



**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2005



**Auditor of State
Betty Montgomery**

WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY

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**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Donation	N/A	10.550	\$ -	\$ 107,928	\$ -	\$ 107,928
School Breakfast Program	05PU-2004/2005	10.553	95,093	-	95,093	-
National School Lunch Program	LLP4-2004/2005	10.555	550,052	-	550,052	-
Total U.S. Department of Agriculture - Nutrition Cluster			645,145	107,928	645,145	107,928
<u>U.S. DEPARTMENT OF EDUCATION</u>						
Fund for the Improvement of Education	N/A	84.215	303,819	-	303,819	-
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	C1S1-2004/2005	84.010	528,692	-	524,020	-
Special Education Cluster:						
Special Education - Grants to States	6BSF-2005	84.027	1,853,063	-	2,078,248	-
Special Education - Preschool Grant	PGS1-2004/2005	84.173	44,650	-	49,381	-
Total Special Education Cluster			1,897,713	-	2,127,629	-
Safe and Drug-Free Schools and Communities - National Programs	T4S1-2004-P/2004	84.184C	12,232	-	14,398	-
Safe and Drug-Free Schools and Communities - State Grants	DRS1-2004/2005	84.186	58,717	-	58,015	-
State Grants for Innovative Programs	C2S1-2004/2005	84.298	56,673	-	54,219	-
Education Technology State Grants	TJS1-2004/2005	84.318	6,126	-	9,591	-
English Language Acquisition Grants	T3S1/S2-2004/2005	84.365	159,659	-	151,125	-
Improving Teacher Quality State Grant	TRS1-2004/2005	84.367	273,283	-	286,727	-
Total U.S. Department of Education			3,296,914	-	3,529,543	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed Through Ohio Department of Education:</i>						
Refugee and Entrant Assistance - Discretionary Grants	R1S1-2005	93.576	10,050	-	5,000	-
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
<i>Passed Through Upper Arlington City School District</i>						
Learn and Save America - School and Community Based Programs	N/A	94.004	5,000	-	2,512	-
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>						
<i>Passed Through Ohio Department of Public Safety:</i>						
Public Assistance Grants	N/A	97.036	9,690	-	9,690	-
Total Federal Awards Receipts and Expenditures			\$ 3,966,799	\$ 107,928	\$ 4,191,890	\$ 107,928

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

**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Westerville City School District
Franklin County
336 South Otterbein Avenue
Westerville, Ohio 43081

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Westerville City School District, Franklin County, Ohio (the District) as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 16, 2005, wherein we noted the District implemented Governmental Accounting Standards Board Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying schedule of findings as item 2005-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the District's management dated December 16, 2005, we reported an other matter involving internal control over financial reporting which we did not deem a reportable condition.

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www.auditor.state.oh.us

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-002. In a separate letter to the District's management dated December 16, 2005, we reported an other matter related to noncompliance we deemed immaterial.

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

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

Betty Montgomery
Auditor of State

December 16, 2005



Auditor of State Betty Montgomery

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

Westerville City School District
Franklin County
336 South Otterbein Avenue
Westerville, Ohio 43081

To the Board of Education:

Compliance

We have audited the compliance of Westerville City School District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended June 30, 2005. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the Westerville City School District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

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

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

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

Schedule of Federal Awards Receipts and Expenditures

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Westerville City School District, Franklin County, Ohio as of and for the year ended June 30, 2005, and have issued our report thereon dated December 16, 2005, wherein we noted the District implemented Governmental Accounting Standards Board Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers*. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of federal awards receipts and expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 16, 2005

**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Un(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: Food Donation, CFDA #10.550, School Breakfast Program, CFDA #10.553 and National School Lunch Program, CFDA #10.555 Title I - Grants to Local Educational Agencies CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A > \$300,000 Type B – all other programs
(d)(1)(ix)	Low Risk Auditee?	Yes

**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005
(Continued)**

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

Finding Number	2005-001
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INTERNAL CONTROL WEAKNESS

Student Activities

The District has a Student Activities Policy and Procedures Manual that describes the procedures involved in budgeting for, collecting and depositing receipts, completion of the activity, etc. The policy includes specific forms to be completed at specific times during the fundraiser or activity. The policy also specifies that all related source documentation should be maintained.

District personnel do not consistently follow the Student Activity Policy and Procedures Manual when participating in fundraiser or activity events. Lack of adherence to the Student Activities Policies and Procedures Manual could lead to a weak internal control system over this activity and could allow errors or irregularities to go undetected.

Original support documentation was not available for the following events:

Transaction			Dollar
Date	School	Event	Amount
10/26/2004	Westerville South High School	Homecoming	\$ 8,555
4/14/2005	Robert Frost Elementary School	Book Fair	1,211
2/24/2005	Genoa Middle School	Student Council Fundraiser	2,283
5/20/2005	Central High School	Key Club Fundraiser	710
9/22/2004	Genoa Middle School	Concession Sales	370

We recommend that District personnel participating in student activity and fundraisers events follow the guidance in the Student Activities Policy and Procedures Manual. Additionally, the Treasurer's Office should establish procedures to effectively monitor compliance with the manual to ensure the appropriate supporting documentation is maintained. Original support documentation should be retained for all Activity Fundraisers and events. Original support documentation or a detailed summary should be attached to receipt documentation.

Finding Number	2005-002
-----------------------	-----------------

NONCOMPLIANCE CITATION

Timely deposits

Ohio Rev. Code Section 9.38 states that public money must be deposited with the Treasurer of the public office or to a designated depository on the business day following the day of receipt.

A government employee other than the fiscal officer collecting funds and issuing a receipt must deposit the funds with the government's fiscal officer on the business day following the day of receipt. As an alternative to depositing the funds with the government's fiscal officer, the employee instead may deposit funds with the government's designated depository on the business day following the day of receipt.

**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2005
(Continued)**

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

Finding Number	2005-002 (Continued)
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NONCOMPLIANCE CITATION (Continued)

Timely deposits (Continued)

If the amount of daily receipts does not exceed \$1,000 and the receipts can be safeguarded, public offices may adopt a policy permitting their officials who receive this money to hold it past the next business day, but the deposit must be made no later than three business days after receiving it. If the public office is governed by a legislative authority, only the legislative authority may adopt the policy. The policy must include provisions and procedures to safeguard the money during the intervening period. If the amount exceeds \$1,000 or a lesser amount cannot be safeguarded, the public official must then deposit the money on the next business day.

Forty-three percent of athletic gate receipts tested were deposited two to eight days after collection. In addition, all Homecoming receipts totaling \$8,555 for Westerville South were deposited thirteen days after all monies were collected. The Genoa Middle School Downhill Club Fees of \$31,655 were deposited twelve days after the first collection. Twelve other Student Activity receipts tested that were over \$6,000 were deposited two to seven days after collection. Not depositing monies as they are collected increases the risk of theft, not only at the original collection location, but during the time the money was not deposited with the school office, and subsequently into the bank.

We recommend the District adhere to their adopted policy that complies with the limitation discussed above. After hours or special event receipts should be deposited into a bank night depository.

3. FINDINGS FOR FEDERAL AWARDS

None

**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315 (b)
JUNE 30, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	Ohio Revised Code Section 5705.36(A)2, increased amended certificate of estimated resources.	Yes.	Fully Corrected.
2004-002	Extracurricular activity forms were not completed and source documentation was missing.	No, repeated as Finding 2005-001.	Not Corrected.
2004-003	Missing Extracurricular activity money of \$940.	Yes. Repaid under audit.	Fully Corrected.

Westerville City School District

Mission: To produce creative, confident, and independent citizens.

Comprehensive Annual Financial Report

**For Fiscal Year Ended
June 30, 2005**



**Board of Education
Westerville City School District
Westerville, Ohio**

Westerville City School District

Westerville, Ohio



Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2005

Issued By:

Office of the Treasurer

Prepared By:

J. Scott Gooding II

Treasurer/CFO

Laura A. Hendricks, CPA

Assistant Treasurer

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Westerville City School District

Westerville, Ohio



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WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Comprehensive Annual Financial Report
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Comprehensive Annual Financial Report
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Westerville City School District

Westerville, Ohio



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Introductory Section



Board of Education
Westerville City School District
Westerville, Ohio



George E. Tombaugh, Ed.D.
Superintendent of Schools

(614) 797-5700 Fax (614) 797-5701

336 South Otterbein Avenue, Westerville OH 43081

J. Scott Gooding II
Treasurer/CFO, Board of Education

WESTERVILLE CITY SCHOOLS

December 16, 2005

To the Board of Education and Residents of the Westerville City School District:

As the Superintendent and Treasurer/CFO of the Westerville City School District (the District), it is a pleasure to present the fourth Comprehensive Annual Financial Report (CAFR) issued by the District. This CAFR, for the year ended June 30, 2005, contains financial statements, supplemental statements, and statistical information, providing complete and full disclosure of all material financial aspects of the District for the 2005 fiscal year.

The District is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The report is prepared in accordance with generally accepted accounting principles (GAAP) and in conformance with financial reporting standards established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The Comprehensive Annual Financial Report is presented in three sections:

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

The District provides a full range of traditional and non-traditional educational programs, services, and facilities. These include elementary and secondary curriculum offerings at the general, college preparatory, and vocational levels; a broad range of co-curricular and extracurricular activities; and special education programs. In addition to providing these general activities, the District has the administrative responsibility for state funds distributed to private schools located within district boundaries; therefore, in accordance with GASB Statement 24, this responsibility is included in the reporting entity as a special revenue fund. While these organizations share operational and service similarity with the District, all are separate and distinct entities. Because of their independent nature, none of these organizations' financial statements are included in this report.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal

For the Fiscal Year Ended June 30, 2005

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, the Westerville Public Library, financial rating services, and any other interested parties.

THE DISTRICT AND ITS FACILITIES

The Westerville City School District (the District) is located in Central Ohio, immediately northeast of the City of Columbus. Encompassing 52 square miles, the District includes land in the City of Westerville, Village of Minerva Park, City of Columbus, Franklin County, and Delaware County. Westerville is a rapidly growing residential suburb with a school district enrollment of 14,023 (tenth largest in Ohio), and the District's estimated population is 77,964 (Mid-Ohio Regional Planning Commission). The District is currently comprised of 23 schools: 16 elementary schools, four middle schools, and three high schools. The District is culturally and economically diverse, and its residents are well educated and expect a high quality education for their children. Many residents are area leaders in business, the professions, and the arts. Westerville is the Home of Otterbein College, a 4-year liberal arts institution.

Pupils in the District continue to meet or exceed the average passing rates for both Franklin County and the State on the Ohio Proficiency Tests. The District provides academic coaches, advanced placement, post secondary options, resource centers for students identified as "able and talented," elementary arts integration and world language/culture and math/science magnet schools, school-age before and after school childcare, active business partnerships, and programs for more than 1,400 special needs children. The District is committed to the development and expansion of technology, and every school is connected to the Internet and is internally wired and equipped with up-to-date computers and software. The District's emphasis on learning is reflected in the general operating budget: approximately 61.16 cents of every General Fund dollar is invested in instruction.

The District has a statewide reputation as a high performing, exemplary public school district. The Westerville tradition of excellence is based on collaboration between students, staff, administrators, parents, and the community.

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 Ohio 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 Westerville. The territory of the District is considerably larger than the territory of the City of Westerville.

ECONOMIC DEVELOPMENT AND OUTLOOK

The City of Westerville is located in the northeast quadrant of Ohio's fastest growing metropolitan area and is a vital city of 36,000 residents within 12.97 square miles that abut the City of Columbus, Ohio's capital. The City has immediate access to I-71 and I-270. Settled in 1806, Westerville's historic legacy serves as a constant backdrop to its steady residential and corporate growth. New and existing businesses enjoy the character of the cobblestone streets in Uptown Westerville and a business climate poised for the 21st century. Residents enjoy 335 acres of parkland in 26 different locations plus the family recreational activities along the nine-mile Hoover Reservoir, just east of the city.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

Letter of Transmittal

For the Fiscal Year Ended June 30, 2005

The City is home to major national corporations such as Bank One, Exel Corp., inChord Communications, Liebert Global Services, American Family Insurance, Worthington Industries, Cheryl's Cookies and more. Over the last several years, the City has enjoyed more success than any other central Ohio suburb in attracting major companies and employees. Much of this job growth as occurred in the Westar Center of Business, one of the fastest growing and most premier office developments in the Midwest. In addition to the first class Westar Center of Business, other factors that have helped the City attract jobs are its 1.25% income tax rate (among the lowest municipal income tax rates in Central Ohio), and its own municipal operated divisions of electricity and water.

The City and District's financial operations continue to benefit from the strength of the local economy. Taxable resources, including assessed property valuations and income levels, have shown considerable and consistent growth in recent years. The continued economic growth and expansion of the District's commercial tax base is almost certain. The District has an excellent relationship with the City of Westerville, which assures that development projects selected by the City are also highly desirable for the District. When the City of Westerville uses an incentive to attract a business, it primarily uses Community Reinvestment Areas (CRAs) or Tax Increment Financing (TIF) areas. In either case, the District is reimbursed for property taxes it would have collected through an income tax sharing agreement with the City of Westerville. In almost every case, the reimbursement is significantly more than the District would have collected without the incentive being in place. The District and City maintain a strong working relationship to attract desirable development to the community.

Ohio's seasonally adjusted unemployment rate decreased to 5.9% in October 2005 from 6.2% in October 2004. The national unemployment rate in October 2005 was 5.0%. The October 2005 employment in the State of Ohio numbered 5,578,000 (Ohio Department of Job and Family Services). Specific employment figures for the Westerville City School District are not available, but the Franklin and Delaware Counties workforce in October 2005 was 661,600. The unemployment figure for Franklin County was 5.0% in October 2005, the same as in October 2004. The Delaware County unemployment figure for October 2005 was 3.8%, up slightly from the 3.5% in October 2004 (Ohio Department of Job and Family Services).

The City of Westerville is also home to Otterbein College, ranked among the top ten liberal arts colleges in the Midwest by *U.S. News and World Reports*. Westerville residents and visitors continually enjoy Otterbein's world-renowned theater and music programs. Columbus State Community College and Franklin University have branch classes in the City of Westerville. In 2005, the Hennen's American Public Library Ratings (HAPLR) named the Westerville Public Library as No. 5 in U.S. cities among those serving populations of 50,000 to 99,999.

ORGANIZATION OF THE DISTRICT / PROFILE OF THE GOVERNMENT

The Board of Education of the Westerville City School District (the Board) is a five-member body politic and corporate, as defined by Section 3313.02, Ohio Revised Code. The Board serves as the taxing authority, contracting body, policy maker, and ensures that all other general laws of the State of Ohio are followed in the expenditure of the District's tax dollars, and approves the annual appropriation resolution and tax budget.

Board members are elected at large for staggered four-year terms. The Board meets regularly on the second and fourth Monday of each month. At the first meeting of each year, the Board elects one of its members as president and one as vice-president to serve as such for one year. The Board members on June 30, 2005, were as follows:

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Board Member	Service as a Board Member		
	Began	Expires	
Michael Collins	01/01/02	12/31/05	President
Cindy Crowe	01/01/00	12/31/07	Vice-President
Alexander Heckman	01/01/04	12/31/07	Member
Kevin Hoffman	01/01/02	12/31/05	Member
Nancy Nestor-Baker, Ph.D.	08/27/91	12/31/05	Member

The Superintendent is the chief executive officer (CEO) of the District and is responsible directly to the Board for all education and support operations. Dr. George E. Tombaugh was appointed as Superintendent on September 1, 2000. Dr. Tombaugh has been in the education profession for 40 years as an administrator, serving as superintendent, assistant superintendent, and treasurer of school districts.

The Treasurer is the chief financial officer (CFO) of the District and is responsible directly to the Board for maintaining all financial records, issuing all payments, maintaining custody of all District funds and assets, and investing idle funds as specified by Ohio Law. J. Scott Gooding II was appointed as Treasurer on June 1, 2004. Mr. Gooding has been in the government finance profession for 8 ½ years.

EMPLOYEE RELATIONS

The District currently has approximately 1,700 full-time and part-time employees. Four organizations represent District employees. For collective bargaining purposes, the Westerville Education Association (WEA) represents certificated employees, which include teachers and educational specialists. Classified employees are divided into three bargaining unions: the bus drivers and mechanics are represented by Ohio Association of Public School Employees (OAPSE #719); the custodial/maintenance staff and food service staff are represented by Ohio Association of Public School Employees (OAPSE #138); and the clerical staff is represented by the Westerville Education Support Staff Association (WESSA). The Board successfully negotiated or was involved in contract negotiations with all labor organizations on multi-year agreements for wages and fringe benefits. The WEA wage agreement for the period September 1, 2004, through August 31, 2005, included a raise of 1.0%. The OAPSE #138 wage agreement for the period of July 1, 2003, through June 30, 2005, included raises of 0.0% and 2.0%, effective July 1, 2003, and July 1, 2004, respectively. The OAPSE #719 wage agreement for the period of July 1, 2004, through June 30, 2007, included raises of \$0.30/hour, \$0.15/hour, \$0.30/hour, and \$0.15/hour, effective July 1, 2004, January 1, 2005, July 1, 2005 and January 1, 2006, respectively. The WESSA wage agreement for the period of January 1, 2002, through June 30, 2005, included raises of 5.25%, 3.5% and 3.5%, effective January 1, 2002, July 1, 2003, and July 1, 2004, respectively. It was extended by one year through June 30, 2006 that included a raise of 2.0%

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Letter of Transmittal For the Fiscal Year Ended June 30, 2005

DISTRICT MAJOR INITIATIVES AND EVENTS

The Westerville City School District is a school district that has a clear direction for its future. Every year, a Continuous Improvement Plan is developed that encompasses the District's vision, mission, goals, strategies, and performance measures. Focused on results for students, the District's goals are:

- Improve student achievement;
- Increase family, business, and community involvement;
- Provide a safe and positive learning environment;
- Increase Character Education opportunities;
- Deliver renovations and new construction on time and within budget; and
- Achieve the Performance Excellence.

Goal #1: Improve Student Achievement

In Westerville, students, parents, staff and the community work together to improve student achievement, our number one goal. This collaborative effort is paying off.

- Twenty-one National Merit and Commended Scholars
- Ohio Award of Merit achieved by 310 students
- Presidential Award for Educational Excellence earned by 228 students
- Three recipients of Robert C. Byrd Honors Scholarships
- State and national recognition in the "First in Math" competition
- Buckeye Girls State Governor
- Twenty Westerville Kiwanis Club Academic Varsity scholars
- Nine Westerville Area Chamber of Commerce Essay Contest winners
- Second place, national AAA Travel High School Challenge
- Five middle school Midwest Talent Search award recipients
- First place ranking from the Great Lakes Interscholastic Press Association for overall achievement in scholastic publications
- 15 pieces of student artwork recognized at the 2005 Ohio Capital Conference Visual Arts Invitational; four awards at the 2005 Central Ohio Regional Scholastic Art Awards competition
- First place winner of the Edison Award, Columbus Invention Convention
- Westerville Parent Council district *Reflections* competition winners in literature, musical composition, photography, and visual arts; five recognitions at the state level, one Award of Excellence in literature at the national level
- Gold Key in the Region-at-Large, 2005 Scholastic Writing Awards competition
- Perfect score at the Ohio Music Educators Association State Orchestra Competition
- First place, Northeast *In the Know League* championship
- Two "Highest Awards" for literary magazines from the National Council of Teachers of English
- Best Attorney/Best Witness awards, state Mock Trial competition
- Five student musicians selected to perform in All-State Ensembles at the Ohio Music Education Association's Professional Conference
- Two Zonta Awards for Outstanding Senior High School Women in Central Ohio for 2005
- First, second, and third place in the local Veterans of Foreign Wars *Patriot's Pen* essay contest

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- First place, for the ninth year in a row, at the Ohio University American History Competition
- United States Presidential Scholars Program candidate
- Presidential Inaugural Program participant, Washington, D.C.
- Three awards at the Ohio Region Future Cities competition
- Discovery Channel Young Scientist semifinalist
- Davidson Fellowship for outstanding achievement in music
- Certificate of Excellence from the 2005 Prudential Spirit of Community awards program
- President's Volunteer Service Award from the President's Council on Service and Civic Participation
- Artwork displayed at the 25th annual Young People's Art Exhibition, at the Columbus Museum of Art, and at the Crayola Dream Makers exhibit
- Two gold medals, National Latin Exam

Goal #2: Increase Family, Business, and Community Involvement

Community involvement and collaboration are an important part of public education. Partnerships enrich education, open students' eyes to unlimited possibilities, and keep businesses and organizations in touch with young people. Many of the elective courses at the secondary level provided such enrichment opportunities during the 2004-2005 school year.

- In conjunction with the Westerville Area Chamber of Commerce, the Adopt-a-School program, which began in 1985, continued to offer long-term opportunities for local businesses and schools to work together. At the end of the 2004-2005 school year, a number of partnerships were in place and many schools were connected with businesses. In addition, the Chamber also continued to coordinate the Partners for Achievement in Westerville Schools (PAWS) program, which engaged business representatives willing to speak, tutor, judge science fairs, provide tours, and serve as mentors. To inquire about partnership opportunities, please call 797-5941.
- Kids 'n' Canines, a dog training program that has been enhancing the lives of emotionally disturbed children at Walnut Springs Middle School, continued its partnership with Citizens for Humane Action (an animal rescue shelter in Westerville.) Students used acquired skills to socialize and train homeless dogs housed at the shelter in a "train for adoption" program. Student trainers also provided education programs on responsible pet ownership, humane treatment of animals, and dog safety.
- The WISE program was once again offered to prepare students for the transition to the professional workplace. Students attended classes at Alliance Data Systems for two periods each day, while also being trained by company personnel to work in New Accounts and Authorization. Students had the opportunity to apply for part-time, paid employment beyond the school day, as well as apply for scholarships to further their education.
- WestervilleReads, a community-based, non-profit initiative committed to literacy, continued in its quest to increase the reading achievement of first grade students. This program is a collaboration between local businesses, organizations, colleges, and residents who read with first graders each week throughout the school year. During 2004-2005, 170 individuals participated in this program. To volunteer, please call 797-5782.
- Business representatives, parents, and educators comprised the Westerville Area Chamber of Commerce Education Committee, which met monthly to work jointly on projects that benefit both the schools and community. In 2004-2005, corporate and civic

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leaders had the opportunity to experience a day in the life of a Westerville City Schools administrator through the Principal for a Day® program. Information learned from this event will guide the efforts of the committee during the 2005-2006 school year.

- Bank One funded a new collaborative program between Otterbein College and Westerville City Schools called the Genoa Otterbein Creative Literacy Alliance. It will provide professional development for teachers, mentoring and literacy skill building for students, and will feature an annual literacy-through-the-arts festival open to the Westerville community.
- Library Link is a service to the Westerville community being provided through the Outreach Department of the Westerville Public Library. Its primary function is to make daily deliveries of Westerville Library materials to all school buildings in the Westerville District.
- According to the Westerville Parent Council, a group representing parent associations and booster groups at all 23 schools, more than 142,175 hours of volunteer service were donated throughout our district last year.

Goal #3: Provide a Safe and Positive Learning Environment

Westerville Schools have implemented a number of programs that promote safety, enhance learning, and provide a continuum of service from prevention through intervention and family support. They include:

- The School Resource Officers (SRO) program, which places police officers in the middle and high schools in an effort to create and maintain a safe learning environment. Our SRO's fulfill three roles -- as law enforcement officers, law-related counselors, and law-related education facilitators.
- Westerville Student Outreach (High School Student Leadership), a strategy that promotes violence prevention and student leadership through the use of classroom role-plays that focus on addressing issues related to bullying/harassment, abuse and neglect, suicide, and dating violence.
- Educational Options for Success (EOS), which enables students to earn course credits when removed from school due to violations of the conduct code. 73% of the students enrolled in EOS successfully completed the semester-long program and of these students, 81% remain in some type of school setting or have graduated.
- Parent Education, a prevention-based initiative that provides a variety of opportunities for parents to learn strategies to improve parenting skills including "It's a Parent," a program for parents of freshmen athletes; "Parent-To-Parent," a program open to all parents in the district; and "Second Step," a violence prevention program for elementary students and their families.
- The award winning Saturday Family Workshop, aimed at preventing substance use and abuse, which provides information regarding the current alcohol and drug culture, along with the opportunity to practice communication skills, refusal skills, and the development of an action plan.
- *A Framework for Understanding Poverty*, by Ruby K. Payne, Ph.D. This book study series provides the Westerville City School staff with critical information regarding the learning characteristics and challenges of students from poverty, middle class, and wealth. Workshops have provided a framework for effective communication and instructional strategies in a setting with a diverse economic population.

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- CPR/Automated External Defibrillator classes. In collaboration with the Westerville Division of Fire and the Genoa Township Fire Department, Westerville City Schools offered two adult courses that attracted 85 individuals who received training in 2004-2005.
- In June 2005, Westerville City Schools Intervention Facilitator Amy Miller received an Award of Achievement from the Safe and Drug Free Schools Consortium, for her work with students and parents.

