



**Auditor of State
Betty Montgomery**

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

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**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Grant Year	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 Distribution Program		2004	10.550		\$132,813		\$132,813
National School Breakfast Program	PU - 04	2004	10.553	\$6,070		\$6,070	
National School Lunch Program	LL-P4-03/04	2004	10.555	243,634		243,634	
Special Milk Program	02-PU-03/04	2004	10.556	11,470		11,470	
Total Nutrition Cluster				<u>261,174</u>	<u>132,813</u>	<u>261,174</u>	<u>132,813</u>
Team Nutrition/Wellness	TW-AD	2004	10.557	2,000		0	
Total U.S. DEPARTMENT OF AGRICULTURE				<u>263,174</u>	<u>132,813</u>	<u>261,174</u>	<u>132,813</u>
<u>U.S. DEPARTMENT OF LABOR</u>							
<i>Passed Through Private Industry Council</i>							
Jobs Training Partnership Act		1992	17.246	0		591	
Total U.S. DEPARTMENT OF LABOR				<u>0</u>		<u>591</u>	
<u>U.S. DEPARTMENT OF EDUCATION</u>							
<i>Passed Through Columbus City School District:</i>							
Vocational Education – Basic Grants to State		2002	84.048	0		32,933	
		2003		0		5,572	
		2004		71,616		0	
Total Vocational Education - Basic Grants to State				<u>71,616</u>		<u>38,505</u>	
<i>Passed Through Ohio Department of Education:</i>							
Special Education Cluster:							
Special Education Grants to States (IDEA Part B)	6B-SF	2003	84.027	358,648		365,105	
		2004		917,088		888,906	
Total Special Education Grants to States				<u>1,275,736</u>		<u>1,254,011</u>	
Special Education - Preschool Grant	PG-S1	2002	84.173	1,800		1,800	
		2003		9,673		10,678	
		2004		24,375		26,050	
Total Special Education - Preschool Grant				<u>35,848</u>		<u>38,528</u>	
Total Special Education Cluster				<u>1,311,584</u>		<u>1,292,539</u>	
Grants to Local Educational Agencies (Title I)	C1-SD/S1	2003	84.010	16,440		15,615	
		2004		219,849		229,161	
Total Grants to Local Educational Agencies				<u>236,289</u>		<u>244,776</u>	
Drug-Free Schools Grant	DR-S1	2004	84.186	15,177		25,318	
Title V, Innovative Educational Program Strategies	C2-S1	2003	84.298	5,267		12,899	
		2004		28,693		42,837	
Total Title V, Innovative Educational Program				<u>33,960</u>		<u>55,736</u>	
Title II D - Technology Fund	TJ-S1	2004	84.318	5,642		5,000	
Title III - Limited English Proficiency	T3-S1	2003	84.365	9,076		4,828	
		2004		63,789		65,481	
Total Title III - Limited English Proficiency				<u>72,865</u>		<u>70,309</u>	
Title II-A State Grants for Improving Teacher Quality	CR-S1	2003	84.367	13,968		21,948	
		2004		79,831		81,828	
Total Title II-A State Grants for Improving Teacher Quality				<u>93,799</u>		<u>103,776</u>	
Total U.S. DEPARTMENT OF EDUCATION				<u>1,840,932</u>		<u>1,835,959</u>	

WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Grant Year	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>							
<i>Passed Through Ohio Department of Education</i>							
Refugee Children School Impact Grant	TR-S1	2004	93.576	2,500		0	
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				2,500		0	
<u>U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES:</u>							
<i>Passed Through Upper Arlington Schools:</i>							
Learn and Serve Grant		2004	94.004	3,750		4,980	
Total U.S. CORPORATION FOR NATIONAL AND COMMUNITY SERVICES				3,750		4,980	
<u>U.S. DEPARTMENT OF ENERGY:</u>							
<i>Passed Through Ohio Department of Development:</i>							
Million Solar Roofs Initiative		2004	81.119	3,000		0	
Total U.S. DEPARTMENT OF ENERGY				3,000		0	
Total Federal Awards				\$2,113,356	\$132,813	\$2,102,704	\$132,813

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

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FISCAL YEAR ENDED JUNE 30, 2004**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B—CHILD NUTRITION CLUSTER

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

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

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Auditor of State Betty Montgomery

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Worthington City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 3, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 such an opinion. The results of our tests disclosed no instances of noncompliance we must report under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the District's management in a separate letter dated December 3, 2004.

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 for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that does not require inclusion in this report that we have reported to the District's management in a separate letter dated December 3, 2004.

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

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

Betty Montgomery
Auditor of State

December 3, 2004



Auditor of State Betty Montgomery

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

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

To the Board of Education:

Compliance

We have audited the compliance of Worthington City School District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004. We noted a certain instance of noncompliance that does not require inclusion in this report that we have reported to the management of the District in a separate letter dated December 3, 2004.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated December 3, 2004.

Schedule of Federal Awards Expenditures

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Worthington City School District, Franklin as of and for the year ended June 30, 2004, and have issued our report thereon dated December 3, 2004. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards receipts and expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

December 3, 2004

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 ' .505
JUNE 30, 2004**

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
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(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):	Title I – 84.010 Special Education Cluster – 84.027/84.173
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 ' .315 (b)
JUNE 30, 2004**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2003-001	ORC 5705.41(D)(1) The District did not properly certify the availability of funds prior to purchase or commitment.	Partially Corrected.	District received finding summary at conclusion of audit during February 2004, with approximately 2/3 of the succeeding fiscal period expired. District has implemented a series of changes to the purchase order and accounts payable procedures to correct this noncompliance. Current audit has dropped this noncompliance from a finding to a management letter comment.
2003-002	Pre-paid lunch receipts are commingled with daily lunch receipts and not marked separate on the daily tally sheets. As a result, tally sheets can not be reconciled to daily collections.	Partially Corrected.	The District is in the process of converting to an electronic point of sale (POS) system to account for school lunch receipts. The two high schools use cash registers to maintain accountability. The four middle schools use tally sheets. All of the elementaries are converted to the POS, the middle schools are scheduled to be converted in 2005. This finding has been moved to the management letter.

WORTHINGTON CITY SCHOOL DISTRICT

Worthington, Ohio

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ended June 30, 2004

**Issued by:
Office of the Treasurer**

**Jonathan Boyd
*Treasurer***

WORTHINGTON CITY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

June 30, 2004

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WORTHINGTON CITY SCHOOL DISTRICT

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Worthington Schools

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

December 3, 2004

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

As the Superintendent and the Treasurer of the Worthington City School District (the District), we are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2004. This CAFR is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and in conformance with standards of financial reporting established by the Governmental Accounting Standards Board (GASB) using guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

This CAFR is presented in three sections:

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

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

Reporting Entity

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

WORTHINGTON CITY SCHOOL DISTRICT

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

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

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

Organization of the School District

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

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

Economic Outlook

On March 2, 2004 the voters of Worthington City School District approved a new operating levy of 6.85 mills which was certified to generate \$12 million per year, beginning with the 2004 tax year collected in the 2005 calendar year, the first six months of which will appear in the last half of the 2005 fiscal year, and the final six months which will be collected in the first half of the 2006 fiscal year. The levy passed with 52.4% approval. This was the District's first attempt at passing a new levy. Besides the passage of the levy, the District laid out a plan to reduce operations by an accumulated amount of \$4 million through the period June 30, 2007. Passage of the

WORTHINGTON CITY SCHOOL DISTRICT

May 2004 levy and the budget reductions were necessary to eliminate a projected \$3.9 million deficit for the 2005 fiscal year and a \$37.4 million deficit for the 2007 fiscal year.

When the District's 5-year forecast was completed for October 2002 it revealed that there was going to be significantly less revenue than was anticipated previously. As a result, the District reduced annual operating expenses by an additional \$5.8 million in May 2003. This reduced the District's anticipated deficit in June 2005 from \$12 million to \$3.9 million. The Board of Education's plan provided for the passage of an operating levy on the March 2, 2004 ballot to eliminate the deficit and provide funds for an additional two year period in order to allow a community engagement process to gather input on what program and services should be provided as well as how they will be funded. The engagement process was begun in May 2004 with the creation of the Worthington Superintendent's Task Force. This group of 40 citizens will meet nearly 22 times in order to address the ongoing challenge of providing excellent educational programming with the need to reduce costs. The goal for the task force is to create recommendations for the District to consider so that the quality of education can continue in a cost-effective manner.

An important concern for the long-term financial health of the District is declining student enrollments. The District is currently analyzing data which indicates that the District is facing an average of a 3% decline in student enrollment each year for the next 5 years. This decline is appearing in the elementary schools and will work its way up through the different grade levels. This is the result of reduced births by the District's citizenry as a whole, as it citizenry continues to age. Declining enrollment will have a detrimental impact upon State funding and has been considered while preparing the District's 5 year financial forecast. In order to reduce excess capacity, the District is currently wrapping up a two year process to come up with a plan to reconfigure the elementary program to create efficiencies, close one or more buildings, or a combination of both. A final report is expected in late January 2005.

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

WORTHINGTON CITY SCHOOL DISTRICT

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

A final area of concern is that on March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school-funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 2004, the District received approximately \$16,617,800 of school foundation support for its general fund.

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

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

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

WORTHINGTON CITY SCHOOL DISTRICT

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

Curriculum Developments

In the 2003-2004 school year Worthington adopted new Graded Courses of Study for all content areas. These new curriculums area aligned closely with the new Ohio Content Standards. Curriculum leaders and teachers have followed up on that work by developing curriculum maps and realigning our instruction with the benchmarks and student indicators. This has required some retooling of our faculty's skills in teaching new content and pedagogy.

Increased emphasis was given to our English as a Second Language (ESL) and Individual Education Plan (IEP) students in order that our district could meet Annual Yearly Progress (AYP) for the 2004 State Report Card. We were successful in doing that which enabled us to keep our Report Card designation of Excellent for the 4th year in a row. Our district is the largest in size to have passed all standards for four successive years.

This year's administration of the Ohio Graduation Test revealed our students passing at high rates in both reading in math. 95% of our students were proficient or above in Reading with 75% of those passing at an Accelerated or Advanced Level. In math 93% of the students were proficient or above with 74% of those passing at an Accelerated or Advanced level.

This year we are working on incorporating formative assessments into classroom instruction so that teachers can continually be determining how successful they are being in ensuring all students are achieving at high levels.

College Entrance Exams

Results from the 2004 administration of the ACT and SAT tests reflect a continued pattern of exceptional student performance that surpasses both state and national averages. On the ACT test the District's 2004 composite score was 23.9, exceeding the national average by 3 points. The 2004 SAT test results revealed that the district Math score of 567 exceeded the national average by 49 points; and the district Verbal score of 538 exceeded the national average by 30 points.

Community Relations

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

WORTHINGTON CITY SCHOOL DISTRICT

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

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

Recently, the Superintendent assembled a task force of approximately 40 community members to address the ongoing challenge of providing excellent educational programming with the need to reduce costs. The goal for the task force is to create recommendations for the District to consider so that the quality of education can continue in a cost-effective manner. The group meets twice a month with plans for final meetings in May 2005.

The District is in a state of declining enrollment. To maximize the efficiency of resources with community demand, the first phase of change will be implemented in the '05 – '06 school year. Two elementary buildings, Liberty and Sutter Park, will merge into one. While enrollment is expected to continue to decline it is not continuing at the rate that was previously expected. So, decisions will be made based on the most accurate enrollment data for future closings or reconfigurations of buildings.

The District is pleased with many partnership programs including those with Worthington Public Libraries, the Griswold Center, the Worthington Arts Council, the Worthington Chamber of Commerce and the City of Worthington. It is with solid partnerships and community support that an excellent school District is not only created, but maintained.

Human Resources

Reorganization

The reorganization of personnel functions for certified and non-certified under one department was completed by the end of the 2003-04 school year. Plans were developed to support the various administrators and departments who assumed additional responsibilities when the Director of Business Services position was not filled upon resignation of the Director of Business Services in August 2004.

All job descriptions for administrators, teachers and support staff were reviewed, revised and approved by the Board of Education.

WORTHINGTON CITY SCHOOL DISTRICT

During the 2003-04 fiscal year, the Director of Human Resources assisted the superintendent and consultant in the development of State Standards Analysis comparing our district with districts in different comparison groups. This information further helped our Board of Education members and community to identify the differences between numerous standards and Worthington Staffing. The Director of Human Resources chaired the negotiations team that settled a 1 year contract with the Certified Worthington Education Association and the Worthington Board of Education. This contract resulted in a 1% increase to all certified employees.

Securing Substitute Teachers

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

The District entered into an agreement with approximately 70 "pool" substitutes who work only in Worthington everyday. This number changes constantly as these are people who are placed in long-term assignments when a teacher is on an extended leave and in positions when teachers resign from the District. Identifying "pool" substitutes has greatly reduced the number of classes that have been uncovered this year and helps us to have better quality candidates available for replacing teachers who resign in the middle of the year.

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

In order to decrease workers compensation costs and adhere to the OSHA requests, the Human Resources department and Director of Facility Management Services cooperated to identify a software training program entitled Public School Works. In addition steps were taken to begin the identification process for a Transition to Work Program aimed at getting employees back to work after work related injuries/health issues.

WORTHINGTON CITY SCHOOL DISTRICT

Financial Information

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

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

As part of this reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. The discussion is located in the financial section of this report, following the audit opinion, and provides an assessment of the Districts' finances of 2003-04.

Internal Control

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

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

The concept of reasonable assurance recognizes that:

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

WORTHINGTON CITY SCHOOL DISTRICT

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

Budgetary Controls

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

1. A Tax Budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by January 20 of each year, for the fiscal year commencing the following July 1. The Worthington Board of Education normally adopts the Tax Budget at its organization meeting in early January.
2. The County Budget Commission certifies its actions to the District by March 1. As part of this certification, the District receives the official certificate of estimated resources which states the projected receipts of each fund. On or about July 1, this certificate is amended to include any unencumbered balances from the preceding year.
3. An annual appropriation measure must be passed by October 1 of each year for the period July 1 to June 30. Unencumbered appropriations lapse at year-end. Encumbered appropriations are reported as expenditures in the current year budget basis statement of revenue, expenditures and changes in fund balance. The Board of Education adopted its appropriation measure on September 29, 2003. The legal level of budgetary control is at the fund, 1 level function, 1 level object for the General fund. All other funds budget at the fund level. The appropriation measure may be amended or supplemented during the year as new information becomes available. Management controls the budget at their building or department level and may transfer funds within their individual budgets throughout the year. The final appropriations measure including all transfers made by management was approved by the Board of Education on June 28, 2004.

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

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

The "level of expenditure detail" is defined by the Auditor of State of Ohio Uniform School Accounting System User Manual. The object identifies the service or commodity obtained as the result of a specific expenditure (e.g. salaries and wages, purchased

WORTHINGTON CITY SCHOOL DISTRICT

services, supplies and materials). The function describes the activity a person performs or the purpose for which an expenditure is made. The following is a summary of the definitions used when categorizing governmental expenditures by function:

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

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

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

Continuing Instructional Services - Instructional activities designed to develop knowledge and skills to meet immediate and long-range educational objectives for pupils who have completed or interrupted formal schooling and have accepted adult roles and responsibilities.

