securities. Earnings on investments are credited to the General Fund except earnings specifically related to the Capital Projects Fund, Food Service Fund, Other Local Sources Fund, Self Insurance Fund, and the Private Purpose Trust fund which is in compliance with ORC Section 3315.01. In fiscal year 2013 investment income of \$157,364 was recorded in the Statement of Activities.

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 2013, the District and public depositories complied with the provisions of these statutes.

b. Deposits with Financial Institutions

At June 30, 2013, the carrying amount of all District deposits was \$ 66,444,080. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2013, \$14,972,320 of the District's bank balance of \$68,140,275 was exposed to custodial risk as discussed below, while \$53,918,965 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. The District has no deposit policy for custodial credit risk beyond the requirements of State statute.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

c. Investments

As of June 30, 2013, the District had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities			
		6 Months or Less	7 to 12 Months	13 to 36 Months	37 to 60 Months
FFCB	\$ 1,958,040	\$ -	\$ -	\$ -	\$ 1,958,040
FHLB	15,892,520	-	-	8,975,670	6,916,850
Commercial Paper	23,981,351	23,981,351	-	-	-
	<u>\$ 41,831,911</u>	<u>\$ 23,981,351</u>	<u>\$ -</u>	<u>\$ 8,975,670</u>	

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 in agency securities were rated AAA and AA+ by Standard & Poor's and Moody's Investor Services, respectively. Commercial Paper investments were rated A1 by Moody's. The District has no investment policy that would further limit its investment choices other than what has been approved by state statute as described above.

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, 2013:

Investment Type	Fair Value	% of Total
FFCB	\$ 1,958,040	4.68%
FHLB	15,892,520	37.99%
Commercial Paper	23,981,351	57.33%
	<u>\$ 41,831,911</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 has no investment policy that would further limit its investment choices with respect to custodial risk other than what has been approved by state statute as described above.

Reconciliation of Cash and Investments to the Statement of Net Position

Investments (Summarized Above)	\$ 41,831,911
Carrying Amount of Deposits	66,444,080
Cash on Hand	175
Less: Fiduciary Cash and Investments	(363,822)
Total Cash & Investments Stmt of Net Position	<u>\$ 107,912,344</u>

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

4. Property Taxes

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

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

Public utility property taxes are assessed on tangible personal property as well as land and improvements. Real property is assessed at 35% of true value and tangible personal property is currently assessed at varying percentages of true value. These taxes attach as a lien against local and inter-exchange telephone companies and are levied January 1 of the current year. Tangible personal property tax on business inventory, manufacturing machinery, and equipment is no longer levied and collected.

The assessed values for collection in 2013, upon which the 2012 levies were based, were as follows:

Agricultural/Residential Real Estate	\$ 1,333,230,330
Commercial/Industrial Real Estate	414,434,080
Public Utility Real Estate	133,270
Public Utility Tangible	37,884,090
Total	<u>\$ 1,785,681,770</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 and public utility taxes which were measurable but not available as of June 30, 2013. However, monies legally available as an advance to the District as of June 30, 2013 are recognized as revenue as they are both measurable and available, although monies the District hasn't actually advanced are prohibited by law from being appropriated in the current year in accordance with Ohio Revised Code Section 5705.35.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

5. Receivables

Receivables at June 30, 2013 consisted of taxes and other miscellaneous accounts receivable. Taxes receivable include current and delinquent taxes receivable. A summary of the principal items of receivables follows:

Governmental Activities:	General Fund	Debt Service Fund	All Other Governmental Funds	Total
Taxes current	\$ 82,742,569	5,460,138	-	\$ 88,202,707
Taxes delinquent	4,283,431	293,862	-	4,577,293
Other	290,434	6,670	1,336	298,440
Total	<u>\$ 87,316,434</u>	<u>\$ 5,760,670</u>	<u>\$ 1,336</u>	<u>\$ 93,078,440</u>

6. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2013 consist of the following:

	<u>Governmental Activities:</u>
General Fund	\$ 13,478
Other Governmental Funds	
Federal	711,046
State	4,863
Total	<u>\$ 729,387</u>

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

7. Interfund Transactions

Interfund balances on the fund statements at June 30, 2013 consist of the following receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 126,927	\$ 54,209
All Other Governmental Funds	-	130,164
Internal Service Fund	57,446	
Totals	<u>\$ 184,373</u>	<u>\$ 184,373</u>

The purpose of the General Fund interfund receivable and \$126,927 of the Other Governmental Funds receivable is the result of short-term interfund loans made by the General Fund while the other funds await grant reimbursement and funding. The Internal Service Fund receivable, General Fund Payable, and \$3,237 of the Other Governmental Funds payable is the result of Workers Compensation Premiums on wages earned but not yet paid that are due to the self-insurance fund.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

Interfund transfers on the fund statements at June 30, 2013, consisted of the following:

	Transfer In	Transfer Out
General Fund	\$ 1,191,275	\$ 1,076,047
Debt Service Fund	1,076,047	-
Building Fund	-	1,191,275
	\$ 2,267,322	\$ 2,267,322

The purpose of the transfer from the general fund to the debt service fund was to fund debt service obligations. The transfer from the building fund to the general fund represents investment income earned on the 2006 Capital Improvement Bond Issue per Ohio Revised Code 5705.10(e).

8. Capital Assets

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

	Balance June 30, 2012	Additions/ Transfers	Disposals/ Transfers	Balance June 30, 2013
Governmental Activities				
<i>Non Depreciable Capital Assets</i>				
Land	\$ 10,012,904	-	-	10,012,904
Construction In Progress	2,244,023	1,314,991	(3,034,795)	524,219
Total Non Depreciable Capital Assets	\$ 12,256,927	1,314,991	(3,034,795)	10,537,123
<i>Depreciable Capital Assets</i>				
Land Improvements	11,326,512	812,867		12,139,379
Building and improvements	112,958,578	2,157,351	-	115,115,929
Furniture, fixtures and equipment	16,189,717	1,488,210	(177,584)	17,500,343
Buses, autos and trucks	5,986,180	464,148	(514,552)	5,935,776
Total Depreciable Capital Assets	\$ 146,460,987	4,922,576	(692,136)	150,691,427
<i>Accumulated Depreciation</i>				
Land Improvements	\$ (8,500,268)	(242,792)	-	(8,743,060)
Building and improvements	(67,835,883)	(2,600,568)	-	(70,436,451)
Furniture, fixtures and equipment	(12,508,009)	(798,174)	175,453	(13,130,730)
Buses, autos and trucks	(3,733,405)	(463,513)	514,552	(3,682,366)
Total accumulated depreciation	\$ (92,577,565)	(4,105,047)	690,005	(95,992,607)
Depreciable Capital Assets, net	\$ 53,883,422	817,529	(2,131)	54,698,820
Total Governmental Activities Capital Assets, Net	\$ 66,140,349	2,132,520	(3,036,926)	65,235,943

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

Depreciation expense was charged to governmental functions as follows:

Instructional Services:	
Regular	\$ 2,578,833
Special	40,809
Support Services:	
Instructional Staff	109,979
Administration	28,517
Business Operations	5,195
Operation and Maintenance of Plant	518,063
Transportation	463,963
Central	97,572
Food Service Operations	7,103
Community Services	44,689
Co-Curricular Student Services	210,324
Total Depreciation Expense	<u>\$ 4,105,047</u>

Included in the above additions is \$102,805 of assets in the internal service fund.

9. General Long-Term Obligations

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

	Restated Balance		Additions	Accretion	Reductions	Premium	Balance	Amounts Due
	June 30, 2012	June 30, 2013				Amortized	June 30, 2013	in One Year
Compensated Absences	\$ 9,357,058	\$ 2,751,240			\$ 2,541,727		\$ 9,566,571	\$ 775,618
Claims Payable **	255,200	116,370		-	109,543	-	262,027	105,000
Certificates of Participation	4,881,570	-	-	-	415,000	6,948	4,459,622	460,000
Bonds Payable	45,512,381	40,411,892	394,093	3,690,000	364,396		82,263,970	4,001,035
Notes Payable	2,058,000	-	-	382,000	-		1,676,000	399,000
	<u>\$ 62,064,209</u>	<u>\$ 43,279,502</u>	<u>\$ 394,093</u>	<u>\$ 7,138,270</u>	<u>\$ 371,344</u>		<u>\$ 98,228,190</u>	<u>\$ 5,740,653</u>

** See note 11 for detailed information in risk management note for additional information on Claims Payable.

Beginning balance was restated due to the implementation of GASB Statement No. 65 "Items Previously Recognized as Assets and Liabilities", Deferred Amount on Refunding has been reclassified as a Deferred Outflow of Resources. See note 18 for additional information.

Compensated absences consist of accrued but unused sick and vacation leave. The criteria for determining leave benefits are derived from negotiated agreements and State laws. Accumulated unused vacation leave is paid to employees upon termination of employment. Accumulated unused sick leave, up to a maximum number of days depending on negotiated contract, are paid upon retirement. All leave is paid from the fund in which the employee is paid. In fiscal year 2013, the payments were made from the general fund and food service fund. The portion of known severance payable at June 30, 2013 is recorded as a fund liability and classified as Accrued Liabilities (see note 10) while the remaining portion is recorded as a long term liability using the vesting method.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

The above bonds include current interest serial bonds, capital appreciation bonds, and current term interest bonds. Included in the amortization above is \$371,344 of current year premium amortization, which are all being amortized over the life of the bonds. Total accumulated accretion outstanding at June 30, 2013 was \$1,587,545.

Annual interest cost on the qualified school construction bonds will be directly and annually subsidized by the federal government as part of the American Reinvestment and Recovery Act of 2009 and section 54F of the Internal Revenue Code. Subsidy payments received during fiscal year 2013 totaled \$83,847, and an additional \$6,670 has been recorded as a receivable at June 30, 2013. This subsidy represents 93.2% of the annual interest cost of that issue, making the effective annual interest cost 0.34%.

The general obligation debt is 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. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund.

As of June 30, 2013, the District had eight general obligation bond issues, two general obligation long-term note issues and one certificate of participation financing issues 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 as follows on the next page:

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WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

Purpose	Issue Date	Final Maturity	Interest Rate	Balance June 30, 2013
2007A Permanent Improvement Bonds (1)	2/15/2007	12/1/2021	3.6-5.5%	9,857,804
2007B Permanent Improvement Bonds (1)	3/6/2007	12/1/2021	4.0-5.5%	5,086,483
2008 Refunding and Improvement Bonds (5/1)	11/5/2008	12/1/2024	3.75-4.5%	6,983,394
2009 General Obligation Bonds (1)	5/5/2009	12/1/2024	2.5-4%	10,892,508
2010A General Obligation Bonds (1)	8/30/2010	12/1/2023	2-3.125%	7,314,442
2010B Qualified School Construction Bonds (1)	8/30/2010	12/1/2025	5%	1,800,000
2013 General Obligation Bonds (6)	2/14/2013	12/1/2027	1.5-5%	30,224,139
2013 General Obligation Bonds (6)	3/6/2013	12/1/2028	2.625-2.75%	10,105,200
				<u>\$ 82,263,970</u>
Energy Conservation Notes (2)	3/2/1999	12/1/2013	4.200%	\$ 245,000
Airport Authority Conservation Note (3)	10/6/2005	10/1/2020	4.260%	1,431,000
				<u>\$ 1,676,000</u>
2007 Refunding Certificates of Participation (4)	9/20/2007	12/1/2019	4.0-4.5%	\$ 4,459,622
				<u>\$ 4,459,622</u>
				<u><u>\$ 88,399,592</u></u>

(1) Part of a \$37.5 million bond levy passed in November 2006 for construction and improvement of District facilities, technology upgrades, transportation upgrades, and various replacement equipment.

(2) Construction and installation of various energy conservation and improvement projects.

(3) Note agreement with the Columbus Regional Airport Authority relating to the Ohio Association of School Business Official's Expanded Asset Pooled Financing Program authorizing 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 schedule is determined.

(4) Advance refunded \$4.2 million of the 2000 COPs.

(5) Current refunded \$5.55 million of the 1998 GO Bonds. Remaining \$3.9 million issued for #2 above.

(6) Part of a \$37.2 million bond levy passed in November 2012 for construction and improvement of District facilities, technology upgrades, transportation upgrades, and various replacement equipment.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

The annual maturities of the general obligation bonds, notes and COPS, as of June 30, 2013, and related interest payments are as follows (net of \$4,837,086 unamortized bond premium):

Fiscal Year	Totals		Bonds		Notes		COPS	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 4,860,035	3,090,979	4,001,035	2,848,360	399,000	62,825	460,000	179,794
2015	5,004,470	2,706,663	4,339,470	2,495,493	160,000	50,992	505,000	160,178
2016	5,219,668	2,591,921	4,452,668	2,410,507	167,000	44,027	600,000	137,387
2017	5,317,969	2,543,156	4,523,969	2,394,555	174,000	36,764	620,000	111,837
2018	4,802,255	3,117,326	3,945,255	3,003,826	182,000	29,181	675,000	84,319
2019-2023	26,928,109	8,298,119	24,779,109	8,188,042	594,000	38,638	1,555,000	71,439
2024-2028	25,740,000	3,142,436	25,740,000	3,142,436	-	-	-	-
2029	5,690,000	71,125	5,690,000	71,125	-	-	-	-
Total	<u>83,562,506</u>	<u>25,561,725</u>	<u>77,471,506</u>	<u>24,554,344</u>	<u>1,676,000</u>	<u>262,427</u>	<u>4,415,000</u>	<u>744,954</u>

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, 2013 are a voted debt margin of \$89,541,821 and an unvoted debt margin of \$1,795,682. The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with various governmental entities. As of June 30, 2013, 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. Accrued Liabilities

Accrued Liabilities at June 30, 2013 consist of the following:

	General Fund	Other Governmental Funds	Total Governmental Activities
Accrued Wages	\$ 9,034,562	\$ 556,416	\$ 9,590,978
Regular Termination Pay	184,700	-	184,700
Interest on Debt	-	-	280,246
Total	<u>\$ 9,219,262</u>	<u>\$ 556,416</u>	<u>\$ 10,055,924</u>

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

11. 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. During fiscal year 2013, the District contracted with the Ohio School Plan, administered by Hylant Administrative Services, for general and professional liability with a \$3 million single occurrence limit and a \$5 million aggregate limit. Automobile bodily and property damage is covered by a \$3 million combined single occurrence limit. Property and vehicles are also protected with a \$1,000 deductible. Settled claims have not exceeded coverage in any of the past three years.

The District provides employee medical/surgical and dental benefits through a premium insurance plan. Employee monthly contributions are determined by negotiated agreements with the certificated and non-certificated staff bargaining units. The premium is paid by the fund that pays the salary for the employee.

The District provides life insurance and accidental death and dismemberment insurance to most in an amount related to the employee's position, ranging from \$20,000 to \$400,000.