Goal #4: Increase Character Education Opportunities

The Westerville Way is an effort to support and nurture the shared virtues of our community. Adults are encouraged to model and reinforce ethical behavior in relation to the following 12 monthly words: respect, citizenship, tolerance, caring, attitude, honesty, perseverance, trustworthy, responsibility, integrity, loyalty, and fairness. In 2004-2005 the local and global community benefited from the energy, enthusiasm, intelligence, generosity, and creativity of students in Westerville.

- A number of classrooms and schools "adopted" individual soldiers and platoons by sending supplies, money, and letters of thanks and encouragement to our troops. Collectively, students, staff, and teachers throughout the district joined forces to assemble some 100 large boxes and bags of food, stuffed animals, toiletries, phone cards, batteries, and other supplies, which were shipped (in partnership with the City of Westerville) to the C118 Medical Battalion in Iraq. For their efforts, the District received a plaque of appreciation from the families of the service men and women.
- During the 2004-2005 school year, high school pupils raised more than \$28,000 for the Westerville Caring & Sharing program. Middle schools pitched in with donations of money, food, toys, and toiletries. At the elementary level, our youngest students joined forces to collect and donate canned goods, non-perishable items, money, toiletries, gloves, mittens, hats, and scarves. Families in need were given gifts, boxes of food, and gift certificates.
- Service Learning Projects were numerous and varied. They included raising money to buy wigs for patients undergoing chemotherapy; donating to the Red Cross' tsunami relief fund; helping in the effort to transform Otterbein Lake in Westerville; organizing blood drives; helping to save endangered mountain gorillas in Rwanda; earning money for organizations that help the homeless of Central Ohio; planting flowers throughout the city in preparation for the Freedom Day parade; and creating artwork for permanent display at the Children's Hospital Close to Home Health Care Center. Westerville's elementary and middle school students jumped enough ropes and shot enough basketballs to earn \$39,179 for the American Heart Association. All grade levels participated in countless projects benefiting the environment, the underprivileged, and those stricken with illness.
- Westerville Rotarians continued to expand the "I CAN" program to second and third graders in a number of elementary schools. With the assistance of local high school students, this yearlong program is designed to teach students the ABCs of life - Attitude, Behavior, and Character. I CAN is based on the foundational principals of honesty, integrity, character, respect, trust, loyalty, and love. The I CAN Program compliments The Westerville Way by providing direction to our community's youth to live moral and ethical lifestyles.
- Through his work with Operation Respect, Peter Yarrow of Peter, Paul, and Mary, helped develop "Don't Laugh at Me." Music, videos, and classroom activities are used to help students build a caring community and practice conflict resolution.

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- The Westerville Rotary Club recognized six high school students with 2004 Service Above Self Awards. They were selected for their academic accomplishments, participation in athletics and other extra-curricular activities, and community involvement. Recipients were Caitlin Bultema and Nathan Frank from Westerville Central High School; Ada Emeaghara and Aaron Hastings from Westerville North High School; and Colin McLain and Patrick Bultema from Westerville South High School.

Goal #5: Deliver Renovations and New Construction On-Time and Within Budget

On November 2, 2004, Westerville School District voters approved a 2.7 mill capital improvement replacement levy for five more years. Passage of this levy was critical. It will enable us to provide a healthier and more productive learning environment for our students and staff. Facilities will be maintained, and our teachers will be provided with resources and tools to support learning through the replacement of textbooks, technology, and instructional materials. A performance audit completed by the Auditor of State praised Westerville Schools' building management and preventative maintenance efforts as important steps in saving taxpayer dollars. The levy's successful outcome marked a vote of confidence from our community, and provided another building block for a strong financial base for our school district.

Westerville Central High School, our newest building that opened its doors to students in September of 2003, earned two prestigious awards during the 2004-2005 school year. In the November 2004 edition of *American School & University* magazine, Westerville Central was cited for outstanding design as one of the country's 41 most innovative new high schools. The magazine said Central "allows students to focus on particular areas of study that include the arts, technology, consumer science, human services and other programs." Westerville Central was also awarded a 2004 DesignShare Recognized Value Award for Innovate Schools based on its unique design and cost per usable square foot. Professional architects specializing in the design of academic buildings juried both awards.

When students returned from summer break in 2005, they benefited from some of the physical improvements at our buildings including wheelchair accessible bleachers at South; flooring repair and replacement throughout the district, including a new gymnasium floor at North; carpet and vinyl tile replacement at McVay, Wilder, Heritage, North, and Huber Ridge; a new parking lot at Whittier; water main replacement at Hawthorne; HVAC improvements at Pointview, Central College, McVay, North, South, Robert Frost, and Mark Twain; painting at McVay, South, Central College, and North; and the replacement of public address systems at Whittier, Hawthorne, Walnut Springs, and Pointview.

Goal #6: Achieve Ohio Award for Excellence

As the Westerville City School District plans for its future, it faces new challenges, difficult budget decisions, increasing expectations from the community, and the necessity for all graduates to be well prepared. At the beginning of the 2004-2005 school year, the Board of Education set out to hear what the community believed priorities should be for the District's future, based on financial realities. Vision 2010 was born, a strategic planning process to develop an academic and financial plan for the years 2006-2010.

In order to gain initial direction, it was determined that gathering broad-based input was essential. Throughout the fall of 2004, 98 meetings were held at school buildings and at various community locations to collect 2,289 surveys from a wide array of people targeting eight general categories – business professionals, elected officials, teachers and school staff members, information centers like

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Otterbein College and Leadership Westerville, community organizations and senior groups, parents and general community members, students, and well-being providers like medical personnel and safety officials. The surveys were also placed on the District's website for electronic access. Newspaper advertisements gave respondents the opportunity to mail comments, telephone surveys were conducted, and graduates were polled.

Six questions were asked of all participants. Based on feedback, the Westerville City Schools Board of Education received from the Steering Committee a Vision 2010 Strategy Map. In February and March of 2005, Action Teams identified timelines, resources, and implementation steps for strategies identified within the five key goals of the Vision 2010 process: student achievement and development; community satisfaction, employee development, systemic alignment, and fiscal responsibility. Our district is beginning to reap the rewards of this focus.

- Under Ohio's accountability system, Westerville City Schools was rated effective, met Adequate Yearly Progress, and improved our performance index score to 96% from 93%.
- At the fifth annual Ohio Award for Excellence Quest for Success Conference in Columbus, Westerville City Schools received the Commitment to Excellence Award, an intermediate level of recognition for organizations demonstrating a serious commitment to excellence and a process for continuous improvement.
- For the third consecutive year, the Government Finance Officers Association of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the Westerville City School District for its 2003 Comprehensive Annual Financial Report. The Treasurer's Department also earned a Certificate of Excellence in Financial Reporting from the Association of School Business Officials.
- In October 2004, results of the Board-authorized Performance Audit, which was conducted by the office of State Auditor Betty Montgomery, were released for review and analysis. Numerous Best Practices were highlighted in the areas of financial systems, human resources, facilities, transportation, technology, and program and management issues.
- Many members of our staff and school community were recognized for making a positive impact, including District GEM award winners Dr. Nancy Nestor-Baker, Westerville Board of Education member; Kathy Cocuzzi, parent volunteer; Phyllis Magold, International Baccalaureate coordinator; and teacher Brett Weiss. The Westerville Parent Council and Roush Honda sponsor this awards program. Two employees in the Central Office Administration Building received Superintendent's A+ Awards – CIMS/EMIS specialist Stephanie Collins, and secretary Arlene May. The Westerville Symphony received the Westerville Education Association's Friends of Education award.

FINANCIAL INFORMATION

The District's accounting system is organized on a "fund" basis. Each fund is a distinct, self-balancing entity. Records are maintained during the fiscal year on a budgetary basis system of accounting as prescribed by State statute. Cash basis accounting differs from generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

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

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statements in conformity with generally accepted accounting principles. 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 from its implementation; and (2) the valuation of cost and benefits requires estimates and judgments by management. Management believes the internal controls adequately meet the above objectives.

Federal and State Assistance

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management of the District. The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the Board of Education. Activities of all funds are included in the annual appropriation resolution. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by object for general fund and the food service fund and by fund for all other funds. The District has chosen to present budgetary information at the object level in the basic financial statements and at the fund level in the individual fund statements.

The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered appropriation balances are verified prior to the release of purchase orders to ensure funds are available to meet the obligation created by the purchase order. Encumbered amounts at year-end are carried forward to succeeding fiscal years and are not re-appropriated.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. As with the financial section, all amounts presented in the remainder of this letter are expressed in rounded dollar amounts.

Financial Condition

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

- **Government-wide financial statements** – These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses.
- **Fund financial statements** – These statements present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation to the governmental activities presented in the government-wide financial statements. Fiduciary funds use the accrual basis of accounting.

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- **Statement of budgetary comparisons** – This statement presents comparisons of actual information to the legally adopted budget for the general fund. The budgetary basis, as provided by law, is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the financial section of this report, following the audit opinion, and provides an assessment of the District's finances for 2005.

Cash Management

It is the policy of the Westerville City School District, that with due regard to the safety and risk of investments, all available funds shall be invested in conformance with existing legal requirements and Board-adopted policy guidelines, to the maximum extent possible, at the highest rates obtainable at the time of investment. Effective cash management is recognized as essential to good fiscal management. An investment policy has been formulated to take advantage of investment interest as a viable and material source of revenue to all funds involved. The District's investments are designed and managed in a manner responsive to public trust and consistent with state and local laws.

Risk Management

The District maintains protection for its assets and employees through a comprehensive insurance program. Insurance policies for vehicle fleet liability, general liability, property loss, and boiler and machinery coverage are purchased from insurance companies licensed to do business in the State of Ohio.

For fiscal year 2005, the District participated in the Bureau of Workers Compensation Retrospective Rating Program. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the district. The retrospective rating plan allows an employer to assume a portion of the risk in return for a possible reduction in premiums. The greater the assumed risk, the greater the potential reduction in premiums. Employers who have a consistent claims history and proven safety practices will benefit the most from retrospective rating. The employer can customize the retrospective rating plan to control the amount of risk assumed and the potential savings by selecting the maximum premium and maximum claims costs he or she is willing to pay. Employers may benefit from retrospective rating because of lower initial premiums and realized cash flow advantages, which increase as premiums are saved. The drawbacks of retrospective rating may outweigh the advantages for some employers. For example, if an employer incurred high losses in a rating year, actual premiums could double.

AWARDS AND ACKNOWLEDGEMENTS

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the Westerville City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. This was the third year that the District has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable

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and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The 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 our current Comprehensive Annual Financial Report (CAFR) continues to meet the high standards required by the Certificate of Achievement program, and we are submitting it to GFOA to determine its eligibility for a certificate.

ASBO Certificate of Excellence

The Association of School Business Officials International (ASBO) awarded the Certificate of Excellence on Financial Reporting to the Westerville City School District for the fiscal year ended June 30, 2004. This was the third year that the District has achieved this prestigious award.

This award certifies that the Comprehensive Annual Financial Report (CAFR) conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International. This award is granted only after an intensive review of the financial report by an expert panel of certified public accountants and practicing school business officials.

A Certificate of Excellence is valid for a period of one year only. We believe this current Comprehensive Annual Financial Report meets the high standards required by the Certificate of Excellence program, and we are submitting it to ASBO to determine its eligibility for a certificate.

Independent Audit

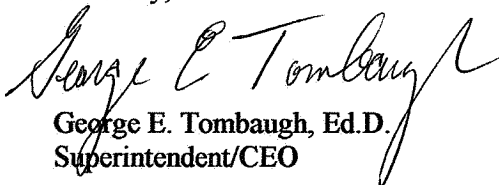
State statutes require a bi-annual audit by independent accountants unless a single audit is required. The Ohio Auditor of State conducted the District's 2005 fiscal year audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report.


Acknowledgments

The preparation and publication of this Comprehensive Annual Financial Report on a timely basis would not have been possible without the cooperation of the entire Treasurer's Department. A special note of appreciation is extended to the District's Assistant Treasurer, Laura A. Hendricks, CPA, whose countless hours and dedication made this document a reality.

Finally, this report would not have been possible without the continued support of the Westerville Board of Education who values quality financial information with which to help make decisions. Without their leadership and commitment to excellence, this report would not be possible.

Sincerely,


George E. Tombaugh, Ed.D.
Superintendent/CEO


J. Scott Gooding II
Treasurer/CFO

CONTINUOUS IMPROVEMENT PLAN 2003-2006

Vision: The Westerville Schools will work with the parents and community to be rated "Excellent" among the largest school districts in the State of Ohio by 2006.

Mission: To produce creative, confident, and independent citizens

State Goals	District Critical Issues	District Goals	Strategies	Performance Measures	RESULTS		
					Current (2/04)	1 yr. Target	3 yr. Target
Assure high achievement for all learners	All learners must increase their knowledge and develop life-long skills	Improve student achievement for all student populations	<ul style="list-style-type: none"> Implement the Westerville Learning System district-wide to align learning expectations with what is taught and assessed Integrate technology Use data to guide instruction, intervention and professional development 	Graduation Rate <ul style="list-style-type: none"> Reading & Math: 4th, 6th, 8th GR OGT, GR 10, all areas Under-credited 9/10th GR College Remediation Rates HS Challenge Index Rating Honors diplomas 	92.7%* (GR 4) R = 78%; M = 73%* (GR 6) R = 73.5%; M = 66%* (GR 8) R = 69.2%; M = 71.1%	93.4% R=81.8 %; M=81.5 % R=71.2 %; M=75% R=xx%; M=xx%	95% R=90.9%; M=90.7% R=85.6%; M=87.4% R=xx%; M=xx%
Close the achievement gap	Increase academic rigor	Increase communications with families, business & community	<ul style="list-style-type: none"> Coordinate communication efforts: recruit volunteers and community partnerships; provide parent education. 	Stakeholder Satisfaction <ul style="list-style-type: none"> Tax issue passage Parent ed. offerings/participation Community Engagement 	R=74.7%; M=33.1% 9th = 15 %; 10th = 11%* CR: Math =28%; Eng =13%* CIR= 46* HD=24%*	75% pass 9th = 12%; 10th =9% Math=22% Eng=10% CIR=70 HD=TBD	80% pass 9th=8 %; 10th=5% Math= 14% Eng=7% HD=TBD
Preserve and nurture enthusiasm for learning	WCS needs active support to accomplish highest student achievement	Increase opportunities for, and participation of students, staff, parents and other stakeholders in character education	<ul style="list-style-type: none"> Expand relationship-building programs Integrate district-approved character education programs into curricula 	Attendance/Suspension/Expulsion Rates <ul style="list-style-type: none"> Student's participating in extra-curricular activities 	3:5 voter approval avg Collecting Data Collecting Data	3.4/5 83% TBD TBD	3.7/5 88% TBD TBD
Help every generation learn, enhance, and practice the character traits that are valued by their communities	Our community expects our schools to be positive learning environments	Provide a safe learning environment	<ul style="list-style-type: none"> Enhance Facilities Safety Program 	Parent/Staff/Student perception of school climate <ul style="list-style-type: none"> Participation rate of students, staff, parents and community members in character education 	A=95.7%* S=1847* Ex=108* % students	A=96% S=1,750 Ex=95 % students	A=96% S=1,750 Ex=95 % students
Promote a safe and orderly learning environment	WCS must expand and improve it's facilities to accommodate growth and to provide a safe, conducive learning environment	Deliver renovations and new construction on time and within budget	<ul style="list-style-type: none"> Track and manage budget and schedule of each project 	Compliance with Board of Health/OSHA Standards <ul style="list-style-type: none"> Schools participating in Tools for Schools' air quality program 	CEP INDEX 2.75*	CEP=3.4	CEP=3.75/4
Support efficient, effective, and continuously improving learning systems	WCS strives for performance excellence	Achieve Ohio 'Excellent' designation & Ohio Award for Excellence (OAE), Tier III	<ul style="list-style-type: none"> Develop shortened evaluation cycles Establish Baldrige-based quality processes and training district-wide 	Excellent*/Tier III Designations <ul style="list-style-type: none"> 95% of Report Card indicators AYP benchmarks Performance Index Efficiency Ratio Index % personnel using Baldrige 	0 citations 9 schools Completed all Phases	0 citations 14 schools Final occupancy on all renovated	0 citations 100% schools

(*=Data for 01-02 SY)

WESTERVILLE CITY SCHOOL DISTRICT, OHIO

Elected Officials and Administrative Staff

As of June 30, 2005

BOARD OF EDUCATION

President

Michael Collins

Vice President

Cindy Crowe

Member

Alexander Heckman

Member

Kevin Hoffman

Member

Nancy Nestor-Baker, Ph. D.

APPOINTED OFFICIALS

Superintendent

George E. Tombaugh, Ed. D.

Treasurer

J. Scott Gooding II

ADMINISTRATIVE STAFF

Assistant Superintendent/Human Resources

Christopher Wanner, Ph. D.

Senior Executive Director of Curriculum and Instruction

Diane Conley

Executive Director of Business Services

Jeff LeRose

Executive Director of Special Education

Glenna Cameron

Executive Director of Student Activities, Safety and
Communications

Director of Assessment & Planning

Mark Hershiser

Director of IMS

Mary Peters, Ph.D.

Principal, Westerville North High School

Greg Lewis

Principal, Westerville South High School

Curt Jackowski

Principal, Westerville Central High School

Keith Bell

Principal, Blendon Middle School

Todd Meyer

Principal, Genoa Middle School

Tina Thomas-Manning

Principal, Heritage Middle School

Ralph Collins

Principal, Walnut Springs Middle School

Bob Schultz

Principal, Alcott Elementary School

Greg Sampson

Principal, Annehurst Elementary School

Roxanne Demeter

Principal, Central College Elementary School

Howard Baum

Principal, Cherrington Elementary School

Steve Petercsak

Principal, Emerson Elementary School

Debbie Kozlesky

Principal, Fouse Elementary School

Beverly Good, Ph. D.

Principal, Hanby Elementary School

Karen McClellan

Principal, Hawthorne Elementary School

Jan Fedorenko

Principal, Huber Ridge Elementary School

Machelle Kline, Ph. D.

Principal, Longfellow Elementary School

Barbara Wallace

Principal, Mark Twain Elementary School

Steve Petercsak

Principal, McVay Elementary School

Scott Ebbrecht

Principal, Pointview Elementary School

Phil Roe

Principal, Robert Frost Elementary School

Jeanne Roth

Principal, Whittier Elementary School

Sara Berka

Principal, Wilder Elementary School

Suzanne Kile

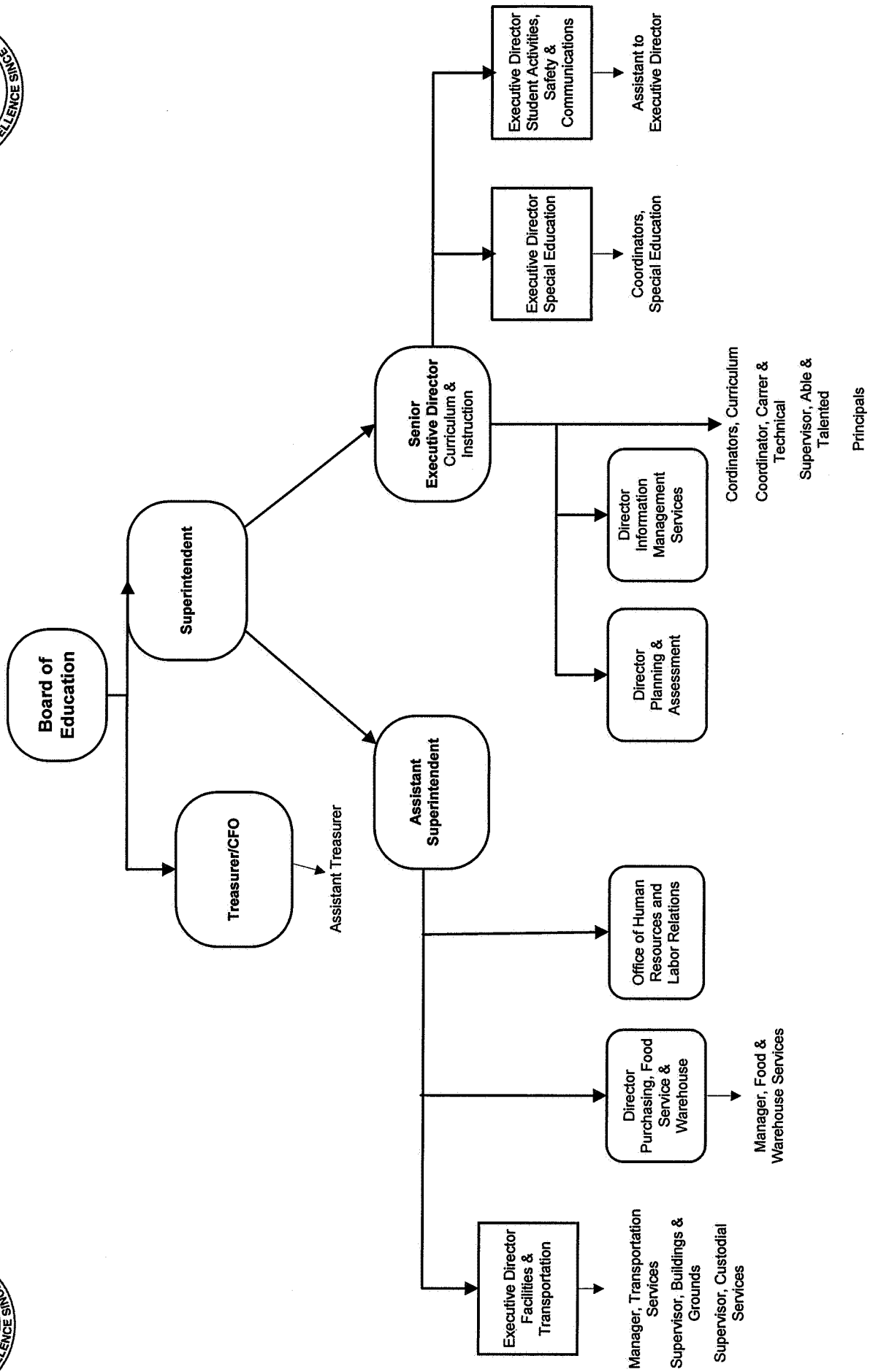
Bob Hoffman



Westerville City School District, Ohio

Table of Organization for Administrators

For Fiscal Year Ended June 30, 2005



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Westerville City
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2004

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



Nancy L. Zielle

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

WESTERVILLE CITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2004

Upon recommendation of the Association's Panel of Review which has judged the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

John J. Tomback
President

Barbara W. Keller
Executive Director

Financial Section



Board of Education
Westerville City School District
Westerville, Ohio



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Westerville City School District
Franklin County
336 South Otterbein Avenue
Westerville, Ohio 43081

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Westerville City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2005, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Westerville City School District, Franklin County, Ohio, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended June 30, 2005, the District implemented Governmental Accounting Standards Board Technical Bulletin 2004-2, *Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2005, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

December 16, 2005

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2005
Unaudited

The management of the Westerville City School District offers the readers of the District's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities for the year ended June 30, 2005. The District encourages readers to consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

The District's net assets increased by \$9.7 million or 23.83%. Program revenues accounted for \$12.2 million or 8.54% of total revenues, and general revenues accounted for \$130.8 million or 91.46%.

The general fund reported a positive fund balance of \$9.5 million.

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 Westerville City School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next 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 major funds with all other non-major funds presented in total in one column. The major funds for the Westerville City School District are the general fund, the debt service fund, and the building fund. The District has also selected to present the permanent improvement fund as a major fund.

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Assets and Statement of Activities

While this document contains a large number of funds utilized by the School District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the questions, "How did the District perform financially in 2005?" The Statement of Net Assets and the Statement of Activities help to answer this question. These statements include *all assets and liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by private sector corporations. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The reader must also consider other non-financial factors such as the District's property tax base, current property tax laws, student enrollment growth, facility conditions and other factors in arriving at their conclusion regarding the overall health of the District.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- *Governmental Activities* – Most of the District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.
- *Business-Type Activities* – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service and uniform school supplies operations are reported as business-type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Our analysis of the District's major funds begins on page 27. The fund financial statements begin on page 34 and 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 remaining at year-end available for spending in future periods. These funds are reported utilizing 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 more or fewer financial resources available to spend in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore the statements will essentially match.

Fiduciary Funds

The District is the trustee, or fiduciary for various student managed activity programs, various scholarship programs and other items listed as agency and private purpose. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on page 42. We exclude these activities from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT AS A WHOLE

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$50.6 million at the close of the most recent fiscal year.