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

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

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

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

Business Operations Support Services - Those fiscal service activities related to the financial operations of the District. This includes budgeting, accounting, payroll and other fiscal services provided by the treasurer's office. In addition, the business operations function comprises those activities related to the business manager's

WORTHINGTON CITY SCHOOL DISTRICT

operational unit including, purchasing, receiving, transporting, exchanging and maintaining goods and services for the District.

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

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

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

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

Co-curricular Activities - Student activities, which are supervised by qualified adults, designed to provide opportunities for pupils to participate in such experiences on an individual basis, in small groups, or in large groups - at school events, public events, or a combination of these - for the purposes such as motivation, enjoyment and skill improvement. In practice, participation usually is not required and credit usually is not given. When participation is required, or credit given, the activity generally is considered to be a curricular course.

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

WORTHINGTON CITY SCHOOL DISTRICT

General Government Functions

Revenue Narrative

Revenues for all governmental fund types totaled \$120,581,696 in 2004, as compared to \$110,156,943 in 2003. The following table summarizes the composition of the 2004 and 2003 revenues by source:

<u>Revenue by Source</u>	<u>2004</u>	<u>2003</u>	<u>% Increase/ (Decrease)</u>
Property taxes	\$ 88,092,800	\$ 77,987,633	12.96%
Intergovernmental	28,721,618	28,258,669	1.64%
Investment income	272,874	407,404	(33.02%)
Other	3,494,404	3,503,237	(0.25%)
Total	<u>\$ 120,581,696</u>	<u>\$ 110,156,943</u>	9.46%

The increase in property taxes is a result of tax advances for the 2005 fiscal year received in 2004. Investment income decreased as a result of lower cash balances available for investment throughout the year as compared to fiscal year 2003, and declining interest rates.

Expenditure Narrative

Expenditures for all governmental fund types totaled \$113,484,639 in 2004, as compared to \$112,672,106 in 2003. The following table summarizes the composition of the 2004 and 2003 expenditure by major function:

<u>Expenditure by Function</u>	<u>2004</u>	<u>2003</u>	<u>% Increase/ (Decrease)</u>
<i>Current:</i>			
Instructional services	\$ 61,397,595	\$ 59,685,321	2.87%
Support services	38,523,733	38,473,504	0.13%
Co-curricular student activities	2,498,870	2,546,701	(1.88%)
Community service	730,557	55,950	1205.73%
<i>Capital outlay</i>	307,563	487,521	(36.91%)
<i>Debt Service:</i>			
Principal & Interest	10,026,321	11,423,109	(12.23%)
Total	<u>\$ 113,484,639</u>	<u>\$ 112,672,106</u>	0.72%

The increases in community service is due to the auxiliary services expenditures for the nonpublic schools within the district. The decrease in capital outlay is a result of budget cuts.

WORTHINGTON CITY SCHOOL DISTRICT

Proprietary Operations

Enterprise Fund

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

Internal Service Funds

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

Fiduciary Funds

Private Purpose Trust Fund

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

Agency Fund

The District's Agency Fund consists of two funds. A District Managed Fund for employee deferred compensation plans and a fund for Student Activities.

Debt Administration

On June 30, 2004, the District had \$45,741,420 in general obligation bonds outstanding, which consist of three bond issues, one refunding issue and one issue that is a combination bond and refunding issue. All of the proceeds from bonds have been used for the acquisition, construction or improvement of equipment and facilities. In addition, the District had two long-term note outstanding for a total of \$2,700,000. Finally, the District issued \$6,545,000 (\$6,235,000 outstanding as of June 30, 2004) of Certificates of Participation on March 30, 2000 to finance the acquisition, renovation, improvement, equipping and furnishing of the new administrative facility at 200 East Wilson Bridge Road.

Cash Management

The District maintains a cash management program whereby it expedites the receipt of revenues and prudently invests available cash. Temporarily idle cash during the year was invested in demand deposits, obligations of the U.S. Treasury, State Treasury Asset Reserve of Ohio (STAR Ohio) and repurchase agreements. The District earned \$284,297 on all investments for the year ended June 30, 2004. The Treasurer, as

WORTHINGTON CITY SCHOOL DISTRICT

custodian of all District money, is responsible for investing idle funds and directing the investment policies of the District.

The District's investment policy establishes the following objectives:

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

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

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

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

Repurchase agreements are limited to a maximum maturity of 30 days. U.S. Treasury and government agency securities are limited to a maximum maturity of 2 years. Bankers' Acceptances must be issued by banks that are members of the FDIC and are limited to a maximum maturity of 180 days. Investment in commercial paper is limited to companies incorporated under the laws of the United States or any state, whose assets exceed five hundred million dollars, and whose notes are rated at the time of purchase as A-1/P-1. The aggregate value of commercial paper purchased cannot exceed 10% of the aggregate value of the outstanding commercial paper of the issuing company. Investment in Bankers' Acceptances and commercial paper cannot collectively exceed 25% of the District's interim funds available at the time of investment.

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

WORTHINGTON CITY SCHOOL DISTRICT

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

Risk Management

The District is part of a statewide plan for workers' compensation insurance coverage. Additionally, the District carries all-risk property insurance, liability and excess liability insurance, as well as officers' liability insurance. The District provides medical and life coverage for its employees on a fully insured basis and dental insurance on a self-insurance basis. The District pays into the Employee Benefit Insurance Internal Service Fund at various rates based on the coverage selected by the employee. Claims are reviewed by a claims administrator and then paid by the District. A claims liability of approximately \$120,000 at June 30, 2004, in the Internal Service Fund reflects an estimate of incurred but unpaid claims liability. This liability was determined in accordance with acceptable reserving standards and was certified by an accredited actuary, as required by state statute.

Independent Auditors

The basic financial statements of the District for the year ended June 30, 2004, were audited by the Ohio Auditor of State whose unqualified opinion thereon is included at the beginning of the Financial Section of this report.

Notes to the Basic Financial Statements

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

Certificate of Achievement Program

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Worthington City School District for its Comprehensive Annual Report for the fiscal year ended June 30, 2003. This was the 11th consecutive year that the District has achieved this prestigious award.

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

WORTHINGTON CITY SCHOOL DISTRICT

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

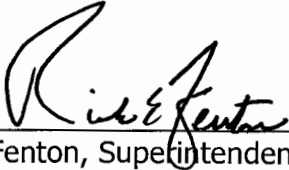
Acknowledgments

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

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

Respectfully submitted,


Jonathan Boyd, Treasurer


Rick Fenton, Superintendent

WORTHINGTON CITY SCHOOL DISTRICT

ELECTED OFFICIALS AND ADMINISTRATIVE STAFF

June 30, 2004

Board of Education Members

President	Jennifer Best
Vice-President	David Bressman
Member	Carol Hasbrouck
Member	Robert Horton
Member	Gary Tyack

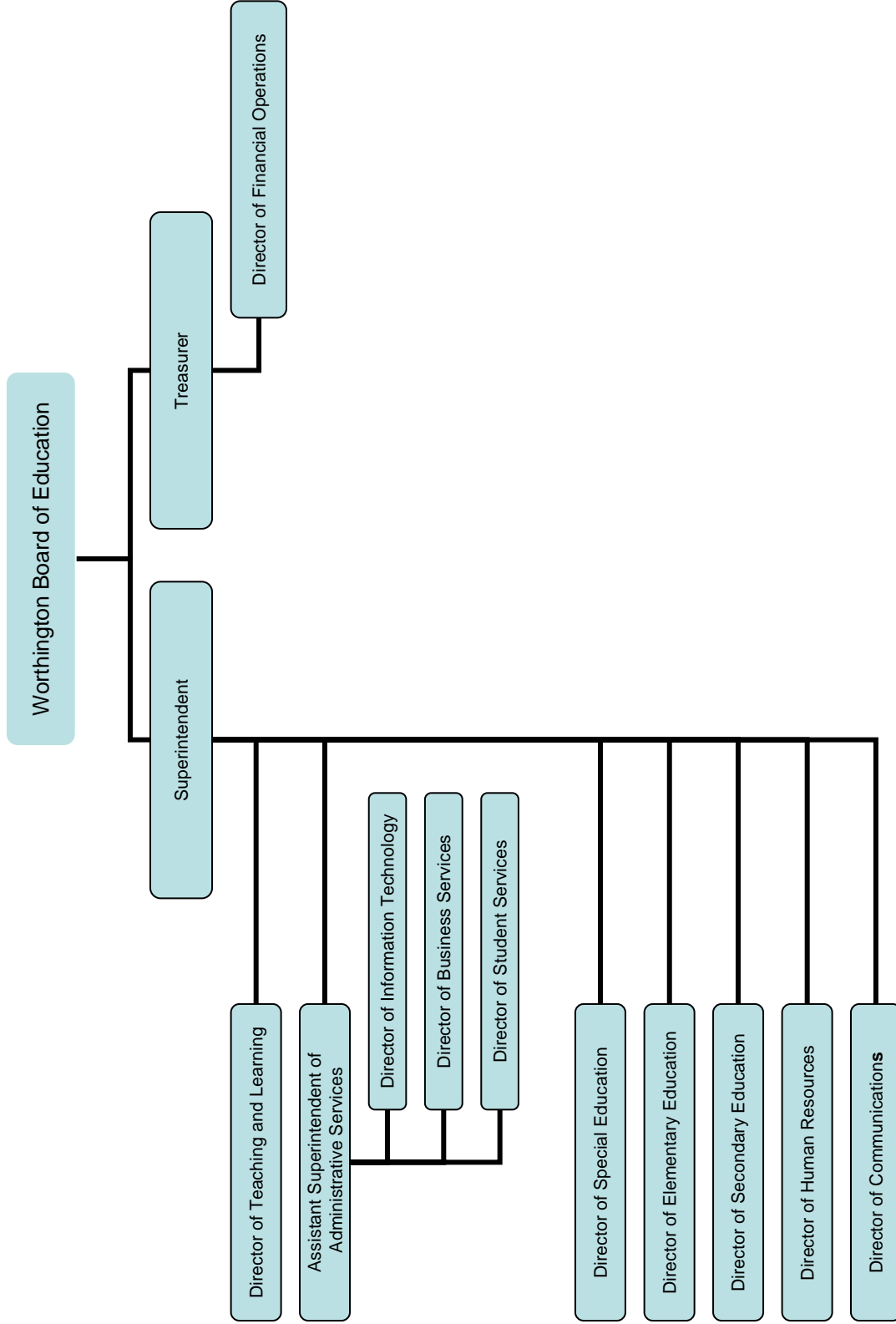
Appointed Officials

Superintendent	Rick Fenton
Treasurer	Jonathan Boyd

Administrative Staff

Asst. Superintendent of Admin. Services	Paul Cynkar
Director of teaching & Learning	Jennifer Wene
Director of Student Services	Jim McElligott
Director of Secondary Education	Scot Prebles
Director of Elementary Education	Mark Glasbrenner
Director of Special Education	Lynne Hamelberg
Director of Human Resources	Jeanne Paliotto
Director of Information Technology	Keith Schlarb
Director of Communication	Victoria Gnezda
Director of Financial Operations	Tracy DeMatteo
Director of Business Services	Cliff Hetzel

Worthington City School District Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Worthington City School
District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

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. Ziehl

President

Jeffrey R. Enos

Executive Director

WORTHINGTON CITY SCHOOL DISTRICT

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANT'S REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Worthington City School District, Franklin County, Ohio (the District), as of and for the year ended June 30, 2004, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Worthington City School District, Franklin County, Ohio, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2004, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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www.auditor.state.oh.us

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

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

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 3, 2004

Worthington City School District
Management's Discussion & Analysis
For the Fiscal Year Ended June 30, 2004
(Unaudited)

As management of the Worthington City School District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with our letter of transmittal at the front of this report and the District's financial statements, which follow this section.

Financial Highlights

The District's net assets are \$39,071,570 as of June 30, 2004 according to the Statement of Net Assets. This represents an increase of \$12,377,488 or 47.4% over last year. The increase in net assets is primarily due to the District receiving additional property taxes attributable to the timing of the certification of revenues by the County. In Ohio, only the portion of property taxes legally available as an advance by June 30 is reported as revenue on both the full accrual and modified accrual basis of accounting. Thus, in the previous year Franklin County certified the amount of tax available for advance was approximately \$6,000,000; whereas, the amount available for advance at June 30, 2004 was approximately \$16,000,000. On a cash basis (i.e. budgetary basis) property taxes increased \$6,000,000. The General Fund reported a positive fund balance of \$13,211,334 on June 30, 2004.

While the 2004 fiscal year financial position improved, the long term financial health of the District continues to deteriorate. The District's 5-year forecast completed in the fall of 2004 revealed a significantly changing financial picture. Some of those issues include a rapidly declining rate of new construction as a result the approaching end of available land upon which to build new homes and business; declining state funding as a result of declining student enrollments, which reflect fewer kindergartners as compared to graduating seniors, as well as flaws in the state funding formula which results in more lost state revenue from inflationary increases in home and business values than is generated in local tax increases from the increased value; a continued erosion of the Districts tax base as a result of continued changes implemented by the Ohio Legislature. As a result of these issues, the District's ending unencumbered cash balance is forecasted at a \$10 million deficit by June 30, 2008.

Reporting the District as a Whole

The Statement of Net Assets and Statement of Activities

One of the most important questions asked about the District's finances is, "Is the District better off or worse off as a result of the year activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a manner that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by private sector corporations. All of the current year revenues and expenses are taken into consideration regardless of when cash is received or paid.

These two statements report the District's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the District's financial health is improving or deteriorating. The reader will need to consider other non-financial factors such as

property tax base, current property tax laws, student enrollment growth, and facility conditions in arriving at their conclusion regarding the overall health of the District.

Reporting the District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$39,071,570 according to the Statement of Net Assets at the close of the most recent fiscal year.

One of the largest portions of the District's net assets (59.4%) reflects its investment in capital assets less depreciation and any related debt used to acquire those assets that is still outstanding. The District uses capital assets to provide services; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves usually are not used to liquidate these liabilities.

A comparative analysis of fiscal year 2004 to 2003 follows from the Statements of Net Assets:

**Worthington City School District
Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current assets	\$ 93,559,424	101,394,995	638,657	795,392	94,198,081	102,190,387
Capital assets	<u>72,902,931</u>	<u>75,161,084</u>	<u>508,450</u>	<u>542,468</u>	<u>73,411,381</u>	<u>75,703,552</u>
Total assets	<u>166,462,355</u>	<u>176,556,079</u>	<u>1,147,107</u>	<u>1,337,860</u>	<u>167,609,462</u>	<u>177,893,939</u>
Current liabilities	66,598,622	83,876,648	311,366	313,645	66,909,988	84,190,293
Long-term liabilities	<u>61,478,342</u>	<u>66,951,018</u>	<u>149,562</u>	<u>58,506</u>	<u>61,627,904</u>	<u>67,009,524</u>
Total liabilities	<u>128,076,964</u>	<u>150,827,666</u>	<u>460,928</u>	<u>372,151</u>	<u>128,537,892</u>	<u>151,199,817</u>
Net Assets:						
Invested in capital, net of debt	22,678,684	21,164,423	508,450	542,468	23,187,134	21,706,891
Restricted	8,169,958	8,095,514	-	-	8,169,958	8,095,514
Unrestricted	<u>7,536,749</u>	<u>(3,531,524)</u>	<u>177,729</u>	<u>423,241</u>	<u>7,714,478</u>	<u>(3,108,283)</u>
Total net assets	<u>\$ 38,385,391</u>	<u>\$ 25,728,413</u>	<u>\$ 686,179</u>	<u>\$ 965,709</u>	<u>\$ 39,071,570</u>	<u>\$ 26,694,122</u>

A portion of the District's net assets (20.9%) represents resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing activities.