In 2009 the District was approved for self-insured status by the Bureau of Workers' Compensation and administers its own workers' compensation program. The District has established an employee benefits self-insurance internal service fund to account for assets set aside for claim settlements and related liabilities and expenses associated with the program. A premium is charged to each fund that an employee is paid from based on an annually determined percentage of covered payroll. The rate is based on claims experience and was set at 0.7% for 2013. Liabilities are reported when an employee injury has occurred, it is probable that a claim will be filed, and the amount of the claim can be reasonably estimated. The District contracts with CareWorks Consultants Inc, a third party administrator, to review, process, and pay claims and also purchased stop-loss coverage through Republic Indemnity for claims exceeding \$350,000. As required by law, the District also paid into the Self-Insured Employers Guaranty Fund, which guarantees that claims are satisfied should the District become unable to pay them.

A claims liability of \$262,027 was recorded at June 30, 2013 in the Workers' Compensation Self Insurance Fund and reflects an estimate of incurred but unpaid and unreported claims at year end. Claims liabilities do not include non-incremental claims adjustment expenses. This estimate was calculated based on an analysis of 10 years of claims history. Changes in the fund's claim liability for the past two years are as follows:

Fiscal Year Ending	<u>6/30/2013</u>	<u>6/30/2012</u>
Claims liability beginning of year	\$ 255,200	\$ 251,883
Claims incurred and changes in estimates	116,370	112,055
Claims Paid	(109,543)	(108,738)
Claims liability end of year	<u>\$ 262,027</u>	<u>\$ 255,200</u>

12. Defined Benefit Pension Plans

A. School Employees Retirement System

Plan Description - The District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer 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 43215-3746 or by calling 614-222-5853. It is also posted on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board, acting with the advice of the actuary, allocated the current employer contribution rate among the four funds (Pension Trust, Death Benefit, Medicare B, and Health Care funds) of the system. For fiscal year ending June 30, 2013, it was determined the employer contribution rate to pension and death benefits to be 13.10%, with the remaining .90% of the 14% employer contribution rate allocated to the Health Care and Medicare B Funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012 and 2011 were \$2,147,771, \$2,139,259, and \$2,165,135, respectively; 100 percent has been contributed for fiscal years 2011, 2012 and 2013.

B. State Teachers Retirement System

Plan Description - The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. 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 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio Web site at 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 a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent 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 member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. 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. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. 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 of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy - For the fiscal year ended June 30, 2013, plan members were required to contribute 11 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2013, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$8,058,908, \$8,379,875, and \$8,719,597, respectively; 80 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

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, 2013, three members of the Board of Education elected Social Security. The Board's liability is 6.2 percent of wages paid.

13. Post employment Benefits Other than Pension Benefits

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS's reimbursement to retirees was \$45.50. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

Funding Policy – State statute permits SERS to offer health care benefits to eligible retirees and beneficiaries and to fund them through employer contributions. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund and Medicare B Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, .16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS covered payroll for the surcharge. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care fund.

The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$268,546, \$329,042, and \$469,400, respectively; 9 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011. The unfunded portion has been recorded as a liability and will be paid in fiscal year 2014.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$113,525, \$114,603, and \$117,536, respectively; 100 percent has been contributed fiscal years 2011, 2012, and 2013.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a monthly premium. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy –Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$575,636, \$598,562, and \$622,828, respectively; 80 percent has been contributed for fiscal year 2013 and 100 percent for fiscal years 2012 and 2011.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

14. Contingencies

A. Grants

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

B. Litigation

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

C. Contractual Commitments

The District is undertaking several construction projects relating to the November 2012 Bond Levy. Below is a list of related outstanding commitments at year end, all included in the Building Fund:

Vendor Name	Contract Amount	Amount Expended	Balance 6/30/13
2K General	\$ 608,721	\$ -	\$ 608,721
Arista Networks	276,074	-	276,074
B&C Blacktop Sealing Inc	64,300	-	64,300
Communications Design Group	128,878	-	128,878
Data House	196,814	-	196,814
Edge Group	53,975	53,375	600
Educational Furniture	60,496	-	60,496
Fire Systems Professional	144,528	-	144,528
Heapy Engineering	65,950	22,253	43,697
Horizon Software International	61,160	-	61,160
House of Security	71,477	-	71,477
Information Solutons Group	242,578	-	242,578
Meade Construction	610,280	-	610,280
Ohio Heating & Air	759,648	-	759,648
Prater Engineering Associate	120,600	12,603	107,997
Rucilli Construction	58,704	53,965	4,739
RW Setterlin Building Company	88,128	5,780	82,348
Sabo/Limbach	120,022	84,415	35,607
Schorr & Associates	218,650	189,018	29,632
Soundcom Systems	55,414	68	55,346
Tierney Brothers	115,385	-	115,385
Triad Architects	64,780	-	64,780
	<u>\$ 4,186,562</u>	<u>\$ 421,477</u>	<u>\$ 3,765,085</u>

Amount reported here is different than the amount reported as construction in progress due to some amounts being repairs and maintenance costs that will not be capitalized. In addition to these contractual commitments, the District had a significant encumbrance of \$1.5 million related to a fiber project to be completed next fiscal year.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

15. Set-Asides

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year end or offset by similarly restricted resources received during the year must be held in cash at year end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in year end set-aside amount for capital acquisition. Disclosure of this information is required by State statute.

	Capital Acquisitions
Set-aside Reserve Balance carried forward at July 1, 2012	-
Current year set-aside requirements	1,537,432
Qualifying disbursements	(4,360,127)
Total	(2,822,695)
Set-aside Reserve Balance at June 30, 2013	-

The District had disbursements during the year that reduced the set-aside amounts below zero for the capital acquisition set-aside.

16. Fund Deficits / Accountability

The following funds had deficit fund balances as of June 30, 2013:

	Deficit Fund Balance
<u>Governmental Activities:</u>	
Special Revenue Funds-	
Food Service Fund	\$ (38,869)
Other State Grants	(29,867)
Race to the Top Grants	(21,299)
Education Part B IDEA Grants	(126,834)
Vocational Education Grants	(13,305)
Title III Immigrant/LEP Grants	(4,423)
Title I Grants	(79,356)
Special Education Preschool Grants	(2,036)
Other Miscellaneous Federal Grants	(1,633)

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.

17. Changes in Accounting Principles

For fiscal year 2013, the District has implemented the following:

GASB Statement No. 57 “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans” addresses the provisions related to the frequency and timing of measurements for actuarial valuations first used to report funded status information in OPEB plan financial statements. The implementation of this statement did not have a significant effect on the financial statements of the District.

GASB Statement No. 61 *“The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34”* improves financial reporting for a government financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. The implementation of this statement did not have a significant effect on the financial statements of the District.

GASB Statement No. 62 *“Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”* incorporates certain accounting and financial reporting guidance issued on or before November 30, 1989, into the GASB’s authoritative literature that do not conflict with or contradict GASB pronouncements. The implementation of this statement did not have a significant effect on the financial statements of the District.

GASB Statement No. 63 *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position. The implementation of this statement resulted in the reclassification of Net Assets to Net Position.

GASB Statement No. 64 *“Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53”* clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty’s credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The implementation of this statement did not have a significant effect on the financial statements of the District.

GASB Statement No. 65 *“Items Previously Reported as Assets and Liabilities”* clarifies the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources. See effects of implementation in Note 18.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2013

18. Changes in Accounting Principles

GASB Statement No. 63 *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”* standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

The District has early implemented GASB Statement No. 65 *“Items Previously Recognized as Assets and Liabilities”*, the Deferred Charges should be recognized as an expense in the period incurred. This amount is the product of adjustments from a prior period, they are not properly included as part of the results of operations of the current period, rather are reported as a direct adjustment to beginning fund balance/net position to restate those amounts to what they would have been.

As a result of implementing these statements, the following assets and liabilities have been reclassified, as indicated:

Item	New Classification
Deferred amount on refunding (previously included in bonds payable, net)	Deferred outflow of resources
Deferred Charges (the unamortized portion was previously reported as an asset)	Outflow of resources
Revenue in governmental funds not collected within 60 days of year end (previously reported as a liability)	Deferred inflow of resources
Property tax billed, but levied for the next year's budget (previously reported as a liability)	Deferred inflow of resources

The net position effects of the GASB 65 adjustments are as follows:

	Governmental Activities
Net Position, June 30, 2012	\$ 86,485,002
GASB 65 Adjustments:	
Deferred Charges	(572,352)
Net Position, July 1, 2012	<u>\$ 85,912,650</u>

REQUIRED SUPPLEMENTARY INFORMATION

WORTHINGTON CITY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES:				
Property taxes	\$ 81,861,141	\$ 85,142,195	\$ 85,142,195	\$ -
State sources	33,405,740	34,325,098	\$ 34,325,098	-
Investment income	225,000	207,032	\$ 207,032	-
Tuition and fees	755,000	454,679	\$ 454,679	-
Miscellaneous	195,000	383,844	\$ 383,844	-
TOTAL REVENUES	\$ 116,441,881	\$ 120,512,848	\$ 120,512,848	\$ -
EXPENDITURES:				
Current:				
Salaries	\$ 71,568,641	\$ 70,623,616	\$ 70,623,616	\$ -
Benefits	27,345,105	25,978,640	\$ 25,978,640	-
Purchased services	14,728,720	13,197,345	\$ 13,197,345	-
Supplies and materials	3,383,034	3,197,246	\$ 3,197,246	-
Other	2,008,620	1,898,210	\$ 1,898,210	-
Total Current	\$ 119,034,120	\$ 114,895,057	\$ 114,895,057	\$ -
Capital outlay	355,384	456,806	456,806	
TOTAL EXPENDITURES	\$ 119,389,504	\$ 115,351,863	\$ 115,351,863	\$ -
Excess of revenues over expenditures	(2,947,623)	5,160,985	5,160,985	-
OTHER FINANCING SOURCES (USES):				
Transfers (out)	(1,076,047)	(1,076,047)	(1,076,047)	-
Advances in	490,700	490,700	490,700	-
Advances (out)	-	(180,000)	(180,000)	-
Refund of prior year expenditures	-	9,397	9,397	-
TOTAL OTHER FINANCING SOURCES (USES)	\$ (585,347)	\$ (755,950)	\$ (755,950)	\$ -
NET CHANGE IN FUND BALANCE	(3,532,970)	4,405,035	4,405,035	-
FUND BALANCE, JULY 1	42,611,671	42,611,671	42,611,671	-
PRIOR YEAR ENCUMBRANCES APPROPRIATED	1,629,802	1,629,802	1,629,802	-
FUND BALANCE, JUNE 30	\$ 40,708,503	\$ 48,646,508	\$ 48,646,508	\$ -

See notes to the required supplementary schedule.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2013

NOTE A - BUDGETARY DATA

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund and 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 2013.

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 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

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2013

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 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 in their respective category as restricted, committed, or assigned.

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).
- E. Some funds are included in the General Fund (GAAP basis) but have separate legally adopted budgets (budget basis). See note D below

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2013

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)	\$ 7,203,318
Adjustments:	
Due to Revenues	(2,175,789)
Due to Expenditures and Encumbrances	(73,418)
Due to Other Financing Sources	(860,994)
Funds Budgeted Elsewhere (See Note D)	311,918
Net Change in Fund Balance (Budge Basis)	\$ 4,405,035

NOTE C – SIGNIFICANT VARIANCES

Property Tax revenues were \$3.3 million more than originally budgeted. This increase was primarily due to the passage of the November 2012 operating levy.

Benefits expenditures were \$1.4 million less than originally budgeted due to favorable insurance negotiations and lower required retirement contributions due to lower than expected wages.

There were no advances out originally budgeted while actual advances at year end totaled \$180,000. Advances out at year end are entirely cash flow driven by various state and federal grants. While the District tries to request cash as soon as balances approach zero, final requests at year end 2013 were not received by the State prior to the cutoff date.

NOTE D – FUNDS BUDGETED ELSEWHERE

As part of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting*, certain funds that are legally budgeted in separate special revenue funds are considered part of the General Fund on a GAAP basis. This includes the Special Rotary Fund and the Public School Support Fund.

WORTHINGTON CITY SCHOOL DISTRICT

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WORTHINGTON CITY SCHOOL DISTRICT

**SUPPLEMENTAL
DATA**



Worthington Schools . . . Absolute Excellence...Exponential Impact

WORTHINGTON CITY SCHOOL DISTRICT MAJOR GOVERNMENTAL FUNDS

General– The general operating fund of the District used to account for the 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 – The debt service fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal and interest.

Building – 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.

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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt Service Fund				
Total Revenues and Other Sources	\$6,521,707	18,419,164	18,419,164	\$0
Total Expenditures and Other Uses	<u>6,381,065</u>	<u>16,797,298</u>	<u>16,797,298</u>	<u>0</u>
Net Change in Fund Balance	140,642	1,621,866	1,621,866	0
Fund Balance, July 1	2,154,857	2,154,857	2,154,857	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$2,295,499</u>	<u>\$3,776,723</u>	<u>\$3,776,723</u>	<u>\$0</u>
Building Fund				
Total Revenues and Other Sources	\$2,000	40,040,565	40,040,565	\$0
Total Expenditures and Other Uses	<u>3,595,631</u>	<u>9,208,314</u>	<u>9,208,314</u>	<u>0</u>
Net Change in Fund Balance	(3,593,631)	30,832,251	30,832,251	0
Fund Balance, July 1	2,616,567	2,616,567	2,616,567	0
Prior Year Encumbrances Appropriated	<u>2,166,708</u>	<u>2,166,708</u>	<u>2,166,708</u>	<u>0</u>
Fund Balance, June 30	<u>\$1,189,644</u>	<u>\$35,615,526</u>	<u>\$35,615,526</u>	<u>\$0</u>

WORTHINGTON CITY SCHOOL DISTRICT NON-MAJOR GOVERNMENTAL FUNDS

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

Permanent Improvement – A fund provided to account for and report financial resources that are restricted, committed, or assigned to expenditures related to the acquiring, constructing, or improving of such permanent improvements as authorized by Section 5705 of the Ohio Revised Code.

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to an expenditure for specified purposes other than debt service or capital projects.

Food Service – A fund used to record the financial transactions related to the district's food service operation.

Other Local Sources – A fund used to account for specific local revenue sources received from various contributors that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures generally include community services.

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 connections with (1) supplemental education classes, (2) a special education preschool program, (3) a life enrichment program, and (4) facility rentals. This fund is legally budgeted separately but included in the General Fund on a GAAP basis.

Public School Support – A fund used to account for specific local revenue sources, other than taxes or expendable trusts (i.e., profits from vending machines) that are used for various operating purposes at each department's discretion. This fund is legally budgeted separately but included in the General Fund on a GAAP basis.