A significant portion of the District's net assets (62%) reflects its investment in capital assets less any related debt used to acquire those assets that is still outstanding. This large percentage is due to the addition of two new elementary schools, major District renovations, 10 building additions, and a completed new high school. The District used capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 provides a comparative analysis of fiscal year 2005 to 2004:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current Assets	\$114,039,751	\$101,550,294	\$815,060	\$676,079	\$114,854,811	\$102,226,373
Capital Assets	<u>154,580,222</u>	<u>157,969,561</u>	<u>273,253</u>	<u>312,533</u>	<u>154,853,475</u>	<u>158,282,094</u>
Total Assets	268,619,973	259,519,855	1,088,313	988,612	269,708,286	260,508,467
Current Liabilities	83,131,526	79,209,086	277,508	309,794	83,409,034	79,518,880
Long Term Liabilities	<u>135,531,242</u>	<u>139,945,554</u>	<u>180,475</u>	<u>192,545</u>	<u>135,711,717</u>	<u>140,138,099</u>
Total Liabilities	218,662,768	219,154,640	457,983	502,339	219,120,751	219,656,979
Net Assets:						
Invested in Capital						
Assets, net of debt	31,135,671	33,096,968	273,253	312,533	31,408,924	33,409,501
Restricted	16,680,835	11,404,078	-	-	16,680,835	11,404,078
Unrestricted	<u>2,140,699</u>	<u>(4,135,831)</u>	<u>357,077</u>	<u>173,740</u>	<u>2,497,776</u>	<u>(3,962,091)</u>
Total Net Assets	<u>\$49,957,205</u>	<u>\$40,365,215</u>	<u>\$630,330</u>	<u>\$486,273</u>	<u>\$50,587,535</u>	<u>\$40,851,488</u>

An additional portion of the District's net assets (33%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing activities. The District is able to report positive balances in all areas of net assets for both the government as a whole, as well as for its separate governmental activities.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

Table 2 shows the changes in net assets for fiscal year 2005 and 2004.

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues						
Charges for Services	\$ 2,897,756	\$ 2,019,831	\$ 2,991,343	\$ 2,980,544	\$ 5,889,099	\$ 5,000,375
Operating Grants	5,537,321	4,700,516	790,065	697,187	6,327,386	5,397,703
Capital Grants	-	319,871	-	-	-	319,871
Total Program Revenues	8,435,077	7,040,218	3,781,408	3,677,731	12,216,485	10,717,949
General Revenues						
Property Taxes	86,152,496	73,859,058	-	-	86,152,496	73,859,058
Grants and Entitlements	43,063,290	42,954,970	-	-	43,063,290	42,954,970
Investment Income	742,797	395,572	14,442	7,318	757,239	402,890
Miscellaneous	840,539	848,547	-	-	840,539	848,547
Total General Revenues	130,799,122	118,058,147	14,442	7,318	130,813,564	118,065,465
Total Revenues	\$ 139,234,199	\$ 125,098,365	\$ 3,795,850	\$ 3,685,049	\$ 143,030,049	\$ 128,783,414
Expenses						
Program Expenses						
Instruction						
Regular	\$ 58,943,428	\$ 61,435,413	\$ -	\$ -	\$ 58,943,428	\$ 61,435,413
Special	13,887,997	12,162,246	-	-	13,887,997	12,162,246
Vocational	404,299	2,266,230	-	-	404,299	2,266,230
Other	2,337,018	1,835,688	-	-	2,337,018	1,835,688
Support Services						
Pupil	8,128,917	7,601,627	-	-	8,128,917	7,601,627
Staff	4,072,808	4,431,094	-	-	4,072,808	4,431,094
General Administration	1,413,567	1,445,681	-	-	1,413,567	1,445,681
School Administration	8,442,595	8,383,725	-	-	8,442,595	8,383,725
Fiscal	1,909,425	1,515,452	-	-	1,909,425	1,515,452
Business Operations	1,498,293	1,104,154	-	-	1,498,293	1,104,154
Operations & Maintenance	11,654,211	10,977,422	-	-	11,654,211	10,977,422
Student Transportation	6,198,974	5,771,952	-	-	6,198,974	5,771,952
Central Services	1,022,336	1,144,924	-	-	1,022,336	1,144,924
Community Services	897,810	690,830	-	-	897,810	690,830
Extra-curricular Activities	2,363,337	2,788,686	-	-	2,363,337	2,788,686
Interest and Fiscal Charges	6,412,729	5,788,941	-	-	6,412,729	5,788,941
Loss on sale of capital assets	45,647	-	-	-	45,647	-
Food Services	8,818	8,817	3,411,234	3,563,734	3,420,052	3,572,551
Uniform School Supplies	-	-	240,559	234,452	240,559	234,452
Total Expenses	\$ 129,642,209	\$ 129,352,882	\$ 3,651,793	\$ 3,798,186	\$ 133,294,002	\$ 133,151,068
Change in Net Assets	9,591,990	(4,254,517)	144,057	(113,137)	9,736,047	(4,367,654)
Net Assets, beginning of year	40,365,215	44,619,732	486,273	599,410	40,851,488	45,219,142
Net Assets, end of year	\$ 49,957,205	\$ 40,365,215	\$ 630,330	\$ 486,273	\$ 50,587,535	\$ 40,851,488

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

Governmental Activities

Net assets of the District's governmental activities increased by \$9.6 million, and unrestricted net assets reflect a balance of \$2.1 million. The most significant increase in net assets is General Revenues – Property Taxes, due to the passage of the 5.0 mill two-year operating levy on the March 2, 2004 ballot.

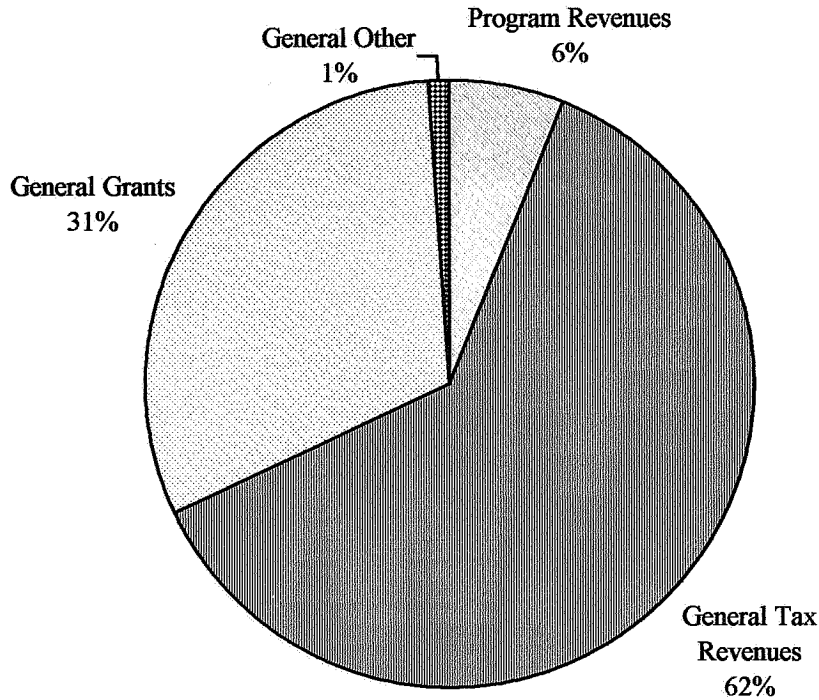
The property tax laws in Ohio create the need to periodically seek voter approval for additional operating funds. Tax revenues generated from a levy do not increase as a result of inflation. An operating levy is approved for a fixed millage rate, but the rate is reduced for inflation with the effect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

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. The net cost of program services must be supported by general revenues including tax revenue, investment earnings and unrestricted State entitlements.

	Total Cost of Services 2005	Net Cost of Services 2005	Total Cost of Services 2004	Net Cost of Services 2004
Program Expenses				
Instruction				
Regular	\$ 58,943,428	\$ 57,261,324	\$ 61,435,413	\$ 59,599,210
Special	13,887,997	11,938,703	12,162,246	10,945,146
Vocational	404,299	179,925	2,266,230	1,793,601
Other	2,337,018	2,337,018	1,835,688	1,835,688
Support Services				
Pupil	8,128,917	7,397,053	7,601,627	7,120,033
Staff	4,072,808	3,559,505	4,431,094	3,764,935
General Administration	1,413,567	1,413,567	1,445,681	1,445,681
School Administration	8,442,595	8,004,482	8,383,725	8,018,009
Fiscal	1,909,425	1,888,276	1,515,452	1,487,512
Business Operations	1,498,293	1,497,457	1,104,154	1,101,217
Operations & Maintenance	11,654,211	11,644,521	10,977,422	10,977,422
Student Transportation	6,198,974	6,086,948	5,771,952	5,697,787
Central Services	1,022,336	909,346	1,144,924	1,018,972
Community Services	897,810	124,747	690,830	(13,149)
Extra-curricular Activities	2,363,337	497,066	2,788,686	1,722,842
Interest and Fiscal Charges	6,412,729	6,412,729	5,788,941	5,788,941
Food Services	8,818	8,818	8,817	8,817
Total Expenses	<u>\$ 129,596,562</u>	<u>\$ 121,161,485</u>	<u>\$ 129,352,882</u>	<u>\$ 122,312,664</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

(Graph 1)



The District's reliance upon tax revenues is demonstrated by the graph above indicating 62% of total revenues from local taxes. The other large portion of general revenue support is the State Foundation program as 31% of total revenues. The reliance on general revenues is indicated by the net services column reflecting the need for \$121.2 million of support as well as the graph indicating general revenues comprise 94% of total revenues.

Business-Type Activities

Business-type activities include food service and uniform school supplies. These programs had an increase in net assets of \$144,057 for the fiscal year. The increase was due to food service operations.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

The District's Funds

The District's governmental funds (as presented on the balance sheet on page 34) reported a combined fund balance of \$26.2 million, which is above last year's total of \$17.3 million. The schedule below indicates the fund balance and the total change in fund balance as of June 30, 2005 and 2004.

	Fund Balance June 30, 2005	Fund Balance June 30, 2004	Increase (Decrease)
General	\$ 9,481,377	\$ 2,797,854	\$ 6,683,523
Debt Service	7,835,634	7,276,551	559,083
Permanent Improvement	5,301,395	3,153,511	2,147,884
Building	2,424,647	3,089,881	(665,234)
Other Governmental	<u>1,134,969</u>	<u>963,222</u>	<u>171,747</u>
Total	<u>\$ 26,178,022</u>	<u>\$ 17,281,019</u>	<u>\$ 8,897,003</u>

General Fund

The District's general fund balance increase is due to many factors. The tables and graphs that follow assist in illustrating the financial activities and balance of the general fund.

(Table 5)

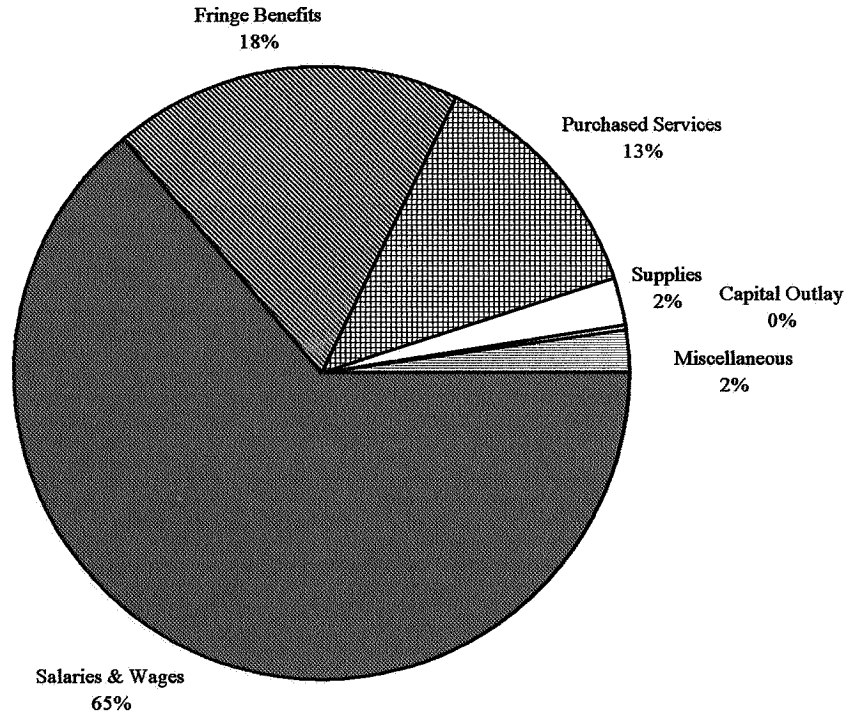
	2005 Amount	2004 Amount	Percentage Change
Revenues			
Taxes	\$ 70,110,749	\$ 59,095,309	18.64%
Interest Earnings	641,993	292,627	119.39%
Intergovernmental - State	41,417,648	41,659,491	-0.58%
Other Revenue	<u>1,664,798</u>	<u>1,643,951</u>	<u>1.27%</u>
Total	<u>\$113,835,188</u>	<u>\$102,691,378</u>	<u>10.85%</u>

The property tax revenue has increased by \$11 million. Interest earnings have increased \$349,366 due to continued rising interest rate yields. State revenues are lower \$241,843 due to the enrollment decreases.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

As the graph below illustrates, the largest portions of general fund expenditures is for salaries and fringe benefits. The District is a service entity and as such is labor intensive.

(Graph 2)



The effect of capital outlay is nil.

Expenditures by Object	2005 Amount	2004 Amount	Percentage Change
Salaries and Wages	\$ 68,457,056	\$ 70,434,950	-2.81%
Fringe Benefits	19,658,044	20,330,592	-3.31%
Purchased Services	13,776,490	12,442,767	10.72%
Supplies	2,464,488	3,110,692	-20.77%
Capital Outlay	303,239	555,481	-45.41%
Miscellaneous	<u>2,492,348</u>	<u>4,221,653</u>	<u>-40.96%</u>
Total	<u>\$ 107,151,665</u>	<u>\$ 111,096,135</u>	<u>-3.55%</u>

The expenditures have decreased \$3.9 million or 3.55% over the prior year mostly due to reductions in FTEs. The District made \$14.5 million in cuts over the past two (2) school years that included a total of 111 positions (Administrators = 11; Teachers = 88; and Secretarial/Clerical = 12).

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

Other Funds

The District's debt service fund balance increased by \$559,083. The revenues of the fund are property taxes, calculated by the county auditor, and state homestead and rollback money computed as a percentage of the tax due to the fund. The expenses of the fund include debt principal and interest payments as well as county auditor and treasurer fees. The increase is due to greater than expected tax collections.

The permanent improvement fund increase in fund balance of \$2.1 million is a result of the District replacing the 2.7 mil capital improvement levy in November 2004 for five more years.

The building fund decrease in fund balance is a result of spending down resources received from the November 2000 bond issue approved by voters. This is a normal occurrence and not indicative of diminishing financial health. Ultimately, the entire amount of capital from this bond issue will be spent.

Other governmental funds consist of special revenue funds and a capital projects fund. The increase in fund balance is primarily due to additional grant activity in the District.

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

The District amended its revenue estimates to reflect greater than originally anticipated revenues from personal property taxes, homestead/rollback, but lesser than originally anticipated revenues from real estate taxes, state sources and tuition/fees/interest. The appropriations or expenditure portion of the budget required changes in functional categories due to spending patterns, with the final budget for expenditures being \$433,022 more than the original budget.

The District utilizes the five-year forecast as the original document from which to form the operating budget. After updating of 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. The departments then receive the remainder of funds to bring the budget into balance with the five-year forecast. The site and department budgets are reviewed periodically to ensure management becomes aware of any significant variations during the year.

Capital Assets

The District has \$154.9 million invested in capital assets net of depreciation, with \$154.6 million attributed to governmental activities. Acquisitions for governmental activities totaled \$1.6 million and depreciation was \$5 million. The majority of the acquisitions were for the completion of Central High School and buses.

On November 7, 2000, the District passed a bond issue in the amount of \$99.5 million. This bond issue provided funding for additional facilities, renovations of existing facilities, and land acquisition. The new facilities include the fifteenth and sixteenth elementary school and a third high school and ten additions to existing facilities.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Management's Discussion & Analysis, Continued
For the Fiscal Year Ended June 30, 2005
Unaudited

For more detailed information regarding the District's capital assets, refer to Note 8 in the notes to the basic financial statements.

Debt

At June 30, 2005, the District had \$123.9 million in outstanding bonds. The District paid \$5.9 million in principal on bonds outstanding and \$5.8 million in interest during the fiscal year.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% of the total value of real and personal property. At June 30, 2005, the District's general obligation debt was below the legal limit.

For more detailed information regarding the District's debt, refer to Note 9 in the notes to the basic financial statements.

Restrictions and Other Limitations

With the passage of a permanent 9.2 mill replacement operating levy in November 2002 and the November 2000 bond issue, the District is in a good financial position. The operating levy and separate bond issue have provided the necessary funds for the District to manage current growth patterns while maintaining the educational program and the facilities. However, the future 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. The five-year forecast of the general fund and the five-year capital plans are utilized by management as a tool to manage resources effectively. However, the District opened two new elementary schools and ten additions in the 2002-2003 school year and a new high school in the 2003-2004 school year, of which operations were funded from the general fund cash balance. The District returned to the ballot, unsuccessfully, in calendar year 2003 to secure additional resources for these school operations. Thus, the District implemented \$5.7 million of budget reductions in June 2003 to offset future operating deficits. The District was however successful on March 2, 2004 with voters approving a 5.0 mill two-year operating levy. In combination with this levy, the District still had to cut an additional \$8.8 million from the 2004-2005 budget.

The second challenge facing the District is based in the local economy. The District has experienced significant growth over the last 10 years. If the growth patterns in student population change so more students enter the District than currently anticipated, we will have to change the financial models upon which our assumptions have been made. Also, an economic slowdown could result in revenue forecasts having to be revised downward. Either of these scenarios could cause the District to scale down the educational program offerings or seek additional resources.

Requests for Information

This financial report is designed to provide a general overview of the Westerville City School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Westerville City Schools, Office of the Treasurer, 336 S. Otterbein Avenue, Westerville, Ohio, 43081.

Westerville City School District
Statement of Net Assets
As of June 30, 2005

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and investments	\$25,699,389	\$655,177	\$26,354,566
Receivables			
Taxes - current	82,724,425	-	82,724,425
Taxes - delinquent	3,355,926	-	3,355,926
Accounts	219,944	839	220,783
Accrued interest	16,778	-	16,778
Intergovernmental	762,450	94,907	857,357
Prepays	360,186	-	360,186
Materials & supplies inventory	52,213	64,137	116,350
Restricted cash	377,708	-	377,708
Deferred charges	470,732	-	470,732
Capital assets, non-depreciable	5,813,922	-	5,813,922
Capital assets, net of depreciation	148,766,300	273,253	149,039,553
Total assets	268,619,973	1,088,313	269,708,286
<u>LIABILITIES</u>			
Accounts payable	1,685,797	5,364	1,691,161
Retainage payable	341,252	-	341,252
Accrued wages and benefits	13,399,336	113,382	13,512,718
Due to other governments	2,622,867	158,762	2,781,629
Matured bonds payable	36,456	-	36,456
Interest payable	469,347	-	469,347
Deferred revenue	64,576,471	-	64,576,471
Long-term liabilities			
Due within one year	5,324,778	6,159	5,330,937
Due in more than one year	130,206,464	174,316	130,380,780
Total liabilities	218,662,768	457,983	219,120,751
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	31,135,671	273,253	31,408,924
Restricted for:			
Debt Service	7,772,928	-	7,772,928
Permanent Improvement	5,506,002	-	5,506,002
Special Revenue	440,325	-	440,325
Building	2,424,647	-	2,424,647
Other	536,933	-	536,933
Unrestricted	2,140,699	357,077	2,497,776
Total net assets	\$49,957,205	\$630,330	\$50,587,535

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

**Westerville City School District
Statement of Activities
For the Year Ended June 30, 2005**

	Expenses	Program Revenues	
		Charges for Services and Sales	Operating Grants and Contributions
Governmental Activities			
Instruction			
Regular	\$58,943,428	\$989,548	\$692,556
Special	13,887,997	41,937	1,907,357
Vocational	404,299	-	224,374
Other instruction	2,337,018	-	-
Support Services			
Pupils	8,128,917	-	731,864
Staff	4,072,808	-	513,303
General administration	1,413,567	-	-
School administration	8,442,595	-	438,113
Fiscal services	1,909,425	-	21,149
Business services	1,498,293	-	836
Operation & maintenance	11,654,211	-	9,690
Student transportation	6,198,974	-	112,026
Central services	1,022,336	-	112,990
Community services	897,810	-	773,063
Food Services	8,818	-	-
Extra-curricular activities	2,363,337	1,866,271	-
Interest and fiscal charges	6,412,729	-	-
Total governmental activities	129,596,562	2,897,756	5,537,321
Business-type Activities			
Food Service	3,411,234	2,754,240	790,065
Uniform School Supplies	240,559	237,103	-
Total business-type activities	3,651,793	2,991,343	790,065
Totals	\$133,248,355	\$5,889,099	\$6,327,386

General revenues

Property taxes levied for:

 General purposes

 Debt service

 Capital projects

Grants and entitlements not restricted to specific programs

Investment income

Loss on sale of capital assets

Miscellaneous

Total general revenues

Change in net assets

Net assets, beginning of the year (restated, see note 3)

Net assets, end of the year

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

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-type Activities	Total
(\$57,261,324)	-	(\$57,261,324)
(11,938,703)	-	(11,938,703)
(179,925)	-	(179,925)
(2,337,018)	-	(2,337,018)
(7,397,053)	-	(7,397,053)
(3,559,505)	-	(3,559,505)
(1,413,567)	-	(1,413,567)
(8,004,482)	-	(8,004,482)
(1,888,276)	-	(1,888,276)
(1,497,457)	-	(1,497,457)
(11,644,521)	-	(11,644,521)
(6,086,948)	-	(6,086,948)
(909,346)	-	(909,346)
(124,747)	-	(124,747)
(8,818)	-	(8,818)
(497,066)	-	(497,066)
(6,412,729)	-	(6,412,729)
<u>(121,161,485)</u>	<u>-</u>	<u>(121,161,485)</u>
-	133,071	133,071
-	(3,456)	(3,456)
-	<u>129,615</u>	<u>129,615</u>
<u>(\$121,161,485)</u>	<u>\$129,615</u>	<u>(\$121,031,870)</u>
69,808,534	-	69,808,534
11,008,652	-	11,008,652
5,335,310	-	5,335,310
43,063,290	-	43,063,290
742,797	14,442	757,239
(45,647)	-	(45,647)
840,539	-	840,539
<u>130,753,475</u>	<u>14,442</u>	<u>130,767,917</u>
9,591,990	144,057	9,736,047
<u>40,365,215</u>	<u>486,273</u>	<u>40,851,488</u>
<u>\$49,957,205</u>	<u>\$630,330</u>	<u>\$50,587,535</u>

**Westerville City School District
Balance Sheet
Governmental Funds
As of June 30, 2005**

	<u>General</u>	<u>Debt Service</u>	<u>Permanent Improvement</u>	<u>Building</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and investments	\$ 9,503,705	\$ 5,642,427	\$ 4,633,246	\$ 2,522,942	\$ 1,554,350	\$ 23,856,670
Restricted cash and investments	536,933	36,456	-	341,252	-	914,641
Receivables (net of allowances for uncollectibles):						
Taxes - current	67,522,794	9,990,953	5,210,678	-	-	82,724,425
Taxes - delinquent	2,744,678	406,641	204,607	-	-	3,355,926
Accounts	134,821	-	3,800	-	751	139,372
Accrued interest	16,778	-	-	-	-	16,778
Intergovernmental	-	-	-	-	762,450	762,450
Interfund loan receivable	461,180	-	-	-	-	461,180
Prepays	360,186	-	-	-	-	360,186
Inventories	52,213	-	-	-	-	52,213
Total assets	<u>81,333,288</u>	<u>16,076,477</u>	<u>10,052,331</u>	<u>2,864,194</u>	<u>2,317,551</u>	<u>112,643,841</u>
<u>LIABILITIES</u>						
Accounts payable	927,181	-	447,619	98,295	212,045	1,685,140
Retainage payable	-	-	-	341,252	-	341,252
Accrued wages and benefits	12,957,187	-	-	-	432,514	13,389,701
Due to other governments	2,453,521	58,897	30,432	-	76,843	2,619,693
Matured bonds payable	-	36,456	-	-	-	36,456
Interfund loan payable	-	-	-	-	461,180	461,180
Deferred revenue	55,514,022	8,145,490	4,272,885	-	-	67,932,397
Total liabilities	<u>71,851,911</u>	<u>8,240,843</u>	<u>4,750,936</u>	<u>439,547</u>	<u>1,182,582</u>	<u>86,465,819</u>
<u>FUND BALANCES</u>						
Reserved						
Future years' appropriation	14,850,142	2,252,104	1,142,400	-	-	18,244,646
Encumbrances	53,080	-	673,026	94,992	248,016	1,069,114
Budgetary stabilization	536,933	-	-	-	-	536,933
Prepays	360,186	-	-	-	-	360,186
Inventories	52,213	-	-	-	-	52,213
Unreserved, reported in:						
General	(6,371,177)	-	-	-	-	(6,371,177)
Debt Service	-	5,583,530	-	-	-	5,583,530
Permanent Improvement	-	-	3,485,969	-	-	3,485,969
Building	-	-	-	2,329,655	-	2,329,655
Special Revenue	-	-	-	-	770,403	770,403
Capital Projects	-	-	-	-	116,550	116,550
Total fund balances	<u>9,481,377</u>	<u>7,835,634</u>	<u>5,301,395</u>	<u>2,424,647</u>	<u>1,134,969</u>	<u>26,178,022</u>
Total liabilities and fund balances	<u>\$ 81,333,288</u>	<u>\$ 16,076,477</u>	<u>\$ 10,052,331</u>	<u>\$ 2,864,194</u>	<u>\$ 2,317,551</u>	<u>\$ 112,643,841</u>