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

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Program revenues:						
Charges for services	\$ 2,670,369	2,508,158	2,470,919	2,464,283	5,141,288	4,972,441
Federal grants	1,983,430	1,517,500	389,368	388,849	2,372,798	1,906,349
State grants	1,254,113	1,337,415	8,133	6,685	1,262,246	1,344,100
General revenues:						
Property taxes	88,934,152	78,251,619	-	-	88,934,152	78,251,619
State entitlements	25,332,184	25,515,527	-	-	25,332,184	25,515,527
Interest income	272,874	407,404	9,566	9,844	282,440	417,248
Other	<u>1,684,378</u>	<u>980,100</u>	<u>-</u>	<u>(3,231)</u>	<u>1,684,378</u>	<u>976,869</u>
Total revenues	<u>122,131,500</u>	<u>110,517,723</u>	<u>2,877,986</u>	<u>2,866,430</u>	<u>125,009,486</u>	<u>113,384,153</u>
Program expenses:						
Instructional	65,307,386	63,280,182	-	-	65,307,386	63,280,182
Support services	37,548,735	38,826,734	-	-	37,548,735	38,826,734
Co-curricular student activities	2,486,200	2,509,797	-	-	2,486,200	2,509,797
Community services	729,158	66,290	-	-	729,158	66,290
Interest on long-term debt	3,403,043	4,948,779	-	-	3,403,043	4,948,779
Food service	-	-	3,157,516	2,949,126	3,157,516	2,949,126
Total expenses	<u>109,474,522</u>	<u>109,631,782</u>	<u>3,157,516</u>	<u>2,949,126</u>	<u>112,632,038</u>	<u>112,580,908</u>
Increase(decrease) in net assets	<u>\$ 12,656,978</u>	<u>885,941</u>	<u>(279,530)</u>	<u>(82,696)</u>	<u>12,377,448</u>	<u>803,245</u>

Governmental Activities

Net assets of the District's governmental activities increased by \$12,656,978. The increase in net assets is primarily due to the District receiving additional property taxes as a result of the timing of certification of revenues as discussed above.

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

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

<u>Programs</u>	<u>Total Cost of Services</u>		<u>Net Cost of Service</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Instructional services	\$ 65,307,386	63,280,182	62,540,565	60,774,023
Support services	37,548,735	38,826,734	36,025,045	36,980,616
Co-curricular student activities	2,486,200	2,509,797	1,657,666	1,526,636
Community services	729,158	66,290	(59,709)	38,655
Interest on long-term debt	<u>3,403,043</u>	<u>4,948,779</u>	<u>3,403,043</u>	<u>4,948,779</u>
Total	<u>\$ 109,474,522</u>	<u>109,631,782</u>	<u>103,566,610</u>	<u>104,268,709</u>

Local property taxes make up 72.8% of total revenues for governmental activities. The net services column reflecting the need for \$103,566,610 of support indicates the reliance on general revenues to support governmental activities.

Business-Type Activities

Business-type activities include food service activities. This program had a decrease in net assets of \$279,530 for the fiscal year.

The District's Funds

The District's governmental funds reported a combined fund balance of \$22,739,144, which represents an increase of \$8,851,269 as compared to last year's total of \$13,887,875 according to the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances. The schedule below shows the fund balance and the total change in fund balance from June 30, 2004 to 2003.

	Fund Balance at June 30, 2004	Fund Balance at June 30, 2003	Increase (Decrease)
General Fund	\$ 13,211,334	5,540,483	7,670,851
Debt Service Fund	4,268,822	3,096,097	1,172,725
Other Governmental Funds	5,258,988	5,251,295	7,693
Total	<u>\$ 22,739,144</u>	<u>13,887,875</u>	<u>8,851,269</u>

General Fund

The District's General Fund balance increased as a result of the increase in property tax revenues over prior year while expenditures remained stable.

Revenues	<u>2004</u>	<u>2003</u>	<u>% Change</u>
Property taxes	\$ 78,454,204	69,466,893	12.94%
Intergovernmental	24,492,000	24,600,854	-0.44%
Investment income	238,030	316,693	-24.84%
Other revenue	1,530,688	1,610,418	-4.95%
Total	<u>\$ 104,714,922</u>	<u>95,994,858</u>	<u>9.08%</u>

The increase in net assets is primarily due to the District receiving additional property taxes as a result of the timing of certification of revenues as discussed above.

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

Expenditures by Function	<u>2004</u>	<u>2003</u>	<u>% Change</u>
Instructional services	\$ 59,641,028	57,852,375	3.09%
Support services	35,768,591	36,681,382	-2.49%
Co-curricular student activities	1,692,485	1,727,731	-2.04%
Capital outlay	703	560	25.54%
Debt service	-	26,234	-100.00%
Total	<u>\$ 97,102,807</u>	<u>96,288,282</u>	<u>0.85%</u>

Expenditures are up only 0.85% over the prior year mostly due the Districts focus on keeping cost stable.

Debt Service Fund

The Debt Service Fund balance increased by \$1,172,725, due to the expected increase in property tax revenues.

Other Funds

Other governmental funds consist of Special Revenue and Capital Projects funds. The Fund balance in the other nonmajor funds increased by \$7,693 .

General Fund Budget Information

The District's budget is prepared in accordance with Ohio law and is based on the cash basis of accounting, utilizing cash receipts, disbursements and encumbrances. Changes are made to the District's budget as changes in revenues and spending patterns are experienced. In the current year, the overall revenue budget was increased primarily due to the timing of cash tax advances received as of fiscal year end.

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

Capital Assets

The District has \$73,411,381 invested in capital assets net of depreciation, with \$72,902,931 attributed to governmental activities. Detailed information regarding capital asset activity is included in the notes to the basic financial statements.

Debt

On June 30, 2004, the District had \$54,676,420 in outstanding notes, certificates of participation and bonds. This amount includes \$3,767,404 in accretion on deep discount debt. The District paid \$7,603,710 in principal on notes, certificates of participation and bonds outstanding and \$2,422,611 in interest payments during the 2004 fiscal year. Detailed information regarding long-term debt is included in the notes to the basic financial statements.

Under current state statutes, the District's general obligation bonded debt issues are subject to a legal limitation based on 9% (exclusive of any accretion on deep discount debt) of the total taxable valuation of real and personal property. As of June 30, 2004, the District's general obligation debt was below the legal limit.

Restrictions and Other Limitations

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

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

BASIC FINANCIAL STATEMENTS

WORTHINGTON CITY SCHOOL DISTRICT

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WORTHINGTON CITY SCHOOL DISTRICT
 STATEMENT OF NET ASSETS
 JUNE 30, 2004

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and investments	\$ 33,313,676	585,312	33,898,988
Receivables	59,161,743	-	59,161,743
Due from other- Governments	790,777	-	790,777
Inventory	197,870	53,345	251,215
Prepaid assets	95,358	-	95,358
Land	10,344,358	-	10,344,358
Other capital assets, net	62,558,573	508,450	63,067,023
TOTAL ASSETS	\$ 166,462,355	1,147,107	167,609,462
LIABILITIES:			
Accounts payable	\$ 1,218,388	1,174	1,219,562
Due to other- Governments	2,622,274	140,114	2,762,388
Deferred revenue	53,330,194	-	53,330,194
Accrued liabilities	9,427,766	170,078	9,597,844
Long-term Liabilities:			
Due within one year	3,972,155	17,200	3,989,355
Due in more than one year	57,506,187	132,362	57,638,549
TOTAL LIABILITIES	128,076,964	460,928	128,537,892
NET ASSETS			
Invested in capital assets, net of related debt	22,678,684	508,450	23,187,134
Restricted for:			
Debt Service	2,991,327	-	2,991,327
Capital Projects	2,792,513	-	2,792,513
Other purposes	2,386,118	-	2,386,118
Unrestricted	7,536,749	177,729	7,714,478
TOTAL NET ASSETS	\$ 38,385,391	686,179	39,071,570

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

WORTHINGTON CITY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

	Program Revenues		
Expenses	Charges for Services and Sales	Operating Grants and Contributions	
Governmental Activities			
Instructional services:			
Regular	\$ 55,235,340	548,429	412,973
Special	9,238,641	1,130,244	675,175
Vocational	820,984	-	-
Continuing	12,421	-	-
Support services:			
Operation and maintenance of plant	9,610,080	5,259	84,105
School administration	6,880,882	2,739	66,140
Pupils	6,227,846	99,572	320,694
Business operations	2,828,248	-	2,749
Instructional staff	6,714,675	29,823	770,794
Student transportation	3,439,100	-	48,975
Central services	1,789,935	-	92,840
General administration	57,969	-	-
Co-curricular student activities	2,486,200	819,534	9,000
Community services	729,158	34,769	754,098
Interest on long-term debt	3,403,043	-	-
Total Governmental Activities	109,474,522	2,670,369	3,237,543
Business-Type Activities			
Food Service Fund	3,157,516	2,470,919	397,501
Totals	\$ 112,632,038	5,141,288	3,635,044

General revenues:

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

Change in Net Assets

Net Assets Beginning of Year
Net Assets End of Year

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

Net (Expense) Revenue and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(54,273,938)	-	(54,273,938)
(7,433,222)	-	(7,433,222)
(820,984)	-	(820,984)
(12,421)	-	(12,421)
(9,520,716)	-	(9,520,716)
(6,812,003)	-	(6,812,003)
(5,807,580)	-	(5,807,580)
(2,825,499)	-	(2,825,499)
(5,914,058)	-	(5,914,058)
(3,390,125)	-	(3,390,125)
(1,697,095)	-	(1,697,095)
(57,969)	-	(57,969)
(1,657,666)	-	(1,657,666)
59,709	-	59,709
(3,403,043)	-	(3,403,043)
(103,566,610)	-	(103,566,610)
-	(289,096)	(289,096)
(103,566,610)	(289,096)	(103,855,706)
88,934,152	-	88,934,152
25,332,184	-	25,332,184
272,874	9,566	282,440
860,343	-	860,343
824,035	-	824,035
116,223,588	9,566	116,233,154
12,656,978	(279,530)	12,377,448
\$ 25,728,413	965,709	\$ 26,694,122
\$ 38,385,391	686,179	\$ 39,071,570

WORTHINGTON CITY SCHOOL DISTRICT
 BALANCE SHEET
 GOVERNMENTAL FUNDS
 JUNE 30, 2004

	GOVERNMENTAL FUNDS			TOTAL
	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	
	GENERAL	SERVICE	FUNDS	
ASSETS :				
Cash and investments	\$ 23,396,982	4,227,822	5,459,223	33,084,027
Receivables	52,666,542	6,354,000	141,201	59,161,743
Due from other:				
Governments	-	-	790,777	790,777
Funds	313,820	-	-	313,820
Inventory	188,072	-	-	188,072
Prepaid assets	95,358	-	-	95,358
TOTAL ASSETS	\$ 76,660,774	10,581,822	6,391,201	93,633,797
LIABILITIES:				
Accounts payable	\$ 945,954	-	237,945	1,183,899
Due to other:				
Governments	1,713,190	-	44,762	1,757,952
Funds	-	-	313,820	313,820
Deferred revenue	51,976,000	6,313,000	270,509	58,559,509
Accrued liabilities	8,814,296	-	265,177	9,079,473
TOTAL LIABILITIES	63,449,440	6,313,000	1,132,213	70,894,653
FUND BALANCES:				
Reserved for encumbrances	2,035,539	-	454,264	2,489,803
Reserved for inventory and prepaid expenditures	283,430	-	-	283,430
Reserved for future appropriations	13,939,316	1,862,684	-	15,802,000
Unreserved, reported in:				
General fund	(3,046,951)	-	-	(3,046,951)
Special Revenue funds	-	-	2,351,628	2,351,628
Debt Service fund	-	2,406,138	-	2,406,138
Capital Projects funds	-	-	2,453,096	2,453,096
TOTAL FUND BALANCES	13,211,334	4,268,822	5,258,988	22,739,144
TOTAL LIABILITIES & FUND BALANCES	\$ 76,660,774	10,581,822	6,391,201	93,633,797

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

WORTHINGTON CITY SCHOOL DISTRICT
 RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
 NET ASSETS OF GOVERNMENTAL ACTIVITIES
 JUNE 30, 2004

Total Governmental Fund Balances	\$ 22,739,144
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
Capital assets used in governmental activities are not functional resources and therefore are not reported in the funds.	72,902,931
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	5,229,315
An internal fund is used by management to charge the cost of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	76,793
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds.	
Interest payable	(225,165)
Compensated absences	(6,801,922)
Pension obligation	(859,285)
Bonds and note payable	(47,791,420)
Certificates of Participation	(6,235,000)
Levy Note payable	(650,000)
Net Assets of Governmental Activities	\$ 38,385,391

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

WORTHINGTON CITY SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2004

	GOVERNMENTAL FUNDS			TOTAL
	GENERAL	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	
REVENUES:				
Property taxes	\$ 78,454,204	9,638,596	-	88,092,800
Intergovernmental:				
Federal Restricted Grants-in-aid	-	-	2,135,321	2,135,321
State:				
Unrestricted Grants-in-aid	24,358,595	973,589	-	25,332,184
Restricted Grants-in-aid	133,405	-	1,120,708	1,254,113
Investment income	238,030	-	34,844	272,874
Co-curricular activities	-	-	700,212	700,212
Tuition fees	1,299,331	-	482,667	1,781,998
Other	231,357	-	780,837	1,012,194
TOTAL REVENUES	104,714,922	10,612,185	5,254,589	120,581,696
EXPENDITURES:				
Current:				
Instructional services:				
Regular	50,449,672	-	963,606	51,413,278
Special	8,362,087	-	792,434	9,154,521
Vocational	815,724	-	527	816,251
Continuing	13,545	-	-	13,545
TOTAL INSTRUCTIONAL SERVICES	59,641,028	-	1,756,567	61,397,595
Support services:				
Operation and maintenance of plant	9,501,249	-	14,247	9,515,496
School administration	6,852,911	-	79,097	6,932,008
Pupils	5,620,413	-	461,938	6,082,351
Business operations	2,776,882	88,615	1,475	2,866,972
Instructional staff	5,836,898	-	842,435	6,679,333
Student transportation	3,349,602	-	1,131,646	4,481,248
Central services	1,774,796	-	135,689	1,910,485
General administration	55,840	-	-	55,840
TOTAL SUPPORT SERVICES	35,768,591	88,615	2,666,527	38,523,733
Co-curricular student activities	1,692,485	-	806,385	2,498,870
Community services	-	-	730,557	730,557
Capital outlay	703	-	306,860	307,563
Debt service:				
Principal retirement	-	7,603,710	-	7,603,710
Interest	-	2,422,611	-	2,422,611
TOTAL EXPENDITURES	97,102,807	10,114,936	6,266,896	113,484,639
Excess (deficiency) of revenues over expenditures	7,612,115	497,249	(1,012,307)	7,097,057
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	10,915	-	1,020,000	1,030,915
Proceeds from sale of long-term notes	650,000	-	-	650,000
Transfers in	73,297	675,476	-	748,773
Transfers out	(675,476)	-	-	(675,476)
TOTAL OTHER FINANCING SOURCES (USES)	58,736	675,476	1,020,000	1,754,212
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	7,670,851	1,172,725	7,693	8,851,269
FUND BALANCES AT BEGINNING OF YEAR	5,540,483	3,096,097	5,251,295	13,887,875
FUND BALANCES AT END OF YEAR	\$ 13,211,334	4,268,822	5,258,988	22,739,144