Grants-Local Sources – A fund used 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.

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 also could include the band, cheerleaders, flag corps, and other similar types of activities.

Auxiliary Services – 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 principles, this fund is accounted for as a special revenue fund.

WORTHINGTON CITY SCHOOL DISTRICT NON-MAJOR GOVERNMENTAL FUNDS

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

Other State Grants - A fund provided 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.

Race to the Top Grant - A fund provided to account for federal monies received as part of a competitive process authorized under the American Recovery and Reinvestment Act of 2009 and designed to encourage and reward districts that are creating the foundations for education innovation and reform designed to significantly improve student achievement.

Special Education Part B IDEA Grants - A fund provided to account for monies received 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 monies received 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 II-D Technology Grants– A fund provided to account for federal monies received and expended to improve student academic achievement through the use of technology in schools and to encourage the effective integration of technology with teacher training and curriculum development.

Title III Immigrant/LEP Grants – A fund provided to account for the Foreign Language Grant program at the elementary schools, which is funded with U.S. Department of Education grant monies.

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

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

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 special cost center must be used for each grant and be approved by the Auditor of State.

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Capital Projects			
	Permanent Improvement	Food Service	Other Local Sources	Uniform School Supplies
Assets:				
Cash and Investments	\$ 2,334,169	\$ 139,434	\$ 37,887	\$ 154,294
Inventory	-	75,123	-	-
Receivables, net	-	317	-	126
Intergovernmental Receivable	-	-	-	-
Total Assets	\$ 2,334,169	\$ 214,874	\$ 37,887	\$ 154,420
Liabilities:				
Accounts Payable	\$ -	\$ 3,355	\$ -	\$ 7,484
Accrued Liabilities	-	177,257	-	-
Interfund Payable	-	963	-	-
Intergovernmental Payable	-	72,168	-	-
Total Liabilities	-	253,743	-	7,484
Deferred Inflows of Resources:				
Unavailable Revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable:				
Inventory	-	75,123	-	-
Restricted for:				
School Supplies	-	-	-	146,936
Non-public Schools	-	-	-	-
Other Purposes	-	-	37,887	-
Committed to:				
Capital Outlay	2,334,169	-	-	-
Extracurricular Activities	-	-	-	-
Unassigned	-	(113,992)	-	-
Total Fund Balances	2,334,169	(38,869)	37,887	146,936
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,334,169	\$ 214,874	\$ 37,887	\$ 154,420

Special Revenue				
<u>Grants- Local Sources</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Data Communications Support</u>	<u>Other State Grants</u>
\$ 31,009	\$ 365,634	\$ 252,272	\$ -	\$ 2,358
-	6,714	-	-	-
-	893	-	-	-
-	-	-	-	4,863
<u>\$ 31,009</u>	<u>\$ 373,241</u>	<u>\$ 252,272</u>	<u>\$ -</u>	<u>\$ 7,221</u>
\$ -	\$ 13,613	\$ 120,370	\$ -	\$ 309
-	4,817	27,736	-	3,783
-	2,029	166	-	27,023
-	744	10,203	-	1,110
-	21,203	158,475	-	32,225
-	-	-	-	4,863
-	-	-	-	4,863
-	6,714	-	-	-
-	-	-	-	-
-	-	93,797	-	-
31,009	-	-	-	-
-	-	-	-	-
-	345,324	-	-	-
-	-	-	-	(29,867)
31,009	352,038	93,797	-	(29,867)
<u>\$ 31,009</u>	<u>\$ 373,241</u>	<u>\$ 252,272</u>	<u>\$ -</u>	<u>\$ 7,221</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Race to the Top Grants	Special Education Part B IDEA Grants	Vocational Education Grants	Title II-D Technology
Assets:				
Cash and Investments	\$ 31,301	\$ 21,314	\$ 26,869	\$ -
Inventory	-	-	-	-
Receivables, net	-	-	-	-
Intergovernmental Receivable	48,848	298,135	18,517	-
Total Assets	\$ 80,149	\$ 319,449	\$ 45,386	\$ -
Liabilities:				
Accounts Payable	\$ 22,420	\$ 5,118	\$ 6,174	\$ -
Accrued Liabilities	-	194,361	-	-
Interfund Payable	35,927	1,166	34,000	-
Intergovernmental Payable	470	58,276	-	-
Total Liabilities	58,817	258,921	40,174	-
Deferred Inflows of Resources:				
Unavailable Revenue	42,631	187,362	18,517	-
Total Deferred Inflows of Resources	42,631	187,362	18,517	-
Fund Balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted for:				
School Supplies	-	-	-	-
Non-public Schools	-	-	-	-
Other Purposes	-	-	-	-
Committed to:				
Capital Outlay	-	-	-	-
Extracurricular Activities	-	-	-	-
Unassigned	(21,299)	(126,834)	(13,305)	-
Total Fund Balances	(21,299)	(126,834)	(13,305)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 80,149	\$ 319,449	\$ 45,386	\$ -

Special Revenue				
<u>Title III Immigrant/ LEP Grants</u>	<u>Title I Grants</u>	<u>Special Education Preschool Grants</u>	<u>Other Miscellaneous Federal Grants</u>	<u>Total Other Governmental Funds</u>
\$ 11,076	\$ 5,240	\$ 431	\$ 4,636	\$ 3,417,924
-	-	-	-	81,837
-	-	-	-	1,336
<u>37,822</u>	<u>254,228</u>	<u>4,089</u>	<u>49,407</u>	<u>715,909</u>
<u>\$ 48,898</u>	<u>\$ 259,468</u>	<u>\$ 4,520</u>	<u>\$ 54,043</u>	<u>\$ 4,217,006</u>
\$ 9,630	\$ 4,643	\$ -	\$ 2,630	\$ 195,746
7,042	123,961	2,905	14,554	556,416
10,042	7,744	17	11,087	130,164
2,997	36,366	1,236	4,270	187,840
<u>29,711</u>	<u>172,714</u>	<u>4,158</u>	<u>32,541</u>	<u>\$ 1,070,166</u>
<u>23,610</u>	<u>166,110</u>	<u>2,398</u>	<u>23,135</u>	<u>468,626</u>
<u>23,610</u>	<u>166,110</u>	<u>2,398</u>	<u>23,135</u>	<u>468,626</u>
-	-	-	-	81,837
-	-	-	-	146,936
-	-	-	-	93,797
-	-	-	-	68,896
-	-	-	-	2,334,169
-	-	-	-	345,324
<u>(4,423)</u>	<u>(79,356)</u>	<u>(2,036)</u>	<u>(1,633)</u>	<u>(392,745)</u>
<u>(4,423)</u>	<u>(79,356)</u>	<u>(2,036)</u>	<u>(1,633)</u>	<u>2,678,214</u>
<u>\$ 48,898</u>	<u>\$ 259,468</u>	<u>\$ 4,520</u>	<u>\$ 54,043</u>	<u>\$ 4,217,006</u>

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>Capital Projects</u>			
	<u>Permanent Improvement</u>	<u>Food Service</u>	<u>Other Local Sources</u>	<u>Uniform School Supplies</u>
Revenues:				
Intergovernmental	\$ -	\$ 1,293,511	\$ -	\$ -
Investment Income	-	393	107	-
Tuition and Fees	-	-	-	367,032
Co-curricular Activities	-	-	-	-
Customer Sales and Services	-	1,708,994	-	-
Other	-	-	2,649	-
Total Revenues	<u>-</u>	<u>3,002,898</u>	<u>2,756</u>	<u>367,032</u>
Expenditures:				
Instruction:				
Regular	-	-	-	355,907
Special	-	-	-	-
Other	-	-	-	-
Support services:				
Pupils	-	-	-	23,703
Instructional Staff	-	-	-	-
Administration	-	-	-	-
Business	45,656	-	-	-
Operation and Maintenance of Plant	1,912	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Food Service Operations	-	2,926,293	-	-
Community Services	-	3,782	7,400	-
Co-curricular Student Activities	-	-	-	-
Capital Outlay	-	-	-	38,809
Total Expenditures	<u>47,568</u>	<u>2,930,075</u>	<u>7,400</u>	<u>418,419</u>
Net Change in Fund Balances	(47,568)	72,823	(4,644)	(51,387)
Other financing sources:				
Proceeds from Sale of Capital Assets	71,428	-	-	-
Total other financing sources	<u>71,428</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	23,860	72,823	(4,644)	(51,387)
Fund Balance Beginning of Year	2,310,309	(111,692)	42,531	198,323
Fund Balance End of Year	<u>\$ 2,334,169</u>	<u>\$ (38,869)</u>	<u>\$ 37,887</u>	<u>\$ 146,936</u>

Special Revenue				
<u>Grants- Local Sources</u>	<u>District Managed Student Activities</u>	<u>Auxiliary Services</u>	<u>Data Communications Support</u>	<u>Other State Grants</u>
\$ -	\$ -	\$ 828,279	\$ 32,400	\$ 25,646
-	-	1,013	-	-
-	-	-	-	-
-	669,730	-	-	-
-	-	-	-	-
17,600	25,843	-	-	-
<u>17,600</u>	<u>695,573</u>	<u>829,292</u>	<u>32,400</u>	<u>25,646</u>
6,346	-	50,071	-	2,951
-	-	-	-	4,385
-	-	-	-	21,047
-	64,506	618	-	24,734
12,979	-	-	-	1,000
-	-	13,204	-	-
-	-	-	-	-
-	-	-	-	-
2,567	-	-	-	-
-	-	-	49,669	-
-	-	-	-	-
-	-	813,601	-	4,181
-	611,585	-	-	-
3,995	26,625	86,888	-	-
<u>25,887</u>	<u>702,716</u>	<u>964,382</u>	<u>49,669</u>	<u>58,298</u>
(8,287)	(7,143)	(135,090)	(17,269)	(32,652)
-	-	-	-	-
-	-	-	-	-
(8,287)	(7,143)	(135,090)	(17,269)	(32,652)
<u>39,296</u>	<u>359,181</u>	<u>228,887</u>	<u>17,269</u>	<u>2,785</u>
<u>\$ 31,009</u>	<u>\$ 352,038</u>	<u>\$ 93,797</u>	<u>\$ -</u>	<u>\$ (29,867)</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Race to the Top Grants	Special Education Part B IDEA Grants	Vocational Education Grants	Title II-D Technology
Revenues:				
Intergovernmental	\$ 240,124	\$ 1,673,213	\$ 20,573	\$ 4,646
Investment Income	-	-	-	-
Tuition and Fees	-	-	-	-
Co-curricular Activities	-	-	-	-
Customer Sales and Services	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>240,124</u>	<u>1,673,213</u>	<u>20,573</u>	<u>4,646</u>
Expenditures:				
Instruction:				
Regular	46,103	-	-	-
Special	-	700,017	-	-
Other	-	-	-	-
Support services:				
Pupils	27,472	702,472	-	-
Instructional Staff	189,763	151,648	45,144	4,646
Administration	-	66,112	-	-
Business	-	-	-	-
Operation and Maintenance of Plant	-	-	-	-
Pupil Transportation	-	-	-	-
Central	-	-	-	-
Food Service Operations	-	-	-	-
Community Services	-	47,333	-	-
Co-curricular Student Activities	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>263,338</u>	<u>1,667,582</u>	<u>45,144</u>	<u>4,646</u>
Net Change in Fund Balances	(23,214)	5,631	(24,571)	-
Other financing sources:				
Proceeds from Sale of Capital Assets	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(23,214)	5,631	(24,571)	-
Fund Balance Beginning of Year	1,915	(132,465)	11,266	-
Fund Balance End of Year	<u>\$ (21,299)</u>	<u>\$ (126,834)</u>	<u>\$ (13,305)</u>	<u>\$ -</u>