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

**Westerville City School District
 Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities
 For the Year Ended June 30, 2005**

Total Governmental Fund Balances	\$26,178,022
 <i>Amounts report for governmental activities in the statement of net assets are different because:</i>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	154,580,222
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	3,355,926
An internal service fund used by management to charge the cost of worker's compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	1,372,892
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
General obligation debt	(123,444,551)
Interest payable	(469,347)
Special Termination Benefits	(2,840,000)
Compensated absences	<u>(8,775,959)</u>
 Net Assets of Governmental Activities	 <u><u>\$49,957,205</u></u>

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

Westerville City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2005

	General	Debt Service	Permanent Improvement	Building	Other Governmental	Total Governmental Funds
REVENUES						
Taxes	\$ 70,110,749	\$11,134,629	\$ 5,357,038	\$ -	\$ -	\$ 86,602,416
Tuition	598,107	-	-	-	-	598,107
Extra-curricular	-	-	-	-	1,866,271	1,866,271
Investment income	641,993	-	-	61,565	7,227	710,785
Other local	433,378	-	-	-	29,275	462,653
Intergovernmental - State	41,417,648	1,324,426	635,779	-	1,382,725	44,760,578
Intergovernmental - Federal	-	-	-	-	3,810,758	3,810,758
Other revenue	633,313	371	3,800	-	203,055	840,539
Total revenues	113,835,188	12,459,426	5,996,617	61,565	7,299,311	139,652,107
EXPENDITURES						
Current:						
Instruction						
Regular	51,923,975	-	-	-	521,960	52,445,935
Special	11,123,369	-	-	-	1,858,190	12,981,559
Vocational	616,277	-	-	-	32,559	648,836
Other Instruction	2,225,747	-	-	-	-	2,225,747
Support services						
Pupils	6,944,853	-	-	-	1,018,777	7,963,630
Staff	3,383,404	-	-	-	621,653	4,005,057
General administration	1,413,567	-	-	-	-	1,413,567
School administration	7,743,389	-	-	-	380,845	8,124,234
Fiscal services	1,732,895	143,387	-	-	20,633	1,896,915
Business operations	815,722	-	-	-	2,385	818,107
Operation & maintenance	11,307,070	-	-	-	9,715	11,316,785
Student transportation	5,664,494	-	-	-	11,649	5,676,143
Central services	1,567,477	-	-	-	113,297	1,680,774
Community services	1,131	-	-	-	896,679	897,810
Extra-curricular	688,295	-	-	-	1,639,222	2,327,517
Capital outlay	-	-	3,848,733	726,799	-	4,575,532
Debt service:						
Principal retirement	-	5,915,000	-	-	-	5,915,000
Interest	-	5,841,956	-	-	-	5,841,956
Total expenditures	107,151,665	11,900,343	3,848,733	726,799	7,127,564	130,755,104
Net change in fund balances	6,683,523	559,083	2,147,884	(665,234)	171,747	8,897,003
Fund balances, July 1 (restated, see Note 3)	2,797,854	7,276,551	3,153,511	3,089,881	963,222	17,281,019
Fund balances, June 30	<u>\$ 9,481,377</u>	<u>\$ 7,835,634</u>	<u>\$ 5,301,395</u>	<u>\$ 2,424,647</u>	<u>\$ 1,134,969</u>	<u>\$ 26,178,022</u>

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

Westerville City School District
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2005

Net Change in Fund Balances - Total Governmental Funds **\$8,897,003**

Amounts report 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. This is the amount by which depreciation exceeded capital outlays in the current period (see Note 8). (3,389,339)

Tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (449,920)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities.
Principal repayments 5,915,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 27,425

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.
Accretion on Capital Appreciation Bonds (598,198)
Special Termination Benefits (600,000)
Compensated Absences (302,448)

The internal service funds used by management to charge the costs of insurance and printing 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. 92,467

Change in Net Assets of Governmental Activities **\$9,591,990**

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

Westerville City School District
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - General Fund
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Real Estate Taxes	\$ 51,509,786	\$ 55,682,735	\$ 55,585,334	(\$97,401)
Personal Property Taxes	4,482,791	6,668,615	6,644,095	(24,520)
State Revenue	35,033,044	33,732,829	33,732,829	-
Homestead/Rollback	4,483,643	7,986,955	7,986,955	-
Tuition, Fees, Interest & Misc	8,434,784	2,235,999	2,236,443	444
Transfers, Advances, Refund of Prior Year	265,000	125,617	125,617	-
Total Revenue and Other Sources	<u>104,209,048</u>	<u>106,432,750</u>	<u>106,311,273</u>	<u>(121,477)</u>
Expenditures:				
Salaries and Wages	69,799,026	69,152,336	68,837,848	314,488
Benefits & Insurance	19,181,913	19,831,625	19,770,735	60,890
Purchased Services	14,221,396	14,879,701	14,583,358	296,343
Supplies & Materials	2,878,368	2,740,220	2,639,224	100,996
New & Replacement Equipment	501,459	387,238	380,781	6,457
Other Expenditures	2,506,424	2,530,488	2,518,034	12,454
Total Expenditures and Other Uses	<u>109,088,586</u>	<u>109,521,608</u>	<u>108,729,980</u>	<u>791,628</u>
Net Change in Fund Balance	(4,879,538)	(3,088,858)	(2,418,707)	670,151
Fund Balance, July 1	10,172,182	10,172,182	10,172,182	-
Prior Year Encumbrances Appropriated	<u>1,376,651</u>	<u>1,376,651</u>	<u>1,376,651</u>	<u>-</u>
Fund Balance, June 30	<u><u>\$ 6,669,295</u></u>	<u><u>\$ 8,459,975</u></u>	<u><u>\$ 9,130,126</u></u>	<u><u>\$ 670,151</u></u>

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

Westerville City School District
Statement of Net Assets
Proprietary Funds
As of June 30, 2005

	<u>Aggregate Non-Major Business Type Activities</u>	<u>Governmental Activities - Internal Service Fund</u>
<u>ASSETS</u>		
Current assets:		
Cash and investments	\$ 655,177	\$ 1,305,786
Receivables:		
Accounts	839	80,572
Intergovernmental	94,907	-
Materials & supplies inventory	64,137	-
Total current assets	<u>815,060</u>	<u>1,386,358</u>
Non-current assets:		
Capital assets, net	273,253	-
Total assets	<u>1,088,313</u>	<u>1,386,358</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	5,364	657
Accrued wages and benefits	113,382	9,635
Compensated absences payable	6,159	-
Due to:		
Other governments	158,762	3,174
Total current liabilities	<u>283,667</u>	<u>13,466</u>
Non-current liabilities:		
Compensated absences payable	174,316	-
Total liabilities	<u>457,983</u>	<u>13,466</u>
<u>NET ASSETS</u>		
Invested in capital assets	273,253	-
Unrestricted	357,077	1,372,892
Total net assets	<u>\$ 630,330</u>	<u>\$ 1,372,892</u>

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

Westerville City School District
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year ended June 30, 2005

	<u>Aggregate Non-Major Business Type Activities</u>	<u>Governmental Activities - Internal Service Fund</u>
<u>OPERATING REVENUES</u>		
Charges for services	\$ -	\$ 704,213
Food service sales	2,734,221	-
Class material fees	237,103	-
Other	20,019	-
Total operating revenues	<u>2,991,343</u>	<u>704,213</u>
<u>OPERATING EXPENSES</u>		
Wages and benefits	1,730,943	74,249
Purchased services	36,556	426,203
Materials and supplies	1,815,500	143,306
Depreciation	42,035	-
Other	26,759	-
Total operating expenses	<u>3,651,793</u>	<u>643,758</u>
Operating income (loss)	(660,450)	60,455
<u>NON-OPERATING REVENUES</u>		
Grants:		
State sources	27,407	-
Federal sources	762,658	-
Investment income	14,442	32,012
Total non-operating revenues	<u>804,507</u>	<u>32,012</u>
Change in net assets	144,057	92,467
Net assets, beginning of year (restated, see Note 3)	<u>486,273</u>	<u>1,280,425</u>
Net assets, end of year	<u>\$ 630,330</u>	<u>\$ 1,372,892</u>

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

**Westerville City School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2005**

	<u>Aggregate Non-Major Business Type Activities</u>	<u>Governmental Activities - Internal Service Fund</u>
Cash flows from operating activities:		
Cash received from customers	\$ 2,972,270	\$ -
Cash payments for wages and benefits	(1,772,052)	(73,958)
Cash received from interfund services provided	-	625,418
Cash payments for purchased services	(36,556)	(426,203)
Cash payments for materials and supplies	(1,713,417)	(149,421)
Cash received for other revenues	20,019	-
Cash payments for other expenses	(26,759)	-
	<u>(556,495)</u>	<u>(24,164)</u>
Net cash used for operating activities		
Cash flows from noncapital financing activities:		
Cash flows from operating grants	<u>672,553</u>	<u>-</u>
Cash flows from capital financing activities:		
Purchase of capital assets	<u>(2,755)</u>	<u>-</u>
Cash flows from investing activities:		
Investment income	<u>14,442</u>	<u>32,012</u>
Net increase (decrease) in cash and investments	127,745	7,848
Cash and investments at beginning of year	<u>527,432</u>	<u>1,297,938</u>
Cash and investments at end of year	<u>\$ 655,177</u>	<u>\$ 1,305,786</u>
Reconciliation of operating loss to net cash used for operating activities		
Operating income (loss)	\$ (660,450)	\$ 60,455
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	42,035	-
Donated commodities	107,928	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivables	946	(78,795)
Increase in inventory	(2,598)	-
Decrease in accounts payable	(3,247)	(6,115)
Decrease in accrued wages and benefits	(5,281)	(813)
Increase (decrease) in due to other governments	(23,758)	1,104
Decrease in compensated absences payable	(12,070)	-
	<u>(556,495)</u>	<u>(24,164)</u>
Net cash used for operating activities	\$ (556,495)	\$ (24,164)

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

**Westerville City School District
Statement of Net Assets
Fiduciary Funds
As of June 30, 2005**

	Private-Purpose Trust	Agency
<u>ASSETS</u>		
Cash and investments	\$61,743	\$355,432
Accounts receivable	-	940
Total assets	61,743	356,372
 <u>LIABILITIES</u>		
Accounts payable	-	5,197
Due to others	-	351,175
Total liabilities	-	\$356,372
<u>NET ASSETS</u>	\$61,743	

**Westerville City School District
Statement of Changes in Net Assets
Fiduciary Funds
For the Year Ended June 30, 2005**

	Private-Purpose Trust
<u>ADDITIONS</u>	
Gifts and contributions	\$13,020
Investment income	1,560
	14,580
 <u>DEDUCTIONS</u>	
Scholarships awarded	12,010
Other deductions	3,617
	15,627
Change in net assets	(1,047)
Net assets, beginning of the year	62,790
Net assets, end of the year	\$61,743

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

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2005

(1) DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Westerville City School District (the District) was organized in the early 1850's and is a fiscally independent political subdivision of the State of Ohio. The District is a city district as defined by Section 3311.02 of the Ohio Revised Code. The District operates under a locally elected five-member board and is responsible for the provision of public education to residents of the District. The District encompasses 52 square miles and provides services to approximately 14,023 students.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organizations Are Component Units", in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e., there are no component units).

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District has elected, under GASB No. 20, to apply Financial Accounting Standards Board Statements and Interpretations issued on or before November 30, 1989, to its governmental and business-type activities and to its enterprise funds, except those that conflict with a GASB pronouncement. The District's significant accounting policies are described below.

(a) Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Internal Service fund activity is eliminated to avoid overstatement of revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between governmental and business-type activities of the District.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the governmental activities in the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type, and for each function or program of the governmental activities of the District. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include amounts paid by the recipient of goods and services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column, and all nonmajor funds are aggregated into one column. Internal Service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the statement of net assets. Proprietary fund's operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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 a proprietary fund's principal ongoing operation. The principal operating revenues of the Food Service and Uniform School Supplies enterprise funds and of the District's Internal Service funds are charges for sales and services. Operating expenses for enterprise funds and

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

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.

The private purpose trust fund is accounted for using a flow of economic resources measurement focus.

(b) Fund Accounting

The District uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain school district activities or functions.

Governmental Funds

Governmental funds are those through which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, uses and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund—The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund.

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

Permanent Improvement Fund—The Permanent Improvement Fund is used to account for financial resources to be used for the maintenance of capital facilities, technology and curriculum.

Building Fund—The Building Fund is used to account for financial resources to be used for the acquisition and/or construction of major capital facilities and/or the acquisition of land.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows.

Enterprise Funds – The enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

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 District on a cost reimbursement basis.

Self Insurance Fund—The Self Insurance Fund is used to account for monies received from other funds as payment for providing medical and dental employee benefits. This fund is currently inactive.

Print Shop Fund—The Print Shop Fund is used to account for the monies received for printing and duplicating services provided by the Print Shop to all District departments and various community organizations.

Worker's Compensation Fund – The Worker's Compensation Fund is used to account for monies received from other funds as payment for providing Worker's Compensation benefits to employees.

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.

Private-purpose Trust Fund – Private-purpose trust fund accounts for resources, including both principal and earnings, which must be expended according to the provisions of the student scholarship agreements and are not available to support the District's own programs.

Agency Funds – Agency funds are used to account for assets held by the District for staff or student activity programs that are managed by the students. Agency funds are purely custodial and thus do not involve measurement of results of operations.

(c) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The Fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary and fiduciary funds.

Revenues, Exchange and Nonexchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of year-end.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 5). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Deferred Revenues

Deferred revenues arise when assets are recognized before the revenue recognition criteria have been satisfied.

Property taxes for which there was an enforceable legal claim at June 30, 2005, but were levied to finance 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

Expenditures/Expenses

On the accrual basis of accounting, expenses are recorded at the time they are incurred. The measurement focus of governmental fund accounting is on flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on governmental long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated rather than in the period earned by employees.

The preparation of the financial statements in conformity with GAAP 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 expenses during the reporting period. Actual results could differ from those estimates.

(d) Budgets

The District is required by state statute to adopt an annual appropriated cash basis budget for all funds other than agency funds. The specific timetable for the fiscal year 2005 was as follows:

1. Prior to January 15 of the preceding year, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose of this budget document is to reflect the need for existing (or increased) tax rates.

2. By no later than January 20, the Board-adopted budget is filed with the Franklin County Budget Commission for a tax rate determination.
3. 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 (the Certificate), which states the projected revenue for each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The final budget amounts reported in the budgetary statement reflect the amounts set forth in the final amended Certificate issued for fiscal 2005.
4. By July 1, the annual appropriation resolution is legally enacted by the Board of Education at the fund and object level of expenditures for the General fund and Food Service fund and at the fund level for all other funds, which are the legal levels of budgetary control. State statute permits a temporary appropriation to be effective until no later than October 1 of each year. Resolution appropriations 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.
5. Any revisions that alter the total of any fund appropriation or alter object appropriations within the general or food service funds must be approved by the Board of Education.
6. Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds and objects completed the year within the amount of their legally authorized appropriation.
7. Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, decreased or increased the originally appropriated amounts. All supplemental appropriations were legally adopted by the Board during fiscal 2005.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

8. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward to the succeeding fiscal year and need not be reappropriated. Expenditures plus encumbrances may not legally exceed budgeted appropriations at the fund and object level for the General fund and Food Service fund and at the fund level for all other funds.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. On the governmental funds balance sheet, encumbrances are reported as reservations of fund balance, in accordance with GAAP, since they do not constitute expenditures or liabilities.

9. The District prepares its budget on a basis of accounting that differs from GAAP. The actual results of operations are presented in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual—General Fund in accordance with the budget basis of accounting. The major differences between the budgetary basis of accounting and GAAP are outlined.

	<u>Budget Basis</u>	<u>GAAP Basis</u>
Revenues are recorded	when received in cash	when susceptible to accrual
Expenditures are recorded	when paid in cash	when the liability is incurred
Encumbrances are recorded	as the equivalent of an expenditure	as a reservation of the fund balance

(e) Cash and Investments

To improve cash management, cash received by the District is pooled. Monies for all funds, except certain general and building fund investments, are maintained in this pool. Individual fund integrity is maintained through the District records. Each fund's interest in the pool is presented as "Cash and Investments".

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market rates. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2005.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

Inactive deposits are used by the District to purchase legal investments. The Ohio Revised Code authorizes the District to invest in United States and State of Ohio bonds, notes and other obligations: bank certificates of deposits; banker's acceptances; commercial paper notes rated prime and issued by United States corporations and StarOhio. During fiscal year 2005, investments were limited to nonnegotiable certificates of deposit, repurchase agreements, federal agency securities and StarOhio.

Under existing statutes, all investment earnings accrue to the General Fund except earnings specifically related to the Building, Food Service, Self Insurance, Worker's Compensation, Private Purpose Trust and Auxiliary Funds. Interest credited to the General Fund during fiscal year 2005 was \$641,993 which includes \$356,563 assigned from other funds.

Restricted assets in the general fund represent cash and cash equivalents for which use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the District to create a reserve for budget stabilization. See note 10 for calculation of year-end restricted asset balance and the corresponding fund balance reserve.

Restricted assets in the debt service fund represent cash equivalents for which use is limited by legal requirements. Restricted assets include matured bonds for which payment has not been requested.

Restricted assets in the building fund represent cash and cash equivalents for which use is limited by legal requirements. Restricted assets include retainage amounts that are required to be paid to contractors upon completion of their contracts.

(f) Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market using the first in, first out (FIFO) method and are expensed when used.

On fund financial statements, inventories of governmental funds are valued at cost while inventories of proprietary funds are stated at lower of cost or market. For all funds, cost is determined using the FIFO method, and are determined by physical count. Inventory in governmental funds consists of expendable supplies held for consumption. Reported inventories in these funds are equally offset by fund balance reserve, which indicates they do not represent available spendable resources. Inventories of proprietary funds consist of donated and purchased food.

(g) Prepaid Assets

Payments made to vendors for services that will benefit periods beyond June 30, 2005 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is recorded in the year in which services are consumed.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

(h) 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 in both the business-type activities column on the government-wide statement of net assets and in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for the cost of additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date donated. The District follows the policy of not capitalizing assets with a cost of less than \$2,500 and a useful life of less than 2 years. The District does not maintain any infrastructure.

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

<u>Description</u>	<u>Useful Life</u>
Land	not depreciated
Land Improvements	20 years
Buildings & Improvements	10-50 years
Furniture & Equipment	5-15 years
Buses & Vehicles	7-10 years

(i) Compensated Absences

The District follows GASB Statement No. 16, *Accounting for Compensated Absences*, which requires that a liability be accrued for sick leave if it is probable that the employee will be compensated through cash payment. Upon retirement, District employees are paid their accumulated balances up to a fixed number of days. This number is determined by negotiated agreements or board policy depending on the employee's classification.

The entire compensated absence liability is reported in the government-wide financial statements. For governmental fund financial statements, the amount of accumulated vacation and sick leave of employees has been recorded as a current liability to the extent payments come due each period upon the occurrence of employee resignations or retirements. The balance of the liability is not recorded. For proprietary funds, the entire amount of compensated absences is recorded as an expense and liability of the fund.

(j) Accrued Liabilities and Long-Term Debt

All accrued liabilities and long-term debt are reported in the entity-wide financial statements as well as the proprietary fund financial statements.

For governmental fund financial statements, the 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 and judgments and compensated absences paid from governmental

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

funds are reported as a liability in the fund financial statements only for the portion due for payment during the current year. Long-term debt paid from governmental funds is not recognized as a liability in the fund financial statements until due.

(k) Fund Balance Reserves

The District records reservations for portions of fund equity, which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriation for expenditures. Unreserved fund balance indicates the portion of fund equity, which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, prepaids, inventories, property tax revenue for future year's appropriations and a reserve for budget stabilization as required by state statute (see note 10).

(l) Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without 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 assets, except for amounts due between governmental and business-type activities, which are presented as internal balances.

(m) 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 of the pool are also considered to be cash equivalents, since they are available to the proprietary funds on demand.

(n) Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

(3) RESTATEMENT OF NET ASSETS

The District restated fund balances as of June 30, 2004 due to the implementation of GASB Technical Bulletin 2004-2, "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers" as follows:

	<u>General</u>	<u>Other Governmental</u>
Fund Balances at June 30, 2004 (as reported)	\$3,466,391	\$970,433
Pension liability	(668,537)	(7,211)
Fund Balances at June 30, 2004 (as restated)	\$2,797,854	\$963,222

These adjustments had no material effect on the change in fund balances as reported for the year ended June 30, 2004.

The District restated net assets as of June 30, 2004 to as follows:

	<u>Business-Type Activities</u>	<u>Internal Service Fund</u>
Net Assets at June 30, 2004 (as reported)	\$454,785	\$1,282,495
Correction to properly record inventory	30,471	-
Correction to properly record capital assets	1,017	-
Correction to properly record pension liability	-	(2,070)
Net Assets at June 30, 2004 (as restated)	\$486,273	\$1,280,425

These adjustments had no material effect on the change in net assets as reported for the year ended June 30, 2004.

(4) CASH AND INVESTMENTS

(a) Cash

State statutes classify monies held by the District into three categories as follows:

Active Monies – Those monies required to be kept in a "cash" or near-cash" status for immediate use by the District. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive Monies – Those monies not required for use within the current five year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim Monies – Those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Ohio law permits interim monies to be invested in legal securities (see Note 2e).

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

(b) Deposits with financial institutions

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well as qualified securities pledged by the institution holding the assets. By law, financial institutions must collateralize all public deposits. The face value of the pooled collateral must equal at least 105 percent of public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

At year-end, the carrying amount of the District deposits was \$19,343,420 and the bank balance was \$20,861,711. Of the bank balance, \$236,456 was covered by FDIC insurance and \$20,625,255 was uninsured and collateralized with securities held by the pledging institution's trust department, but not in the District's name.

(c) Investments

Investments are reported as fair value. As of June 30, 2005, the District had the following investments:

	Fair Value	Weighted Average Maturity (Days)
FHLB	\$3,945,000	274
FNMA	1,980,620	214
STAR Ohio	1,880,409	0
Total Fair Value	\$7,806,029	
Portfolio Weighted Average Maturity		193

Interest Rate Risk

The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date.

Credit Risk

The District's investments at June 30, 2005 in FHLB and FNMA are rated AAA by Standard and Poor's. Its investments in Star Ohio are rated AAAM by Standard and Poor's.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. More than 5 percent of the District's investments are in FHLB and FNMA. These investments are 50.5% and 25.4% respectively, of the Districts total investments, for the amounts listed above.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

(5) 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. Property taxes include amounts levied against all real, public and tangible (used in business) property located in the District. Taxpayers remit payment to their county, Franklin or Delaware, which then distributes funds to the District on the settlement dates that vary each year. The District, through board resolution, may request that the county advance 90% of amounts collected on a weekly basis through the collection period.

Real property taxes and public utility taxes are levied in April on the assessed value listed as of the prior January 1, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Real property taxes are payable annually or semi-annually. In Franklin County, if paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. In Delaware County, if paid annually, payment is due February 10; if paid semi-annually, the first payment is due February 10 with the remainder payable July 10. Settlement dates for real property taxes generally occur in the months of February and August. Amounts certified by the county auditor prior to June 30 are available to the District as an advance and should therefore be recognized as revenue in the current fiscal year.

Public utility property taxes are assessed on tangible personal property at 25 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Public utility property taxes attaches as a lien on December 31 of the prior year were levied April 1 and are collected with real property taxes. Tangible personal property taxes are levied in April on the value listed as of December 31 of the current year. Tangible personal property settlements are 25 percent of true value. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30 with the remainder payable September 20. Settlement dates for tangible personal property taxes generally occur during the months of October and June.