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

WORTHINGTON CITY SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2004

Net Changes in Fund Balances - Total Governmental Funds	\$ 8,851,269
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>	(2,258,153)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.</p>	689,461
<p>Repayment of bond, note and certificate of participation principal is an expenditure in governmental fund, but the repayment reduces long-term liabilities in the statement of net assets and does not result in an expense in the statement of activities.</p>	7,603,710
<p>Proceeds from the issuance of long-term notes are a financing source in the governmental fund, but are a liability in the statement of net assets.</p>	(650,000)
<p>In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is recorded when due.</p>	(980,432)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Compensated absences	(215,691)
Pension obligation	(243,629)
<p>An internal fund is used by management to charge the cost of insurance to individual funds is not reported in the district-wide statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expenses) of the internal service fund is allocated among governmental activities.</p>	(139,557)
Change in Net Assets of Governmental Activities	<u>\$ 12,656,978</u>

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

WORTHINGTON CITY SCHOOL DISTRICT
 STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2004

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
ASSETS		
Cash and investments	\$ 585,312	229,649
Inventory	53,345	9,798
Total current assets	<u>638,657</u>	<u>239,447</u>
Capital Assets, Net	508,450	-
Total assets	<u>1,147,107</u>	<u>239,447</u>
LIABILITIES		
Accounts payable	1,174	34,489
Due to other governments	140,114	5,037
Accrued liabilities	170,078	123,128
Total current liabilities	<u>311,366</u>	<u>162,654</u>
Long-term liabilities	149,562	-
Total liabilities	<u>460,928</u>	<u>162,654</u>
Net Assets		
Invested in Capital Assets	508,450	-
Unrestricted	177,729	76,793
Total Net Assets	<u>\$ 686,179</u>	<u>76,793</u>

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

WORTHINGTON CITY SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED 30, 2004

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
Operating Revenues:		
Food service sales	\$ 2,470,919	-
Charges for services	-	11,198,279
Total operating revenues	2,470,919	11,198,279
Operating Expenses:		
Supplies and materials	1,336,914	83,173
Personal services	1,720,557	103,836
Purchased services	38,414	11,077,530
Depreciation	59,399	-
Other	2,232	-
Total operating expenses	3,157,516	11,264,539
Operating income (loss)	(686,597)	(66,260)
Nonoperating Revenues (Expenses):		
State sources	8,133	-
Federal sources	389,368	-
Investment income	9,566	-
Total nonoperating revenues before transfers	407,067	-
Transfers out	-	(73,297)
Change in Net Assets	(279,530)	(139,557)
Net assets at beginning of year	965,709	216,350
Net assets at end of year	\$ 686,179	76,793

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

WORTHINGTON CITY SCHOOL DISTRICT
 STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED 30, 2004

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from sales	\$ 2,470,919	316,749
Cash received from charges for services	-	10,881,530
Cash payments for personal services	(1,625,677)	(103,518)
Cash payments for purchased services	(44,346)	(11,060,597)
Cash payments for supplies and materials	(1,165,696)	(81,398)
Cash payments for other expenses	(2,720)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(367,520)	(47,234)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest	19,410	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	19,410	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State sources	8,133	-
Federal sources	256,556	-
Transfers out	-	(73,297)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	264,689	(73,297)
CASH FLOWS USED IN CAPITAL AND OTHER RELATED RELATED FINANCING ACTIVITIES-		
Acquisition of Property, plant and equipment	(25,381)	-
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(108,802)	(120,531)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	694,114	350,180
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 585,312	229,649
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (686,597)	(66,260)
Depreciation	59,399	-
Donated commodities used	132,812	-
Change in assets and liabilities:		
Accounts payable	(6,103)	25,441
Due to other governments	62,006	1,242
Accrued liabilities	32,874	(10,462)
Net cash provided (used) by operating activities	\$ (367,520)	(47,234)
Supplemental Information		
Noncash activities:		
Donated commodities	\$ 132,812	

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

WORTHINGTON CITY SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2004

	PRIVATE PURPOSE TRUST	AGENCY FUNDS
ASSETS:		
Cash and investments	\$ 162,254	641,194
Inventory	-	17,292
TOTAL ASSETS	162,254	658,486
LIABILITIES:		
Accounts payable	-	20,635
Due to other:		
Other	-	637,851
TOTAL LIABILITIES	\$ -	658,486
NET ASSETS		
Assets held in trust for scholarships	\$ 162,254	

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

WORTHINGTON CITY SCHOOL DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 YEAR ENDED JUNE 30, 2004

	PRIVATE PURPOSE TRUST
ADDITIONS:	
Investment Earnings	\$ 1,857
TOTAL ADDITIONS	1,857
DEDUCTIONS -	
Contributions-Scholarships	10,325
TOTAL DEDUCTIONS	10,325
Change in net assets	(8,468)
NET ASSETS-beginning of the year	170,722
NET ASSETS-end of the year	\$ 162,254

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

WORTHINGTON CITY SCHOOL DISTRICT

Notes to the Basic Financial Statements

June 30, 2004

1. Reporting Entity

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

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

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units*, in that the financial statements include all organizations, activities, and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (i) the District's ability to impose its will over a component unit, or (ii) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e., there are no component units).

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

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

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

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

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

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

2. Summary of Significant Accounting Policies

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Beginning July 1, 2002, the District changed its financial reporting to comply with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*; GASB Statement No. 37, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*; and GASB Statement No. 38, *Certain Financial Statement Disclosures*. For fiscal year 2004, the District implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, and GASB 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. The District's significant accounting policies are described below.

a. Government-wide and fund financial statements

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

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

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

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

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

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

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

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

The District reports the following major funds:

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

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

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

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

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

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

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

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

Additionally, the District reports *Fiduciary Funds*. Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

organizations, other governmental units and/or other funds. Agency funds, a type of fiduciary fund, are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District has one Private Purpose Trust fund as well as two Agency funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to the same limitation. The District has elected not to follow subsequent private-sector guidance.

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

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

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

c. Cash and Investments

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

d. Inventory

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

e. Capital Assets and Depreciation

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District follows the policy of not

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

capitalizing assets with a cost of less than \$1,000 and a useful life of less than one year. The District does not possess any infrastructure.

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

Buildings & Improvements	10-30
Furniture and Equipment	3-15
Vehicles	5-10

f. Interfund Activity

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

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

g. Compensated Absences

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

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

h. Accrued Liabilities and Long-term Debt

All accrued liabilities and long-term debt is reported in the entity-wide financial statements as well as the proprietary fund financial statements. For governmental fund financial statements, these accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims for judgments and compensated absences paid from governmental funds are reported as a liability in the

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

fund financial statements only for the portion expected to be financed from expendable available financial resources. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due.

i. Fund Balance Reserves / Restrictions

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

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

j. Statement of Cash Flows

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

k. Management Estimates

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

3. Cash and Investments

a. Cash

The investment and deposit of the District's monies is governed by the provisions of the ORC. In accordance with these statutes, the District is authorized to invest in United States and State of Ohio bonds, notes, and other obligations; bank certificates of deposit; banker acceptances; commercial paper notes rated prime and issued by United States corporations; repurchase agreements secured by United States obligations; and STAROhio. During fiscal year 2004, investments were limited to STAROhio, repurchase agreements, CDs, and federal agency securities. Earnings on investments are credited to the General Fund except earnings specifically related to the Capital Projects Fund, Enterprise Fund, and the Private Purpose Trust fund which is in compliance with ORC Section 3315.01. In fiscal 2004 investment income of \$272,874 was recorded in the Governmental funds.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the Securities Exchange Commission as an investment company, but

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2004.

According to state law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the District's name. During 2004, the District and public depositories complied with the provisions of these statutes.

b. Deposits with Financial Institutions

At June 30, 2004, the carrying amount of all District deposits was \$ 16,664,277, exclusive of the \$8,295,177 repurchase agreement included in investments below. Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, as of June 30, 2004, \$ 16,688,087 of the District's bank balance of \$ 17,482,089 was exposed to custodial risk as discussed below, while \$794,002 was covered by Federal Deposit Insurance Corporation.

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

c. Investments

As of June 30, 2004, the District had the following investments and maturities.

Investment type	Fair Value	Investment Maturities			
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months
Repurchase Agreement	\$ 8,295,177	8,295,177	-	-	-
STAROhio	3,295,097	3,295,097	-	-	-
FHLMC DN	2,470,847	999,278	1,471,569	-	-
FHLB DN	997,822	997,822	-	-	-
FNMA DN	996,750	996,750	-	-	-
FHLB	997,360	997,360	-	-	-
FNMA	985,156	-	-	-	985,156
	<u>\$ 18,038,209</u>	<u>15,581,484</u>	<u>1,471,569</u>	<u>-</u>	<u>985,156</u>

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

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

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

Concentration of Credit Risk. The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage to total of each investment type held by the District at June 30, 2004:

Investment type	Fair Value	% to total
Repurchase Agreement	\$ 8,295,177	45.99%
STAROhio	3,295,097	18.27%
FHLMC DN	2,470,847	13.70%
FHLB DN	997,822	5.53%
FNMA DN	996,750	5.53%
FHLB	997,360	5.53%
FNMA	985,156	5.46%
	<u>\$ 18,038,209</u>	<u>100.00%</u>

4. Property Taxes

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

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

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

Tangible personal property taxes attach as a lien and are levied January 1 of the current year. Tangible personal property assessments are 25% of true value. The assessed values for collection in 2004, upon which the 2003 levies were based, were as follows:

Agricultural/Residential Real Estate	\$ 1,078,744,680
Commercial/Industrial Real Estate	447,432,860
Public Utility Real Estate	116,240
Public Utility Tangible	55,641,930
General Tangible Property	196,298,030
Total	<u>\$ 1,778,233,740</u>

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

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

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

Accrued property taxes receivables represent real property, personal property and public utility taxes which were measurable but not available as of June 30, 2004. However, monies legally available as an advance to the District as of June 30, 2004 are recognized as revenue as they are both measurable and available. The property tax amount recognized as revenue is reflected as a reservation of fund balance (reserve for future appropriations) as the District is prohibited by law from appropriating this amount in accordance with Ohio Revised Code Section 5705.35.

5. Receivables

Receivables at June 30, 2004 consisted of taxes and other accounts. Taxes receivable include current and delinquent taxes receivable. A summary of the principal items of receivables follows:

Governmental Activities:	General	Debt Service	Non Major Governmental	Total
	Fund	Fund	Funds	
Taxes current	\$ 47,471,052	5,898,489	-	53,369,541
Taxes delinquent	4,815,948	455,511	-	5,271,459
Other	<u>379,542</u>	<u>-</u>	<u>141,201</u>	<u>520,743</u>
Total	<u>\$ 52,666,542</u>	<u>6,354,000</u>	<u>141,201</u>	<u>59,161,743</u>

6. Due From Other Governments

Intergovernmental receivables at June 30, 2004 consist of the following:

Governmental Activities:	Other Governmental Funds
Federal	\$ 636,611
Local	<u>154,166</u>
Total	<u>\$ 790,777</u>

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

7. Interfund Receivables and Payables

Interfund balances at June 30, 2004 consist of the following individual fund receivables and payables on the fund basis:

	<u>Receivable</u>	<u>Payable</u>
Governmental Activities:		
General Fund	\$ 313,820	\$ -
Other Governmental Funds:		
Special Revenue:		
Summer School	-	76,600
Alternative Education	-	174,800
Bilingual Education	-	24,200
Title I	-	10,020
Title VI	-	16,000
Drug Free Grant	-	6,600
PreSchool Grant	-	1,700
Title VI	-	3,900
Total governmental activities	<u>\$ 313,820</u>	<u>\$ 313,820</u>

The payables for the governmental funds are short-term advances from the General Fund.

8. Capital Assets

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

	<u>Balance</u> <u>June 30, 2003</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2004</u>
Capital assets used in:				
Governmental activities				
Nondepreciable capital assets-				
Land	\$ 10,514,875	-	170,517	10,344,358
Total nondepreciable capital assets	<u>10,514,875</u>	<u>-</u>	<u>170,517</u>	<u>10,344,358</u>
Depreciable capital assets:				
Building and improvements	102,163,004	58,636	-	102,221,640
Furniture, fixtures and equipment	12,728,083	578,058	2,190	13,303,951
Buses, autos and trucks	3,739,183	1,213,132	339,052	4,613,263
Total depreciable capital assets	<u>118,630,270</u>	<u>1,849,826</u>	<u>341,242</u>	<u>120,138,854</u>
Accumulated depreciation:				
Building and improvements	40,281,269	3,255,457	-	43,536,726
Furniture, fixtures and equipment	10,724,590	505,667	2,135	11,228,122
Buses, autos and trucks	2,978,202	176,283	339,052	2,815,433
Total accumulated depreciation	<u>53,984,061</u>	<u>3,937,407</u>	<u>341,187</u>	<u>57,580,281</u>
Total depreciable capital assets, net	<u>64,646,209</u>	<u>(2,087,581)</u>	<u>55</u>	<u>62,558,573</u>
Total governmental activities capital assets, net	<u>\$ 75,161,084</u>	<u>(2,087,581)</u>	<u>170,572</u>	<u>72,902,931</u>

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

A summary of Business – Type Capital Assets at June 30, 2004 follows:

	Balance			Balance
	June 30, 2003	Additions	Disposals	June 30, 2004
<u>Business-Type Activities</u>				
Furniture, fixtures and equipment	\$ 1,342,224	25,381	-	1,367,605
Less: Accumulated depreciation	799,756	59,399	-	859,155
Capital assets, net	<u>\$ 542,468</u>	<u>(34,018)</u>	<u>-</u>	<u>508,450</u>

Depreciation expense was charged to governmental functions as follows:

Instructional services:	
Regular	\$ 3,664,151
Special	2,726
Vocational	286
Continuing	543
Support services:	
Operation and maintenance of plant	94,876
School administration	10,446
Pupils	1,909
Business operations	20,629
Instructional staff	5,962
Student transportation	104,693
Central services	15,945
General Administration	159
Co-curricular student activities	13,927
Community services	1,155
Total depreciation	<u>\$ 3,937,407</u>

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

9. General Long-Term Obligations

As of June 30, 2004, the District had five general obligation bond issues, two general obligation long-term note issues and one certificate of participation financing issue outstanding. This debt was issued for general government activities, specifically, the construction and renovation of school buildings and an administrative facility. General obligations currently outstanding are:

Purpose	Date Issued	Interest Rate (1)	Final Maturity	Original Amount		Balance at June 30, 2004
Improvement of elementary and middle school	6/1/1986	7.590%	12/1/2009	\$ 10,500,000		\$ 2,730,000
1992 Refunding issue	5/15/1992	6.294%	12/1/2012	42,036,234		6,636,849
2002 Current refunding issue	3/2/2002	6.000%	12/1/2012	24,740,000		24,740,000
School Facility Improvement	12/15/1993	4.707%	12/1/2006	7,208,375		2,135,000
Permanent Improvement and refunding issue	2/1/1998	4.645%	12/1/2013	18,594,790	(1)	9,499,571
Energy Conservation notes	3/2/1999	4.200%	12/1/2013	2,800,000		2,050,000
Administrative Facilities Project						
Certificates of Participation	3/30/2000	5.393%	12/1/2019	6,545,000		6,235,000
2004 Levy Anticipation note	4/15/2004	2.420%	4/15/2007	650,000		650,000
						<u>\$ 54,676,420</u>

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

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

	Balance June 30, 2003	Additions/ Accretion	Reductions	Balance June 30, 2004	Amounts Due in One Year
Accrued liabilities (accrued vacation and sick leave)	\$ 6,586,231	973,107	757,416	6,801,922	782,221
Cetificates of Participation	6,320,000	-	85,000	6,235,000	105,000
General obligation bonds payable	51,834,787	1,265,343	7,358,710	45,741,420	2,914,934
General obligation notes payable	2,210,000	650,000	160,000	2,700,000	170,000
	<u>\$ 66,951,018</u>	<u>2,888,450</u>	<u>8,361,126</u>	<u>61,478,342</u>	<u>3,972,155</u>

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

	Balance June 30, 2003	Additions	Reductions	Balance June 30, 2004	Amounts Due in One Year
Accrued liabilities (accrued vacation and sick leave)	\$ 58,506	97,756	6,700	149,562	17,200

On March 30, 2000, the District issued \$6,545,000 of Certificates of Participation (COPs). The COPs represent proportionate interests of the registered owners thereof in certain rental payments to be paid by the District as rental for new administrative facilities at 200 East Wilson Bridge Road (the Project Site). Pursuant to ORC Section 3313.375, the District

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

has leased certain real property comprised of the Project Site to the Worthington Education Foundation (the Foundation) and sub-leased such Project Site back from the Foundation. In addition, the District has agreed to act as agent for the Foundation in connection with the acquisition, renovation, improvement, equipping and furnishing the Project Site. Pursuant to a Trust Indenture between the Foundation and Huntington National Bank (the Trustee), the Trustee agreed to execute and deliver the COPs to the registered owners, each evidencing a proportionate interest in the rental payments to be paid by the District, in the aggregate principal amount of \$6,545,000. The proceeds of the COPs were to assist in the financing of the administrative facility project.

The general obligation notes and bonds are a direct obligation of the District for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property in the school district. In the opinion of management, the District has complied with all bond covenants.

The annual maturities of the general obligation bonds, notes and COPS, as of June 30, 2004, and related interest payments are as follows:

<u>Year ending June 30,</u>	<u>Interest rates</u>	<u>Principal</u>	<u>Interest</u>
2005	2.420-12.200%	\$ 3,189,934	\$ 6,564,881
2006	2.420-12.200%	3,424,663	6,666,035
2007	2.420-12.200%	3,105,258	5,649,763
2008	4.200-5.700%	1,773,614	2,326,016
2009	4.200-5.700%	5,534,913	2,177,549
2010-2014	4.200-5.700%	29,766,689	5,891,867
2015-2019	4.200-5.700%	3,166,715	752,425
2020-2023	4.200-5.700%	947,230	38,867
Total		<u><u>\$ 50,909,016</u></u>	<u><u>\$ 30,067,403</u></u>

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

The effects of these debt limitations at June 30, 2004 are a voted debt margin of \$109,782,021 and an unvoted debt margin of \$1,128,234. The aggregate amount of the District's unvoted debt is also subject to overlapping debt restrictions with Franklin County and the City of Worthington. As of June 30, 2004, these entities have complied with the requirement that unvoted overlapping debt must not exceed 1% (10 mills) of the assessed property value. These debt limitation calculations exclude \$ 3,767,404 in accretion of deep discount debt in accordance with State Law. Management believes that the District has complied with all bond covenants.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

10. LEASE COMMITMENTS AND LEASED PROPERTY

The District leases office space and equipment for terms of five years or less under operating leases. Total rental expenditures on such leases for the year ended June 30, 2004, were approximately \$185,076.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year as of June 30, 2004:

Year Ending <u>June 30,</u>	<u>Operating Leases</u>
2005	\$ 163,344

11. Self-Insurance Fund and Risk Management

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

Professional liability is protected by a \$1,000,000 single occurrence limit, \$2,000,000 aggregate limit with no deductible. Vehicles are also covered and have \$250 deductible for comprehensive and a \$500 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability.

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

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

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

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

Dental coverage is also provided. Monthly premiums for this coverage are \$88 per employee as of June 30, 2004, for both single and family coverage. Additionally, the District is responsible for payment of all claim amounts in excess of the employee payment percentages established in the master contracts with the certificated and noncertificated staff bargaining units. The District pays the premium amounts for covered employees into the Employee Benefit Insurance Internal Service Fund. The premium is paid by the fund that pays the salary for the employee.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

Effective October 1, 2001 the District switched its medical plan from the self insurance plan to a premium based plan. The Dental Plan remains a self insured plan.

A claims liability of approximately \$120,000 at June 30, 2004, in the internal service fund reflects an estimate of incurred but unpaid claims liability. This liability was determined in accordance with actuarially acceptable reserving standards and was certified by an accredited actuary, as required by state statute.

A summary of the changes in insurance claims liability for the years ended June 30, 2004, 2003, and 2002, follows:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Claims liability at beginning of year	\$ 120,000	\$ 220,672	1,735,000
Incurred claims	452,541	978,404	2,906,357
Paid claims	<u>(452,541)</u>	<u>(1,079,076)</u>	<u>(4,420,685)</u>
Claims liability at end of year	<u>120,000</u>	<u>120,000</u>	<u>220,672</u>

12. Defined Benefit Pension Plans

State Teachers Retirement System

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

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

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

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2004, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2003, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002, were \$7,625,000, \$7,320,000, and \$7,034,000, respectively; equal to 100% of the required contribution each year.

B. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2003, 8.17 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2004, 2003, and 2002, were \$2,151,000, \$1,975,000, and \$1,958,000, respectively, equal to 100% of the required contribution for each year

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2004, all members of the Board of Education elected Social Security. The Board's liability is 6.2 percent of wages paid.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

13. Postemployment Benefits Other Than Pension Benefits

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

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2004, the STRS Ohio Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$30,700 for fiscal year 2004.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2003, (the latest information available) the balance in the Fund was \$2.8 billion. For the year ended June 30, 2003, net health care costs paid by STRS Ohio were \$352,301,000 and STRS Ohio had 108,294 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2004, employer contributions to fund health care benefits were 4.91 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2004, the minimum pay was established at \$25,400. For the School District, the amount contributed to fund health care benefits during the 2004 fiscal year equaled \$65,500.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2003 (the latest information available), were \$204,930,737 and the target level was \$307.4 million. At June 30, 2003, SERS had net assets available for payment of health care benefits of \$303.6 million. SERS has approximately 50,000 participants currently receiving health care benefits.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

14. Contingencies

a. Grants

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

b. Litigation

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

c. State School Funding Decision

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

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

15. Set-Asides

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

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

	Textbooks	Capital Acquisitions	Budget Stabilization
Set-aside Cash Balance carried forward at July 1, 2003	\$ -	-	\$ 466,409
Allocation of Budget Stabilization to unrestricted			(466,409)
Current year set-aside requirements	1,398,557	1,398,557	-
Qualifying disbursements	(1,542,999)	(1,794,155)	-
Total	<u>(144,442)</u>	<u>(395,598)</u>	<u>-</u>
Set-aside Cash Balance at June 30, 2004	<u>\$ -</u>	<u>-</u>	<u>-</u>

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Basic Financial Statements, continued
June 30, 2004

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

16. Fund Deficits / Accountability

The following funds had fund deficit fund balances as of June 30, 2004:

	<u>Fund Balance</u>
Special Revenue Funds:	
Alternative Education	\$ 94,747
Education of the Handicapped	\$ 2,694
Internal Service Fund -	
Employee Benefit Insurance	
Fund	\$ 125,099

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

WORTHINGTON CITY SCHOOL DISTRICT

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REQUIRED SUPPLEMENTARY INFORMATION

WORTHINGTON CITY SCHOOL DISTRICT

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WORTHINGTON CITY SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2004

	GENERAL FUND			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	
REVENUES:				
Property taxes	\$ 71,216,926	82,576,777	82,576,777	-
Investment income	180,000	266,789	305,893	39,104
Tuition fees	900,000	926,742	969,723	42,981
Miscellaneous	476,554	724,103	744,943	
Sale of assets	-	10,915	10,915	
Proceeds from sale of notes	-	650,000	650,000	-
State sources	24,433,780	24,492,000	24,492,000	-
TOTAL REVENUES	97,207,260	109,647,326	109,750,251	102,925
EXPENDITURES:				
Instructional services:				
Salaries	42,003,843	42,268,833	42,268,599	234
Benefits	12,948,996	12,948,996	12,661,256	287,740
Purchased services	2,620,871	2,746,162	2,590,603	155,559
Supplies and materials	1,445,661	1,422,638	1,400,857	21,781
Capital outlay	328,012	345,482	324,011	21,471
Other	6,211	6,281	5,061	1,220
TOTAL INSTRUCTIONAL SERVICES	59,353,594	59,738,392	59,250,387	488,005
Support services:				
Salaries	21,116,874	20,785,782	20,274,402	511,380
Benefits	7,591,448	7,595,448	7,499,272	96,176
Purchased services	5,807,614	5,843,870	5,523,441	320,429
Supplies and materials	2,231,097	2,094,254	1,867,321	226,933
Capital outlay	913,806	877,772	573,453	304,319
Other	1,604,839	1,607,169	1,448,712	158,457
TOTAL SUPPORT SERVICES	39,265,678	38,804,295	37,186,601	1,617,694
Non-instructional services:				
Benefits	1,500	1,500	702	798
TOTAL NON-INSTRUCTIONAL SERVICES	1,500	1,500	702	798
Co-curricular activities				
Salaries	1,279,810	1,345,911	1,345,760	151
Benefits	415,602	415,602	353,276	62,326
Purchased services	30,530	30,530	13,366	17,164
Supplies and materials	10,437	20,874	10,437	10,437
Capital outlay	-	46	46	-
TOTAL CO-CURRICULAR ACTIVITIES	1,736,379	1,812,963	1,722,885	90,078
TOTAL EXPENDITURES	100,357,151	100,357,150	98,160,575	2,196,575
Excess (deficiency) of revenues over expenditures	(3,149,891)	9,290,176	11,589,676	2,299,500
OTHER FINANCING SOURCES (USES):				
Transfers out	(700,000)	(700,000)	(675,476)	24,524
Advances in	527,800	527,800	527,800	-
Advances out	-	-	-	-
Refund of prior year expenditures (receipts)	5,000	2,023	(2,638)	(4,661)
TOTAL OTHER FINANCING SOURCES (USES)	(167,200)	(170,177)	(150,314)	19,863
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(3,317,091)	9,119,999	11,439,362	2,319,363
Prior year encumbrances appropriated	2,739,507	2,739,507	2,739,507	-
FUND BALANCES AT BEGINNING OF YEAR	6,391,055	6,391,055	6,391,055	-
FUND BALANCES (DEFICIT) AT END OF YEAR	\$ 5,813,471	18,250,561	20,569,924	2,319,363

See notes to the required supplementary schedule.

WORTHINGTON CITY SCHOOL DISTRICT
Notes to the Required Supplementary Information
For the Year Ended June 30, 2004

NOTE A - BUDGETARY DATA

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

Tax Budget:

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

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

Estimated Resources:

Prior to March 15, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year do not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 2004.

Appropriations:

Upon receipt from the County Auditor of an amended official certificate of estimated resources based on the final assessed values and tax rates or a certificate stating no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund and function level of expenditures for the general fund and the fund level for all other funds, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function level appropriations within the

WORTHINGTON CITY SCHOOL DISTRICT

Notes to the Required Supplementary Information, Continued

general fund, or alter the fund level appropriations within all other funds, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations.

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

Encumbrances:

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

Lapsing of Appropriations:

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

NOTE B - RECONCILING BUDGET BASIS AND GAAP

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

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

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

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

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

Excess of revenues and other financing sources over expenditures and other financing uses (GAAP Basis)	\$ 7,670,851
Adjustments	
Due to revenues	5,035,329
Due to expenditures	(1,057,768)
Due to other financing sources	(209,050)
Excess of revenues and other financing sources over expenditures and other financing uses (Budget Basis)	<u><u>\$ 11,439,362</u></u>

WORTHINGTON CITY SCHOOL DISTRICT

MAJOR GOVERNMENTAL FUNDS

General Fund

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

Debt Service Fund

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

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt Service Fund				
Total Revenues and Other Sources	\$ 7,000,000	\$ 11,708,527	\$ 11,708,527	\$ -
Total Expenditures and Other Uses	9,000,000	11,216,000	9,978,046	1,237,954
Net Change in Fund Balance	(2,000,000)	492,527	1,730,481	1,237,954
Fund Balance, July 1	2,497,340	2,497,340	2,497,340	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 497,340</u>	<u>\$ 2,989,867</u>	<u>\$ 4,227,821</u>	<u>\$ 1,237,954</u>

WORTHINGTON CITY SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

WORTHINGTON CITY SCHOOL DISTRICT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WORTHINGTON CITY SCHOOL DISTRICT

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

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

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

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

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

Capital Projects Funds

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

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

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

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

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	SPECIAL REVENUE FUNDS			
	PUBLIC SCHOOL SUPPORT	GRANTS - LOCAL SOURCES	OTHER LOCAL SOURCES	DISTRICT-MANAGED STUDENT ACTIVITIES
<u>ASSETS</u>				
Cash and investments	\$ 536,898	11,200	58,525	401,212
Receivables, net	-	-	-	-
Due from other- Governments	-	-	-	-
Total assets	536,898	11,200	58,525	401,212
<u>LIABILITIES</u>				
Accounts payable	6,657	24	250	44,035
Due to other:				
Governments	-	-	-	1,164
Funds	-	-	-	-
Deferred revenue	-	-	-	-
Accrued liabilities	-	-	-	7,165
Total liabilities	6,657	24	250	52,364
Fund balances:				
Reserve for encumbrances	-	30	-	25,816
Unreserved	530,241	11,146	58,275	323,032
Total fund balances	530,241	11,176	58,275	348,848
Total liabilities and fund balances	\$ 536,898	11,200	58,525	401,212