Special Revenue				
<u>Title III Immigrant/ LEP Grants</u>	<u>Title I Grants</u>	<u>Special Education Preschool Grants</u>	<u>Other Miscellaneous Federal Grants</u>	<u>Total Other Governmental Funds</u>
\$ 185,947	\$ 1,070,460	\$ 28,061	\$ 191,958	\$ 5,594,818
-	-	-	-	1,513
-	-	-	-	367,032
-	-	-	-	669,730
-	-	-	-	1,708,994
-	-	-	-	46,092
<u>185,947</u>	<u>1,070,460</u>	<u>28,061</u>	<u>191,958</u>	<u>8,388,179</u>
-	-	-	-	461,378
116,200	800,801	-	-	1,621,403
-	-	-	-	21,047
-	-	-	-	843,505
69,390	263,871	27,949	186,301	952,691
-	-	-	-	79,316
-	-	-	-	45,656
-	-	-	-	1,912
-	840	-	-	3,407
-	-	-	-	49,669
-	-	-	-	2,926,293
808	8,058	-	2,150	887,313
-	-	-	-	611,585
-	4,575	-	-	160,892
<u>186,398</u>	<u>1,078,145</u>	<u>27,949</u>	<u>188,451</u>	<u>8,666,067</u>
(451)	(7,685)	112	3,507	(277,888)
-	-	-	-	71,428
-	-	-	-	71,428
(451)	(7,685)	112	3,507	(206,460)
<u>(3,972)</u>	<u>(71,671)</u>	<u>(2,148)</u>	<u>(5,140)</u>	<u>2,884,674</u>
<u>\$ (4,423)</u>	<u>\$ (79,356)</u>	<u>\$ (2,036)</u>	<u>\$ (1,633)</u>	<u>\$ 2,678,214</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Permanent Improvement Fund				
Total Revenues and Other Sources	\$71,428	71,429	71,429	\$0
Total Expenditures and Other Uses	1,708,659	47,569	47,569	0
Net Change in Fund Balance	(1,637,231)	23,860	23,860	0
Fund Balance, July 1	2,301,650	2,301,650	2,301,650	0
Prior Year Encumbrances Appropriated	8,659	8,659	8,659	0
Fund Balance, June 30	<u>\$673,078</u>	<u>\$2,334,169</u>	<u>\$2,334,169</u>	<u>\$0</u>
Food Service Fund				
Total Revenues and Other Sources	\$2,986,100	2,861,913	2,861,913	\$0
Total Expenditures and Other Uses	2,962,813	2,799,212	2,799,212	0
Net Change in Fund Balance	23,287	62,701	62,701	0
Fund Balance, July 1	69,917	69,917	69,917	0
Prior Year Encumbrances Appropriated	1,713	1,713	1,713	0
Fund Balance, June 30	<u>\$94,917</u>	<u>\$134,331</u>	<u>\$134,331</u>	<u>\$0</u>
Other Local Sources				
Total Revenues and Other Sources	\$6,100	2,757	2,757	\$0
Total Expenditures and Other Uses	14,000	7,400	7,400	0
Net Change in Fund Balance	(7,900)	(4,643)	(4,643)	0
Fund Balance, July 1	42,531	42,531	42,531	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance, June 30	<u>\$34,631</u>	<u>\$37,888</u>	<u>\$37,888</u>	<u>\$0</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Uniform School Supplies				
Total Revenues and Other Sources	\$362,591	367,164	367,164	\$0
Total Expenditures and Other Uses	<u>474,291</u>	<u>425,784</u>	<u>425,784</u>	<u>0</u>
Net Change in Fund Balance	(111,700)	(58,620)	(58,620)	0
Fund Balance, July 1	171,548	171,548	171,548	0
Prior Year Encumbrances Appropriated	<u>27,721</u>	<u>27,721</u>	<u>27,721</u>	<u>0</u>
Fund Balance, June 30	<u>\$87,569</u>	<u>\$140,649</u>	<u>\$140,649</u>	<u>\$0</u>
Special Rotary Funds				
Total Revenues and Other Sources	\$395,808	447,442	447,442	\$0
Total Expenditures and Other Uses	<u>1,401,415</u>	<u>206,984</u>	<u>206,984</u>	<u>0</u>
Net Change in Fund Balance	(1,005,607)	240,458	240,458	0
Fund Balance, July 1	1,501,634	1,501,634	1,501,634	0
Prior Year Encumbrances Appropriated	<u>54,423</u>	<u>54,423</u>	<u>54,423</u>	<u>0</u>
Fund Balance, June 30	<u>\$550,450</u>	<u>\$1,796,515</u>	<u>\$1,796,515</u>	<u>\$0</u>
Public School Support				
Total Revenues and Other Sources	\$431,306	1,669,338	1,669,338	\$0
Total Expenditures and Other Uses	<u>1,132,436</u>	<u>2,021,624</u>	<u>2,021,624</u>	<u>0</u>
Net Change in Fund Balance	(701,130)	(352,286)	(352,286)	0
Fund Balance, July 1	918,301	918,301	918,301	0
Prior Year Encumbrances Appropriated	<u>81,580</u>	<u>81,580</u>	<u>81,580</u>	<u>0</u>
Fund Balance, June 30	<u>\$298,751</u>	<u>\$647,595</u>	<u>\$647,595</u>	<u>\$0</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Grants - Local Sources				
Total Revenues and Other Sources	\$0	17,600	17,600	\$0
Total Expenditures and Other Uses	<u>39,296</u>	<u>26,120</u>	<u>26,120</u>	<u>0</u>
Net Change in Fund Balance	(39,296)	(8,520)	(8,520)	0
Fund Balance, July 1	29,826	29,826	29,826	0
Prior Year Encumbrances Appropriated	<u>9,470</u>	<u>9,470</u>	<u>9,470</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$30,776</u></u>	<u><u>\$30,776</u></u>	<u><u>\$0</u></u>
District-Managed Student Activities				
Total Revenues and Other Sources	\$689,552	698,344	698,344	\$0
Total Expenditures and Other Uses	<u>892,855</u>	<u>792,924</u>	<u>792,924</u>	<u>0</u>
Net Change in Fund Balance	(203,303)	(94,580)	(94,580)	0
Fund Balance, July 1	309,274	309,274	309,274	0
Prior Year Encumbrances Appropriated	<u>92,137</u>	<u>92,137</u>	<u>92,137</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$198,108</u></u>	<u><u>\$306,831</u></u>	<u><u>\$306,831</u></u>	<u><u>\$0</u></u>
Auxiliary Services				
Total Revenues and Other Sources	\$822,335	1,003,969	1,003,969	\$0
Total Expenditures and Other Uses	<u>1,133,205</u>	<u>1,243,057</u>	<u>1,243,057</u>	<u>0</u>
Net Change in Fund Balance	(310,870)	(239,088)	(239,088)	0
Fund Balance, July 1	238,210	238,210	238,210	0
Prior Year Encumbrances Appropriated	<u>72,660</u>	<u>72,660</u>	<u>72,660</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$71,782</u></u>	<u><u>\$71,782</u></u>	<u><u>\$0</u></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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Data Communication Support				
Total Revenues and Other Sources	\$32,000	32,400	32,400	\$0
Total Expenditures and Other Uses	<u>49,269</u>	<u>49,669</u>	<u>49,669</u>	<u>0</u>
Net Change in Fund Balance	(17,269)	(17,269)	(17,269)	0
Fund Balance, July 1	17,269	17,269	17,269	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
Other State Grants				
Total Revenues and Other Sources	\$36,652	63,950	63,950	\$0
Total Expenditures and Other Uses	<u>41,058</u>	<u>66,428</u>	<u>66,428</u>	<u>0</u>
Net Change in Fund Balance	(4,406)	(2,478)	(2,478)	0
Fund Balance, July 1	4,406	4,406	4,406	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$1,928</u></u>	<u><u>\$1,928</u></u>	<u><u>\$0</u></u>
Race to the Top Grant				
Total Revenues and Other Sources	\$277,859	368,683	368,683	\$0
Total Expenditures and Other Uses	<u>283,226</u>	<u>372,464</u>	<u>372,464</u>	<u>0</u>
Net Change in Fund Balance	(5,367)	(3,781)	(3,781)	0
Fund Balance, July 1	593	593	593	0
Prior Year Encumbrances Appropriated	<u>4,774</u>	<u>4,774</u>	<u>4,774</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$1,586</u></u>	<u><u>\$1,586</u></u>	<u><u>\$0</u></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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Special Education Part B - IDEA Grant				
Total Revenues and Other Sources	\$2,172,937	1,873,970	1,873,970	\$0
Total Expenditures and Other Uses	<u>2,191,464</u>	<u>1,880,764</u>	<u>1,880,764</u>	<u>0</u>
Net Change in Fund Balance	(18,527)	(6,794)	(6,794)	0
Fund Balance, July 1	18,468	18,468	18,468	0
Prior Year Encumbrances Appropriated	<u>16,939</u>	<u>16,939</u>	<u>16,939</u>	<u>0</u>
Fund Balance, June 30	<u>\$16,880</u>	<u>\$28,613</u>	<u>\$28,613</u>	<u>\$0</u>
Vocational Education Grant				
Total Revenues and Other Sources	\$39,090	54,573	54,573	\$0
Total Expenditures and Other Uses	<u>57,089</u>	<u>57,089</u>	<u>57,089</u>	<u>0</u>
Net Change in Fund Balance	(17,999)	(2,516)	(2,516)	0
Fund Balance, July 1	0	0	0	0
Prior Year Encumbrances Appropriated	<u>17,999</u>	<u>17,999</u>	<u>17,999</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$15,483</u>	<u>\$15,483</u>	<u>\$0</u>
Title II-D Technology Grant				
Total Revenues and Other Sources	\$5,020	4,646	4,646	\$0
Total Expenditures and Other Uses	<u>5,020</u>	<u>4,646</u>	<u>4,646</u>	<u>0</u>
Net Change in Fund Balance	0	0	0	0
Fund Balance, July 1, as restated	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Title III Immigrant/LEP Grant				
Total Revenues and Other Sources	\$194,090	196,486	196,486	\$0
Total Expenditures and Other Uses	<u>207,278</u>	<u>208,227</u>	<u>208,227</u>	<u>0</u>
Net Change in Fund Balance	(13,188)	(11,741)	(11,741)	0
Fund Balance, July 1	499	499	499	0
Prior Year Encumbrances Appropriated	<u>12,689</u>	<u>12,689</u>	<u>12,689</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$1,447</u></u>	<u><u>\$1,447</u></u>	<u><u>\$0</u></u>
Title I Grant				
Total Revenues and Other Sources	\$1,448,227	1,209,505	1,209,505	\$0
Total Expenditures and Other Uses	<u>1,471,291</u>	<u>1,232,065</u>	<u>1,232,065</u>	<u>0</u>
Net Change in Fund Balance	(23,064)	(22,560)	(22,560)	0
Fund Balance, July 1	447	447	447	0
Prior Year Encumbrances Appropriated	<u>22,618</u>	<u>22,618</u>	<u>22,618</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$1</u></u>	<u><u>\$505</u></u>	<u><u>\$505</u></u>	<u><u>\$0</u></u>
Special Education Preschool Grant				
Total Revenues and Other Sources	\$34,332	30,244	30,244	\$0
Total Expenditures and Other Uses	<u>34,397</u>	<u>29,876</u>	<u>29,876</u>	<u>0</u>
Net Change in Fund Balance	(65)	368	368	0
Fund Balance, July 1	64	64	64	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>(\$1)</u></u>	<u><u>\$432</u></u>	<u><u>\$432</u></u>	<u><u>\$0</u></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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Miscellaneous Federal Grants				
Total Revenues and Other Sources	\$276,262	232,880	232,880	\$0
Total Expenditures and Other Uses	<u>288,826</u>	<u>245,248</u>	<u>245,248</u>	<u>0</u>
Net Change in Fund Balance	(12,564)	(12,368)	(12,368)	0
Fund Balance, July 1	127	127	127	0
Prior Year Encumbrances Appropriated	<u>12,437</u>	<u>12,437</u>	<u>12,437</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$0</u></u>	<u><u>\$196</u></u>	<u><u>\$196</u></u>	<u><u>\$0</u></u>

WORTHINGTON CITY SCHOOL DISTRICT INTERNAL SERVICE FUNDS

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

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF POSITION
INTERNAL SERVICE FUNDS
AS OF JUNE 30, 2013

	Intra- District Services	Employee Benefit Insurance	Total Internal Service
Assets			
Current Assets:			
Cash and Investments	\$ 627,872	\$ 1,145,549	\$ 1,773,421
Inventory	47,197	-	47,197
Interfund Receivable	-	57,446	57,446
Total Current Assets	<u>675,069</u>	<u>1,202,995</u>	<u>1,878,064</u>
Noncurrent Assets:			
Depreciable Capital Assets, net	102,805	-	102,805
Total Assets	<u><u>777,874</u></u>	<u><u>1,202,995</u></u>	<u><u>1,980,869</u></u>
Liabilities			
Current Liabilities:			
Accounts Payable	26,399	-	26,399
Intergovernmental Payable	4,232	34,325	38,557
Compensated Absences Payable	4,173	3,474	7,647
Claims Payable	-	105,000	105,000
Total Current Liabilities	<u>34,804</u>	<u>142,799</u>	<u>177,603</u>
Long-Term Liabilities:			
Claims Payable	-	157,027	157,027
Total Liabilities	<u><u>34,804</u></u>	<u><u>299,826</u></u>	<u><u>334,630</u></u>
Net Position			
Investment in Capital Assets	102,805	-	102,805
Unrestricted	640,265	903,169	1,543,434
Total Net Position	<u><u>\$ 743,070</u></u>	<u><u>\$ 903,169</u></u>	<u><u>\$ 1,646,239</u></u>

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSIITON
INTERNAL SERVICE FUNDS
FOR FISCAL YER ENDED JUNE 30, 2013

	Intra- District Services	Employee Benefit Insurance	Total Internal Service
OPERATING REVENUES:			
Charges for Services	\$ 538,020	\$ 514,230	\$ 1,052,250
Total Operating Revenues	<u>538,020</u>	<u>514,230</u>	<u>1,052,250</u>
OPERATING EXPENSES:			
Salaries	105,752	72,645	178,397
Fringe benefits	55,149	38,276	93,425
Purchased Services	145,486	154,984	300,470
Material and Supplies	248,793	-	248,793
Depreciation	36,550	-	36,550
Claims	-	109,543	109,543
Total Operating Expenses	<u>591,730</u>	<u>375,448</u>	<u>967,178</u>
Operating Income	(53,710)	138,782	85,072
NON-OPERATING REVENUES:			
Interest	-	3,373	3,373
Total Non-Operating Revenues	<u>-</u>	<u>3,373</u>	<u>3,373</u>
Net Change in Net Position	(53,710)	142,155	88,445
Net Position at Beginning of Year	796,780	761,014	1,557,794
Net Position at End of Year	<u>\$ 743,070</u>	<u>\$ 903,169</u>	<u>\$ 1,646,239</u>

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR FISCAL YEAR ENDED JUNE 30, 2013

	Intra- District Services	Employee Benefit Insurance	Total Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from charges from services	\$ 538,020	\$ 527,665	\$ 1,065,685
Cash payments for personal services	(161,233)	(110,651)	(271,884)
Cash payments for purchased services	(152,307)	(139,054)	(291,361)
Cash payments for supplies and materials	(259,860)	-	(259,860)
Cash payments for claims	-	(109,543)	(109,543)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(35,380)	168,417	133,037
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payments for Capital Acquisitions	(51,182)	-	(51,182)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(51,182)	-	(51,182)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Earnings on Investments	-	3,373	3,373
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	3,373	3,373
INCREASE IN CASH AND INVESTMENTS	(86,562)	171,790	85,228
CASH AND INVESTMENTS BEGINNING OF YEAR	714,434	973,759	1,688,193
CASH AND INVESTMENTS END OF YEAR	\$ 627,872	\$ 1,145,549	\$ 1,773,421
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ (53,710)	\$ 138,782	\$ 85,072
Adjustments			
Depreciation	36,550	-	36,550
Decrease in Assets:			
Inventory	3,180	-	3,180
Interfund Receivable	-	13,435	13,435
Increase (Decrease) in Liabilities:			
Accounts payable	(21,068)	-	(21,068)
Claims payable	-	6,827	6,827
Intergovernmental payable	(1,324)	8,055	6,731
Compensated Absences	992	1,318	2,310
Net cash provided by operating activities	\$ (35,380)	\$ 168,417	\$ 133,037

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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Intra-District Services Fund				
Total Revenues and Other Sources	\$1,510,000	1,484,553	1,484,553	\$0
Total Expenditures and Other Uses	1,724,508	1,647,621	1,647,621	0
Net Change in Fund Balance	(214,508)	(163,068)	(163,068)	0
Fund Balance, July 1	821,091	821,091	821,091	0
Prior Year Encumbrances Appropriated	114,297	114,297	114,297	0
Fund Balance, June 30	<u>\$720,880</u>	<u>\$772,320</u>	<u>\$772,320</u>	<u>\$0</u>
Employee Benefit Insurance Fund				
Total Revenues and Other Sources	\$553,500	531,038	531,038	\$0
Total Expenditures and Other Uses	635,989	361,248	361,248	0
Net Change in Fund Balance	(82,489)	169,790	169,790	0
Fund Balance, July 1	972,330	972,330	972,330	0
Prior Year Encumbrances Appropriated	1,429	1,429	1,429	0
Fund Balance, June 30	<u>\$891,270</u>	<u>\$1,143,549</u>	<u>\$1,143,549</u>	<u>\$0</u>

WORTHINGTON CITY SCHOOL DISTRICT FIDUCIARY FUNDS

Trust funds are 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.

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 – A trust fund 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.