The assessed values for collection in 2005, upon which the 2004 levies were based, were as follows:

Real Estate	
Agricultural/Residential	\$1,644,725,370
Commercial/Industrial	429,313,530
Personal Property	
General	73,858,548
Public Utility	55,563,540
Total	\$2,203,460,988

Accrued delinquent property taxes receivable represent taxes outstanding for real property, personal property and public utility taxes, and are offset by a credit to deferred revenue in the fund financial statements. Amounts from the August settlement are not intended to

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

finance current fiscal year operations and, therefore have been recorded as a receivable offset by deferred revenue to the extent these amounts were not available as advances at June 30, 2005.

(6) RECEIVABLES

Receivables and due from other governments at June 30, 2005 consisted of taxes, accounts, accrued interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds.

A summary of the principal items is as follows:

Governmental Activities		
Taxes – Current & Delinquent	\$86,080,351	
Accounts	219,944	
Accrued Interest	16,778	
Intergovernmental – State & Federal	762,450	
Business-Type Activities		
Accounts	839	
Intergovernmental – Federal	94,907	
Total Receivables		\$87,175,269

(7) INTERFUND TRANSACTIONS

Interfund balances on the fund statements at June 30, 2005 consist of the following receivables and payables:

	<u>Receivable</u>	<u>Payable</u>
General	\$461,180	\$–
Other Governmental:		
OhioReads		3,173
Student Intervention		44,645
Alternative Education		7,294
IDEA-B		290,677
Title III	–	8,656
Title I	–	4,076
Title V	–	7,808
Title IV	–	3,223
Preschool	–	2,703
Title II-A	–	13,002
Miscellaneous Federal	–	75,923
Total	\$461,180	\$461,180

The balances exist as these grants are funded on a reimbursement basis and the monies were not received from the grantor by June 30, 2005.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

(8) CAPITAL ASSETS

A summary of the changes in the capital assets for the fiscal year follows:

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2005</u>
<i>Governmental Activities</i>				
Capital Assets, not being Depreciated:				
Land	\$5,813,922	—	—	\$5,813,922
Total Capital Asset, not being Depreciated	<u>\$5,813,922</u>	<u>—</u>	<u>—</u>	<u>\$5,813,922</u>
Capital Assets, being Depreciated:				
Land Improvements	3,923,787	171,909	—	4,095,696
Buildings/Improvements	182,638,839	944,736	—	183,583,575
Furniture/Equipment	4,357,293	177,584	73,189	4,461,688
Buses	6,505,227	291,020	714,370	6,081,877
Vehicles	646,332	41,041	131,100	556,273
Total Capital Assets, being Depreciated	<u>\$198,071,478</u>	<u>\$1,626,290</u>	<u>\$918,659</u>	<u>\$198,779,109</u>
Less Accumulated Depreciation:				
Land Improvements	2,619,144	155,819	—	2,774,963
Buildings/Improvements	36,337,226	3,845,078	—	40,182,304
Furniture/Equipment	2,170,508	380,009	46,166	2,504,351
Buses	4,353,557	544,387	714,370	4,183,574
Vehicles	435,404	44,689	112,476	367,617
Total Accumulated Depreciation	<u>\$45,915,839</u>	<u>\$4,969,982</u>	<u>\$873,012</u>	<u>\$50,012,809</u>
Total Capital Assets, being Depreciated, Net	<u>\$152,155,639</u>	<u>(\$3,343,692)</u>	<u>\$45,647</u>	<u>\$148,766,300</u>
Capital Assets, Net	<u>\$157,969,561</u>	<u>(\$3,343,692)</u>	<u>\$45,647</u>	<u>\$154,580,222</u>

	<u>Balance</u> <u>June 30, 2004</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2005</u>
<i>Business-Type Activities</i>				
Furniture/Equipment	\$942,130	\$2,755	\$—	\$944,885
Vehicles	48,769	—	—	48,769
Total Capital Assets	990,899	2,755	—	993,654
Less Accumulated Depreciation	678,366	42,035	—	720,401
Capital Assets, Net	<u>\$312,533</u>	<u>(\$39,280)</u>	<u>\$—</u>	<u>\$273,253</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$2,852,307
Special	649,444
Vocational	30,656
Other	111,271
Support Services:	
Pupil	768
Instructional Staff	252
School Administration	405,918
Fiscal Services	1,057
Business Operations	1,936
Operations & Maintenance	305,982
Pupil Transportation	551,520
Central Services	26,140
Food Services	8,818
Extracurricular	23,913
Total Depreciation Expense	<u>\$4,969,982</u>

(9) LONG-TERM OBLIGATIONS

All current obligation bonds outstanding, issued to provide funds for the acquisition and construction of equipment and facilities, are general obligations of the District for which the full faith and credit of the District is pledged for repayment. Payments of principal and interest relating to these liabilities are recorded as expenditures in the Debt Service Fund. Long-term obligations currently outstanding are reported below.

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate (1)</u>	<u>Final Maturity</u>	<u>Original Amount</u>	<u>Balance at June 30, 2005</u>
Construction and improvements (2)	02/01/87	6.25%	12/01/10	\$37,000,000	\$9,660,000
Public library (3)	09/15/95	5.69%	12/01/05	6,899,981	260,000
Construction and improvements (4)	08/01/96	5.74%	12/01/06	19,984,875	1,220,000
Construction and improvements (5)	03/15/01	5.00%	12/01/27	99,534,632	63,487,051
Advance Bond Refunding (6)	04/07/04	3.72%	12/01/22	49,970,687	49,288,232
					<u>\$123,915,283</u>

- (1) Weighted average coupon at time of original issue.
- (2) Constructed new middle school and two new elementary schools. Also completed major renovations at both high schools, one middle school and one elementary school.
- (3) Completed library addition and major renovations.
- (4) Constructed new middle school and completed renovation at one high school.
- (5) Constructed new high school and two new elementary schools. Also, for an addition at one middle school, renovations at all other school buildings and the purchase of land.
- (6) Refunded portions of bonds previously issued on 9/15/95, 8/01/96 and 3/15/01.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

The following is a summary of the District's future annual debt service requirements to maturity for general obligation bonds:

<u>Year ending June 30,</u>	<u>Interest rates</u>	<u>Principal</u>	<u>Interest</u>
2006	3.70—6.25	\$5,300,000	\$6,282,207
2007	3.70—6.25	5,445,000	6,165,472
2008	3.70—6.25	5,375,000	6,244,829
2009	3.70—6.25	5,114,138	6,415,123
2010	3.70—6.25	5,183,235	6,185,975
2011-2015	3.70—6.25	19,747,214	26,802,828
2016-2020	3.70—6.25	27,634,999	15,227,063
2021-2025	3.70—6.25	29,894,999	8,262,613
2026-2028	3.70—6.25	18,700,000	1,433,000
Total		\$122,394,585	\$83,019,109

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 total voted and non-voted non-exempt debt of the District that could be issued subject to the 9% limitation described above is \$198,311,489. The total District debt (including the Bonds) subject to this limitation is \$122,394,585. The total District unvoted debt that could be issued subject to the 1/10 of 1% limitation is \$2,203,461. The District has no debt subject to such limitation, leaving \$2,203,461 available for unvoted debt. Including the balance in the Debt Service Fund at June 30, 2005, the effects of these debt limitations at June 30, 2005 are a voted debt margin of \$83,306,538 and an unvoted debt margin of \$2,203,461.

The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with the Westerville Public Library (the Library). As of June 30, 2005, the District and the Library have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value.

The Library is a school district library created under Chapter 3375 of the Ohio Revised Code and is located in the District. In May 1995, as required by state law, the District approved, on behalf of the Library, general obligation library improvement bonds during a general election of the District voters. On September 15, 1995, these bonds were issued in the amount of \$6,899,981. The bonds bear interest at rates ranging from 3.7% to 5.69% with principal maturities through fiscal year 2006.

Although the bonds are issued on behalf of the Library and the proceeds of the bonds were transferred to the Board of Trustees of the Library, the bonds constitute indebtedness of the District and are considered in determining the District's debt limitations. Property tax revenues collected to retire the debt are paid directly to the District, and the District pays the principal and interest of the debt.

In the opinion of management, the District has complied with all bond covenants.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

In April 2004, the District issued \$47,764,714 of general obligation refunding bonds, Series 2004 with interest rates ranging from 2% to 5% (maturing from December 2004 through December 2022) to currently refund a portion of the District's outstanding general obligation bonds. This issue included an additional \$2,205,973 in capital appreciation bonds, Series 2004, with a stated interest rate ranging from 10.63% to 29.25% (maturing from December 2007 through December 2011).

Payments of compensated absences are recorded as expenditures in the General Fund, except for those of food service employees, which are recorded in the Food Service - Enterprise Fund.

In 2004 and 2005, the District offered an Early Retirement Incentive to the Administration and Certificated staff. As a result the District will make payments of \$1,120,000 on July 21, 2005, \$1,980,000 on July 21, 2006 and \$860,000 on July 20, 2007.

The following changes occurred in long-term liabilities during the year:

	Balance at			Balance at	Amounts Due
<i>Governmental Activities</i>	<u>June 30, 2004</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2005</u>	<u>In One Year</u>
General Obligation Bonds	\$129,232,084	\$598,199	\$5,915,000	\$123,915,283	\$5,324,778
Special Termination Benefits	2,240,000	1,720,000	1,120,000	2,840,000	-
Compensated Absences	<u>8,473,469</u>	<u>1,819,270</u>	<u>1,516,780</u>	<u>8,775,959</u>	<u>-</u>
Total Governmental Activities	<u>\$139,945,553</u>	<u>\$4,137,469</u>	<u>\$8,551,780</u>	<u>\$135,531,242</u>	<u>\$5,324,778</u>
 <i>Business-Type Activities</i>					
Compensated Absences	<u>\$192,545</u>	<u>\$19,964</u>	<u>\$32,034</u>	<u>\$180,475</u>	<u>\$6,159</u>

(10) SET ASIDE CALCULATIONS AND FUND RESERVES

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 set aside money requirement for budget stabilization to help protect against cyclical changes in revenues and expenditures was rescinded in fiscal year 2001. In fiscal year 2004 the Board decided to utilize a portion of the HB412 reserve as allowable by state law. They may in the future decide to eliminate the remainder of this reserve.

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

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

	<u>Textbook Reserve</u>	<u>Capital Maintenance Reserve</u>	<u>Budget Stabilization Reserve</u>
Balance, July 1, 2004	\$-	\$-	\$536,933
Required Set-Aside	2,026,436	2,026,436	-
Qualifying Expenditures	(2,732,070)	(2,694,127)	-
Total	<u>(\$705,634)</u>	<u>(\$667,691)</u>	<u>\$536,933</u>
Balance Carried Forward at June 30, 2005	<u>\$-</u>	<u>\$-</u>	<u>\$536,933</u>

(11) BUDGET BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the GAAP and the budget basis are as follows:

Net Change in Fund Balance	
	<u>General</u>
GAAP basis	\$6,683,523
Increase (decrease):	
Due to revenues	(7,523,915)
Due to expenditures	(598,054)
Due to encumbrances	(980,261)
Budget basis	<u>(\$2,418,707)</u>

(12) EMPLOYEE RETIREMENT SYSTEMS

(a) School Employees Retirement System

Plan Description—All noncertified District employees participate in the School Employees Retirement System (SERS), a cost-sharing, multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per 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 SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215 or by calling (614) 222-5853.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

Funding Policy—Plan members are required to contribute 10% of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14% for employers of annual covered payroll. 10.57% was the portion used to fund pension obligations at June 30, 2005. 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 contribution requirements for the years ended June 30, 2005, 2004 and 2003 from the District were \$1,463,311, \$1,240,140 and \$1,120,811 respectively. \$748,954 representing the unpaid contribution for fiscal year 2005, is recorded as a liability.

(b) State Teachers Retirement System

Plan Description and Provisions—The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of living adjustment, and death and survivor benefits to members and beneficiaries. STRS issues a stand-alone financial report that may be obtained by writing to STRS, 275 East Broad Street, Columbus, Ohio 43215-3371 or by calling (614) 227-4090, 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 or a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions earned and interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC plan allows members to place all their member contributions and employer contributions equal to 10.5% of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001 were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to member's beneficiaries.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

Plan members are required to contribute 10% of their annual covered salaries. The District is required to contribute 14%; 13% was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's contribution requirement for the years ended June 30, 2005, 2004 and 2003 was \$7,548,542, \$7,746,514 and \$7,617,142 respectively. \$1,171,882 representing the unpaid contribution for fiscal year 2005, is recorded as a liability.

(13) POSTEMPLOYMENT BENEFITS

(a) SERS

The ORC gives SERS the discretionary authority to provide postretirement health care to retirees and their dependents. Coverage is made available to service retirees with 10 or more years of qualifying service credit, and disability and survivor benefit recipients. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below the federal poverty levels. Premiums are reduced by 50% for those who apply.

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. At June 30, 2005, the allocation rate is 3.43%. In addition, SERS levies a surcharge to fund health care benefits equal to 14% of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal 2005, the minimum pay has been established as \$27,400. For the District, the amount contributed to fund health care benefits, including the surcharge, during the 2005 fiscal year equaled \$685,427. The surcharge rate, added to the unallocated portion of the 14% employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level for the health care reserve is 150% of annual health care expenses, before premium deduction. Gross expenses for health care at June 30, 2004 (the latest information available) were \$223.4 million and the target level was \$335.2 million. At June 30, 2004, the Retirement System's net assets available for payment of health care benefits were \$300.8 million. SERS has approximately 62,000 participants receiving health care benefits.

(b) STRS Ohio

STRS Ohio provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the ORC, the State Teachers Retirement Board (the Board) has discretionary authority over how

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

much, if any, of the health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

The ORC grants authority to STRS Ohio to provide health care coverage to eligible benefit recipients, spouses and dependents. By Ohio law, health care benefits are not guaranteed and the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14% of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund. For the District, this amount equaled \$580,653 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2004, (the latest information available) the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268.7 million and STRS had 111,853 eligible benefit recipients.

(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 upon prior experience, the District believes such disallowances, if any, would be immaterial.

(b) Litigation

There are currently a few matters in litigation with the District as a defendant. It is the opinion of management that the potential claims against the District not covered by insurance would not materially affect the financial statements.

(15) JOINTLY GOVERNED ORGANIZATIONS AND PUBLIC ENTITY RISK POOL

Metropolitan Educational Council (MEC) – The District is a participant in MEC. MEC is an association of public school districts within the boundaries of Franklin, Delaware, Union, Pickaway, Madison and Fairfield counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of MEC consists of one representative of each of the member districts. Financial information can be obtained from Denise Canfield, who serves as fiscal officer, at 2100 City Gate Drive, Columbus, Ohio 43219-3591.

The District participates in the Ohio School Board Association Worker's Compensation Group Rating Program (the Program), an insurance purchasing pool. The Program's business and affairs are conducted by a three member Board of Directors consisting of the President, President-Elect and immediate Past President of the OSBA. The Executive Director of

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

OSBA, or his designee, serves as coordinator of the Program. Each year, the participating districts pay an enrollment fee to the Program to cover its administrative cost.

(16) RELATED ORGANIZATION

The Westerville School District Library is a political subdivision of the State of Ohio created under Chapter 3375 of the Ohio Revised Code. The Library is governed by Board of Trustees appointed by the Westerville City School District Board of Education. The Board of Trustees possesses its own contracting and budgetary authority, hires and fires personnel and does not depend on the School District for operating subsidies. Although the School District does serve as the taxing authority and may issue tax related debt on behalf of the Library, its role is limited to a ministerial function. The determination to request approval of a tax, the tax rate and purpose are discretionary decisions made solely by the Board of Trustees. Financial information may be obtained from the Westerville School District Library at 126 South State Street, Westerville, Ohio 43081.

(17) RISK MANAGEMENT

For fiscal year 2005, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (Program), an insurance purchasing pool (see Note 15). The intent of the Program is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participant's in the Program. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the Program. Each participant pays its workers' compensation premium to the State based on the rate for the Program rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the Program. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the Program. Participation in the Program is limited to districts that can meet the Program's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the Program.

The District retains a balance in the Internal Service - Self Insurance Fund in the event the District ever returns to a self insurance plan for health and dental benefits.

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 an insurance carrier for property insurance and general liability insurance. Professional liability is protected by a \$1,000,000 single occurrence limit, \$5,000,000 aggregate limit and no deductible. Vehicles are also covered and have no deductible for comprehensive and a \$1,000 deductible for collision. Automotive liability has a \$1,000,000 combined single limit of liability. Settlements have not exceeded coverage in any of the last three years, and there has been no reduction in coverage from the prior years.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Notes to Basic Financial Statements, Continued
For the Fiscal Year Ended June 30, 2005

Post employment health care is provided to plan participants or their beneficiaries through the respective retirement systems discussed in Note 13. As such, no funding is required by the District.

The District provides life insurance and accidental death and dismemberment insurance to all employees in an amount related to the employee's position, ranging from \$30,000 to \$276,000.

(18) SCHOOL FUNDING DECISION

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

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

(19) CONTRACTUAL COMMITMENTS

The District has entered into various contracts relating to the construction of the new high school and the renovations at the existing school buildings. At June 30, 2005 the District had remaining contractual commitments in the amount of \$193,287. The largest contract is Corna Kokosing Construction Company with a balance of \$160,671.

(20) CHANGE IN ACCOUNTING PRINCIPLE

For fiscal year 2005, the District has implemented GASB Technical Bulletin 2004-2 "Recognition of Pension and Other Postemployment Benefit Expenditures/Expenses and Liabilities by Cost-Sharing Employers".

GASB Technical Bulletin 2004-2, addresses the amount that should be recognized as expenditure/expense and as a liability each period by employers participating in a cost-sharing multiple-employer pension and other postemployment benefit (OPEB) plans.

See Note 3 for the effect of GASB Technical Bulletin No. 2004 on Net Assets at June 30, 2004.

(21) FUND DEFICITS/ACCOUNTABILITY

The Special Revenue Fund – Miscellaneous Federal had a deficit fund balance of \$3,653 at June 30, 2005. The deficit balance is the result of the application of Generally Accepted Accounting Principles. The General Fund provides advances to cover deficit fund balances, however, this is done when cash is needed rather than when accruals occur.

Westerville City School District

Westerville, Ohio



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WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Combining Statements and Individual Fund Schedules

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest and certain other long-term obligations from governmental resources when the government is obligated in some manner for the payment.

Permanent Improvement Fund

A fund provided to account for transactions related to the acquiring, constructing or improving of permanent improvements and the purchase of textbooks and computers as are authorized by Section 5705, Ohio Revised Code.

Building Fund

A fund used to account for the receipts and expenditures related to all special bond funds in the District. All proceeds from the sale of bonds, except premium and accrued interest, must be paid into this fund. Expenditures recorded here represent the costs of acquiring and constructing capital facilities including real property.

**Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2005**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Debt Service Fund				
Total Revenue and Other Sources	\$ 10,864,036	\$ 11,502,968	\$ 11,494,323	\$ (8,645)
Total Expenditures and Other Uses	<u>11,301,608</u>	<u>11,880,957</u>	<u>11,876,986</u>	<u>3,971</u>
Net Change in Fund Balance	(437,572)	(377,989)	(382,663)	(4,674)
Fund Balance, July 1	<u>6,025,091</u>	<u>6,025,091</u>	<u>6,025,091</u>	-
Fund Balance, June 30	<u>\$ 5,587,519</u>	<u>\$ 5,647,102</u>	<u>\$ 5,642,428</u>	<u>\$ (4,674)</u>
Permanent Improvement Fund				
Total Revenue and Other Sources	\$ 4,507,632	\$ 5,255,839	\$ 5,562,373	\$ 306,534
Total Expenditures and Other Uses	<u>5,391,772</u>	<u>5,538,682</u>	<u>-</u>	<u>5,538,682</u>
Net Change in Fund Balance	(884,140)	(282,843)	5,562,373	5,845,216
Fund Balance, July 1	2,469,504	2,469,504	2,469,504	-
Prior Year Encumbrances Appropriated	<u>316,601</u>	<u>316,601</u>	<u>316,601</u>	-
Fund Balance, June 30	<u>\$ 1,901,965</u>	<u>\$ 2,503,262</u>	<u>\$ 8,348,478</u>	<u>\$ 5,845,216</u>
Building Fund				
Total Revenue and Other Sources	\$ 25,000	\$ 550,000	\$ 549,851	\$ (149)
Total Expenditures and Other Uses	<u>3,114,880</u>	<u>3,633,863</u>	<u>-</u>	<u>3,633,863</u>
Net Change in Fund Balance	(3,089,880)	(3,083,863)	549,851	3,633,714
Fund Balance, July 1	2,128,016	2,128,016	2,128,016	-
Prior Year Encumbrances Appropriated	<u>961,863</u>	<u>961,863</u>	<u>961,863</u>	-
Fund Balance, June 30	<u>\$ (1)</u>	<u>\$ 6,016</u>	<u>\$ 3,639,730</u>	<u>\$ 3,633,714</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Combining Statements and Individual Fund Schedules

Other Governmental Funds

Other Governmental Funds are established to account for revenues from specific sources, which legally, or otherwise, are restricted to expenditures for specific purposes. A description of the District's Other Governmental Funds follows:

Public School Support – This fund is provided to account for specific local revenue sources, other than taxes (i.e. profits from vending machines, sales of pictures, etc.), that are restricted to expenditures for specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases.

Other Local – This fund is used to account for the proceeds of specific revenue sources except state and federal grants that are legally restricted to expenditures for specified purposes.

District Managed – This fund is provided to account for those student activity programs that have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include band, cheerleaders, and other similar types of activities.

Auxiliary Services – This fund is provided to account for State of Ohio monies that provide services and materials to pupils attending non-public schools within the District.

Career Development – This fund is provided to account for monies received and expended in conjunction with the Vocational Education – Career Development projects funded by the State of Ohio, Department of Education, Division of Vocational Education.

Management Information System – This fund is provided to account for monies received from the State of Ohio for expenses associated with implementation of the requirements of the Educational Management Information System (EMIS).

School Building Incentive – This fund is used to account for monies received from the State of Ohio to provide incentive to individual school building teams for improving performance.

Entry Year Programs – This fund is used to account for monies received from the State of Ohio to implement entry-year programs pursuant to Section 3317.024(T) of the Revised Code.

Data Communications – This fund is provided to account for monies received from the State of Ohio for expenses supporting the establishment, maintenance and upgrade of data communication links from the schools to the Metropolitan Educational Council, data acquisition site, and further to the Ohio Department of Education.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Combining Statements and Individual Fund Schedules

School Net Professional Development – This fund is used to account for monies received from the State of Ohio for expenses supporting the professional development of teaching staff with regard to technology issues.

Ohio Reads – This fund is used to account for monies received from the State of Ohio for the purpose of implementing community involvement with students in the elementary grades to supplement and enhance the reading proficiency of students.

Student Intervention – This fund is used to account for student intervention services satisfying criteria found in division (E) of Section 3313.608 of the Revised Code.

Vocational Education Equipment – This Fund is used to account for Vocational Education Enhancements that replace or update equipment essential for the instruction of students in job skills taught as a part of a vocational program.

Alternative Schools – A fund used to account for monies received from the State of Ohio for alternative educational programs for existing and new at-risk and delinquent youth.

Miscellaneous State – This fund is used to account for various monies received from the State of Ohio that are not classified elsewhere.

IDEA, Part B – This fund is provided to account for Federal monies which assist states in providing an appropriate public education to all children with disabilities.

Vocational Education: Cark D. Perkins – This fund is provided to account for Federal monies received for expenses relating to the development of secondary vocational educational programs.

Title III – This fund is used to account for Federal monies to develop and carry out elementary and secondary school programs, including activities at the pre-school level, to meet the educational needs of children of limited English proficiency.

Transition Program for Refugee Children – This fund is used to account for Federal monies to provide educational services to meet educational needs of refugee children who are enrolled in public elementary and secondary schools.

Title I – This fund is used to account for Federal monies to provide Local educational agencies to meet the special needs of educationally deprived children.

Title V – This fund is provided to account for Federal monies which assist Local educational agencies in the reform of elementary and secondary education. Funds may be used for various materials, technology, and projects implementing school improvement and parental involvement activities.

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Combining Statements and Individual Fund Schedules

Title IV – This fund is provided to account for Federal monies to offer a disciplined environment conducive to learning, by preventing violence in and around schools and strengthen programs that prevent the illegal use of alcohol, tobacco and drugs, involve parents, and are coordinated with Federal, State, and community efforts and resources.

IDEA Preschool Handicapped – This fund is used to account for Federal monies which addresses the improvement and expansion of services for handicapped children ages three through five.

Title II-A – This fund is used to account for Federal monies to hire additional classroom teachers in grades 1 through 3, so that the number of students per teacher will be reduced.

Miscellaneous Federal - This fund is used to account for various Federal monies that are not classified elsewhere.

School Net – This fund is used to account for wiring to all classrooms and to provide computers and related technology for every classroom.