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

<u>AUXILIARY SERVICES</u>	<u>UNIFORM SCHOOL SUPPLIES</u>	<u>SPECIAL ROTARY</u>	<u>CAREER DEVELOPMENT GRANTS</u>	<u>EMIS GRANTS</u>	<u>DATA COMMUNICATIONS SUPPORT</u>
158,644	359,236	632,168	22,326	63,541	50,322
-	-	29,735	-	-	-
55,497	-	-	-	-	-
<u>214,141</u>	<u>359,236</u>	<u>661,903</u>	<u>22,326</u>	<u>63,541</u>	<u>50,322</u>
45,527	24,604	34,587	-	-	2,466
7,342	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
49,345	-	-	-	-	-
<u>102,214</u>	<u>24,604</u>	<u>34,587</u>	<u>-</u>	<u>-</u>	<u>2,466</u>
12,133	24,782	-	1,200	8,965	-
99,794	309,850	627,316	21,126	54,576	47,856
111,927	334,632	627,316	22,326	63,541	47,856
<u>214,141</u>	<u>359,236</u>	<u>661,903</u>	<u>22,326</u>	<u>63,541</u>	<u>50,322</u>

(Continued)

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS, Continued
JUNE 30, 2004

	SPECIAL REVENUE FUNDS			
	SCHOOLNET PROFESSIONAL DEVELOPMENT	TEXTBOOK/ INSTRUCTIONAL MATERIALS SUBSIDY	SUMMER SCHOOL GRANT	ALTERNATIVE EDUCATION
<u>ASSETS</u>				
Cash and investments	\$ 6,750	59	83,116	20
Receivables, net	-	-	-	111,466
Due from other- Governments	-	-	98,669	-
Total assets	<u>6,750</u>	<u>59</u>	<u>181,785</u>	<u>111,486</u>
<u>LIABILITIES</u>				
Accounts payable	-	-	67,902	-
Due to other:				
Governments	-	-	-	7,187
Funds	-	-	76,600	174,800
Deferred revenue	-	-	9,880	-
Accrued liabilities	-	-	-	24,296
Total liabilities	<u>-</u>	<u>-</u>	<u>154,382</u>	<u>206,283</u>
Fund balances:				
Reserve for encumbrances	-	59	15,128	-
Unreserved	<u>6,750</u>	<u>-</u>	<u>12,275</u>	<u>(94,797)</u>
Total fund balances	<u>6,750</u>	<u>59</u>	<u>27,403</u>	<u>(94,797)</u>
Total liabilities and fund balances	<u>\$ 6,750</u>	<u>59</u>	<u>181,785</u>	<u>111,486</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

<u>OHIO READS GRANT</u>	<u>OTHER STATE GRANTS</u>	<u>JTPA GRANTS</u>	<u>TITLE VIB GRANTS</u>	<u>VOCATIONAL EDUCATION GRANTS</u>	<u>BILINGUAL EDUCATION GRANTS</u>
13,820	17,746	380	28,183	105,571	22,508
-	-	-	-	-	-
-	-	-	203,664	-	56,525
<u>13,820</u>	<u>17,746</u>	<u>380</u>	<u>231,847</u>	<u>105,571</u>	<u>79,033</u>
-	5,712	-	1,241	1,475	-
-	551	-	18,121	-	1,751
-	-	-	-	-	24,200
-	-	-	-	-	26,264
-	3,390	-	114,006	-	11,104
-	<u>9,653</u>	-	<u>133,368</u>	<u>1,475</u>	<u>63,319</u>
1,500	1,070	375	371	-	22,442
<u>12,320</u>	<u>7,023</u>	<u>5</u>	<u>98,108</u>	<u>104,096</u>	<u>(6,728)</u>
13,820	8,093	380	98,479	104,096	15,714
<u>13,820</u>	<u>17,746</u>	<u>380</u>	<u>231,847</u>	<u>105,571</u>	<u>79,033</u>

(Continued)

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS, Continued
JUNE 30, 2004

	SPECIAL REVENUE FUNDS			
	<u>TITLE I GRANTS</u>	<u>TITLE VI GRANTS</u>	<u>DRUG-FREE GRANTS</u>	<u>REFUGEE CHILDREN GRANT</u>
<u>ASSETS</u>				
Cash and investments	\$ 708	1,855	62	2,564
Receivables, net	-	-	-	-
Due from other- Governments	83,957	73,761	9,642	-
Total assets	<u>84,665</u>	<u>75,616</u>	<u>9,704</u>	<u>2,564</u>
<u>LIABILITIES</u>				
Accounts payable	607	1,498	-	-
Due to other:				
Governments	5,969	-	-	-
Funds	10,020	16,000	6,600	-
Deferred revenue	21,909	35,786	-	-
Accrued liabilities	38,131	-	-	-
Total liabilities	<u>76,636</u>	<u>53,284</u>	<u>6,600</u>	<u>-</u>
Fund balances:				
Reserve for encumbrances	-	171	-	-
Unreserved	8,029	22,161	3,104	2,564
Total fund balances	<u>8,029</u>	<u>22,332</u>	<u>3,104</u>	<u>2,564</u>
Total liabilities and fund balances	<u>\$ 84,665</u>	<u>75,616</u>	<u>9,704</u>	<u>2,564</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS			
<u>EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS</u>	<u>TELECOMMUNICATIONS ACT GRANT</u>	<u>OTHER MISCELLANEOUS FEDERAL GRANTS</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</u>
25	84,105	5,166	2,666,710
-	-	-	141,201
3,264	-	205,798	790,777
<u>3,289</u>	<u>84,105</u>	<u>210,964</u>	<u>3,598,688</u>
-	-	1,360	237,945
598	-	2,079	44,762
1,700	-	3,900	313,820
-	-	176,670	270,509
3,685	-	14,055	265,177
<u>5,983</u>	<u>-</u>	<u>198,064</u>	<u>1,132,213</u>
-	-	805	114,847
(2,694)	84,105	12,095	2,351,628
(2,694)	84,105	12,900	2,466,475
<u>3,289</u>	<u>84,105</u>	<u>210,964</u>	<u>3,598,688</u>

(Continued)

**WORTHINGTON CITY SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS, Continued
JUNE 30, 2004**

	<u>CAPITAL PROJECTS FUNDS</u>			TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
	<u>BUILDING FUND</u>	<u>PERMANENT IMPROVEMENTS</u>	<u>SCHOOL NET PLUS</u>	
<u>ASSETS</u>				
Cash and investments	\$ 1,302,542	1,489,964	7	2,792,513
Receivables, net	-	-	-	-
Due from other- Governments	-	-	-	-
Total assets	<u>1,302,542</u>	<u>1,489,964</u>	<u>7</u>	<u>2,792,513</u>
<u>LIABILITIES</u>				
Accounts payable	-	-	-	-
Due to other:				
Governments	-	-	-	-
Funds	-	-	-	-
Deferred revenue	-	-	-	-
Accrued liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Reserve for encumbrances	45,417	294,000	-	339,417
Unreserved	1,257,125	1,195,964	7	2,453,096
Total fund balances	<u>1,302,542</u>	<u>1,489,964</u>	<u>7</u>	<u>2,792,513</u>
Total liabilities and fund balances	<u>\$ 1,302,542</u>	<u>1,489,964</u>	<u>7</u>	<u>2,792,513</u>

WORTHINGTON CITY SCHOOL DISTRICT

TOTAL NONMAJOR
GOVERNMENTAL
FUNDS

5,459,223
141,201

790,777

6,391,201

237,945

44,762
313,820
270,509
265,177

1,132,213

454,264
4,804,724

5,258,988

6,391,201

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2004

	SPECIAL REVENUE FUNDS			
	PUBLIC SCHOOL SUPPORT	GRANTS - LOCAL SOURCES	OTHER LOCAL SOURCES	DISTRICT-MANAGED STUDENT ACTIVITIES
Revenues				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	-	4,883	-	-
Investment income	-	-	364	-
Co-curricular activities	-	-	-	700,212
Class fees	-	-	-	-
Other	254,285	1,950	34,769	-
Total Revenues	<u>254,285</u>	<u>6,833</u>	<u>35,133</u>	<u>700,212</u>
Expenditures				
Current:				
Instructional services:				
Regular	139,530	2,269	-	-
Special	56,375	-	-	-
Vocational	-	-	-	-
Continuing	-	-	-	-
Total Instructional Services	<u>195,905</u>	<u>2,269</u>	<u>-</u>	<u>-</u>
Support services:				
Operation and maintenance of plant	5,120	-	-	-
School administration	1,618	2,799	-	-
Pupil services	8,458	-	-	83,474
Business operations	-	-	-	-
Instructional staff	29,034	-	-	-
Student transportation	-	-	-	-
Central services	-	-	-	-
Total Support Services	<u>44,230</u>	<u>2,799</u>	<u>-</u>	<u>83,474</u>
Co-curricular student activities	7,424	-	-	629,044
Community services	-	-	14,715	-
Capital outlay	-	-	-	-
Debt Service - Interest				
Total Expenditures	<u>247,559</u>	<u>5,068</u>	<u>14,715</u>	<u>712,518</u>
Excess (deficiency) of revenues over expenditures	6,726	1,765	20,418	(12,306)
Other financing sources:				
Proceeds from sale of Capital Assets	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	6,726	1,765	20,418	(12,306)
Fund balance at beginning of year	523,515	9,411	37,857	361,154
Fund balance at end of year	<u>\$ 530,241</u>	<u>11,176</u>	<u>58,275</u>	<u>348,848</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

<u>AUXILIARY SERVICES</u>	<u>UNIFORM SCHOOL SUPPLIES</u>	<u>SPECIAL ROTARY</u>	<u>CAREER DEVELOPMENT GRANTS</u>	<u>EMIS GRANTS</u>	<u>DATA COMMUNICATIONS SUPPORT</u>
-	-	-	-	-	-
704,968	-	-	9,000	35,840	57,000
-	-	-	-	-	-
-	-	-	-	-	-
-	404,235	78,432	-	-	-
-	-	115,297	-	-	-
<u>704,968</u>	<u>404,235</u>	<u>193,729</u>	<u>9,000</u>	<u>35,840</u>	<u>57,000</u>
-	334,310	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>334,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,000	58,837
-	-	-	-	<u>5,000</u>	<u>58,837</u>
-	-	164,999	4,918	-	-
667,296	-	-	-	-	-
-	-	-	-	-	-
<u>667,296</u>	<u>334,310</u>	<u>164,999</u>	<u>4,918</u>	<u>5,000</u>	<u>58,837</u>
37,672	69,925	28,730	4,082	30,840	(1,837)
-	-	-	-	-	-
-	-	-	-	-	-
37,672	69,925	28,730	4,082	30,840	(1,837)
74,255	264,707	598,586	18,244	32,701	49,693
<u>111,927</u>	<u>334,632</u>	<u>627,316</u>	<u>22,326</u>	<u>63,541</u>	<u>47,856</u>

(Continued)

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS, Continued
YEAR ENDED JUNE 30, 2004

	SPECIAL REVENUE FUNDS			
	SCHOOLNET	TEXTBOOK/	SUMMER	
	PROFESSIONAL DEVELOPMENT	INSTRUCTIONAL MATERIALS SUBSIDY	SCHOOL GRANT	ALTERNATIVE EDUCATION
Revenues				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	4,395	-	166,997	-
Investment income	-	-	-	-
Co-curricular activities	-	-	-	-
Class fees	-	-	-	-
Other	-	-	-	111,466
Total Revenues	<u>4,395</u>	<u>-</u>	<u>166,997</u>	<u>111,466</u>
Expenditures				
Current:				
Instructional services:				
Regular	-	-	104,214	-
Special	-	-	-	167,551
Vocational	-	-	-	-
Continuing	-	-	-	-
Total Instructional Services	<u>-</u>	<u>-</u>	<u>104,214</u>	<u>167,551</u>
Support services:				
Operation and maintenance of plant	-	-	-	-
School administration	-	-	-	-
Pupil services	-	-	-	14,454
Business operations	-	-	-	-
Instructional staff	3,329	-	17,489	-
Student transportation	-	-	10,891	-
Central services	-	-	-	-
Total Support Services	<u>3,329</u>	<u>-</u>	<u>28,380</u>	<u>14,454</u>
Co-curricular student activities	-	-	-	-
Community services	-	-	7,000	-
Capital outlay	-	-	-	-
Debt Service - Interest				
Total Expenditures	<u>3,329</u>	<u>-</u>	<u>139,594</u>	<u>182,005</u>
Excess (deficiency) of revenues over expenditures	1,066	-	27,403	(70,539)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,066	-	27,403	(70,539)
Fund balance at beginning of year	5,684	59	-	(24,258)
Fund balance at end of year	<u>\$ 6,750</u>	<u>59</u>	<u>27,403</u>	<u>(94,797)</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

<u>OHIO READS GRANT</u>	<u>OTHER STATE GRANTS</u>	<u>JTPA GRANTS</u>	<u>TITLE VIB GRANTS</u>	<u>VOCATIONAL EDUCATION GRANTS</u>	<u>BILINGUAL EDUCATION GRANTS</u>
-	-	-	1,372,066	71,616	93,389
34,500	100,625	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>34,500</u>	<u>100,625</u>	<u>-</u>	<u>1,372,066</u>	<u>71,616</u>	<u>93,389</u>
43,870	63,058	-	-	-	-
-	-	-	249,031	-	41,062
-	-	527	-	-	-
-	-	-	-	-	-
<u>43,870</u>	<u>63,058</u>	<u>527</u>	<u>249,031</u>	<u>-</u>	<u>41,062</u>
-	-	-	-	-	-
-	-	-	73,776	-	904
-	-	-	326,711	20,045	-
-	-	-	-	1,475	-
-	37,842	-	620,248	16,913	33,315
2,755	-	-	-	-	-
-	-	-	-	-	-
<u>2,755</u>	<u>37,842</u>	<u>-</u>	<u>1,020,735</u>	<u>38,433</u>	<u>34,219</u>
-	-	-	-	-	-
-	-	-	32,559	-	949
-	-	-	-	-	-
<u>46,625</u>	<u>100,900</u>	<u>527</u>	<u>1,302,325</u>	<u>38,433</u>	<u>76,230</u>
(12,125)	(275)	(527)	69,741	33,183	17,159
-	-	-	-	-	-
-	-	-	-	-	-
(12,125)	(275)	(527)	69,741	33,183	17,159
25,945	8,368	907	28,738	70,913	(1,445)
<u>13,820</u>	<u>8,093</u>	<u>380</u>	<u>98,479</u>	<u>104,096</u>	<u>15,714</u>

(Continued)

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS, Continued
YEAR ENDED JUNE 30, 2004

	SPECIAL REVENUE FUNDS			
	TITLE I GRANTS	TITLE VI GRANTS	DRUG-FREE GRANTS	REFUGEE CHILDREN GRANT
Revenues				
Intergovernmental:				
Federal restricted grants-in-aid	\$ 292,905	47,874	23,859	-
State restricted grants-in-aid	-	-	-	2,500
Investment income	-	-	-	-
Co-curricular activities	-	-	-	-
Class fees	-	-	-	-
Other	-	-	-	-
Total Revenues	<u>292,905</u>	<u>47,874</u>	<u>23,859</u>	<u>2,500</u>
Expenditures				
Current:				
Instructional services:				
Regular	-	2,241	16,936	-
Special	276,615	-	-	-
Vocational	-	-	-	-
Continuing	-	-	-	-
Total Instructional Services	<u>276,615</u>	<u>2,241</u>	<u>16,936</u>	<u>-</u>
Support services:				
Operation and maintenance of plant	-	-	-	-
School administration	-	-	-	-
Pupil services	-	311	8,381	-
Business operations	-	-	-	-
Instructional staff	1,577	25,876	-	-
Student transportation	-	-	-	-
Central services	-	-	-	-
Total Support Services	<u>1,577</u>	<u>26,187</u>	<u>8,381</u>	<u>-</u>
Co-curricular student activities	-	-	-	-
Community services	937	6,572	-	-
Capital outlay	-	-	-	-
Debt Service - Interest	-	-	-	-
Total Expenditures	<u>279,129</u>	<u>35,000</u>	<u>25,317</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	13,776	12,874	(1,458)	2,500
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	13,776	12,874	(1,458)	2,500
Fund balance at beginning of year	(5,747)	9,458	4,562	64
Fund balance at end of year	<u>\$ 8,029</u>	<u>22,332</u>	<u>3,104</u>	<u>2,564</u>