Student Activity Agency – 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
FRANKLIN COUNTY**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
Student Managed Activities				
Assets				
Cash and Investments	\$ 145,245	\$ 248,322	\$ 203,207	\$ 190,360
Receivables, net	256	360	256	360
Total Assets	<u>145,501</u>	<u>248,682</u>	<u>203,463</u>	<u>190,720</u>
Liabilities				
Accounts Payable	348	5,570	348	5,570
Due to Others	145,153	249,030	209,033	185,150
Total Liabilities	<u>145,501</u>	<u>254,600</u>	<u>209,381</u>	<u>190,720</u>
District Tournament Host Account				
Assets				
Cash and Investments	\$ -	\$ 44,033	\$ 43,983	\$ 50
Receivables, net	-	-	-	-
Total Assets	<u>-</u>	<u>44,033</u>	<u>43,983</u>	<u>50</u>
Liabilities				
Accounts Payable	-	-	-	-
Due to Others	-	44,033	43,983	50
Total Liabilities	<u>-</u>	<u>44,033</u>	<u>43,983</u>	<u>50</u>
Total				
Assets				
Cash and Investments	\$ 145,245	\$ 292,355	\$ 247,190	\$ 190,410
Receivables, net	256	360	256	360
Total Assets	<u>145,501</u>	<u>292,715</u>	<u>247,446</u>	<u>190,770</u>
Liabilities				
Accounts Payable	348	5,570	348	5,570
Due to Others	145,153	293,063	253,016	185,200
Total Liabilities	<u>145,501</u>	<u>298,633</u>	<u>253,364</u>	<u>190,770</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, 2013

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Private Purpose Trust Fund				
Total Revenues and Other Sources	\$1,000	6,474	6,474	\$0
Total Expenditures and Other Uses	<u>1,000</u>	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Net Change in Fund Balance	0	5,274	5,274	0
Fund Balance, July 1	168,138	168,138	168,138	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance, June 30	<u><u>\$168,138</u></u>	<u><u>\$173,412</u></u>	<u><u>\$173,412</u></u>	<u><u>\$0</u></u>

Statistical Section



*Linworth High School
participate in the FLAGS
(Financial Literacy And
General Scholarship) Program*



*Liberty Elementary recognize members of the
Armed Forces on Heroes Day*

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WORTHINGTON CITY SCHOOL DISTRICT 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.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial position has changed over time.	86
Revenue Capacity These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	94
Debt Capacity 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.	100
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the District's financial activities take place.	106
Operating Information 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.	109

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 Position by Component
Last Ten Years
(accrual basis of accounting)

	2004	2005	2006	2007
Governmental Activities:				
Investment in Capital Assets	\$22,678,684	\$25,168,139	\$26,082,150	\$30,521,399
Restricted for:				
Capital Outlay	2,792,513	2,683,230	3,104,334	2,402,742
Debt Service	2,991,327	4,858,924	2,415,622	3,727,042
Other Purposes	2,386,118	2,851,425	2,755,654	3,170,959
Unrestricted (Deficit)	7,536,749	16,957,473	22,912,270	40,365,167
Total Governmental Activities Net Position	\$38,385,391	\$52,519,191	\$57,270,030	\$80,187,309

2008	2009	2010	2011	2012	2013
\$26,972,017	\$24,026,751	\$21,216,857	\$20,534,189	\$19,805,237	\$16,037,554
3,789,450	4,417,861	1,437,072	521,843	1,369,597	893,745
3,244,738	5,032,502	2,986,937	2,280,627	1,344,150	5,720,009
3,706,289	3,290,396	2,328,710	1,554,191	1,378,973	383,772
39,555,394	39,232,385	51,793,301	56,506,087	62,014,693	68,075,871
<u>\$77,267,888</u>	<u>\$75,999,895</u>	<u>\$79,762,877</u>	<u>\$81,396,937</u>	<u>\$85,912,650</u>	<u>\$91,110,951</u>

Worthington City School District
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	2004	2005	2006	2007
Expenses				
Governmental Activities:				
Instruction				
Regular	\$55,235,340	\$55,292,157	\$59,004,344	\$57,103,086
Special	9,238,641	10,052,086	10,927,935	10,675,916
Vocational	820,984	651,839	766,375	631,260
Continuing	12,421	6,707	3,525	4,197
Support Services				
Pupils	6,227,846	5,650,850	6,155,193	5,730,079
Instructional Staff	6,714,675	6,970,982	8,716,053	6,457,734
Board of Education	57,969	57,115	64,937	65,482
Administration	6,880,882	8,213,238	8,534,738	7,988,740
Business Operations	2,828,248	2,797,146	3,712,349	2,918,413
Operation and maintenance of plant	9,610,080	9,830,408	10,423,949	11,269,054
Student Transportation	3,439,100	3,410,132	3,786,693	3,576,030
Central Services	1,789,935	2,167,366	2,189,898	2,134,403
Food Service Operations	3,157,516	3,159,484	3,314,368	3,163,385
Community Services	729,158	1,457,073	1,141,769	1,349,892
Co-curricular Activities	2,486,200	2,577,898	2,661,822	2,243,313
Interest and Fiscal Charges	3,403,043	3,019,567	3,104,298	2,987,142
<i>Total Governmental Activities Expenses</i>	<u>112,632,038</u>	<u>115,314,048</u>	<u>124,508,246</u>	<u>118,298,126</u>
Program Revenues				
Governmental Activities:				
Charges for Services				
Instruction				
Regular	548,429	882,830	1,753,192	1,611,781
Special	1,130,244	440,398	78,362	221,690
Support Services				
Pupils	99,572	9,040	29,070	76,431
Instructional Staff	29,823	18,936	35,229	54,555
Board of Education	0	0	0	0
School Administration	2,739	5,015	12,810	15,436
Business Operations	0	0	0	0
Operation and maintenance of plant	5,259	10,021	2,856	172,945
Student Transportation	0	0	0	14,482
Central Services	0	0	26,944	26,649
Food Service Operations	2,470,919	2,419,317	2,515,846	2,408,498
Community services	34,769	440,398	483,618	595,073
Co-curricular student activities	819,534	817,141	1,062,930	709,500
Operating Grants and Contributions	3,635,044	4,608,844	4,489,339	4,701,492
<i>Total Governmental Activities Program Revenues</i>	<u>8,776,332</u>	<u>9,651,940</u>	<u>10,490,196</u>	<u>10,608,532</u>
Net (Expense)/Revenue Governmental Activities	<u>(103,855,706)</u>	<u>(105,662,108)</u>	<u>(114,018,050)</u>	<u>(107,689,594)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purpose	79,203,511	80,964,661	84,289,841	88,230,220
Debt Service	9,730,641	8,617,043	7,522,045	7,737,796
Grants and Entitlements not				
Restricted to Specific Programs	25,332,184	25,306,239	25,318,173	28,010,794
Investment Earnings	282,440	778,803	1,519,001	3,505,246
Gain (Loss) on Disposal of Capital Assets	860,343	0	0	2,906,772
Miscellaneous	824,035	1,338,730	434,971	384,528
<i>Total Governmental Activities</i>	<u>116,233,154</u>	<u>117,005,476</u>	<u>119,084,031</u>	<u>130,775,356</u>
Change in Net Position Governmental Activities	<u><u>12,377,448</u></u>	<u><u>11,343,368</u></u>	<u><u>5,065,981</u></u>	<u><u>23,085,762</u></u>

Note: Food Services Business type activities were reclassified to governmental activities July 1, 2008.

2008	2009	2010	2011	2012	2013
\$59,562,061	\$61,356,074	\$61,107,812	\$61,948,546	\$60,153,790	\$59,983,167
11,073,947	12,783,580	13,780,924	13,847,900	12,942,670	13,505,383
420,970	923,941	1,371,730	1,295,740	948,583	1,011,980
2,898	2,508	1,863	2,320	2,451	22,828
5,560,392	6,094,672	6,109,044	6,184,067	6,850,495	6,723,710
7,902,971	9,794,594	10,618,889	11,248,835	10,831,246	10,760,491
61,322	40,799	63,151	54,500	73,036	36,938
8,932,842	9,308,941	8,830,428	8,695,004	8,828,711	8,432,818
2,822,867	2,552,624	2,678,412	2,835,885	2,624,084	3,101,183
13,520,635	12,866,886	14,045,142	14,276,316	12,975,184	12,076,687
4,108,950	4,102,356	4,363,343	4,335,906	4,432,028	4,509,730
2,794,929	968,993	1,542,723	1,547,692	1,335,576	1,401,754
3,367,182	3,375,873	3,326,175	3,393,287	3,145,849	2,899,772
1,619,136	1,777,357	1,446,962	1,605,646	1,612,180	2,007,388
2,492,442	2,302,894	2,634,317	2,696,681	2,660,440	2,703,946
2,713,715	2,629,246	2,556,578	2,496,537	2,792,187	2,339,784
126,957,259	130,881,338	134,477,493	136,464,862	132,208,510	131,517,559
1,410,475	1,260,967	1,629,706	1,334,951	955,968	774,544
241,829	203,255	73,009	237,761	180,634	207,238
78,671	83,933	89,250	101,897	75,217	89,283
41,929	131,211	93,998	9,109	9,929	10,434
0	0	0	0	0	0
15,698	14,039	9,863	0	14,500	2,857
0	0	0	0	0	0
121,374	37,137	0	0	197,062	122,973
14,631	10,753	75,696	15,216	34,079	16,174
126,830	48,596	0	0	16,517	33,494
2,382,215	2,394,873	2,270,288	2,214,556	1,834,847	1,706,788
581,472	639,886	626,510	741,300	890,967	951,389
702,055	681,279	719,966	785,207	841,932	928,617
5,127,705	4,959,306	9,085,628	7,533,794	5,637,083	5,738,411
10,844,884	10,465,235	14,673,914	12,973,791	10,688,735	10,582,202
(116,112,375)	(120,416,103)	(119,803,579)	(123,491,071)	(121,519,775)	(120,935,357)
71,709,034	74,893,291	77,937,496	78,994,083	82,382,453	84,497,215
6,272,360	6,853,630	6,313,705	6,152,424	6,038,076	5,750,975
31,643,053	35,560,655	38,083,058	38,586,728	36,551,716	34,956,257
3,135,482	1,427,545	429,863	329,330	294,842	157,364
0	0	0	0	0	0
433,025	412,989	802,439	1,062,566	768,401	771,847
113,192,954	119,148,110	123,566,561	125,125,131	126,035,488	126,133,658
(2,919,421)	(1,267,993)	3,762,982	1,634,060	4,515,713	5,198,301

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

	2004	2005	2006	2007
General Fund				
Nonspendable	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Reserved	\$16,258,285	\$22,056,097	\$24,672,399	\$32,507,251
Unreserved	<u>(3,046,951)</u>	<u>(4,091,786)</u>	<u>462,617</u>	<u>13,908,425</u>
<i>Total General Fund</i>	13,211,334	17,964,311	25,135,016	46,415,676
All Other Governmental Funds				
Nonspendable	N/A	N/A	N/A	N/A
Restricted for:				
Debt Service	N/A	N/A	N/A	N/A
Capital Outlay	N/A	N/A	N/A	N/A
Other Purposes	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A
Reserved	2,316,948	2,581,443	4,659,920	6,382,482
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	2,351,628	2,490,155	2,522,173	2,913,980
Debt Service Funds	2,406,138	2,525,558	2,229,391	859,705
Capital Projects Funds	<u>2,453,096</u>	<u>2,326,379</u>	<u>468,552</u>	<u>14,296,085</u>
<i>Total All Other Governmental Funds</i>	<u>9,527,810</u>	<u>9,923,535</u>	<u>9,880,036</u>	<u>24,452,252</u>
<i>Total Governmental Funds</i>	<u><u>\$22,739,144</u></u>	<u><u>\$27,887,846</u></u>	<u><u>\$35,015,052</u></u>	<u><u>\$70,867,928</u></u>

Note: Governmental Accounting Standards Board Statement No 54, Fund Balance Reporting, was implemented July 1, 2009. Table reflects that only for Fiscal Year 2010. Prior 9 fiscal years were not reclassified

2008	2009	2010	2011	2012	2013
N/A	N/A	141,145	110,658	101,320	142,703
N/A	N/A	3,118,000	3,118,000	3,118,000	3,118,000
N/A	N/A	1,166,656	859,000	956,355	2,350,474
N/A	N/A	48,348,128	52,734,320	59,180,684	64,948,500
\$26,112,712	\$28,482,417	N/A	N/A	N/A	N/A
19,473,743	17,964,189	N/A	N/A	N/A	N/A
45,586,455	46,446,606	52,773,929	56,821,978	63,356,359	70,559,677
N/A	N/A	92,591	118,609	97,321	81,837
N/A	N/A	4,662,945	4,521,604	4,274,857	5,699,723
N/A	N/A	7,233,633	9,911,549	4,198,543	38,334,956
N/A	N/A	682,235	801,455	542,272	309,629
N/A	N/A	3,542,754	3,326,280	2,662,054	2,679,493
N/A	N/A	(328,262)	(120,804)	(416,973)	(392,745)
6,858,875	7,656,365	N/A	N/A	N/A	N/A
3,159,797	2,807,222	N/A	N/A	N/A	N/A
767,937	2,181,201	N/A	N/A	N/A	N/A
7,195,983	12,427,171	N/A	N/A	N/A	N/A
17,982,592	25,071,959	15,885,896	18,558,693	11,358,074	46,712,893
\$63,569,047	\$71,518,565	68,659,825	75,380,671	74,714,433	117,272,570

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

	2004	2005	2006	2007
Revenues				
Taxes	\$88,092,800	\$88,710,525	\$91,403,124	\$97,284,763
Intergovernmental	28,721,618	29,168,852	29,355,952	32,940,439
Investment Income	272,874	771,016	1,498,661	3,505,246
Tuition and Fees	1,781,998	967,724	2,114,383	2,038,376
Co-Curricular Activities	700,212	732,247	739,098	740,321
Customer Sales and Services	N/A	N/A	N/A	2,408,498
Other Revenues	1,012,194	1,215,571	1,066,501	1,104,373
Total Revenues	120,581,696	121,565,935	126,177,719	140,022,016
Expenditures				
Current:				
Instruction				
Regular	51,413,278	52,377,093	53,803,453	54,229,169
Special	9,154,521	10,247,277	10,483,359	10,943,872
Vocational	816,251	680,743	691,410	696,581
Continuing	13,545	6,238	3,525	4,197
Support Services				
Pupils	6,082,351	5,719,017	5,894,507	5,829,160
Instructional Staff	6,679,333	7,042,871	8,298,448	6,683,103
Board of Education	55,840	57,402	65,063	65,482
School Administration	6,932,008	7,893,372	8,213,192	7,997,987
Business Operations	2,866,972	2,760,312	3,663,269	3,010,828
Operation and Maintenance of Plant	9,515,496	9,792,370	11,624,567	11,057,309
Student Transportation	4,481,248	3,258,371	3,404,944	3,807,945
Central Services	1,910,485	2,192,266	2,229,305	2,252,877
Food Service Operations	N/A	N/A	N/A	3,163,008
Community Services	730,557	1,031,187	1,135,724	1,357,308
Co-Curricular Activities	2,498,870	2,606,752	2,567,373	2,134,685
Capital Outlay	307,563	208,913	208,298	1,194,727
Debt Service				
Principal Retirement	7,603,710	7,443,254	2,910,890	6,383,000
Interest and Fiscal Charges	2,422,611	2,238,067	6,194,186	3,093,808
Total Expenditures	113,484,639	115,555,505	121,391,513	123,905,046
Excess of Revenues Over (Under) Expenditures	7,097,057	6,010,430	4,786,206	16,116,970
Other Financing Sources (Uses)				
Sale of Capital Assets	1,030,915	647,557	0	2,783,390
Proceeds from Issuance of Debt	650,000	0	2,341,000	15,729,383
Payment to Refund Debt	0	0	0	0
Transfers In	748,773	658,925	998,587	328,911
Transfers Out	(675,476)	(658,925)	(998,587)	(328,911)
Total Other Financing Sources (Uses)	1,754,212	647,557	2,341,000	18,512,773
Net Change in Fund Balances	\$8,851,269	\$6,657,987	\$7,127,206	\$34,629,743