Westerville City School District

Westerville, Ohio



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**Westerville City School District
Combining Balance Sheet
Other Governmental Funds
June 30, 2005**

	Special Revenue			
	Public School Support	Other Local	District Managed	Auxiliary Services
<u>ASSETS</u>				
Cash and investments	\$ 324,110	\$ 19,783	\$ 496,444	\$ 137,365
Receivables:				
Accounts	751	-	-	-
Intergovernmental	-	-	-	-
Total assets	324,861	19,783	496,444	137,365
<u>LIABILITIES</u>				
Accounts payable	10,401	648	14,963	37,681
Accrued wages and benefits	-	-	88,888	34,638
Due to other governments	-	-	25,303	5,563
Interfund loan payable	-	-	-	-
Total liabilities	10,401	648	129,154	77,882
<u>FUND BALANCES</u>				
Fund balances (deficit):				
Reserved for encumbrances	19,427	3,281	13,505	34,417
Unreserved	295,033	15,854	353,785	25,066
Total fund balances	314,460	19,135	367,290	59,483
Total Liabilities and Fund Balances	\$ 324,861	\$ 19,783	\$ 496,444	\$ 137,365

Special Revenue

<u>Career Development</u>	<u>Management Information Systems</u>	<u>School Building Incentive</u>	<u>Entry Year</u>	<u>Data Communications</u>	<u>School Net Professional Development</u>
\$ 7,834	\$ -	\$ 1,431	\$ -	\$ -	\$ 9,225
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,834</u>	<u>-</u>	<u>1,431</u>	<u>-</u>	<u>-</u>	<u>9,225</u>
373	-	-	-	-	900
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>900</u>
699	-	1,350	-	-	1,300
6,762	-	81	-	-	7,025
<u>7,461</u>	<u>-</u>	<u>1,431</u>	<u>-</u>	<u>-</u>	<u>8,325</u>
<u>\$ 7,834</u>	<u>\$ -</u>	<u>\$ 1,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,225</u>

(Continued)

**Westerville City School District
Combining Balance Sheet
Other Governmental Funds, Continued
June 30, 2005**

	Special Revenue			
	Ohio Reads	Student Intervention	Alternative Schools	Miscellaneous State
<u>ASSETS</u>				
Cash and investments	\$ 6,267	\$ 43,703	\$ -	\$ -
Receivables:				
Intergovernmental	-	-	-	-
	1,431	35,938	19,564	-
Total assets	<u>7,698</u>	<u>79,641</u>	<u>19,564</u>	<u>-</u>
<u>LIABILITIES</u>				
Accounts payable	4,525	23,814	-	-
Accrued wages and benefits	-	-	10,623	-
Due to other governments	-	-	1,262	-
Interfund loan payable	3,173	44,645	7,294	-
Total liabilities	<u>7,698</u>	<u>68,459</u>	<u>19,179</u>	<u>-</u>
<u>FUND BALANCES</u>				
Fund balances (deficit):				
Reserved for encumbrances	1,742	19,889	-	-
Unreserved	(1,742)	(8,707)	385	-
Total fund balances	<u>-</u>	<u>11,182</u>	<u>385</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 7,698</u>	<u>\$ 79,641</u>	<u>\$ 19,564</u>	<u>\$ -</u>

Special Revenue

IDEA - B	Vocational Education: Carl D. Perkins	Title III	Transition Program for Refugee Children	Title I	Title V
\$ 98,282	\$ 153,136	\$ -	\$ 10,050	\$ 13,046	\$ 12,704
-	-	-	-	-	-
524,914	-	32,747	-	58,961	-
<u>623,196</u>	<u>153,136</u>	<u>32,747</u>	<u>10,050</u>	<u>72,007</u>	<u>12,704</u>
80,477	7,071	-	-	1,981	-
170,929	-	20,701	29	52,990	-
24,222	-	2,145	298	7,572	-
290,677	-	8,656	-	4,076	7,808
<u>566,305</u>	<u>7,071</u>	<u>31,502</u>	<u>327</u>	<u>66,619</u>	<u>7,808</u>
17,804	40,232	-	-	11,064	12,705
39,087	105,833	1,245	9,723	(5,676)	(7,809)
<u>56,891</u>	<u>146,065</u>	<u>1,245</u>	<u>9,723</u>	<u>5,388</u>	<u>4,896</u>
<u>\$ 623,196</u>	<u>\$ 153,136</u>	<u>\$ 32,747</u>	<u>\$ 10,050</u>	<u>\$ 72,007</u>	<u>\$ 12,704</u>

(Continued)

**Westerville City School District
Combining Balance Sheet
Other Governmental Funds, Continued
June 30, 2005**

	Special Revenue			
	Title IV	Preschool Handicapped	Title II-A	Miscellaneous Federal
<u>ASSETS</u>				
Cash and investments	\$ 4,094	\$ 3	\$ 21,389	\$ 78,934
Receivables:				
Intergovernmental	-	-	-	-
	7,435	11,389	40,606	29,465
Total assets	11,529	11,392	61,995	108,399
<u>LIABILITIES</u>				
Accounts payable	2,195	-	16,393	10,623
Accrued wages and benefits	3,361	7,928	22,374	20,053
Due to other governments	1,488	758	2,776	5,456
Interfund loan payable	3,223	2,703	13,002	75,923
Total liabilities	10,267	11,389	54,545	112,055
<u>FUND BALANCES</u>				
Fund balances (deficit):				
Reserved for encumbrances	1,289	-	4,997	64,315
Unreserved	(27)	3	2,453	(67,971)
Total fund balances	1,262	3	7,450	(3,656)
Total Liabilities and Fund Balances	\$ 11,529	\$ 11,392	\$ 61,995	\$ 108,399

<u>Capital Projects</u>	
<u>School Net</u>	<u>Total Other Governmental Funds</u>
\$ 116,550	\$ 1,554,350
-	751
-	762,450
<u>116,550</u>	<u>2,317,551</u>
-	212,045
-	432,514
-	76,843
-	461,180
<u>-</u>	<u>1,182,582</u>
-	248,016
<u>116,550</u>	<u>886,953</u>
<u>116,550</u>	<u>1,134,969</u>
<u>\$ 116,550</u>	<u>\$ 2,317,551</u>

Westerville City School District
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Other Governmental Funds
For the Year Ended June 30, 2005

	Special Revenue			
	Public School Support	Other Local	District Managed	Auxiliary Services
REVENUES				
Extra-curricular	\$ 261,920	\$ -	\$ 1,604,351	\$ -
Investment income	-	-	-	7,227
Other local sources	-	29,275	-	-
Intergovernmental - State	-	-	-	680,035
Intergovernmental - Federal	-	-	-	-
Other revenue	75,113	-	127,942	-
Total revenues	337,033	29,275	1,732,293	687,262
EXPENDITURES				
Current:				
Instruction				
Regular	-	19,929	-	-
Special	-	9,699	-	-
Vocational	-	-	-	-
Support services				
Pupils	315,596	-	-	-
Staff	-	2,374	-	-
School administration	-	-	-	-
Fiscal administration	-	-	-	20,633
Business operations	-	-	-	-
Operation & maintenance	-	-	-	-
Student transportation	-	48	-	-
Central services	-	-	-	-
Food Services	-	-	-	-
Community services	-	-	-	779,990
Extra-curricular	-	-	1,639,222	-
Total expenditures	315,596	32,050	1,639,222	800,623
Net change in fund balances	21,437	(2,775)	93,071	(113,361)
Fund balances, July 1	293,023	21,910	274,219	172,844
Fund balances, June 30	\$ 314,460	\$ 19,135	\$ 367,290	\$ 59,483

Special Revenue

Career Development	Management Information Systems	School Building Incentive	Entry Year	Data Communications	School Net Professional Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
10,800	43,990	-	6,350	69,000	9,450
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,800</u>	<u>43,990</u>	<u>-</u>	<u>6,350</u>	<u>69,000</u>	<u>9,450</u>
3,560	-	1,692	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	900
1,238	-	5,234	6,600	-	3,731
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	44,297	-	-	69,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>4,798</u>	<u>44,297</u>	<u>6,926</u>	<u>6,600</u>	<u>69,000</u>	<u>4,631</u>
6,002	(307)	(6,926)	(250)	-	4,819
1,459	307	8,357	250	-	3,506
<u>\$ 7,461</u>	<u>\$ -</u>	<u>\$ 1,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,325</u>

(Continued)

Westerville City School District
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Other Governmental Funds, Continued
For the Year Ended June 30, 2005

	Special Revenue			
	Ohio Reads	Student Intervention	Alternative Schools	Miscellaneous State
REVENUES				
Extra-curricular	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Other local sources	-	-	-	-
Intergovernmental - State	71,881	254,889	82,175	37,605
Intergovernmental - Federal	-	-	-	-
Other revenue	-	-	-	-
Total revenues	71,881	254,889	82,175	37,605
EXPENDITURES				
Current:				
Instruction				
Regular	21,158	238,277	66,109	-
Special	-	-	-	-
Vocational	-	-	-	-
Support services				
Pupils	-	-	12,401	-
Staff	50,235	11,868	2,800	24,597
School administration	-	-	-	-
Fiscal administration	-	-	-	-
Business operations	-	-	-	-
Operation & maintenance	-	-	-	-
Student transportation	-	10,224	-	-
Central services	-	-	-	-
Food Services	-	-	-	-
Community services	2,850	-	480	13,399
Extra-curricular	-	-	-	-
Total expenditures	74,243	260,369	81,790	37,996
Net change in fund balances	(2,362)	(5,480)	385	(391)
Fund balances, July 1	2,362	16,662	-	391
Fund balances, June 30	\$ -	\$ 11,182	\$ 385	\$ -

Special Revenue

IDEA - B	Vocational Education: Carl D. Perkins	Title III	Transition Program for Refugee Children	Title I	Title V
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,216,135	115,000	157,641	10,050	521,610	56,673
-	-	-	-	-	-
<u>2,216,135</u>	<u>115,000</u>	<u>157,641</u>	<u>10,050</u>	<u>521,610</u>	<u>56,673</u>
-	3,420	-	-	-	-
1,176,656	-	155,323	5,327	478,694	-
-	31,505	-	-	-	-
644,126	-	-	-	-	-
34,946	20,738	1,536	-	32,758	48,769
280,316	-	-	-	-	-
-	-	-	-	-	-
-	1,800	-	-	-	-
-	-	-	-	-	-
-	1,377	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
75,361	-	-	-	4,770	4,594
-	-	-	-	-	-
<u>2,211,405</u>	<u>58,840</u>	<u>156,859</u>	<u>5,327</u>	<u>516,222</u>	<u>53,363</u>
4,730	56,160	782	4,723	5,388	3,310
52,161	89,905	463	5,000	-	1,586
<u>\$ 56,891</u>	<u>\$ 146,065</u>	<u>\$ 1,245</u>	<u>\$ 9,723</u>	<u>\$ 5,388</u>	<u>\$ 4,896</u>

(Continued)

Westerville City School District
Combining Statement of Revenues, Expenditures and Changes in
Fund Balances - Other Governmental Funds, Continued
For the Year Ended June 30, 2005

	Special Revenue			
	Title IV	Preschool Handicapped	Title II-A	Miscellaneous Federal
REVENUES				
Extra-curricular	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Other local sources	-	-	-	-
Intergovernmental - State	-	-	-	-
Intergovernmental - Federal	59,306	48,409	296,889	329,045
Other revenue	-	-	-	-
Total revenues	<u>59,306</u>	<u>48,409</u>	<u>296,889</u>	<u>329,045</u>
EXPENDITURES				
Current:				
Instruction				
Regular	841	-	166,412	562
Special	-	32,491	-	-
Vocational	-	-	-	1,054
Support services				
Pupils	28,173	17,581	-	-
Staff	25,201	4,000	125,591	219,437
School administration	-	-	-	100,529
Fiscal administration	-	-	-	-
Business operations	-	-	-	585
Operation & maintenance	-	-	-	9,715
Student transportation	-	-	-	-
Central services	-	-	-	-
Food Services	-	-	-	-
Community services	2,027	-	7,003	6,205
Extra-curricular	-	-	-	-
Total expenditures	<u>56,242</u>	<u>54,072</u>	<u>299,006</u>	<u>338,087</u>
Net change in fund balances	3,064	(5,663)	(2,117)	(9,042)
Fund balances, July 1	(1,802)	5,666	9,567	5,386
Fund balances, June 30	<u>\$ 1,262</u>	<u>\$ 3</u>	<u>\$ 7,450</u>	<u>\$ (3,656)</u>

<u>Capital Projects</u>	
<u>School Net</u>	<u>Total Other Governmental Funds</u>
\$ -	\$ 1,866,271
-	7,227
-	29,275
116,550	1,382,725
-	3,810,758
-	203,055
<u>116,550</u>	<u>7,299,311</u>
-	521,960
-	1,858,190
-	32,559
-	1,018,777
-	621,653
-	380,845
-	20,633
-	2,385
-	9,715
-	11,649
-	113,297
-	-
-	896,679
-	1,639,222
<u>-</u>	<u>7,127,564</u>
116,550	171,747
-	963,222
<u>\$ 116,550</u>	<u>\$ 1,134,969</u>

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Special Revenue				
Public School Support				
Total Revenue and Other Sources	\$ 350,000	\$ 340,000	\$ 336,770	\$ (3,230)
Total Expenditures and Other Uses	<u>429,802</u>	<u>379,802</u>	<u>340,127</u>	<u>39,675</u>
Net Change in Fund Balance	(79,802)	(39,802)	(3,357)	36,445
Fund Balance, July 1	267,838	267,838	267,838	-
Prior Year Encumbrances Appropriated	<u>29,802</u>	<u>29,802</u>	<u>29,802</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 217,838</u>	<u>\$ 257,838</u>	<u>\$ 294,283</u>	<u>\$ 36,445</u>
Other Local				
Total Revenue and Other Sources	\$ 40,000	\$ 33,000	\$ 29,275	\$ (3,725)
Total Expenditures and Other Uses	<u>58,502</u>	<u>56,502</u>	<u>39,720</u>	<u>16,782</u>
Net Change in Fund Balance	(18,502)	(23,502)	(10,445)	13,057
Fund Balance, July 1	17,800	17,800	17,800	-
Prior Year Encumbrances Appropriated	<u>8,502</u>	<u>8,502</u>	<u>8,502</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 7,800</u>	<u>\$ 2,800</u>	<u>\$ 15,857</u>	<u>\$ 13,057</u>
District Managed				
Total Revenue and Other Sources	\$ 1,000,000	\$ 1,780,000	\$ 1,732,874	\$ (47,126)
Total Expenditures and Other Uses	<u>1,121,033</u>	<u>1,671,033</u>	<u>1,554,771</u>	<u>116,262</u>
Net Change in Fund Balance	(121,033)	108,967	178,103	69,136
Fund Balance, July 1	268,844	268,844	268,844	-
Prior Year Encumbrances Appropriated	<u>21,033</u>	<u>21,033</u>	<u>21,033</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 168,844</u>	<u>\$ 398,844</u>	<u>\$ 467,980</u>	<u>\$ 69,136</u>

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Auxilliary Services				
Total Revenue and Other Sources	\$ 675,000	\$ 687,435	\$ 687,262	\$ (173)
Total Expenditures and Other Uses	<u>832,744</u>	<u>925,258</u>	<u>860,490</u>	<u>64,768</u>
Net Change in Fund Balance	(157,744)	(237,823)	(173,228)	64,595
Fund Balance, July 1	177,838	177,838	177,838	-
Prior Year Encumbrances Appropriated	<u>60,658</u>	<u>60,658</u>	<u>60,658</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 80,752</u>	<u>\$ 673</u>	<u>\$ 65,268</u>	<u>\$ 64,595</u>
Career Development				
Total Revenue and Other Sources	\$ 12,000	\$ 10,800	\$ 10,800	\$ -
Total Expenditures and Other Uses	<u>16,315</u>	<u>15,115</u>	<u>8,353</u>	<u>6,762</u>
Net Change in Fund Balance	(4,315)	(4,315)	2,447	6,762
Fund Balance, July 1	66	66	66	-
Prior Year Encumbrances Appropriated	<u>4,249</u>	<u>4,249</u>	<u>4,249</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,762</u>	<u>\$ 6,762</u>
Management Information Systems				
Total Revenue and Other Sources	\$ 50,000	\$ 43,989	\$ 43,989	\$ -
Total Expenditures and Other Uses	<u>50,408</u>	<u>44,397</u>	<u>44,397</u>	<u>-</u>
Net Change in Fund Balance	(408)	(408)	(408)	-
Fund Balance, July 1	308	308	308	-
Prior Year Encumbrances Appropriated	<u>100</u>	<u>100</u>	<u>100</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
School Building Incentive				
Total Revenue and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	<u>8,357</u>	<u>8,357</u>	<u>8,276</u>	<u>81</u>
Net Change in Fund Balance	(8,357)	(8,357)	(8,276)	81
Fund Balance, July 1	8,357	8,357	8,357	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81</u>	<u>\$ 81</u>
Entry Year				
Total Revenue and Other Sources	\$ -	\$ 6,600	\$ 6,600	\$ -
Total Expenditures and Other Uses	<u>250</u>	<u>6,850</u>	<u>6,850</u>	<u>-</u>
Net Change in Fund Balance	(250)	(250)	(250)	-
Fund Balance, July 1	250	250	250	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Data Communications				
Total Revenue and Other Sources	\$ 69,000	\$ 69,000	\$ 69,000	\$ -
Total Expenditures and Other Uses	<u>69,000</u>	<u>69,000</u>	<u>69,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
School Net Professional Development				
Total Revenue and Other Sources	\$ 10,000	\$ 9,450	\$ 9,450	\$ -
Total Expenditures and Other Uses	<u>18,756</u>	<u>18,206</u>	<u>11,181</u>	<u>7,025</u>
Net Change in Fund Balance	(8,756)	(8,756)	(1,731)	7,025
Fund Balance, July 1	1,256	1,256	1,256	-
Prior Year Encumbrances Appropriated	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,025</u>	<u>\$ 7,025</u>
Ohio Reads				
Total Revenue and Other Sources	\$ 74,000	\$ 74,000	\$ 74,000	\$ -
Total Expenditures and Other Uses	<u>78,118</u>	<u>78,118</u>	<u>78,118</u>	<u>-</u>
Net Change in Fund Balance	(4,118)	(4,118)	(4,118)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>4,118</u>	<u>4,118</u>	<u>4,118</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Student Intervention				
Total Revenue and Other Sources	\$ 322,016	\$ 322,016	\$ 292,926	\$ (29,090)
Total Expenditures and Other Uses	<u>384,499</u>	<u>384,497</u>	<u>384,459</u>	<u>38</u>
Net Change in Fund Balance	(62,483)	(62,481)	(91,533)	(29,052)
Fund Balance, July 1	894	894	894	-
Prior Year Encumbrances Appropriated	<u>90,639</u>	<u>90,639</u>	<u>90,639</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 29,050</u>	<u>\$ 29,052</u>	<u>\$ -</u>	<u>\$ (29,052)</u>

(Continued)

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Vocational Educational Equipment				
Total Revenue and Other Sources	\$ 2,206	\$ 4,412	\$ 2,205	\$ (2,207)
Total Expenditures and Other Uses	<u>1</u>	<u>2,206</u>	<u>2,206</u>	<u>-</u>
Net Change in Fund Balance	2,205	2,206	(1)	(2,207)
Fund Balance, July 1	1	1	1	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,206</u>	<u>\$ 2,207</u>	<u>\$ -</u>	<u>\$ (2,207)</u>
Alternative Schools				
Total Revenue and Other Sources	\$ 92,487	\$ 92,487	\$ 80,217	\$ (12,270)
Total Expenditures and Other Uses	<u>94,565</u>	<u>94,565</u>	<u>82,295</u>	<u>12,270</u>
Net Change in Fund Balance	(2,078)	(2,078)	(2,078)	-
Fund Balance, July 1	1,783	1,783	1,783	-
Prior Year Encumbrances Appropriated	<u>295</u>	<u>295</u>	<u>295</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Miscellaneous State				
Total Revenue and Other Sources	\$ 64,547	\$ 38,128	\$ 38,127	\$ (1)
Total Expenditures and Other Uses	<u>65,638</u>	<u>39,219</u>	<u>39,218</u>	<u>1</u>
Net Change in Fund Balance	(1,091)	(1,091)	(1,091)	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>1,091</u>	<u>1,091</u>	<u>1,091</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
IDEA-B				
Total Revenue and Other Sources	\$ 2,430,712	\$ 2,430,711	\$ 2,143,741	\$ (286,970)
Total Expenditures and Other Uses	<u>2,463,500</u>	<u>2,463,498</u>	<u>2,177,176</u>	<u>286,322</u>
Net Change in Fund Balance	(32,788)	(32,787)	(33,435)	(648)
Fund Balance, July 1	1	1	1	-
Prior Year Encumbrances Appropriated	<u>33,434</u>	<u>33,434</u>	<u>33,434</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 647</u>	<u>\$ 648</u>	<u>\$ -</u>	<u>\$ (648)</u>
Vocational Education: Carl D. Perkins				
Total Revenue and Other Sources	\$ 115,000	\$ 115,000	\$ 115,000	\$ -
Total Expenditures and Other Uses	<u>218,902</u>	<u>218,902</u>	<u>113,069</u>	<u>105,833</u>
Net Change in Fund Balance	(103,902)	(103,902)	1,931	105,833
Fund Balance, July 1	513	513	513	-
Prior Year Encumbrances Appropriated	<u>103,389</u>	<u>103,389</u>	<u>103,389</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,833</u>	<u>\$ 105,833</u>
Title III				
Total Revenue and Other Sources	\$ 185,412	\$ 209,597	\$ 168,315	\$ (41,282)
Total Expenditures and Other Uses	<u>168,223</u>	<u>192,407</u>	<u>168,315</u>	<u>24,092</u>
Net Change in Fund Balance	17,189	17,190	-	(17,190)
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 17,189</u>	<u>\$ 17,190</u>	<u>\$ -</u>	<u>\$ (17,190)</u>

(Continued)

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Transition Program for Refugee Children				
Total Revenue and Other Sources	\$ 5,000	\$ 10,050	\$ 10,050	\$ -
Total Expenditures and Other Uses	10,000	15,050	5,000	10,050
Net Change in Fund Balance	(5,000)	(5,000)	5,050	10,050
Fund Balance, July 1	5,000	5,000	5,000	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,050</u>	<u>\$ 10,050</u>
Title I				
Total Revenue and Other Sources	\$ 600,912	\$ 605,534	\$ 532,767	\$ (72,767)
Total Expenditures and Other Uses	605,209	609,832	537,065	72,767
Net Change in Fund Balance	(4,297)	(4,298)	(4,298)	-
Fund Balance, July 1	242	242	242	-
Prior Year Encumbrances Appropriated	4,056	4,056	4,056	-
Fund Balance, June 30	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Title V				
Total Revenue and Other Sources	\$ 95,129	\$ 95,130	\$ 64,481	\$ (30,649)
Total Expenditures and Other Uses	97,572	97,573	66,924	30,649
Net Change in Fund Balance	(2,443)	(2,443)	(2,443)	-
Fund Balance, July 1	532	532	532	-
Prior Year Encumbrances Appropriated	1,911	1,911	1,911	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Title IV				
Total Revenue and Other Sources	\$ 89,617	\$ 66,152	\$ 61,940	\$ (4,212)
Total Expenditures and Other Uses	<u>89,784</u>	<u>66,319</u>	<u>61,498</u>	<u>4,821</u>
Net Change in Fund Balance	(167)	(167)	442	609
Fund Balance, July 1	14	14	14	-
Prior Year Encumbrances Appropriated	<u>153</u>	<u>153</u>	<u>153</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609</u>	<u>\$ 609</u>
Preschool Handicapped				
Total Revenue and Other Sources	\$ 51,692	\$ 59,539	\$ 47,353	\$ (12,186)
Total Expenditures and Other Uses	<u>53,720</u>	<u>61,567</u>	<u>51,381</u>	<u>10,186</u>
Net Change in Fund Balance	(2,028)	(2,028)	(4,028)	(2,000)
Fund Balance, July 1	28	28	28	-
Prior Year Encumbrances Appropriated	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ (2,000)</u>
Title II-A				
Total Revenue and Other Sources	\$ 373,372	\$ 361,950	\$ 286,285	\$ (75,665)
Total Expenditures and Other Uses	<u>395,204</u>	<u>383,782</u>	<u>308,117</u>	<u>75,665</u>
Net Change in Fund Balance	(21,832)	(21,832)	(21,832)	-
Fund Balance, July 1	7,381	7,381	7,381	-
Prior Year Encumbrances Appropriated	<u>14,451</u>	<u>14,451</u>	<u>14,451</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

Westerville City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis) - Other Governmental Funds
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Miscellaneous Federal				
Total Revenue and Other Sources	\$ 571,110	\$ 639,222	\$ 412,791	\$ (226,431)
Total Expenditures and Other Uses	<u>577,263</u>	<u>645,375</u>	<u>423,068</u>	<u>222,307</u>
Net Change in Fund Balance	(6,153)	(6,153)	(10,277)	(4,124)
Fund Balance, July 1	2,253	2,253	2,253	-
Prior Year Encumbrances Appropriated	<u>11,720</u>	<u>11,720</u>	<u>11,720</u>	<u>-</u>
Fund Balance, June 30	<u>\$ 7,820</u>	<u>\$ 7,820</u>	<u>\$ 3,696</u>	<u>\$ (4,124)</u>
Capital Projects				
School Net Fund				
Total Revenue and Other Sources	\$ -	\$ 116,550	\$ 116,550	\$ -
Total Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	116,550	116,550	-
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 116,550</u>	<u>\$ 116,550</u>	<u>\$ -</u>

Westerville City School District

Westerville, Ohio



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WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Combining Statements and Individual Fund Schedules

Enterprise Funds

Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs (expenses, including depreciation and indirect costs) of providing goods and services to the students on a continuing basis are financed or recovered primarily through user charges. A description of the District's Enterprise Funds follows:

Food Service – This fund is provided to account for financial transactions related to the District managed food service operation.