WORTHINGTON CITY SCHOOL DISTRICT

SPECIAL REVENUE FUNDS

<u>EDUCATION OF THE HANDICAPPED PRESCHOOL GRANTS</u>	<u>TELECOMMUNICATIONS ACT GRANT</u>	<u>OTHER MISCELLANEOUS FEDERAL GRANTS</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</u>
39,113	84,105	110,394	2,135,321
-	-	-	1,120,708
-	-	-	364
-	-	-	700,212
-	-	-	482,667
-	-	-	517,767
<u>39,113</u>	<u>84,105</u>	<u>110,394</u>	<u>4,957,039</u>
-	-	91,709	798,137
1,800	-	-	792,434
-	-	-	527
-	-	-	-
<u>1,800</u>	<u>-</u>	<u>91,709</u>	<u>1,591,098</u>
-	9,127	-	14,247
-	-	-	79,097
-	-	104	461,938
-	-	-	1,475
36,905	-	19,907	842,435
-	-	-	13,646
-	-	-	63,837
<u>36,905</u>	<u>9,127</u>	<u>20,011</u>	<u>1,476,675</u>
-	-	-	806,385
-	-	529	730,557
-	-	-	-
-	-	-	-
<u>38,705</u>	<u>9,127</u>	<u>112,249</u>	<u>4,604,715</u>
408	74,978	(1,855)	352,324
-	-	-	-
-	-	-	-
408	74,978	(1,855)	352,324
(3,102)	9,127	14,755	2,114,151
<u>(2,694)</u>	<u>84,105</u>	<u>12,900</u>	<u>2,466,475</u>

(Continued)

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS, Continued
JUNE 30, 2004

	<u>CAPITAL PROJECTS FUNDS</u>			TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
	<u>BUILDING FUND</u>	<u>PERMANENT IMPROVEMENTS</u>	<u>SCHOOL NET PLUS</u>	
Revenues				
Intergovernmental:				
Federal restricted grants-in-aid	\$ -	-	-	-
State restricted grants-in-aid	-	-	-	-
Investment income	28,003	6,477	-	34,480
Co-curricular activities	-	-	-	-
Class fees	-	-	-	-
Other	261,570	1,500	-	263,070
Total Revenues	<u>289,573</u>	<u>7,977</u>	<u>-</u>	<u>297,550</u>
Expenditures				
Current:				
Instructional services:				
Regular	-	165,469	-	165,469
Special	-	-	-	-
Vocational	-	-	-	-
Continuing	-	-	-	-
Total Instructional Services	<u>-</u>	<u>165,469</u>	<u>-</u>	<u>165,469</u>
Support services:				
Operation and maintenance of plant	-	-	-	-
School administration	-	-	-	-
Pupil services	-	-	-	-
Business operations	-	-	-	-
Instructional staff	-	-	-	-
Student transportation	-	1,118,000	-	1,118,000
Central services	-	71,852	-	71,852
Total Support Services	<u>-</u>	<u>1,189,852</u>	<u>-</u>	<u>1,189,852</u>
Co-curricular student activities	-	-	-	-
Community services	-	-	-	-
Capital outlay	304,767	2,093	-	306,860
Debt Service - Interest	-	-	-	-
Total Expenditures	<u>304,767</u>	<u>1,357,414</u>	<u>-</u>	<u>1,662,181</u>
Excess (deficiency) of revenues over expenditures	(15,194)	(1,349,437)	-	(1,364,631)
Other financing sources:				
Transfers in	-	1,020,000	-	1,020,000
Total other financing sources	<u>-</u>	<u>1,020,000</u>	<u>-</u>	<u>1,020,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(15,194)	(329,437)	-	(344,631)
Fund balance at beginning of year	1,317,736	1,819,401	7	3,137,144
Fund balance at end of year	<u>\$ 1,302,542</u>	<u>1,489,964</u>	<u>7</u>	<u>2,792,513</u>

WORTHINGTON CITY SCHOOL DISTRICT

TOTAL NONMAJOR
GOVERNMENTAL
FUNDS

2,135,321
1,120,708
34,844
700,212
482,667
780,837
5,254,589

963,606
792,434
527
-
1,756,567

14,247
79,097
461,938
1,475
842,435
1,131,646
135,689
2,666,527

806,385
730,557
306,860
-
6,266,896

(1,012,307)

1,020,000
1,020,000

7,693
5,251,295
5,258,988

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Special Revenue Funds				
Public School Support				
Total Revenues and Other Sources	\$ 200,000	\$ 250,822	\$ 254,284	\$ 3,462
Total Expenditures and Other Uses	531,423	745,958	246,379	499,579
Net Change in Fund Balance	(331,423)	(495,136)	7,905	503,041
Fund Balance, July 1	519,217	519,217	519,217	-
Prior Year Encumbrances Appropriated	6,623	6,623	6,623	-
Fund Balance, June 30	\$ 194,417	\$ 30,704	\$ 533,745	\$ 503,041
 Grants-Local Sources				
Total Revenues and Other Sources	\$ 3,000	\$ 6,833	\$ 6,833	\$ -
Total Expenditures and Other Uses	14,708	18,179	8,070	10,109
Net Change in Fund Balance	(11,708)	(11,346)	(1,237)	10,109
Fund Balance, July 1	8,775	8,775	8,775	-
Prior Year Encumbrances Appropriated	3,608	3,608	3,608	-
Fund Balance, June 30	\$ 675	\$ 1,037	\$ 11,146	\$ 10,109
 Other Local Sources				
Total Revenues and Other Sources	\$ -	\$ 22,364	\$ 22,393	\$ 29
Total Expenditures and Other Uses	3,600	14,920	14,465	455
Net Change in Fund Balance	(3,600)	7,444	7,928	484
Fund Balance, July 1	50,597	50,597	50,597	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ 46,997	\$ 58,041	\$ 58,525	\$ 484

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Special Revenue Funds				
District-Managed Student Activities				
Total Revenues and Other Sources	\$ 520,000	\$ 696,294	\$ 700,212	\$ 3,918
Total Expenditures and Other Uses	739,596	803,899	744,076	59,823
Net Change in Fund Balance	(219,596)	(107,605)	(43,864)	63,741
Fund Balance, July 1	311,628	311,628	311,628	-
Prior Year Encumbrances Appropriated	63,596	63,596	63,596	-
Fund Balance, June 30	\$ 155,628	\$ 267,619	\$ 331,360	\$ 63,741
 Auxiliary Services Fund				
Total Revenues and Other Sources	\$ 712,697	\$ 649,470	\$ 649,470	\$ -
Total Expenditures and Other Uses	795,657	810,981	709,998	100,983
Net Change in Fund Balance	(82,960)	(161,511)	(60,528)	100,983
Fund Balance, July 1	85,754	85,754	85,754	-
Prior Year Encumbrances Appropriated	75,757	75,757	75,757	-
Fund Balance, June 30	\$ 78,551	\$ -	\$ 100,983	\$ 100,983
 Uniform School Supplies				
Total Revenues and Other Sources	\$ 400,000	\$ 401,116	\$ 404,234	\$ 3,118
Total Expenditures and Other Uses	391,627	518,396	373,253	145,143
Net Change in Fund Balance	8,373	(117,280)	30,981	148,261
Fund Balance, July 1	242,240	242,240	242,240	-
Prior Year Encumbrances Appropriated	36,627	36,627	36,627	-
Fund Balance, June 30	\$ 287,240	\$ 161,587	\$ 309,848	\$ 148,261

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Special Revenue Funds				
Special Rotary				
Total Revenues and Other Sources	\$ 100,000	\$ 252,765	\$ 255,816	\$ 3,051
Total Expenditures and Other Uses	135,211	373,919	165,075	208,844
Net Change in Fund Balance	(35,211)	(121,154)	90,741	211,895
Fund Balance, July 1	514,018	514,018	514,018	-
Prior Year Encumbrances Appropriated	1,211	1,211	1,211	-
Fund Balance, June 30	\$ 480,018	\$ 394,075	\$ 605,970	\$ 211,895
Career Development Grants				
Total Revenues and Other Sources	\$ -	\$ 9,000	\$ 9,000	\$ -
Total Expenditures and Other Uses	18,740	27,775	6,649	21,126
Net Change in Fund Balance	(18,740)	(18,775)	2,351	21,126
Fund Balance, July 1	17,535	17,535	17,535	-
Prior Year Encumbrances Appropriated	1,240	1,240	1,240	-
Fund Balance, June 30	\$ 35	\$ -	\$ 21,126	\$ 21,126
EMIS Grant				
Total Revenues and Other Sources	\$ 7,260	\$ 35,841	\$ 35,841	\$ -
Total Expenditures and Other Uses	39,900	68,541	13,965	54,576
Net Change in Fund Balance	(32,640)	(32,700)	21,876	54,576
Fund Balance, July 1	32,700	32,700	32,700	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ 60	\$ -	\$ 54,576	\$ 54,576

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Special Revenue Funds				
Data Communication Support				
Total Revenues and Other Sources	\$ 57,000	\$ 57,000	\$ 57,000	\$ -
Total Expenditures and Other Uses	52,400	109,450	59,128	50,322
<hr/>				
Net Change in Fund Balance	4,600	(52,450)	(2,128)	50,322
Fund Balance, July 1	52,450	52,450	52,450	-
Prior Year Encumbrances Appropriated	-	-	-	-
<hr/>				
Fund Balance, June 30	\$ 57,050	\$ -	\$ 50,322	\$ 50,322
<hr/> <hr/>				
School Net Professional Development				
Total Revenues and Other Sources	\$ -	\$ 4,395	\$ 4,395	\$ -
Total Expenditures and Other Uses	5,600	10,079	3,329	6,750
<hr/>				
Net Change in Fund Balance	(5,600)	(5,684)	1,066	6,750
Fund Balance, July 1	5,684	5,684	5,684	-
Prior Year Encumbrances Appropriated	-	-	-	-
<hr/>				
Fund Balance, June 30	\$ 84	\$ -	\$ 6,750	\$ 6,750
<hr/> <hr/>				
Textbook Subsidy				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	95	95	95	-
<hr/>				
Net Change in Fund Balance	(95)	(95)	(95)	-
Fund Balance, July 1	64	64	64	-
Prior Year Encumbrances Appropriated	31	31	31	-
<hr/>				
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -
<hr/> <hr/>				

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Special Revenue Funds				
Summer School Grant				
Total Revenues and Other Sources	\$ -	\$ 154,808	\$ 154,808	\$ -
Total Expenditures and Other Uses	-	154,808	154,722	86
Net Change in Fund Balance	-	-	86	86
Fund Balance, July 1	-	-	-	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86</u>	<u>\$ 86</u>
Alternative Education				
Total Revenues and Other Sources	\$ 159,985	\$ 174,800	\$ 174,800	\$ -
Total Expenditures and Other Uses	160,000	174,800	174,795	5
Net Change in Fund Balance	(15)	-	5	5
Fund Balance, July 1	15	15	15	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ -</u>	<u>\$ 15</u>	<u>\$ 20</u>	<u>\$ 5</u>
Ohio Reads Grant				
Total Revenues and Other Sources	\$ 92	\$ 34,500	\$ 34,500	\$ -
Total Expenditures and Other Uses	28,570	63,009	50,689	12,320
Net Change in Fund Balance	(28,478)	(28,509)	(16,189)	12,320
Fund Balance, July 1	24,639	24,639	24,639	-
Prior Year Encumbrances Appropriated	3,870	3,870	3,870	-
Fund Balance, June 30	<u>\$ 31</u>	<u>\$ -</u>	<u>\$ 12,320</u>	<u>\$ 12,320</u>

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Special Revenue Funds				
Other State Grants				
Total Revenues and Other Sources	\$ 24,445	\$ 107,225	\$ 107,225	\$ -
Total Expenditures and Other Uses	37,026	119,899	108,935	10,964
Net Change in Fund Balance	(12,581)	(12,674)	(1,710)	10,964
Fund Balance, July 1	12,048	12,048	12,048	-
Prior Year Encumbrances Appropriated	626	626	626	-
Fund Balance, June 30	\$ 93	\$ -	\$ 10,964	\$ 10,964
JTPA Grants				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	971	971	966	5
Net Change in Fund Balance	(971)	(971)	(966)	5
Fund Balance, July 1	92	92	92	-
Prior Year Encumbrances Appropriated	879	879	879	-
Fund Balance, June 30	\$ -	\$ -	\$ 5	\$ 5
Title VI B Grants				
Total Revenues and Other Sources	\$ 1,480,034	\$ 1,275,736	\$ 1,275,736	\$ -
Total Expenditures and Other Uses	1,486,429	1,282,193	1,255,623	26,570
Net Change in Fund Balance	(6,395)	(6,457)	20,113	26,570
Fund Balance, July 1	428	428	428	-
Prior Year Encumbrances Appropriated	6,029	6,029	6,029	-
Fund Balance, June 30	\$ 62	\$ -	\$ 26,570	\$ 26,570

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Special Revenue Funds				
Vocational Education Grants				
Total Revenues and Other Sources	\$ -	\$ 71,616	\$ 71,616	\$ -
Total Expenditures and Other Uses	72,391	72,459	38,829	33,630
Net Change in Fund Balance	(72,391)	(843)	32,787	33,630
Fund Balance, July 1	72,268	72,268	72,268	-
Prior Year Encumbrances Appropriated	191	191	191	-
Fund Balance, June 30	\$ 68	\$ 71,616	\$ 105,246	\$ 33,630
 Bilingual Education Grants				
Total Revenues and Other Sources	\$ 109,631	\$ 97,065	\$ 97,065	\$ -
Total Expenditures and Other Uses	109,715	97,217	97,151	66
Net Change in Fund Balance	(84)	(152)	(86)	66
Fund Balance, July 1	37	37	37	-
Prior Year Encumbrances Appropriated	115	115	115	-
Fund Balance, June 30	\$ 68	\$ -	\$ 66	\$ 66
 Title I Grants				
Total Revenues and Other Sources	\$ 324,053	\$ 246,309	\$ 246,309	\$ -
Total Expenditures and Other Uses	324,100	246,384	246,384	-
Net Change in Fund Balance	(47)	(75)	(75)	-
Fund Balance, July 1	75	75	75	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ 28	\$ -	\$ -	\$ -