Debt Service as a Percentage of
Noncapital Expenditures 10.23% 8.97% 7.51% 7.61%

N/A- Food Service Business-type fund was reclassified to a non-major governmental special revenue fund July 1, 2007
Tables reflect that data for 2007 and 2008 only

2008	2009	2010	2011	2012	2013
\$78,487,732	\$81,615,258	\$83,553,441	\$85,289,592	\$88,847,544	\$90,345,882
36,635,890	40,631,055	45,826,401	46,595,556	42,509,297	40,837,573
3,135,482	1,427,545	429,863	326,803	294,842	84,634
1,824,288	1,768,799	2,179,882	2,244,700	2,055,568	1,981,192
735,661	718,574	764,662	622,073	684,446	669,730
2,386,864	2,332,991	2,274,518	2,218,881	2,149,544	2,030,879
1,203,391	1,098,554	1,171,663	1,416,909	920,072	933,835
<u>124,409,308</u>	<u>129,592,776</u>	<u>136,200,430</u>	<u>138,714,514</u>	<u>137,461,313</u>	<u>136,883,725</u>
58,237,720	58,740,574	57,948,216	59,327,720	57,747,755	57,219,179
11,113,300	12,741,514	13,856,077	13,921,845	12,942,575	13,395,796
442,449	923,791	1,293,121	1,292,106	972,375	1,011,878
2,898	2,508	1,863	2,320	2,453	22,844
5,664,885	6,021,619	6,100,288	6,179,192	7,074,855	6,764,267
7,598,462	9,639,782	10,554,071	11,042,607	10,749,118	10,680,736
61,378	40,799	63,247	54,509	73,109	36,964
8,925,748	9,167,779	8,936,424	8,700,643	8,919,175	8,387,504
2,834,108	2,535,593	2,669,962	2,828,823	2,621,831	3,103,321
11,294,068	12,577,804	13,133,901	13,793,802	12,476,601	11,629,485
4,354,386	3,677,822	3,908,111	3,846,098	3,978,276	4,059,179
2,993,355	897,063	1,367,924	1,478,562	1,270,446	1,308,782
3,303,714	3,392,121	3,324,916	3,374,734	3,143,525	2,932,602
1,616,068	1,777,781	1,446,845	1,582,257	1,601,995	1,972,296
2,232,084	2,171,188	2,470,673	2,559,653	2,494,138	2,463,556
2,756,323	4,495,674	3,351,787	2,493,339	3,825,390	3,151,590
5,659,000	5,790,000	5,850,000	6,225,000	6,231,000	4,487,000
2,813,748	2,779,301	2,495,815	2,509,776	2,084,786	2,181,929
<u>131,903,694</u>	<u>137,372,713</u>	<u>138,773,241</u>	<u>141,212,986</u>	<u>138,209,403</u>	<u>134,808,908</u>
<u>(7,494,386)</u>	<u>(7,779,937)</u>	<u>(2,572,811)</u>	<u>(2,498,472)</u>	<u>(748,090)</u>	<u>2,074,817</u>
71,429	84,169	71,429	71,429	81,852	71,428
4,579,573	21,248,386	0	9,147,889	0	40,411,892
(4,455,497)	(5,603,100)	0	0	0	0
749,500	942,302	966,144	987,401	1,051,125	2,267,322
(749,500)	(942,302)	(1,323,502)	(987,401)	(1,051,125)	(2,267,322)
<u>195,505</u>	<u>15,729,455</u>	<u>(285,929)</u>	<u>9,219,318</u>	<u>81,852</u>	<u>40,483,320</u>
<u>(\$7,298,881)</u>	<u>\$7,949,518</u>	<u>(\$2,858,740)</u>	<u>\$6,720,846</u>	<u>(\$666,238)</u>	<u>\$42,558,137</u>
7.97%	6.57%	6.45%	6.30%	6.19%	5.07%

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

Collection Year	Real Property (a)		Tangible Personal Property Public Utility (c)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2004	1,526,293,780	4,360,839,371	55,641,930	158,976,943
2005	1,531,629,970	4,376,085,629	54,413,770	155,467,914
2006	1,752,251,490	5,006,432,829	53,865,420	153,901,200
2007	1,779,121,070	5,083,203,057	50,757,700	145,022,000
2008	1,783,364,050	5,095,325,857	29,157,310	83,306,600
2009	1,800,730,910	5,144,945,457	29,914,350	85,469,571
2010	1,805,469,380	5,158,483,943	30,224,580	86,355,943
2011	1,805,903,510	5,159,724,314	34,228,570	97,795,914
2012	1,741,111,530	4,974,604,371	37,985,760	108,530,743
2013	1,747,664,410	4,993,326,886	38,017,360	108,621,029

(a) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner

(b) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 35% in 1983 until it reached 25% in 1993. HB66 phased out TPP with the last collection during 2010. Telephone property was reclassified to General Business and assessed at 10% for 2009, 5% for 2010, and eliminated in 2011.

(c) Assumes public utilites are assessed at true value which is 35%.

(d) Tax rates are per \$1000 of assessed value. The rate represents the weighted average of all the effective (assessed rates) applied by property type.

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

Tangible Personal Property		Total		Total Direct Effective Rate
General Business (b)		Assessed Value	Estimated Actual Value	
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
196,298,030	\$785,192,120	1,778,233,740	5,305,008,434	77.71
180,456,129	\$721,824,516	1,766,499,869	5,253,378,059	84.56
132,307,380	\$705,639,360	1,938,424,290	5,865,973,389	83.23
86,444,451	\$691,555,608	1,916,323,221	5,919,780,665	83.23
49,073,694	\$785,179,104	1,861,595,054	5,963,811,561	83.23
8,593,327	\$85,933,270	1,839,238,587	5,316,348,299	83.14
4,296,663	\$85,933,260	1,839,990,623	5,330,773,146	87.04
0	\$0	1,840,132,080	5,257,520,229	88.54
0	\$0	1,779,097,290	5,083,135,114	90.04
0	\$0	1,785,681,770	5,101,947,914	94.94

Worthington City School District
Real Property Tax Rates - Direct and Overlapping Governments
Last Ten Years
(Per \$1,000 of Assessed Valuation)

Collection Year	Worthington City School District			Franklin County	City of Worthington
	General Fund	Bond Fund	Total Direct		
2004	72.49	5.22	77.71	17.64	3.00
2005	79.34	5.22	84.56	18.44	3.00
2006	79.34	3.89	83.23	18.44	3.00
2007	79.34	3.89	83.23	18.44	5.00
2008	79.34	3.89	83.23	18.49	5.00
2009	79.34	3.8	83.14	18.02	5.00
2010	83.24	3.80	87.04	18.07	5.00
2011	84.74	3.80	88.54	18.07	5.00
2012	86.24	3.80	90.04	18.07	5.00
2013	91.14	3.80	94.94	18.47	5.00
(Res/Agric)	(50.92)	(3.80)	(54.72)	(18.27)	(5.00)
(Comm/Ind)	(66.14)	(3.80)	(69.94)	(18.42)	(5.00)

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

Figures in parentheses reflect "effective" millage for residential/agricultural (upper) and commercial/industrial (lower) for the current collection year only. All other figures reflect voted millage.

Ohio Revised Code Sections 5705.02 and 5705.07 requires any millage exceeding the unvoted or "inside" millage can only be done by a vote of the people.

<u>City of Columbus</u>	<u>Village of Riverlea</u>	<u>Sharon Township</u>	<u>Perry Township</u>	<u>Library</u>
3.14	6.00	1.57	20.40	2.20
3.14	6.00	1.57	18.40	2.20
3.14	6.50	1.57	18.40	4.80
3.14	6.50	1.57	21.20	4.80
3.14	6.50	1.57	21.20	4.80
3.14	6.50	1.57	18.10	4.80
3.14	6.50	1.57	18.10	4.80
3.14	7.00	1.57	18.10	4.80
3.14	7.00	1.57	17.67	4.80
3.14	7.65	1.58	21.60	4.80
(3.14)	(7.65)	(1.58)	(16.77)	(3.54)
(3.14)	(7.65)	(1.58)	(16.41)	(4.60)

Worthington City School District
Principal Taxpayers
 2012 and 2003 Collection Years

Name of Taxpayer	2013 Collection Year		Name of Taxpayer	2004 Collection Year	
	Assessed Value	Percent of Total Assessed Value		Assessed Value	Percent of Total Assessed Value
Public Utilities			Public Utilities		
1 Columbus Southern Power Co	\$29,236,210	1.64%	1 Columbus Souther Power Company	\$22,884,640	1.33%
			2 Ohio Bell Telephone Company	11,917,370	0.72%
			3 Sprintcom Inc	9,001,150	0.32%
Real Estate			Real Estate		
1 Anheuser-Busch Inc.	19,202,160	1.08%	1 Anheuser-Busch, Inc	17,729,950	1.10%
2 Worthington Industries	9,324,870	0.52%	2 ASP Boma LLC	11,511,520	0.75%
3 IS-CAN Ohio LP	8,548,770	0.48%	3 Eastrich No 167 Corp	11,450,970	0.65%
4 EOP - Community Corporate	8,050,010	0.45%	4 Worthington Meadows	10,024,400	0.59%
5 Worthington Meadows	7,533,770	0.42%	5 Worthington Industries	8,490,470	0.57%
6 Fieldstone Trace Partnership	7,367,500	0.41%	6 Columbus Retail Inc	8,184,160	0.52%
7 Stratford Chase	5,250,000	0.29%	7 EOP Community Corporate	8,050,000	0.49%
8 Columbus Park Club	5,181,470	0.29%	8 Fieldstone Trace	7,334,260	0.46%
9 Columbus Industrial Owner	5,020,770	0.28%	9 Regency Centers LP	7,039,510	0.42%
10 Alexander Square LLC	4,865,000	0.27%	10 Donald R Kenney TR	6,874,010	0.40%
All Others	1,676,101,240	93.86%	All Others	1,637,741,330	92.10%
Total Assessed Valuation	<u>1,785,681,770</u>	<u>100.00%</u>		<u>1,778,233,740</u>	<u>100.00%</u>

Source: Office of the Auditor, Franklin County, Ohio

Note: Assessed Values are for the valuation year of 2012 and 2003 respectively.

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

<u>Collection Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Current Tax Collections to Current Tax Levy</u>	<u>Delinquent Tax Collections (2)</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Current Tax Levy</u>
2004	86,312,043	84,257,612	97.62	2,387,052	86,644,664	100.39
2005	98,614,998	95,818,681	97.16	2,014,981	97,833,662	99.21
2006	94,496,130	91,666,735	97.01	3,257,108	94,923,843	100.45
2007	92,691,517	89,095,614	96.12	2,520,454	91,616,068	98.84
2008	89,314,387	84,577,616	94.70	1,920,946	86,498,562	96.85
2009	83,937,999	80,542,344	95.95	1,991,007	82,533,351	98.33
2010	91,668,700	88,884,885	96.96%	2,737,450	91,622,335	99.95%
2011	94,417,339	91,419,282	96.82%	2,356,824	93,776,106	99.32%
2012	97,249,443	94,152,680	96.82%	2,123,321	96,276,001	99.00%
2013	N/A	N/A	N/A	N/A	N/A	N/A

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

N/A - Not available at time of publication

Worthington City School District
Ratio of Outstanding Debt By Type

Last Ten Years

Year	Governmental Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	General Obligation Notes	Certificates of Participation			
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
2007	47,139,645	3,748,000	5,845,000	56,732,645	2.85%	985.80
2008	41,993,753	3,439,000	5,794,615	51,227,368	2.42%	837.69
2009	52,424,611	3,114,000	5,593,667	61,132,278	2.72%	994.15
2010	47,226,993	2,774,000	5,357,719	55,358,712	2.39%	872.79
2011	50,868,345	2,424,000	5,081,771	58,374,116	2.47%	903.93
2012	45,471,381	2,058,000	4,725,823	52,255,204	2.47%	903.93
2013	82,226,270	1,676,000	4,324,875	88,227,145	4.13%	1,478.11

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) Estimated Actual Value	(b) General Obligation Debt	(d) Resources Available to Pay Principal	Net General Bonded Debt	(e) Ratio of Net Bonded Debt to Estimated Actual Value	(e) Net Bonded Debt per Capita
2004	5,305,008,434	54,406,420	4,227,822	50,178,598	0.96%	\$849.58
2005	5,253,378,059	51,618,040	4,629,364	46,988,676	0.80%	\$720.37
2006	5,865,973,389	47,617,442	4,086,393	43,531,049	0.74%	\$725.72
2007	5,919,780,665	56,732,645	1,180,105	55,552,540	0.94%	\$965.29
2008	5,963,811,561	51,227,368	1,227,370	49,999,998	0.84%	\$817.62
2009	5,316,348,299	61,132,278	2,858,321	58,273,957	1.10%	\$947.67
2010	5,330,773,146	55,358,712	2,565,945	52,792,767	0.99%	\$858.53
2011	5,257,520,229	\$58,374,116	2,552,615	55,821,501	1.06%	\$940.17
2012	5,083,135,114	\$52,255,204	2,154,857	50,100,347	0.99%	\$843.81
2013	5,101,947,914	\$88,227,145	3,776,723	84,450,422	1.66%	\$1,414.84

Sources:

- (a) County Auditor, Franklin County, Ohio,
- (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

Worthington City School District
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
June 30, 2013*