Uniform School Supplies – This fund is used 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.

Westerville City School District
Combining Statement of Net Assets
Enterprise Funds
As of June 30, 2005

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 621,929	\$ 33,248	\$ 655,177
Receivables:			
Accounts	839	-	839
Intergovernmental	94,907	-	94,907
Materials & supplies inventory	64,137	-	64,137
Total current assets	<u>781,812</u>	<u>33,248</u>	<u>815,060</u>
Non-current assets:			
Capital assets, net	273,253	-	273,253
Total assets	<u>1,055,065</u>	<u>33,248</u>	<u>1,088,313</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	500	4,864	5,364
Accrued wages and benefits	113,382	-	113,382
Compensated absences payable	6,159	-	6,159
Due to:			
Other governments	158,762	-	158,762
Total current liabilities	<u>278,803</u>	<u>4,864</u>	<u>283,667</u>
Non-current liabilities:			
Compensated absences payable	174,316	-	174,316
Total liabilities	<u>453,119</u>	<u>4,864</u>	<u>457,983</u>
<u>NET ASSETS</u>			
Invested in capital assets	273,253	-	273,253
Unrestricted	328,693	28,384	357,077
Total net assets	<u>\$ 601,946</u>	<u>\$ 28,384</u>	<u>\$ 630,330</u>

Westerville City School District
Combining Statement of Revenues, Expenses and
Changes in Fund Net Assets
Enterprise Funds
For the Fiscal Year ended June 30, 2005

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
<u>OPERATING REVENUES</u>			
Food service sales	\$ 2,734,221	\$ -	\$ 2,734,221
Class material fees	-	237,103	237,103
Other	20,019	-	20,019
Total operating revenues	<u>2,754,240</u>	<u>237,103</u>	<u>2,991,343</u>
<u>OPERATING EXPENSES</u>			
Wages and benefits	1,730,943	-	1,730,943
Purchased services	36,556	-	36,556
Materials and supplies	1,574,941	240,559	1,815,500
Depreciation	42,035	-	42,035
Other	26,759	-	26,759
Total operating expenses	<u>3,411,234</u>	<u>240,559</u>	<u>3,651,793</u>
Operating (loss)	(656,994)	(3,456)	(660,450)
<u>NON-OPERATING REVENUES</u>			
Grants:			
State sources	27,407	-	27,407
Federal sources	762,658	-	762,658
Investment income	14,442	-	14,442
Total non-operating revenues	<u>804,507</u>	<u>-</u>	<u>804,507</u>
Change in net assets	147,513	(3,456)	144,057
Net assets at beginning of year	<u>454,433</u>	<u>31,840</u>	<u>486,273</u>
Net assets at end of year	<u>\$ 601,946</u>	<u>\$ 28,384</u>	<u>\$ 630,330</u>

Westerville City School District
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2005

	Food Service	Uniform School Supplies	Total
Cash flows from operating activities:			
Cash received from customers	\$ 2,735,167	\$ 237,103	\$ 2,972,270
Cash payments for wages and benefits	(1,772,052)	-	(1,772,052)
Cash payments for purchased services	(36,556)	-	(36,556)
Cash payments for materials and supplies	(1,474,563)	(238,854)	(1,713,417)
Cash received for other revenues	20,019	-	20,019
Cash payments for other expenses	(26,759)	-	(26,759)
Net cash used for operating activities	(554,744)	(1,751)	(556,495)
Cash flows from noncapital financing activities:			
Cash flows from operating grants	672,553	-	672,553
Cash flows from capital financing activities:			
Purchase of capital assets	(2,755)	-	(2,755)
Cash flows from investing activities:			
Investment income	14,442	-	14,442
Net increase (decrease) in cash and investments	129,496	(1,751)	127,745
Cash and investments at beginning of year	492,433	34,999	527,432
Cash and investments at end of year	\$ 621,929	\$ 33,248	\$ 655,177
Reconciliation of operating loss to net cash used for operating activities			
Operating loss	\$ (656,994)	\$ (3,456)	\$ (660,450)
Adjustments to reconcile operating loss to net cash used for operating activities:			
Depreciation	42,035	-	42,035
Donated commodities	107,928	-	107,928
Changes in assets and liabilities:			
Decrease in accounts receivables	946	-	946
Increase in inventory	(2,598)	-	(2,598)
Increase (decrease) in accounts payables	(4,952)	1,705	(3,247)
Decrease in accrued wages and benefits	(5,281)	-	(5,281)
Decrease in due to other governments	(23,758)	-	(23,758)
Decrease in compensated absences payable	(12,070)	-	(12,070)
Net cash used for operating activities	\$ (554,744)	\$ (1,751)	\$ (556,495)

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Combining Statements and Individual Fund Schedules

Internal Service Funds

Internal Service Funds are established to account for the financing of goods or services provided by one department or agency of the District to other departments or agencies on a cost reimbursement basis. Charges are intended only to recoup the total cost of such services. A description of the District's Internal Service Funds follows:

Self Insurance – A fund provided to account for monies received from other funds as payment for providing medical and dental employee benefits. The District's self-funded health and dental plans are currently inactive as indicated in Note 17 to the financial statements. The Self Insurance Fund may make payments for services provided to employees, for reimbursement to employees who have paid providers, to third party administrators for claim payment administration, for stop-loss coverage, or any other reinsurance or similar purposes.

Print Shop – This fund is used to account for the monies received for printing and duplicating services provided by the Print Shop to all District departments and various community organizations.

Worker's Compensation – This fund is used to account for Worker's Compensation Self-Insurance receipts and expenditures.

**Westerville City School District
Combining Statement of Net Assets
Internal Service Funds
As of June 30, 2005**

	<u>Self Insurance</u>	<u>Print Shop</u>	<u>Worker's Compensation</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and investments	\$ 834,796	\$ 50,909	\$ 420,081	\$ 1,305,786
Receivables:				
Accounts	-	9,041	71,531	80,572
Total assets	<u>834,796</u>	<u>59,950</u>	<u>491,612</u>	<u>1,386,358</u>
<u>LIABILITIES</u>				
Accounts payable	-	657	-	657
Claims payable	-	-	-	-
Accrued wages and benefits	-	9,635	-	9,635
Due to:				
Other Governments	-	3,174	-	3,174
Total liabilities	<u>-</u>	<u>13,466</u>	<u>-</u>	<u>13,466</u>
<u>NET ASSETS</u>				
Unrestricted	834,796	46,484	491,612	1,372,892
Total net assets	<u>\$ 834,796</u>	<u>\$ 46,484</u>	<u>\$ 491,612</u>	<u>\$ 1,372,892</u>

Westerville City School District
Combining Statement of Revenues, Expenses
and Changes in Fund Net Assets
Internal Service Funds
For the Fiscal Year ended June 30, 2005

	<u>Self Insurance</u>	<u>Print Shop</u>	<u>Worker's Compensation</u>	<u>Total</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$ 542	\$ 206,215	\$ 497,456	\$ 704,213
Total operating revenues	542	206,215	497,456	704,213
<u>OPERATING EXPENSES</u>				
Wages and benefits	-	74,249	-	74,249
Purchased services	-	256	425,947	426,203
Materials and supplies	-	143,306	-	143,306
Total operating expenses	-	217,811	425,947	643,758
Operating income (loss)	542	(11,596)	71,509	60,455
<u>NON-OPERATING REVENUES</u>				
Investment income	16,835	-	15,177	32,012
Total non-operating revenues	16,835	-	15,177	32,012
Change in net assets	17,377	(11,596)	86,686	92,467
Net assets at beginning of year	817,419	58,080	404,926	1,280,425
Net assets at end of year	\$ 834,796	\$ 46,484	\$ 491,612	\$ 1,372,892

**Westerville City School District
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2005**

	<u>Governmental Activities - Internal Service</u>			
	<u>Self Insurance</u>	<u>Print Shop</u>	<u>Worker's Compensation</u>	<u>Total</u>
Cash flows from operating activities:				
Cash payments for wages and benefits	\$ -	\$ (73,958)	\$ -	\$ (73,958)
Cash received from interfund services provided	542	198,951	425,925	625,418
Cash payments for purchased services	-	(256)	(425,947)	(426,203)
Cash payments for materials and supplies	-	(149,421)	-	(149,421)
Net cash provided by (used for) operating activities	<u>542</u>	<u>(24,684)</u>	<u>(22)</u>	<u>(24,164)</u>
Cash flows from investing activities:				
Investment income	<u>16,835</u>	<u>-</u>	<u>15,177</u>	<u>32,012</u>
Net increase in cash and investments	17,377	(24,684)	15,155	7,848
Cash and investments at beginning of year	<u>817,419</u>	<u>75,593</u>	<u>404,926</u>	<u>1,297,938</u>
Cash and investments at end of year	<u>\$ 834,796</u>	<u>\$ 50,909</u>	<u>\$ 420,081</u>	<u>\$ 1,305,786</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities				
Operating income (loss)	\$ 542	\$ (11,596)	\$ 71,509	\$ 60,455
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Changes in assets and liabilities:				
Increase in accounts receivables	-	(7,264)	(71,531)	(78,795)
Decrease in accounts payable	-	(6,115)	-	(6,115)
Decrease in accrued wages and benefits	-	(813)	-	(813)
Increase in due to other governments	-	1,104	-	1,104
Net cash provided by (used for) operating activities	<u>\$ 542</u>	<u>\$ (24,684)</u>	<u>\$ (22)</u>	<u>\$ (24,164)</u>

WESTERVILLE CITY SCHOOL DISTRICT, OHIO
Combining Statements and Individual Fund Schedules

Agency Funds

Agency Funds are established to account for assets held for the by the school district on the behalf of other individuals, staff or students. In an agency fund, assets equal liabilities, and the fund balance is zero. A description of the District's Agency Funds follows:

District Agency – A fund used to account for those assets held by a school district as an agent for individuals or staff.

Student Managed Activity – This fund is used 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 typically includes those student activities which consist of a student body, student president, student treasurer and faculty advisor.

Westerville City School District
Combining Statement of Changes in Assets & Liabilities
Agency Funds
As of June 30, 2005

	Beginning Balance July 1, 2004	Additions	Deductions	Ending Balance June 30, 2005
District Agency				
Assets				
Cash and investments	\$59,578	\$86,975	\$55,880	\$90,673
Total assets	<u>59,578</u>	<u>86,975</u>	<u>55,880</u>	<u>90,673</u>
Liabilities				
Accounts payable	972	608	972	608
Due to others	58,606	31,459	-	90,065
Total liabilities	<u>\$59,578</u>	<u>\$32,067</u>	<u>\$972</u>	<u>\$90,673</u>
Student Managed Activity				
Assets				
Cash and investments	\$260,871	\$322,512	\$318,624	\$264,759
Accounts receivable	1,447	940	1,447	940
Total assets	<u>262,318</u>	<u>323,452</u>	<u>320,071</u>	<u>265,699</u>
Liabilities				
Accounts payable	16,757	4,589	16,757	4,589
Due to others	245,561	15,549	-	261,110
Total liabilities	<u>\$262,318</u>	<u>\$20,138</u>	<u>\$16,757</u>	<u>\$265,699</u>
Total Agency Funds				
Assets				
Cash and investments	\$320,449	\$409,487	\$374,504	\$355,432
Accounts receivable	1,447	940	1,447	940
Total assets	<u>321,896</u>	<u>410,427</u>	<u>375,951</u>	<u>356,372</u>
Liabilities				
Accounts payable	17,729	5,197	17,729	5,197
Due to others	304,167	47,008	-	351,175
Total liabilities	<u>\$321,896</u>	<u>\$52,205</u>	<u>\$17,729</u>	<u>\$356,372</u>

Westerville City School District

Westerville, Ohio



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Statistical Section



Board of Education
Westerville City School District
Westerville, Ohio

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

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Governmental Activities				
Invested in capital assets, net of related debt	\$31,135,671	\$33,096,968	\$31,190,176	\$21,436,170
Restricted	16,680,835	11,404,078	9,578,075	13,896,805
Unrestricted	<u>2,140,699</u>	<u>(4,135,831)</u>	<u>3,851,481</u>	<u>10,490,302</u>
Total Governmental Activities net assets	<u><u>\$49,957,205</u></u>	<u><u>\$40,365,215</u></u>	<u><u>\$44,619,732</u></u>	<u><u>\$45,823,277</u></u>
Business-type Activities				
Invested in capital assets, net of related debt	\$273,253	\$312,533	\$302,026	\$252,738
Unrestricted	<u>357,077</u>	<u>173,740</u>	<u>308,730</u>	<u>379,390</u>
Total Business-type Activities net assets	<u><u>\$630,330</u></u>	<u><u>\$486,273</u></u>	<u><u>\$610,756</u></u>	<u><u>\$632,128</u></u>
Total Government				
Invested in capital assets, net of related debt	\$31,408,924	\$33,409,501	\$31,492,202	\$21,688,908
Restricted	16,680,835	11,404,078	9,578,075	13,896,805
Unrestricted	<u>2,497,776</u>	<u>(3,962,091)</u>	<u>4,160,211</u>	<u>10,869,692</u>
Total Government net assets	<u><u>\$50,587,535</u></u>	<u><u>\$40,851,488</u></u>	<u><u>\$45,230,488</u></u>	<u><u>\$46,455,405</u></u>

Source: School District Financial Records

Westerville City School District
Change in Net Assets
Last Four Fiscal Years
(accrual basis of accounting)

	2005	2004	2003	2002
Expenses:				
Governmental Activities				
Instruction				
Regular	\$58,943,428	\$61,435,413	\$51,870,597	\$62,211,281
Special	13,887,997	12,162,246	10,330,195	8,728,805
Vocational	404,299	2,266,230	2,550,806	2,120,629
Other instruction	2,337,018	1,835,688	1,656,434	1,166,761
Support Services				
Pupils	8,128,917	7,601,627	6,443,665	5,661,710
Staff	4,072,808	4,431,094	4,826,578	4,144,559
General administration	1,413,567	1,445,681	1,397,792	1,265,245
School administration	8,442,595	8,383,725	9,249,706	7,784,403
Fiscal services	1,909,425	1,515,452	1,760,511	1,662,225
Business services	1,498,293	1,104,154	1,249,159	865,019
Operation & maintenance	11,654,211	10,977,422	10,614,195	9,536,464
Student transportation	6,198,974	5,771,952	5,671,020	5,317,633
Central services	1,022,336	1,144,924	1,738,582	1,548,397
Community services	897,810	690,830	649,801	445,488
Food Services	8,818	8,817	14,657	9,112
Extra-curricular activities	2,363,337	2,788,686	2,024,729	1,969,421
Interest and fiscal charges	6,412,729	5,788,941	7,086,262	8,719,392
Total governmental activities expenses	<u>129,596,562</u>	<u>129,352,882</u>	<u>119,134,689</u>	<u>123,156,544</u>
Business-type Activities				
Food Service	3,411,234	3,563,734	3,316,818	3,206,846
Uniform School Supplies	240,559	234,452	220,139	215,195
Total business-type activities expenses	<u>3,651,793</u>	<u>3,798,186</u>	<u>3,536,957</u>	<u>3,422,041</u>
Total Government expenses	<u><u>\$133,248,355</u></u>	<u><u>\$133,151,068</u></u>	<u><u>\$122,671,646</u></u>	<u><u>\$126,578,585</u></u>

Source: School District Financial Records

Westerville City School District
Change in Net Assets
Last Four Fiscal Years
(accrual basis of accounting)

	2005	2004	2003	2002
Program revenues:				
Governmental Activities				
Charges for Services and Sales				
Instruction				
Regular	\$989,548	\$932,364	\$788,755	\$654,732
Special	41,937	21,623	8,400	20,138
Extra-curricular activities	1,866,271	1,065,844	940,944	1,036,497
Operating Grants and Contributions	5,537,321	4,700,516	4,283,660	3,240,167
Capital Grants and Contributions	-	319,871	6,547	13,375
Total Governmental Activities				
program revenues	<u>8,435,077</u>	<u>7,040,218</u>	<u>6,028,306</u>	<u>4,964,909</u>
Business-type Activities				
Charges for Services and Sales				
Food Service	2,754,240	2,744,280	2,713,577	2,797,923
Uniform School Supplies	237,103	236,264	221,005	214,735
Operating Grants and Contributions	790,065	697,187	542,087	457,399
Total Business-type Activities				
program revenues	<u>3,781,408</u>	<u>3,677,731</u>	<u>3,476,669</u>	<u>3,470,057</u>
Total Government program revenues	<u><u>\$12,216,485</u></u>	<u><u>\$10,717,949</u></u>	<u><u>\$9,504,975</u></u>	<u><u>\$8,434,966</u></u>
Net (Expense)/Revenue				
Governmental Activities	(\$121,161,485)	(\$122,312,664)	(\$113,106,383)	(\$118,191,635)
Business-type Activities	129,615	(120,455)	(60,288)	48,016
Total Government net expense	<u><u>(\$121,031,870)</u></u>	<u><u>(\$122,433,119)</u></u>	<u><u>(\$113,166,671)</u></u>	<u><u>(\$118,143,619)</u></u>
General Revenues:				
Governmental Activities				
Property taxes levied for:				
General purposes	\$69,808,534	\$58,753,446	\$56,040,935	57,705,984
Debt service	11,008,652	10,796,918	9,699,373	9,786,788
Capital projects	5,335,310	4,308,694	3,938,029	4,201,615
Grants and entitlements not restricted to specific programs	43,063,290	42,954,970	40,769,790	40,380,438
Investment income	742,797	395,572	1,385,301	4,849,723
Loss on sale of capital assets	(45,647)	-	-	(267,424)
Miscellaneous	840,539	848,547	981,987	1,160,909
Total Governmental Activities	<u>130,753,475</u>	<u>118,058,147</u>	<u>112,815,415</u>	<u>117,818,033</u>
Business-type Activities				
Investment income	14,442	7,318	11,703	14,142
Miscellaneous	-	-	-	2,681
Total Business-type Activities	<u>14,442</u>	<u>7,318</u>	<u>11,703</u>	<u>16,823</u>
Total Government general revenues	<u><u>\$130,767,917</u></u>	<u><u>\$118,065,465</u></u>	<u><u>\$112,827,118</u></u>	<u><u>\$117,834,856</u></u>
Change in Net Assets				
Governmental Activities	\$9,591,990	(\$4,254,517)	(\$290,968)	(\$373,602)
Business-type Activities	144,057	(113,137)	(48,585)	64,839
Total Government change in net assets	<u><u>\$9,736,047</u></u>	<u><u>(\$4,367,654)</u></u>	<u><u>(\$339,553)</u></u>	<u><u>(\$308,763)</u></u>

Source: School District Financial Records

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
General Fund										
Reserved	\$15,852,554	\$8,204,760	\$7,900,865	\$8,477,909	\$8,264,561	\$14,340,834	\$18,002,511	\$15,829,283	\$14,431,855	\$13,686,132
Unreserved	(6,371,177)	(5,406,906)	3,337,746	9,187,046	10,208,219	8,918,974	8,175,983	7,137,807	5,526,033	3,500,302
Total General Fund	\$9,481,377	\$2,797,854	\$11,238,611	\$17,664,955	\$18,472,780	\$23,259,808	\$26,178,494	\$22,967,090	\$19,957,908	\$17,186,434
All Other Governmental Funds										
Reserved	\$4,410,538	\$3,180,380	\$13,222,679	\$41,233,162	\$5,527,228	\$2,429,671	\$3,398,773	\$5,970,019	\$15,166,123	\$2,108,588
Unreserved, reported in:										
Debt Service	5,583,530	5,989,550	4,686,069	6,913,995	7,085,491	4,332,604	4,984,100	1,676,621	1,566,440	1,636,715
Permanent Improvement	3,485,969	2,458,978	800,512	1,300,672	91,426,168	2,477,320	1,712,685	5,823,433	7,884,117	1,990,101
Building	2,329,655	2,128,018	5,387,290	25,376,658	-	-	-	-	-	-
Special Revenue	886,953	726,239	564,240	634,504	730,065	172,388	(124,594)	162,898	98,963	182,058
Total All Other Governmental Funds	\$16,696,645	\$14,483,165	\$24,660,790	\$75,458,991	\$104,768,952	\$9,411,983	\$9,970,964	\$13,632,971	\$24,715,643	\$5,917,462

Westerville City School District

Westerville, Ohio



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

	2005	2004	2003	2002	2001
Revenues:					
From local sources					
Taxes	\$86,602,416	\$74,289,634	\$69,252,976	\$71,166,995	\$54,379,386
Tuition	598,107	410,603	488,196	399,296	446,027
Extra-curricular	1,866,271	1,065,844	940,944	1,036,497	1,120,434
Investment income	710,785	386,471	1,373,429	4,825,857	3,906,256
Other local	462,653	582,604	388,214	423,073	335,052
Intergovernmental - state	44,760,578	44,748,270	42,552,850	41,929,676	37,073,140
Intergovernmental - federal	3,810,758	2,871,146	2,427,892	1,556,805	1,747,645
Other revenue	840,539	1,165,268	981,987	1,160,909	770,637
Total revenues	139,652,107	125,519,840	118,406,488	122,499,108	99,778,577
Expenditures:					
Instructional					
Regular	52,445,935	55,807,436	51,772,472	50,352,696	47,616,427
Special	12,981,559	11,437,291	9,901,261	8,740,977	8,376,039
Vocational	648,836	2,129,010	2,392,716	2,138,402	1,954,732
Continuing	-	-	-	-	980
Other	2,225,747	1,753,098	1,607,521	1,166,761	945,198
Support Services					
Pupils	7,963,630	7,604,487	6,448,953	5,592,025	4,213,268
Staff	4,005,057	4,349,735	4,771,434	4,164,763	3,493,873
General administration	1,413,567	1,445,681	1,397,792	1,265,245	1,363,605
School administration	8,124,234	8,110,849	8,663,698	7,529,232	6,505,300
Fiscal services	1,896,915	2,020,073	1,709,155	1,650,788	1,595,175
Business services	818,107	914,221	1,051,841	858,308	1,195,663
Operation & maintenance	11,316,785	10,903,355	10,258,280	9,394,710	9,003,486
Student transportation	5,676,143	5,307,951	4,994,803	4,911,727	4,625,427
Central services	1,680,774	1,740,896	1,747,849	1,553,428	1,222,709
Food services	-	-	2,923	-	-
Community services	897,810	690,830	649,801	445,488	624,950
Extra-curricular activities	2,327,517	2,750,499	1,991,739	1,950,979	1,886,554
Capital outlay	4,575,532	17,378,934	53,580,974	40,481,842	9,795,662
Debt Service:					
Principal retirement	5,915,000	4,705,000	6,115,000	2,328,533	2,410,000
Interest	5,841,956	5,559,608	6,790,573	8,115,314	2,584,128
Total expenditures	130,755,104	144,608,954	175,848,785	152,641,218	109,413,176
Excess (deficiency) of revenues over (under) expenditures	8,897,003	(19,089,114)	(57,442,297)	(30,142,110)	(9,634,599)
Other financing sources (uses):					
Proceeds from sale of bonds	-	-	-	-	99,718,574
Proceeds from refunding bonds	-	49,499,954	-	-	-
Premium on issuance of bonds	-	7,102,634	-	-	-
Payment to bond agent	-	(56,131,856)	-	-	-
Proceeds on sale of assets	-	0	-	24,326	1,083
Transfers in	-	36,000	36,000	36,000	36,000
Transfers out	-	(36,000)	(36,000)	(36,000)	(36,000)
Other	-	-	-	-	-
Total other financing sources (uses)	-	470,732	-	24,326	99,719,657
Net change in fund balances	\$8,897,003	(\$18,618,382)	(\$57,442,297)	(\$30,117,784)	\$90,085,058

Source: School District Financial Records

2000	1999	1998	1997	1996
\$55,439,262	\$56,299,337	\$53,589,073	\$50,700,693	\$47,946,965
261,034	953,350	244,153	298,588	343,051
1,073,524	937,878	871,957	808,715	821,527
2,095,540	2,124,961	2,593,441	2,494,319	1,432,308
322,044	314,299	329,392	276,292	266,415
32,679,365	30,938,056	27,887,304	25,957,254	24,628,902
1,345,344	1,227,599	1,151,563	1,145,780	794,023
379,066	717,528	1,562,174	673,499	517,484
93,595,179	93,513,008	88,229,057	82,355,140	76,750,675
45,452,537	41,965,460	38,914,594	36,432,791	36,674,003
7,015,481	7,018,430	6,527,638	5,985,209	5,316,160
2,230,460	2,084,844	1,633,957	1,670,296	1,539,170
5,263.00	-	-	-	-
755,637	780,973	436,572	628,321	548,445
3,665,902	3,611,082	3,360,344	3,160,636	3,101,679
3,252,031	2,880,158	2,770,092	2,472,531	2,130,656
1,124,098	1,073,368	977,129	894,104	748,470
6,280,557	5,658,571	5,236,919	5,059,801	4,766,591
1,466,850	1,677,271	1,718,850	1,117,396	1,319,213
1,269,586	941,022	655,338	594,064	569,715
8,514,621	7,261,397	7,349,265	6,813,756	6,342,551
4,194,683	3,630,510	3,651,022	3,350,604	3,182,275
1,252,079	1,109,605	976,840	861,933	568,773
-	-	300	140	130
454,701	413,717	561,462	431,258	276,094
1,722,802	1,508,227	1,383,641	1,218,286	1,187,048
3,419,427	7,286,615	15,278,401	5,181,252	2,933,108
2,505,000	2,415,000	2,080,000	2,175,000	1,975,000
2,514,441	2,653,260	2,782,466	2,730,694	1,855,281
97,096,156	93,969,510	96,294,830	80,778,072	75,034,362
(3,500,977)	(456,502)	(8,065,773)	1,577,068	1,716,313
-	3,117	-	19,984,874	465,000
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
21,990	-	5,183	6,131	7,525
36,000	3,679,751	172,187	-	-
(36,000)	(3,679,751)	(172,187)	-	-
-	-	-	2,079	137,808
21,990	3,117	5,183	19,993,084	610,333
(\$3,478,987)	(\$453,385)	(\$8,060,590)	\$21,570,152	\$2,326,646

Westerville City School District
 Property Tax Levies and Collections - Real, Public Utility
 Tax and Tangible Personal Property
 Last Ten Calendar Years

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection (1)	Percent of Current Levy Collected	Delinquent Collection (2)	Total Collection	Total Collection As a Percent of Total Levy	Delinquent Taxes Receivable
2004/2005	\$62,996,400	\$2,865,996	\$65,862,396	\$60,619,247	96.23%	\$1,616,810	\$62,236,057	94.49%	\$2,755,789
2003/04	55,139,660	3,225,688	58,365,348	53,587,683	97.19%	1,642,476	55,230,159	94.63%	2,742,699
2002/03	55,118,475	3,580,141	58,698,616	53,913,651	97.81%	1,927,176	55,840,827	95.13%	3,168,633
2001/02	55,511,182	3,051,334	58,562,516	53,514,087	96.40%	1,541,579	55,055,666	94.01%	3,544,953
2000/01	54,652,124	2,669,250	57,321,374	54,107,821	99.00%	1,532,826	55,640,647	97.07%	2,859,562
1999/00	49,423,043	2,410,391	51,833,434	48,087,673	97.30%	1,257,745	49,345,518	95.20%	1,986,166
1998/97	47,835,965	1,859,890	49,695,855	47,058,116	98.37%	1,148,512	48,206,628	97.00%	2,304,262
1997/98	47,075,734	2,057,961	49,133,695	46,517,483	98.81%	1,112,038	47,629,521	96.94%	2,094,690
1996/97	46,869,527	2,135,599	49,005,126	46,274,770	98.73%	1,278,792	47,553,562	97.04%	1,943,734
1995/96	45,127,604	1,618,771	46,746,375	44,308,178	98.18%	943,339	45,251,517	96.80%	2,023,468

Source: Franklin County Auditor - Data is presented on a Calendar Year basis because that is the manner in which the information is maintained by the County Auditor

(1) Includes Homestead/Rollback on real estate and reimbursement on personal property taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenues.

(2) Delinquent only pertains to real estate tax as personal property information is unavailable.

Westerville City School District
 Assessed Valuation and Estimated Actual Value of Taxable Property
 Last Ten Collection Years

Collection Year	Real Property (a)		Tangible Personal Property (b)		Public Utility		Total	
	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value	Assessed Value	Est. Actual Value
2005	\$2,074,038,900	\$5,925,825,429	\$73,858,548	\$307,743,950	\$55,563,540	\$158,752,971	\$2,203,460,988	\$6,392,322,350
2004	2,024,458,100	5,784,166,000	76,287,708	317,865,450	54,084,170	154,526,200	2,154,829,978	6,256,557,650
2003	1,961,931,150	5,605,517,571	112,285,098	449,140,312	56,031,920	160,091,200	2,130,248,148	6,214,749,083
2002	1,708,441,740	4,881,262,114	115,766,508	463,066,032	54,993,020	157,122,914	1,879,201,268	5,501,451,060
2001	1,624,735,960	4,642,102,743	117,792,551	471,170,204	64,511,420	184,318,343	1,807,039,931	5,297,591,290
2000	1,545,832,520	4,416,664,543	102,497,145	409,988,580	62,846,340	179,560,971	1,711,176,005	5,006,214,094
1999	1,338,755,350	3,825,015,286	94,171,271	376,685,084	61,625,950	176,074,143	1,494,552,571	4,377,774,513
1998	1,279,877,850	3,656,793,857	101,499,833	405,999,332	56,786,680	162,247,657	1,438,164,363	4,225,040,846
1997	1,229,777,160	3,513,649,029	91,171,898	364,687,592	62,159,260	177,597,386	1,383,108,318	4,055,934,007
1996	1,105,516,450	3,158,618,429	92,541,609	370,166,436	60,442,330	172,692,371	1,258,500,389	3,701,477,236

Source: Franklin County Auditor

(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.

Assumes public utilities are assessed at true value which is 35%.

Westerville City School District
Property Tax Rates Direct and Overlapping Governments
Last Ten Collection Years
(per \$1,000 of Assessed Valuation)

Tax Year/ Collection Year	Franklin County	Delaware County	City of Westerville	City of Columbus	Westerville City School District			Total	Blendon Township	Genoa Township	Plain Township	Sharon Township	Minerva Park Corp.	Westerville Corp. (Genoa)
					Gen. Fd.	Voted	Permanent Improvement							
2004/2005 Res/Agr Comm/Ind	18.44 14.32 16.10	5.61 4.94 4.85	17.95 11.65 12.51	3.14 3.14 3.14	56.30 28.99 28.62	5.21 5.21 5.21	2.70 2.69 2.70	3.80 3.80 3.80	68.01 40.69 40.33	12.80 10.71 10.89	13.37 8.36 6.92	23.50 17.29 19.32	16.08 12.68 14.05	17.95 11.65 12.51
2003/2004 Res/Agr Comm/Ind	17.64 13.24 15.01	5.61 5.00 4.93	18.06 11.80 12.65	3.14 3.14 3.14	52.30 24.10 23.57	5.40 5.40 5.40	2.70 2.07 2.21	3.80 3.80 3.80	64.20 35.37 34.98	12.80 10.53 10.63	13.12 8.16 6.67	23.50 17.29 19.32	16.13 12.72 14.10	18.06 11.80 12.65
2002/2003	17.64	5.61	17.85	3.14	51.30	5.40	2.70	3.80	63.20	12.80	13.43	23.50	16.13	17.85
2001/2002	17.64	5.61	14.50	3.14	51.30	5.60	2.70	3.80	63.40	12.80	13.52	19.00	16.32	14.50
2000/2001	17.64	5.92	14.54	3.14	51.30	5.70	2.70	3.80	63.50	12.80	13.58	19.08	16.32	14.54
1999/2000	17.64	6.72	14.57	3.14	51.30	1.86	2.70	3.80	59.66	10.80	10.72	19.10	12.32	14.57
1998/1999	17.54	6.12	14.65	3.14	51.30	3.35	2.70	3.80	61.15	11.20	9.34	13.10	16.31	14.65
1997/1998	15.22	6.12	14.69	3.14	51.30	3.52	2.70	3.80	61.32	11.20	9.42	13.10	15.10	14.69
1996/1997	15.12	6.12	14.72	3.14	51.30	3.51	2.70	3.80	61.31	11.20	9.21	13.10	10.10	14.72
1995/1996	14.82	7.12	14.44	3.14	51.30	3.23	2.70	3.80	61.03	10.70	9.16	13.10	10.10	14.44

Source: Franklin County Auditor - Data is presented on a Collection Year basis because that is the manner in which the information is maintained by the County Auditor

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

Westerville City School District
 Percent of Net General Obligation Bonded Debt to
 Assessed Value and Bonded Debt Per Capita
 Last Ten Years

Year	(a)	(b)		(c)		% of Net Bonded Debt to Assessed Valuation	(d)	(d)
	Assessed Value	Gross Bonded Debt	Less Debt Service	Net Bonded Debt	Bonded Debt Per Capita		Net Bonded Debt Per ADM	
2005	\$2,203,460,988	\$122,394,585	\$7,835,634	\$114,558,951	\$1,469	0.0520	\$8,169	
2004	2,154,829,978	127,962,429	7,276,551	120,685,878	1,559	0.0560	8,525	
2003	2,130,248,148	133,155,446	5,490,715	127,664,731	1,665	0.0599	9,091	
2002	1,879,201,268	138,949,070	7,720,099	131,228,971	1,876	0.0698	9,486	
2001	1,807,059,931	140,174,487	7,144,043	133,030,444	1,933	0.0736	9,706	
2000	1,711,176,005	43,049,855	4,350,532	38,699,323	479	0.0226	2,844	
1999	1,494,552,571	45,554,855	5,011,856	40,542,999	539	0.0271	3,028	
1998	1,438,164,363	47,969,855	1,553,479	46,416,376	619	0.0323	3,510	
1997	1,383,108,318	50,049,855	1,583,593	48,466,262	655	0.0350	3,711	
1996	1,258,500,389	32,239,981	1,659,867	30,580,114	421	0.0243	2,391	

Sources:

(a) County Auditor

(b) School District Records - General Obligation debt outstanding end of fiscal year

(c) Balance of General Obligation Bond Retirement fund at end of fiscal year

(d) See Schedule "Demographic and Economic Statistics, Last Ten Years" for population and enrollment information

Westerville City Schools
 Computation of Legal Debt Margin
 as of June 30, 2005

Assessed Valuation	<u>\$2,203,460,988</u>									
Voted and Unvoted Debt Limit - 9% of Assessed Valuation	\$198,311,489									
Balance in Debt Service Fund	\$7,835,634									
Total Debt Outstanding	\$122,394,585									
Less: Exempted Debt	\$0									
Net subject to 9% limit	\$122,394,585									
Total Legal Voted Debt Margin	<u>\$83,306,538</u>									

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
Debt Limit	\$206,147,123	\$201,211,249	\$197,213,048	\$176,096,190	\$162,633,594	\$154,005,840	\$134,509,731	\$129,434,793	\$124,479,749	\$113,265,035
Total Net Debt Applicable to Limit	122,394,585	127,962,429	133,155,446	137,845,954	140,174,487	43,049,855	45,554,855	47,969,855	50,049,855	32,239,981
Legal Debt Margin	<u>\$83,306,538</u>	<u>\$73,248,820</u>	<u>\$64,057,602</u>	<u>\$38,250,236</u>	<u>\$22,459,107</u>	<u>\$110,955,985</u>	<u>\$88,954,876</u>	<u>\$81,464,938</u>	<u>\$74,429,894</u>	<u>\$81,025,054</u>

Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	59.37%	63.60%	67.52%	78.28%	86.19%	27.95%	33.87%	37.06%	40.21%	28.46%
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Source: Franklin County Auditor and School District financial records

Note: Ohio Bond Law sets a limit of 9% for voted debt and 1/10 of a % for unvoted debt.

Westerville City School District
 Computation of Direct and Overlapping General Obligation Bonded Debt
 as of June 30, 2005

<u>Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Percent Applicable to Westerville City School District</u>	<u>Amount Applicable to Westerville City School District</u>
Westerville City School District	\$122,394,585	100.00%	\$122,394,585
Delaware County	32,790,000	14.89%	\$4,882,431
Franklin County	89,675,000	5.85%	\$5,245,988
City of Columbus	401,425,000	3.72%	\$14,933,010
City of Westerville	6,760,000	97.24%	\$6,573,424
Plain Township	2,644,998	0.79%	\$20,895
Minerva Park Corporation	245,000	100.00%	\$245,000
New Albany Plain Local Park District Misc.	15,904,990	0.56%	\$89,068
Solid Wast Authority of Central Ohio Misc.	<u>29,670,000</u>	6.48%	<u>1,922,616</u>
	<u>\$701,509,573</u>		<u>\$156,307,017</u>

Source: Ohio Municipal Advisory Council

Note: Percent applicable to Westerville City School District calculated using assessed valuation of the School District areas value contained within the noted governmental unit divided by assessed valuation of the governmental unit.

Overlapping governments with no outstanding debt are not reflected.

Westerville City School District
 Percentage of Annual Debt Service Expenditures for
 Voted General Obligation Bonded Debt to Total
 General Fund Expenditures
 Last Ten Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund (1) Expenditures</u>	<u>Percent of Debt Service to General Fund Expenditures</u>
2005	\$5,915,000	\$5,841,956	\$11,756,956	\$107,151,665	10.97%
2004	4,705,000	5,559,608	10,264,608	110,463,598	9.29%
2003	6,115,000	6,790,573	12,905,573	104,060,442	12.40%
2002	2,328,533	8,115,314	10,443,847	97,821,536	10.68%
2001	2,410,000	2,584,128	4,994,128	90,386,568	5.53%
2000	2,505,000	2,514,441	5,019,441	85,003,441	5.90%
1999	2,415,000	2,653,260	5,068,260	78,584,528	6.45%
1998	2,080,000	2,782,466	4,862,466	73,142,764	6.65%
1997	2,175,000	2,730,694	4,905,694	68,153,380	7.20%
1996	1,975,000	1,855,281	3,830,281	66,100,886	5.79%

Source: School District Financial records

(1) Includes other financing uses

Note: Does not include unvoted bonded debt

Westerville City School District
 New Construction and Property Value
 Last Ten Years

Tax Year	Assessed Values			Appraised Values			
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Real Property	Tangible Personal	Public Utility	Total Property Value
2004	\$3,818,970	\$3,124,740	\$6,943,710	\$5,925,825,429	\$307,743,950	\$158,752,971	\$6,392,322,350
2003	9,928,480	3,935,650	13,864,130	5,784,166,000	317,865,450	154,526,200	6,256,557,650
2002	11,432,560	5,594,040	17,026,600	5,605,517,571	449,140,312	160,091,200	6,214,749,083
2001	8,179,100	6,462,630	14,641,730	4,881,262,114	463,066,032	157,122,914	5,501,451,060
2000	4,612,080	11,288,050	15,900,130	4,642,102,743	471,170,204	184,318,343	5,297,591,290
1999	3,342,980	7,962,440	11,305,420	4,416,664,343	409,988,580	179,560,971	5,006,213,894
1998	6,678,840	3,802,570	10,481,410	3,815,015,286	376,685,084	176,074,143	4,367,774,513
1997	9,774,960	4,298,580	14,073,540	3,656,793,857	405,999,332	162,247,657	4,225,040,846
1996	9,217,090	4,715,950	13,933,040	3,513,649,029	364,687,592	177,597,886	4,055,934,507
1995	10,648,450	2,841,130	13,489,580	3,158,618,429	370,166,436	172,692,371	3,701,477,236

Sources:

(1) Office of the County Auditor, Franklin County, Ohio - New Construction data is for the Franklin County portion of the District.

Note: Information reflected is for prior tax year due to unavailability of current data from County Auditor due to different fiscal year ending dates. Real Property assessment rate is 35%. Public Utility rate is 35%. Tangible Personal rate is 2.5%.

Westerville City School District
Principal Taxpayers
as of June 30, 2005

	<u>Total Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Public Utilities</u>		
1. Columbus Southern Power Co.	\$18,273,880	0.83%
2. Ohio Bell Telephone Co.	11,311,810	0.51%
3. Nextel West Corporation	7,837,480	0.36%
4. Ohio-American Water	3,294,910	0.15%
 <u>Real Estate</u>		
1. Banc One Management Corp.	20,680,490	0.94%
2. Partners at Brooksedge	11,886,380	0.54%
3. Eastrich No 167 Corp	9,355,510	0.42%
4. Chestnut Hill Apartments	9,345,700	0.42%
5. Corporate Exchange	7,838,600	0.36%
6. St Ann's Hospital	7,591,500	0.34%
7. Remington Station	7,492,130	0.34%
8. Westminster Corporate	6,683,200	0.30%
9. 380 Associates LLC	5,530,000	0.25%
10. AAC Funding Partnership	5,509,460	0.25%
 <u>Tangible Personal Property</u>		
1. Banc One Corporation	2,936,070	0.13%
2. Intellirisk Management Corp	1,966,930	0.09%
3. Roush Equipment Company	1,928,600	0.09%
4. Time Warner Entertainment Comp. LP	1,819,500	0.08%
5. Mid-Ohio Imported Car Company Inc	1,785,740	0.08%
6. West-Camp Press Inc	1,531,710	0.07%
7. Kohl's Department Stores, Inc.	1,481,620	0.07%
8. Auto Direct, Inc.	1,370,133	0.06%
9. Road Runner Hold Co. LLC	1,369,680	0.06%
10. Carcorp, Inc.	1,320,760	0.06%
 All Others	 <u>2,053,319,195</u>	 <u>93.20%</u>
 Total Assessed Valuation	 <u><u>\$2,203,460,988</u></u>	 <u><u>100.00%</u></u>

Source: Franklin County Auditor

Note: Assessed values are for the valuation year of 2004

Westerville City School District
 Demographic and Economic Statistics
 Last Ten Years

Year	(a) MORPC Population	(b) Per Capita Income	(c) Unemployment Rate	(b) % of Population 25 Years & older with Bachelor's Degree or Higher	(d) Enrollment Membership
2005	77,964	\$29,401	4.4%	44.6%	14,023
2004	77,415	\$29,401	4.2%	44.6%	14,156
2003	76,680	\$29,401	3.7%	44.6%	14,043
2002	69,939	\$29,401	2.5%	44.6%	13,834
2001	68,805 *	\$29,401	1.7%	44.6%	13,706
2000	80,761	\$29,401	1.6%	44.6%	13,609
1999	75,273	\$17,898	1.3%	40.2%	13,390
1998	75,021	\$17,898	1.3%	40.2%	13,225
1997	74,013	\$17,898	1.5%	40.2%	13,059
1996	72,647	\$17,898	1.5%	40.2%	12,791

Sources:

(a) Mid Ohio Regional Planning Commission

* Population figures prior to 2001 were estimated by MORPC. 2001 is an actual number specified by the 2000 census as the population of Westerville City School District.

(b) US Census Bureau 2000 and 1990 Census Demographic Profiles for the City of Westerville

(c) U.S. Department of Labor, Bureau of Labor Statistics

(d) Per School District records - Educational Management Information System

Westerville City School District
 Ten Year Attendance Data
 Last Ten School Years

<u>School Year Ended</u>	<u>Number of Graduates</u>	<u>Average Daily Membership (ADM)</u>	<u>Percentage ADM Increase (Decrease)</u>
2005	1019	14,023	-0.94%
2004	958	14,156	0.80%
2003	917	14,043	1.51%
2002	933	13,834	0.93%
2001	928	13,706	0.71%
2000	917	13,609	1.64%
1999	931	13,390	1.25%
1998	880	13,225	1.27%
1997	887	13,059	2.10%
1996	800	12,791	0.27%

Source: School District Student Records

Westerville City School District
 Cost to Educate a 2004 Graduate
 Westerville City School vs. The State of Ohio

<u>School Year Ended</u>	<u>Grade</u>	<u>Westerville Annual Per Pupil Cost</u>	<u>State Average</u>
2004	12	\$8,330	\$8,775
2003	11	8,092	8,435
2002	10	7,696	8,073
2001	9	7,424	7,602
2000	8	6,896	7,057
1999	7	6,518	6,642
1998	6	6,335	6,232
1997	5	5,690	5,939
1996	4	5,580	5,284
1995	3	5,336	5,353
1994	2	5,295	5,241
1993	1	4,745	5,024
1992	Kindergarten	4,499	4,473
		<hr/>	<hr/>
Total Cost		<u>\$82,436</u>	<u>\$84,130</u>

Source: State of Ohio Department of Education

Westerville City School District
 Educational Statistics
 Last Five School Years

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>
9th Grade Proficiency Tests:					
Writing	95%	88%	97%	98%	-
Reading	93%	78%	97%	98%	-
Mathematics	80%	94%	89%	92%	-
Citizenship	88%	90%	94%	96%	-
Science	83%	81%	91%	94%	-
10th Grade Ohio Graduation Test:					
Writing	-	-	-	-	86%
Reading	-	-	-	77%	96%
Mathematics	-	-	-	69%	91%
Social Studies	-	-	-	-	90%
Science	-	-	-	-	84%
ACT Scores (Averages)					
Westerville	22.5	22.4	22.3	22.5	22.1
National	21.0	20.8	20.8	20.9	20.9
SAT Scores (Averages)					
Westerville					
Verbal	533	540	542	541	539
Mathematics	558	563	529	561	551
National					
Verbal	506	504	507	508	508
Mathematics	514	516	519	518	520
National Merit Scholars (Percent of Senior Class)					
	2.60	2.76	2.40	2.50	1.51
3rd Grade Achievement-Reading					
	-	-	-	87%	85%
3rd Grade Achievement-Math					
	-	-	-	-	77%
4th Grade Proficiency Tests:					
Writing	88%	83%	87%	88%	88%
Reading	70%	77%	78%	83%	88%
Mathematics	77%	78%	73%	78%	72%
Citizenship	76%	81%	77%	74%	77%
Science	68%	77%	69%	75%	66%
5th Grade Proficiency					
Reading	-	-	-	-	84%
6th Grade Proficiency Tests:					
Writing	89%	92%	85%	95%	90%
Reading	66%	66%	74%	71%	76%
Mathematics	72%	71%	66%	72%	72%
Citizenship	79%	82%	83%	80%	82%
Science	70%	71%	78%	73%	73%
7th Grade Proficiency Tests:					
Math	-	-	-	-	74%
8th Grade Proficiency Tests:					
Reading	-	-	-	-	89%
Math	-	-	-	-	78%

Source: School District Student Records

Westerville City School District
 Ten Year Enrollment Projection
 Next Ten Years

Grade Level	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
PS	156	162	169	175	182	190	195	199	204	210	215
K	979	1,003	1,029	1,054	1,081	1,108	1,135	1,164	1,193	1,223	1,253
1	1,070	1,084	1,111	1,139	1,167	1,197	1,226	1,257	1,289	1,321	1,354
2	1,047	1,069	1,083	1,110	1,137	1,166	1,195	1,225	1,256	1,287	1,319
3	1,040	1,063	1,085	1,099	1,127	1,155	1,184	1,213	1,244	1,275	1,307
4	1,060	1,038	1,061	1,083	1,097	1,124	1,152	1,181	1,211	1,241	1,272
5	1,065	1,054	1,032	1,055	1,077	1,091	1,118	1,146	1,175	1,204	1,234
Elementary	6,417	6,473	6,570	6,715	6,868	7,031	7,205	7,385	7,572	7,761	7,954
6	1,087	1,095	1,084	1,061	1,085	1,107	1,121	1,149	1,178	1,208	1,238
7	1,104	1,095	1,103	1,092	1,069	1,092	1,115	1,130	1,158	1,187	1,216
8	1,142	1,110	1,100	1,108	1,097	1,074	1,098	1,120	1,135	1,164	1,193
Middle	3,333	3,300	3,287	3,261	3,251	3,273	3,334	3,399	3,471	3,559	3,647
9	1,204	1,222	1,187	1,178	1,186	1,174	1,149	1,175	1,199	1,215	1,245
10	1,139	1,119	1,136	1,104	1,094	1,102	1,091	1,068	1,092	1,115	1,142
11	1,129	1,111	1,091	1,108	1,076	1,067	1,075	1,064	1,042	1,065	1,091
12	1,033	1,083	1,066	1,047	1,063	1,033	1,024	1,031	1,021	1,000	1,025
High	4,505	4,535	4,480	4,437	4,419	4,376	4,339	4,338	4,354	4,395	4,503
District Totals	14,255	14,308	14,337	14,413	14,538	14,680	14,878	15,122	15,397	15,715	16,104

Source: School District records

Westerville City School District

Westerville, Ohio



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**Auditor of State
Betty Montgomery**

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**WESTERVILLE CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 30, 2005**