	Total Assessed Value of That Subdivision	Assessed Value In Worthington	Net Debt Outstanding (2)	Percentage Applicable to District (1)	Amount Applicable to Worthington CSD
Direct:					
Worthington City School District	\$ 1,785,681,770	1,785,681,770	84,450,422	100.00%	\$ 84,450,422
Overlapping:					
Franklin County	25,648,101,000	1,785,681,770	279,286,000	6.96%	\$ 19,444,555
City of Worthington	553,320,080	553,320,080	6,345,000	100.00%	\$ 6,345,000
City of Columbus	14,224,408,000	1,230,999,960	1,123,974,000	8.65%	\$ 97,270,266
Total Overlapping			<u>\$1,409,605,000</u>		<u>\$123,059,821</u>
Total Direct and Overlapping Debt			<u>\$1,494,055,422</u>		<u>\$207,510,243</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 2012 collection year and the Debt outstanding was at December 31, 2011
- (2) The Net Debt Outstanding is obtained from the respective governmental subdivisions latest financial statements 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

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

	2004	2005	2006	2007
Assessed Valuation	<u>\$1,778,233,740</u>	<u>\$1,766,499,869</u>	<u>\$1,938,424,290</u>	<u>\$1,916,323,221</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$160,041,037</u>	<u>\$158,984,988</u>	<u>\$174,458,186</u>	<u>\$172,469,090</u>
Amount of Debt Applicable to Debt Limit				
General Obligation Debt	54,406,420	51,618,040	47,617,442	56,732,645
Less Exempted Debt (2)	(8,935,000)	(8,660,000)	(10,371,000)	(8,049,650)
Less Cash Available in Debt Service	<u>(4,227,822)</u>	<u>(4,629,364)</u>	<u>(4,086,393)</u>	<u>(1,180,105)</u>
Amount of Debt Subject to Limit	<u>41,243,598</u>	<u>38,328,676</u>	<u>33,160,049</u>	<u>47,502,890</u>
Legal Debt Margin	<u>\$118,797,439</u>	<u>\$120,656,312</u>	<u>\$141,298,137</u>	<u>\$124,966,200</u>
Legal Debt Margin as a Percentage of the Debt Limit	74.23%	75.89%	80.99%	72.46%
Unvoted Debt Limit - .10% of Assessed Value	\$1,778,234	\$1,766,500	\$1,938,424	\$1,916,323
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$1,778,234</u>	<u>\$1,766,500</u>	<u>\$1,938,424</u>	<u>\$1,916,323</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	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, deep discount accretion and unamortized premium /gain are excluded from Debt Margin Calculation in accordance with Ohio Revised Code 133.04

2008	2009	2010	2011	2012	2013
<u>\$1,861,595,054</u>	<u>\$1,839,238,587</u>	<u>\$1,839,990,623</u>	<u>\$1,840,132,080</u>	<u>\$1,779,097,290</u>	<u>\$1,785,681,770</u>
<u>\$167,543,555</u>	<u>\$165,531,473</u>	<u>\$165,599,156</u>	<u>\$165,611,887</u>	<u>\$160,118,756</u>	<u>\$160,711,359</u>
51,227,368	61,132,278	55,358,712	58,374,116	52,255,204	88,227,145
(9,937,368)	(11,193,300)	(10,679,734)	(10,680,155)	(10,056,253)	(12,380,884)
<u>(1,227,370)</u>	<u>(2,858,321)</u>	<u>(2,565,945)</u>	<u>(2,552,615)</u>	<u>(2,154,857)</u>	<u>(3,776,723)</u>
<u>40,062,630</u>	<u>47,080,657</u>	<u>42,113,033</u>	<u>45,141,346</u>	<u>40,044,094</u>	<u>72,069,538</u>
<u>\$127,480,925</u>	<u>\$118,450,816</u>	<u>\$123,486,123</u>	<u>\$120,470,541</u>	<u>\$120,074,662</u>	<u>\$88,641,821</u>
76.09%	71.56%	74.57%	72.74%	74.99%	55.16%
\$1,861,595	\$1,839,239	\$1,839,991	\$1,840,132	\$1,779,097	\$1,785,682
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$1,861,595</u>	<u>\$1,839,239</u>	<u>\$1,839,991</u>	<u>\$1,840,132</u>	<u>\$1,779,097</u>	<u>\$1,785,682</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Worthington City School District
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Personal Income (2)	Per Capita Personal Income (1)	Unemployment Rate (3)
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%
2007	60,347	1,985,187,250	34,495	5.3%
2008	61,153	2,120,786,040	34,680	5.7%
2009	61,492	2,246,610,220	36,535	9.0%
2010	61,492	2,246,610,220	36,535	9.2%
2011	59,374	2,169,229,090	36,535	7.4%
2012	59,374	2,169,229,090	36,535	6.2%
2013	59,689	2,135,493,353	35,777	6.3%

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

Note: 2010 figure for population, personal income, and per capita income
represent 2009 amounts as 2010 figure were not yet available at
the time of this publication

2012 figure for population, personal income, and per capita income
represent 2011 amounts as 2012 figure were not yet available at
the time of this publication

Worthington City School District

Principal Employers

2013 and seven years prior

<u>Employer</u>	<u>Nature of Business</u>	<u>June 2013</u>		<u>June 2006</u>	
		<u>Number of Employees</u>	<u>Rank</u>	<u>Number of Employees</u>	<u>Rank</u>
Worthington Industries	Steel Industry	1,352	1	1,100	2
Worthington School District	Education	1,135	2	1,176	1
Liebert Corporation	Energy/Power	1,000	3	1,000	3
Anthem Blue Cross	Insurance	893	4	840	5
Anheuser Busch	Production Plant	776	5	892	4
Huntington Bank	Mortgage/Banking	525	6	540	6
Diamond Innovations	Diamond Products	369	7	375	7
Medvet Medical Center	Animal Care	251	8	250	9
American Automobile Association	Automotive	246	9	0	N/A
The Laurels Healthcare	Healthcare	240	10	290	8
American Health Holding	Healthcare	<u>N/A</u>	N/A	<u>231</u>	10
Total		<u>6,787</u>		<u>6,694</u>	

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, therefore, the date closest to that was supplied. Additionally, total employment of the District or City was not available.

Worthington City School District
Total District Employees by Function/Activity All Funds
Last Nine Years

	Actual								
	2005	2006	2007	2008	2009	2010	2011	2012	2013
Official/ Administrative									
Associate Superintendent	1.00	1.00	1.00	1.00	1.00	0.00	1.00	1.00	1.00
Assistant Principal	6.00	6.00	6.00	5.00	5.00	5.00	6.00	6.00	6.00
Principal	18.00	17.00	17.00	17.00	18.00	18.00	18.00	18.00	17.00
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.00
Supervising/Managing/Directing	4.00	4.00	4.00	5.00	3.00	3.00	2.00	3.00	3.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinator	9.50	9.50	6.50	6.50	6.50	7.50	7.00	6.00	6.00
Education Administrative Specialist	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Director	1.00	1.00	1.00	1.00	1.00	2.00	2.00	1.00	1.00
Other Official/Administrative	2.00	3.00	3.00	2.50	2.50	2.00	2.00	2.00	2.00
Total Official/Administrative	46.50	46.50	42.50	42.00	41.00	41.50	42.00	42.00	40.00
Professional - Educational									
Curriculum Specialist	0.00	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Counseling	20.90	20.40	20.40	19.90	20.40	19.40	18.90	19.40	19.40
Librarian/Media	18.00	17.00	16.98	17.00	15.10	16.10	15.00	15.00	15.00
Remedial Specialist	0.00	0.00	14.77	13.67	14.67	15.50	15.50	15.50	15.97
Teachers	648.57	640.90	620.93	630.65	641.65	637.95	616.67	606.87	610.17
Suppl Service Teacher - Special Ed	2.00	2.00	2.00	2.00	2.00	3.50	4.25	2.50	2.50
Teacher Mentor/Evaluator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other Professional	15.00	15.00	15.50	16.20	17.70	19.80	20.50	21.60	22.10
Total Professional - Educational	705.47	696.30	693.58	702.42	714.52	715.25	693.82	683.87	688.14
Professional - Other									
Accounting/Analyst	3.00	3.00	4.00	4.00	1.00	1.00	1.00	1.00	1.00
Psychologist	10.50	10.00	10.00	11.00	10.00	11.00	11.00	11.00	11.50
Registered Nurse	7.00	7.10	7.10	7.50	7.50	7.50	6.90	6.00	6.00
Physical Therapist	0.60	0.60	1.00	1.00	1.00	1.20	1.20	1.20	1.20
Speech and Language Therapist	11.40	11.70	11.70	11.70	11.70	11.70	11.55	12.10	11.91
Occupational Therapist	5.40	5.60	5.60	5.60	6.60	6.60	6.30	6.60	6.60
Adapted Physical Education Therapist	1.00	1.00	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Planning/Research/Development	0.00	0.00	0.00	0.00	3.00	3.00	3.00	3.00	3.00
Total Professional - Other	38.90	39.00	39.80	41.20	41.20	42.40	41.35	41.30	41.61
Technical									
Computer Operating	4.00	5.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Purchasing Agent	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Library Technician	3.00	3.00	3.00	2.00	0.00	0.00	0.00	0.00	0.00
Other Technical	13.00	13.00	11.00	11.00	11.00	11.00	12.00	10.94	11.50
Total Technical	21.00	22.00	20.00	19.00	17.00	17.00	18.00	15.94	16.50
Office/Clerical									
Bookkeeping	7.00	7.00	7.00	6.00	5.00	5.00	5.00	5.00	6.00
Clerical	70.35	67.66	63.66	61.91	62.54	61.04	59.79	59.60	63.67
Teaching Aide	101.58	100.94	91.16	87.33	91.70	91.01	88.69	87.97	94.02
Parent Mentor	0.81	0.81	0.56	0.50	0.50	0.50	0.50	0.50	0.50
Other Office/Clerical	2.00	2.00	2.00	2.00	4.00	4.00	4.00	4.00	2.00
Total Office/Clerical	181.74	178.41	164.38	157.74	163.74	161.55	157.98	157.07	166.19
Crafts and Trades									
General Maintenance	14.00	14.00	14.00	14.00	14.00	14.00	13.00	13.00	13.00
Mechanic	4.00	4.00	4.00	4.00	4.00	3.00	4.00	4.00	4.00
Foreman	2.00	2.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Other Crafts and Trades	5.00	5.00	5.00	5.00	5.00	5.00	5.00	3.50	3.56
Total Crafts and Trades	25.00	25.00	27.00	27.00	27.00	26.00	26.00	24.50	24.56
Operative									
Vehicle Operator Non Bus	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Vehicle Operator Bus	49.16	47.41	46.74	46.57	46.49	49.36	46.86	46.01	48.21
Total Operative	51.16	49.41	48.74	48.57	48.49	51.36	48.86	48.01	50.21
Service Work/Laborer									
Custodian	59.90	59.53	57.53	57.90	56.90	56.90	54.27	55.77	56.90
Food Service	47.34	47.28	46.21	44.34	43.47	43.92	42.60	40.07	38.83
Security	1.01	1.01	1.01	1.01	1.01	0.94	0.94	0.94	0.94
Monitoring	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00
Groundskeeping	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	7.00
Attendant	2.43	0.69	0.69	2.07	3.23	2.94	3.26	3.26	4.14
Other Service Work/Laborer	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00	0.00
Total Service Work/Laborer	121.68	119.51	116.44	116.32	115.61	115.70	112.07	106.04	107.81
Total	1,191.45	1,176.13	1,152.44	1,154.25	1,168.56	1,170.76	1,140.08	1,118.73	1,135.02
Function									
Governmental Activities									
Instruction									
Regular	558.07	551.64	550.15	559.59	544.12	533.32	521.64	516.10	531.52
Special	95.10	93.46	91.55	96.23	129.60	134.85	127.60	120.00	119.70
Vocational	15.40	15.30	13.50	8.70	2.50	6.90	5.70	4.70	5.40
Support Services									
Pupils	57.80	57.90	57.20	58.10	63.80	61.95	60.20	67.50	71.15
Instructional Staff	132.58	130.94	119.14	115.33	133.59	131.00	134.84	127.52	127.30
Administration	106.16	103.47	98.22	95.91	84.00	80.25	74.72	74.47	74.72
Fiscal Services	13.00	13.00	12.00	11.00	12.00	10.00	9.00	8.00	9.00
Business Services	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Operation and Maintenance of Plant	94.44	93.23	93.23	94.98	85.15	91.90	87.40	84.90	86.15
Pupil Transportation	55.16	53.41	52.74	52.57	53.97	53.38	51.21	50.86	51.75
Central	11.40	11.50	15.50	14.50	10.79	13.79	15.06	15.45	13.25
Food Service Operations	47.34	47.28	46.21	44.34	46.04	46.42	44.71	41.83	38.28
Extracurricular Activities	3.00	3.00	3.00	3.00	3.00	7.00	8.00	7.40	6.80
Total Governmental Activities	1,191.45	1,176.13	1,152.44	1,154.25	1,168.56	1,170.76	1,140.08	1,118.73	1,135.02

Method: 1.00 for each full-time, part time FTE based on ratio of hours worked to full time

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 Nine Fiscal Years

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
Instruction										
Per Pupil Cost based on Expenses as reported in the Statement of Activities	13,872	14,050	14,511	14,197	13,680	13,244	12,459	13,062	11,614	11,671
Support Services										
Pupil										
Enrollment (Students)	9,508	9,369	9,404	9,477	9,567	9,586	9,492	9,553	9,619	9,651
Graduation Rate	92.0%	95.3%	95.0%	95.5%	95.5%	96.8%	96.3%	97.9%	96.6%	97.6%
% of Students with Disabilities	11.8%	12.0%	11.8%	11.0%	11.9%	10.3%	9.7%	9.9%	10.1%	9.3%
% of Limited English Proficient Students	5.2%	5.0%	4.8%	5.2%	5.1%	4.1%	3.8%	3.7%	3.1%	3.2%
Instructional Staff										
IT Work Orders Completed	15,653	8,878	11,699	10,574	7,730	5,877	8,178	5,938	n/a	n/a
Administration										
Student Attendance Rate	95.0%	95.0%	95.8%	95.5%	95.7%	95.7%	95.8%	95.7%	95.8%	95.7%
Fiscal and Business										
Purchase Orders Processed	6,860	6,947	6,988	7,367	7,942	8,689	11,253	15,610	n/a	n/a
Nonpayroll Checks Issued	10,255	10,459	10,612	11,215	12,052	14,946	12,893	13,301	n/a	n/a
Maintenance										
Maintenance Work Orders Completed	2,838	2,766	1,622	2,988	3,717	4,427	5,216	5,589	n/a	n/a
District Square Footage Maintained By Custodians and Maintenance Staff	1,638,562	1,638,562	1,638,562	1,638,562	1,638,562	1,638,562	1,638,562	1,638,562	1,638,562	1,638,562
District Acreage Maintained By Grounds Staff	379	379	379	379	379	379	379	379	379	379
Transportation										
Average Students Transported Daily	4,651	4,763	4,797	4,620	4,517	4,800	4,800	5,233	n/a	n/a
Average Daily Bus Fleet Mileage	4,838	4,504	4,555	4,846	4,866	4,756	4,756	4,756	4,756	4,756
Number of Busses in Fleet	79	83	82	81	80	85	92	86	85	85
Co-Curricular Activities										
High School Varsity Teams	58	58	58	58	58	58	58	58	58	58
Food Service										
Meals Served to Students	745,479	621,172	610,051	584,693	542,830	541,049	490,081	468,987	491,305	482,524
% of Total Meals That Were Free Meals	44.6%	37.5%	36.8%	32.9%	29.3%	27.4%	26.3%	21.9%	17.7%	13.8%
% of Total Meals That Were Reduced Meals	9.0%	8.2%	6.4%	8.0%	8.8%	8.4%	9.1%	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

		Worthington									
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
3rd Grade Achievement Tests (Tests Initiated March, 2005)											
Reading		92.4%	90.1%	90.8%	90.3%	87.7%	89.9%	90.5%	86.0%	88.9%	n/a
Mathematics		90.7%	86.8%	87.9%	84.6%	87.8%	90.4%	91.9%	85.0%	87.9%	n/a
4th Grade Proficiency/Achievement Tests (Tests Initiated March 1995)											
Reading		94.7%	91.2%	91.9%	90.7%	92.7%	91.0%	90.9%	89.3%	90.7%	86.6%
Mathematics		91.0%	89.3%	86.3%	85.8%	89.5%	88.5%	87.4%	89.3%	82.3%	83.6%
5th Grade Achievement Tests (Test Initiated March 2005)											
Reading		85.0%	87.2%	86.8%	87.7%	86.1%	85.0%	90.9%	89.8%	90.4%	n/a
Mathematics		81.4%	75.5%	76.0%	82.7%	77.6%	72.7%	77.0%	83.3%	n/a	n/a
Science		78.2%	82.0%	80.9%	84.6%	84.5%	79.2%	84.6%	n/a	n/a	n/a
6th Grade Proficiency/Achievement Tests (Tests Initiated March 1996)											
Reading		91.8%	95.0%	96.0%	93.8%	91.3%	90.1%	93.1%	95.4%	84.2%	84.3%
Mathematics		84.2%	90.8%	85.6%	87.4%	84.9%	87.2%	91.6%	84.6%	83.0%	86.0%
7th Grade Achievement Tests (Tests Initiated March 2005)											
Reading		91.5%	92.4%	90.2%	91.9%	87.9%	90.1%	89.3%	88.9%	n/a	n/a
Mathematics		85.1%	87.2%	85.1%	82.2%	87.9%	84.4%	84.4%	82.4%	84.1%	n/a
8th Grade Achievement Tests (Tests Initiated March 2005)											
Reading		92.8%	93.8%	93.8%	90.3%	87.0%	87.7%	90.5%	92.1%	90.0%	n/a
Mathematics		84.7%	90.9%	84.8%	79.7%	86.8%	84.7%	86.2%	87.1%	83.7%	n/a
Science		79.7%	86.9%	78.0%	76.1%	79.6%	77.9%	81.2%	n/a	n/a	n/a
10th Grade Ohio Graduation Test (OGT) (Tests Initiated March 2005)											
Reading		95.8%	94.2%	95.6%	91.4%	94.0%	94.1%	95.5%	96.5%	96.5%	n/a
Mathematics		94.0%	94.0%	94.5%	91.4%	92.9%	93.7%	93.1%	95.0%	93.4%	n/a
Writing		95.1%	95.1%	95.6%	91.1%	95.5%	93.5%	96.0%	94.7%	94.8%	n/a
Science		90.9%	89.8%	90.8%	87.0%	90.3%	91.9%	89.0%	91.0%	90.9%	n/a
Social Studies		94.2%	91.9%	91.8%	90.2%	93.4%	92.5%	89.2%	92.4%	92.5%	n/a
11th Grade Ohio Graduation Test (OGT)											
Reading		94.3%	97.5%	96.3%	97.1%	97.1%	96.8%	98.2%	97.5%	n/a	n/a
Mathematics		94.0%	97.3%	95.9%	96.2%	96.3%	95.0%	97.2%	96.8%	n/a	n/a
Writing		94.2%	97.9%	97.1%	97.7%	96.8%	97.2%	98.4%	96.8%	n/a	n/a
Science		92.4%	96.3%	93.8%	94.7%	94.6%	93.5%	95.9%	94.3%	n/a	n/a
Social Studies		94.2%	96.0%	94.8%	96.3%	95.7%	94.8%	97.2%	95.6%	n/a	n/a
ACT Scores (Average)											
Worthington		24	24.2	24.3	24.6	24.4	24.4	24.6	24.2	24.0	23.9
National		20.9	21.1	21.1	21.0	21.1	21.1	21.2	21.1	20.9	20.8
SAT Scores (Average)											
Reading (Verbal)											
Worthington		556	567	555	552	547	551	562	553	547	538
National		499	n/a	497	501	501	502	502	503	508	504
Mathematics											
Worthington		587	598	586	588	587	592	587	592	580	567
National		514	n/a	514	516	515	515	515	518	518	516
Writing (initiated 2006)											
Worthington		531	548	539	533	532	532	549	535	n/a	n/a
National		488	n/a	489	492	493	494	494	497	n/a	n/a

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 Nine Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities									
Regular Instruction									
Land and Improvements	16,857,267	16,857,267	16,857,267	16,837,155	16,837,155	16,790,686	16,283,450	16,605,883	16,576,552
Buildings	104,428,169	104,428,169	104,428,169	104,428,169	104,490,758	104,533,535	104,533,535	104,341,480	104,341,480
Furniture and Equipment	10,122,591	9,302,441	9,368,809	11,591,271	11,769,843	11,556,907	11,210,080	11,112,436	11,287,054
Special Instruction									
Land and Improvements	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279	1,279
Furniture and Equipment	231,879	227,304	213,326	180,511	15,420	15,420	6,107	1,371	-
Pupil Support									
Furniture and Equipment	40,477	43,357	43,357	43,357	43,357	43,357	44,555	47,827	47,827
Instructional Staff Support									
Furniture and Equipment	949,069	931,279	887,643	789,000	650,228	610,722	1,045,662	1,047,229	1,047,229
Administrative Support									
Furniture and Equipment	564,255	574,904	602,280	693,618	709,894	712,316	683,775	612,247	598,299
Fiscal Services Support									
Furniture and Equipment	54,562	56,971	58,166	75,359	75,359	61,359	56,541	45,825	45,825
Vehicles									
Business Services Support									
Furniture and Equipment	13,773	13,773	13,773	33,636	34,801	34,801	34,801	34,801	33,706
Operation and Maint of Plant									
Land and Improvements	265,368	265,368	200,884	200,884	200,884	225,810	225,810	189,260	161,106
Buildings	9,541,802	7,384,450	7,064,514	6,436,648	4,881,682	3,794,149	3,168,627	2,147,525	804,348
Furniture and Equipment	2,848,641	2,827,133	2,637,323	2,237,797	1,867,228	771,382	706,663	654,744	565,438
Vehicles	278,919	212,740	212,740	129,332	129,332	28,897	26,468	-	-
Pupil Transportation									
Land and Improvements	245,281	245,281	245,281	245,281	245,281	245,281	245,281	245,281	245,281
Buildings	683,175	683,175	683,175	683,175	683,175	683,175	683,175	683,175	683,175
Furniture and Equipment	127,617	126,218	115,314	96,665	94,765	94,765	82,817	79,265	79,265
Vehicles	5,650,107	5,766,690	5,543,581	5,488,619	5,357,572	5,352,448	5,123,525	4,753,879	4,691,172
Central Support									
Furniture and Equipment	890,305	582,957	590,189	744,017	744,017	720,253	425,149	277,661	205,065
Extracurricular Activities									
Land and Improvements	4,783,088	3,970,221	3,206,239	3,206,239	3,185,958	2,354,637	2,644,468	2,644,468	2,644,468
Buildings	462,784	462,784	462,784	462,784	462,784	466,647	466,647	466,647	466,647
Furniture and Equipment	355,693	290,288	259,654	237,751	207,017	163,895	99,507	102,932	90,147
Vehicles	6,750	6,750	-	-	-	-	-	-	-
Food Service Operations									
Furniture and Equipment	1,166,847	1,165,347	1,169,789	1,199,325	1,185,087	1,192,521	1,211,717	1,209,951	1,205,414
Community Services									
Furniture and Equipment	134,633	47,745	39,498	16,298	1,749	-	-	-	-
Total Governmental Activities	160,704,331	156,473,891	154,905,034	156,058,170	153,874,625	150,454,242	149,009,639	147,305,166	145,820,777

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 Construction	Addition Dates	Area (Sq. Ft.)	Acres		Student Capacity
<u>Elementary Schools</u>						
Bluffsview	1991		59,461	12.12		500
Brookside	1964	1967 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 1988	62,600	15.00		600
Worthington Estates	1966	1988	66,338	12.00		600
Worthington Hills	1970	1999	53,006	12.02		500
Worthington Park	1988		59,004	18.26		500
<u>Middle Schools</u>						
Kilbourne	1938	1965 1995	83,536	5.00		500
McCord	1986		74,518	38.38		500
Phoenix	1970	1988	67,738	33.48	(5)	500
Worthingway	1966		65,587	14.94		500
<u>High Schools</u>						
Thomas Worthington	1951	1992 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
<u>Miscellaneous Buildings</u>						
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
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

Worthington City School District
Teacher Data
June 30, 2013

Degree	Salary Range	Number of Teachers	Percentage of Total
Bachelor's Degree	\$40,123-\$78,585	130.97	21.46%
Master's Degree	43,734-94,815	479.20	78.54%
Total		610.17	100%

Years of Experience in the District	Number of Teachers	Percentage of Total
0-5	129.67	21.25%
6-10	103.30	16.93%
11 and over	377.20	61.82%
Total		100.00%

Source: District/EMIS Records
 Note: Full time equivalent teaching staff

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**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY
FEDERAL AWARDS OF RECEIPTS AND EXPENDITURES SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grantor/ Pass Through Grantor Program Title	Grant Award Year	Federal CFDA Number	Receipts	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster				
Non-Cash Assistance School Lunch Program (Food Distribution)				
National School Lunch Program	2013	10.555	\$ 141,339	\$ 141,339
Cash Assistance				
School Breakfast Program	2013	10.553	188,155	188,155
National School Lunch Program	2013	10.555	936,404	936,404
Summer Food Program	2013	10.559	5,200	463
Total Child Nutrition Cluster			<u>1,271,098</u>	<u>1,266,361</u>
Total U.S. Department of Agriculture			<u>1,271,098</u>	<u>1,266,361</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed Through Ohio Department of Education:</i>				
Special Education Cluster:				
Special Education - Grants to States	2012	84.027	457,882	289,409
Special Education - Grants to States	2013	84.027	1,416,088	1,394,774
Total Special Education - Grants to States			<u>1,873,970</u>	<u>1,684,183</u>
Special Education - Preschool Grant	2012	84.173	8,234	6,297
Special Education - Preschool Grant	2013	84.173	22,010	21,579
Total Special Education - Preschool Grant			<u>30,244</u>	<u>27,876</u>
Total Special Education Cluster			<u>1,904,214</u>	<u>1,712,059</u>
Title I Grants to Local Educational Agencies	2012	84.010	294,549	184,614
Title I Grants to Local Educational Agencies	2013	84.010	907,956	909,716
Total Title I Grants to Local Educational Agencies			<u>1,202,505</u>	<u>1,094,330</u>
ARRA - Race to the Top Grant	2012	84.395A	101,776	4,443
ARRA - Race to the Top Grant	2013	84.395A	233,906	235,605
Total ARRA - Race to the Top Grant			<u>335,682</u>	<u>240,048</u>
Education Technology State Grants	2012	84.318	4,646	4,646
English Language Acquisition Grants	2012	84.365	27,120	22,308
English Language Acquisition Grants	2013	84.365	159,366	158,291
Total English Language Acquisition Grants			<u>186,486</u>	<u>180,599</u>
Improving Teacher Quality State Grants	2012	84.367	65,875	42,438
Improving Teacher Quality State Grants	2013	84.367	156,005	162,370
Total Improving Teacher Quality State Grants			<u>221,880</u>	<u>204,808</u>
Total U.S. Department of Education			<u>\$ 3,855,413</u>	<u>\$ 3,436,490</u>
Total Federal Awards of Receipts and Expenditures			<u>\$ 5,126,511</u>	<u>\$ 4,702,851</u>

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO THE FEDERAL AWARDS OF RECEIPTS AND EXPENDITURES SCHEDULE
FISCAL YEAR ENDED JUNE 30, 2013**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Federal Awards of Receipts and Expenditures Schedule (the Schedule) reports the Worthington City School District (the District) federal award programs' receipts and disbursements. The schedule has been prepared on the cash basis of accounting.

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. 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 value amount of the commodities received.

NOTE C – FOOD DONATION PROGRAM

The District reports commodities consumed on the Schedule at the entitlement value. The District allocated donated food commodities to the respective program that benefitted from the use of those donated food commodities.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S 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, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 26, 2013.

Internal Control over Financial Reporting

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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, opining 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*.

88 East Broad Street, Tenth Floor, Columbus, Ohio 43215-3506
Phone: 614-466-3402 or 800-443-9275 Fax: 614-728-7199
www.ohioauditor.gov

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

November 26, 2013



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 AND ON THE FEDERAL AWARDS OF RECEIPTS AND EXPENDITURES SCHEDULE

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the Worthington City School District, Franklin County, Ohio (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Worthington City School District's major federal programs for the year ended June 30, 2013. The *Summary of Audit Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The District's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the District's compliance for each of the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

Opinion on the Each Major Federal Program

In our opinion, the Worthington City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect each its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.

Report on Federal Awards Receipts and Expenditure Schedule Required by OMB Circular A-133

We have also audited the financial statements of governmental 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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated November 26, 2013. We conducted our audit to opine on the Districts' basic financial statements. The accompanying federal awards receipts and expenditures schedule presents additional analysis required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements.

Worthington City School District
Franklin County
Independent Auditor's Report on Compliance with Requirements
Applicable to Each Major Federal Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133 and on the Federal Awards
of Receipts and Expenditures Schedule
Page 2

The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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Dave Yost
Auditor of State
Columbus, Ohio

November 26, 2013

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**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2013**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster (CFDA # 84.027, 84.173) Race to the Top Grant (CFDA #84.395A)
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**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

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Dave Yost • Auditor of State

WORTHINGTON CITY SCHOOL

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
DECEMBER 24, 2013**