Worthington City School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Special Revenue Funds				
Title VI Grants				
Total Revenues and Other Sources	\$ 104,259	\$ 39,714	\$ 39,714	\$ -
Total Expenditures and Other Uses	115,421	50,946	50,760	186
<hr/>				
Net Change in Fund Balance	(11,162)	(11,232)	(11,046)	186
Fund Balance, July 1	11	11	11	-
Prior Year Encumbrances Appropriated	11,221	11,221	11,221	-
<hr/>				
Fund Balance, June 30	\$ 70	\$ -	\$ 186	\$ 186
<hr/> <hr/>				
Drug Free Grants				
Total Revenues and Other Sources	\$ 24,833	\$ 21,777	\$ 21,777	\$ -
Total Expenditures and Other Uses	28,400	25,379	25,317	62
<hr/>				
Net Change in Fund Balance	(3,567)	(3,602)	(3,540)	62
Fund Balance, July 1	3,602	3,602	3,602	-
Prior Year Encumbrances Appropriated	-	-	-	-
<hr/>				
Fund Balance, June 30	\$ 35	\$ -	\$ 62	\$ 62
<hr/> <hr/>				
Refugee Children Grant				
Total Revenues and Other Sources	\$ -	\$ 2,500	\$ 2,500	\$ -
Total Expenditures and Other Uses	63	2,563	-	2,563
<hr/>				
Net Change in Fund Balance	(63)	(63)	2,500	2,563
Fund Balance, July 1	63	63	63	-
Prior Year Encumbrances Appropriated	-	-	-	-
<hr/>				
Fund Balance, June 30	\$ -	\$ -	\$ 2,563	\$ 2,563
<hr/> <hr/>				

Worthington City School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Special Revenue Funds				
Education of the Handicapped Preschool Grants				
Total Revenues and Other Sources	\$ 39,112	\$ 37,548	\$ 37,548	\$ -
Total Expenditures and Other Uses	40,100	38,553	38,528	25
Net Change in Fund Balance	(988)	(1,005)	(980)	25
Fund Balance, July 1	1,005	1,005	1,005	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ 17	\$ -	\$ 25	\$ 25
Telecommunications Act Grant Fund (E-Rate)				
Total Revenues and Other Sources	\$ -	\$ 84,105	\$ 84,105	\$ -
Total Expenditures and Other Uses	9,600	93,746	9,641	84,105
Net Change in Fund Balance	(9,600)	(9,641)	74,464	84,105
Fund Balance, July 1	9,641	9,641	9,641	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ 41	\$ -	\$ 84,105	\$ 84,105
Other Miscellaneous Federal Grants				
Total Revenues and Other Sources	\$ 307,389	\$ 110,092	\$ 110,092	\$ -
Total Expenditures and Other Uses	316,300	119,025	116,025	3,000
Net Change in Fund Balance	(8,911)	(8,933)	(5,933)	3,000
Fund Balance, July 1	8,933	8,933	8,933	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ 22	\$ -	\$ 3,000	\$ 3,000

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Capital Project Funds				
Building Fund				
Total Revenues and Other Sources	\$ 145,000	\$ 2,051,323	\$ 2,051,934	\$ 611
Total Expenditures and Other Uses	219,102	965,550	871,861	93,689
Net Change in Fund Balance	(74,102)	1,085,773	1,180,073	94,300
Fund Balance, July 1	3,450	3,450	3,450	-
Prior Year Encumbrances Appropriated	73,602	73,602	73,602	-
Fund Balance, June 30	\$ 2,950	\$ 1,162,825	\$ 1,257,125	\$ 94,300
 Permanent Improvements Fund				
Total Revenues and Other Sources	\$ -	\$ 1,027,419	\$ 1,027,976	\$ 557
Total Expenditures and Other Uses	207,000	2,053,000	1,606,414	446,586
Net Change in Fund Balance	(207,000)	(1,025,581)	(578,438)	447,143
Fund Balance, July 1	1,766,401	1,766,401	1,766,401	-
Prior Year Encumbrances Appropriated	53,000	53,000	53,000	-
Fund Balance, June 30	\$ 1,612,401	\$ 793,820	\$ 1,240,963	\$ 447,143
 School Net Plus				
Total Revenues and Other Sources	\$ -	\$ -	\$ -	\$ -
Total Expenditures and Other Uses	6	6	-	6
Net Change in Fund Balance	(6)	(6)	-	6
Fund Balance, July 1	6	6	6	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ 6	\$ 6

WORTHINGTON CITY SCHOOL DISTRICT

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ENTERPRISE FUND

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through the user's charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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

Worthington City School District
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 (Non-GAAP Budgetary Basis)
 For the fiscal year ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Proprietary-Enterprise Fund				
Food Service Fund				
Total Revenues and Other Sources	\$ 3,100,000	\$ 2,738,865	\$ 2,755,018	\$ 16,153
Total Expenditures and Other Uses	3,772,464	3,018,464	2,887,299	131,165
Net Change in Fund Balance	(672,464)	(279,599)	(132,281)	147,318
Fund Balance, July 1	675,650	675,650	675,650	-
Prior Year Encumbrances Appropriated	18,464	18,464	18,464	-
Fund Balance, June 30	<u>\$ 21,650</u>	<u>\$ 414,515</u>	<u>\$ 561,833</u>	<u>\$ 147,318</u>

INTERNAL SERVICE FUNDS

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

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

Employee Benefit Insurance Fund - A fund provided to account for money received from other funds as payment for providing medical, hospitalization, life and dental insurance. Payments are made to a third party administrator for claims payments, claims administration and stop-loss coverage. As of October 1, 2002 this fund accounted for the premium based plan

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING STATEMENT OF NET ASSETS
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2004

	INTRA-DISTRICT SERVICES	EMPLOYEE BENEFIT INSURANCE	TOTAL
<u>ASSETS</u>			
Cash and investments	\$ 220,991	8,658	229,649
Inventory	9,798	-	9,798
Total assets	230,789	8,658	239,447
<u>LIABILITIES</u>			
Accounts payable	20,732	13,757	34,489
Due to other governments	5,037	-	5,037
Accrued liabilities	3,128	120,000	123,128
Total liabilities	28,897	133,757	162,654
Net Assets-unrestricted	\$ 201,892	(125,099)	76,793

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2004

	<u>INTRA-DISTRICT SERVICES</u>	<u>EMPLOYEE BENEFIT INSURANCE</u>	<u>TOTAL</u>
Operating Revenues			
Charges for services	\$ 316,749	10,881,530	11,198,279
Total operating revenues	<u>316,749</u>	<u>10,881,530</u>	<u>11,198,279</u>
Operating Expenses			
Supplies and materials	83,173	-	83,173
Personal services	70,683	-	70,683
Employee benefits	33,153	-	33,153
Purchased services	198,731	10,878,799	11,077,530
Other	-	-	-
Total operating expenses	<u>385,740</u>	<u>10,878,799</u>	<u>11,264,539</u>
Operating income (loss)	(68,991)	2,731	(66,260)
Transfer out	<u>(73,297)</u>	<u>-</u>	<u>(73,297)</u>
Net income (loss)	(142,288)	2,731	(139,557)
Net assets at the beginning of year	<u>344,180</u>	<u>(127,830)</u>	<u>216,350</u>
Net assets at the end of year	<u>\$ 201,892</u>	<u>(125,099)</u>	<u>76,793</u>

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2004

	INTRA- DISTRICT SERVICES	EMPLOYEE BENEFIT SELF- INSURANCE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from sales	\$ 316,749	-	316,749
Cash received from charges for services	-	10,881,530	10,881,530
Cash payments for personal services	(103,518)	-	(103,518)
Cash payments for purchased services	(186,017)	(10,874,580)	(11,060,597)
Cash payments for supplies and materials	(81,398)	-	(81,398)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(54,184)</u>	<u>6,950</u>	<u>(47,234)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers out	(73,297)	-	(73,297)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>(73,297)</u>	<u>-</u>	<u>(73,297)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(127,481)	6,950	(120,531)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	348,472	1,708	350,180
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 220,991</u>	<u>8,658</u>	<u>229,649</u>
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (68,991)	2,731	(66,260)
Change in assets and liabilities:			-
Inventory	2,805	-	2,805
Accounts payable	11,684	13,757	25,441
Due to other governments	1,242	-	1,242
Accrued liabilities	(924)	(9,538)	(10,462)
Net cash provided (used) by operating activities	<u>\$ (54,184)</u>	<u>6,950</u>	<u>(47,234)</u>

Worthington City School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Proprietary-Internal Service Funds				
Intra-District Services Fund				
Total Revenues and Other Sources	\$ 500,000	\$ 681,972	\$ 686,972	\$ 5,000
Total Expenditures and Other Uses	403,220	633,286	631,916	1,370
Net Change in Fund Balance	96,780	48,686	55,056	6,370
Fund Balance, July 1	325,053	325,053	325,053	-
Prior Year Encumbrances Appropriated	23,420	23,420	23,420	-
Fund Balance, June 30	<u>\$ 445,253</u>	<u>\$ 397,159</u>	<u>\$ 403,529</u>	<u>\$ 6,370</u>
Employee Benefit Insurance				
Total Revenues and Other Sources	\$ 8,000,000	\$ 10,881,306	\$ 10,881,530	\$ 224
Total Expenditures and Other Uses	3,736,000	10,882,864	10,874,580	8,284
Net Change in Fund Balance	4,264,000	(1,558)	6,950	8,508
Fund Balance, July 1	1,708	1,708	1,708	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	<u>\$ 4,265,708</u>	<u>\$ 150</u>	<u>\$ 8,658</u>	<u>\$ 8,508</u>

WORTHINGTON CITY SCHOOL DISTRICT

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WORTHINGTON CITY SCHOOL DISTRICT

FIDUCIARY FUND TYPES

Trust and Agency Funds

The Trust Funds are used to account for assets held by the school district in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

The Agency Fund is used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

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

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

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

WORTHINGTON CITY SCHOOL DISTRICT
 COMBINING SCHEDULE OF ASSETS AND LIABILITIES - AGENCY FUNDS
 JUNE 30, 2004

	DISTRICT MANAGED FUNDS	STUDENT AGENCY FUNDS	TOTAL AGENCY FUNDS
ASSETS:			
Cash and investments	\$ 285,373	355,821	641,194
Inventory	-	17,292	17,292
TOTAL ASSETS	<u>285,373</u>	<u>373,113</u>	<u>658,486</u>
LIABILITIES:			
Accounts payable	-	20,635	20,635
Due to others	285,373	352,478	637,851
TOTAL LIABILITIES	<u>\$ 285,373</u>	<u>373,113</u>	<u>658,486</u>

WORTHINGTON CITY SCHOOL DISTRICT
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004

District Managed Funds	Balance at <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance at <u>June 30, 2004</u>
ASSETS:				
Cash and investments	\$ 302,477	493,983	511,086	285,373
TOTAL ASSETS	<u>302,477</u>	<u>493,983</u>	<u>511,086</u>	<u>285,373</u>
LIABILITIES:				
Due to others	302,477	493,983	511,086	285,373
TOTAL LIABILITIES	<u>\$ 302,477</u>	<u>493,983</u>	<u>511,086</u>	<u>285,373</u>

Student Agency Funds	Balance at <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance at <u>June 30, 2004</u>
ASSETS:				
Cash and investments	\$ 319,688	340,204	304,071	355,821
Inventory	33,946	17,292	33,946	17,292
TOTAL ASSETS	<u>353,634</u>	<u>357,496</u>	<u>338,017</u>	<u>373,113</u>
LIABILITIES:				
Accounts payable	18,730	20,635	18,730	20,635
Due to others	334,904	352,478	637,851	352,478
TOTAL LIABILITIES	<u>\$ 353,634</u>	<u>373,113</u>	<u>656,581</u>	<u>373,113</u>

Total Agency Funds	Balance at <u>July 1, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Balance at <u>June 30, 2004</u>
ASSETS:				
Cash and investments	\$ 622,165	834,187	815,157	641,194
Inventory	33,946	17,292	33,946	17,292
TOTAL ASSETS	<u>656,111</u>	<u>851,479</u>	<u>849,103</u>	<u>658,486</u>
LIABILITIES:				
Accounts payable	18,730	20,635	18,730	20,635
Due to others	637,381	846,461	1,148,937	637,851
TOTAL LIABILITIES	<u>\$ 656,111</u>	<u>867,096</u>	<u>1,167,667</u>	<u>658,486</u>

Worthington City School District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
(Non-GAAP Budgetary Basis)
For the fiscal year ended June 30, 2004

	Budgeted Amounts			Variance with Final Budget: positive (negative)
	Original	Final	Actual	
Fiduciary Fund				
Private Purpose Trust Fund				
Total Revenues and Other Sources	\$ -	\$ 5,512	\$ 5,672	\$ 160
Total Expenditures and Other Uses	1,500	1,640	1,400	240
Net Change in Fund Balance	(1,500)	3,872	4,272	400
Fund Balance, July 1	157,982	157,982	157,982	-
Prior Year Encumbrances Appropriated	-	-	-	-
Fund Balance, June 30	\$ 156,482	\$ 161,854	\$ 162,254	\$ 400

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

Fiscal Year	Instructional Services	Support Services	Co-curricular			Capital Outlay	Debt Service	Total
			Student Activities	Community Service				
1995	\$ 39,335,253	24,184,454	1,588,046	865	6,326,425	9,591,013	81,026,056	
1996	\$ 41,344,200	26,817,568	1,844,956	1,294	5,832,261	9,496,256	85,336,535	
1997	\$ 41,747,564	27,106,825	1,842,044	12,219	3,445,805	9,377,035	83,531,492	
1998	\$ 44,617,413	28,969,603	1,894,514	8,640	3,574,334	9,375,811	88,440,315	
1999	\$ 47,909,079	30,153,734	2,066,833	4,406	8,871,466	10,518,747	99,524,265	
2000	\$ 50,329,385	32,727,619	2,224,510	12,580	13,777,632	11,074,404	110,146,130	
2001	\$ 54,871,777	35,134,052	2,398,536	19,321	6,966,795	10,575,803	109,966,284	
2002	\$ 56,520,441	36,142,847	2,294,699	12,250	1,782,704	12,354,999	109,107,940	
2003	\$ 59,685,321	38,473,504	2,546,701	55,950	487,521	11,423,109	112,672,106	
2004	\$ 61,397,595	38,523,733	2,498,870	730,557	307,563	10,026,321	113,484,639	

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

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

Fiscal Year	Instructional Services	Support Services	Co-curricular			Capital Outlay	Debt Service	Total
			Student Activities	Community Service				
1995	\$ 38,606,906	23,358,770	1,163,061	-	679,484	23,757	63,831,978	
1996	\$ 40,811,581	25,867,346	1,243,589	-	1,415,213	-	69,337,729	
1997	\$ 41,120,178	25,714,728	1,283,500	-	1,741,254	-	69,859,660	
1998	\$ 43,988,284	27,838,516	1,305,612	-	1,283,697	-	74,416,109	
1999	\$ 47,064,429	29,119,038	1,411,163	-	1,826,678	-	79,421,308	
2000	\$ 49,064,429	31,553,370	1,499,043	-	2,575,184	-	85,066,864	
2001	\$ 53,985,363	34,009,941	1,638,097	-	1,799,760	-	91,433,161	
2002	\$ 54,995,662	34,750,128	1,604,729	-	5,015	68,928	91,424,462	
2003	\$ 57,852,375	36,681,382	1,727,731	-	560	26,234	96,288,282	
2004	\$ 59,641,028	35,768,591	1,692,485	-	703	-	97,102,807	

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

Fiscal Year	Taxes	State Sources	Federal Sources	Investment Income	Other	Total
1995	\$ 63,779,408	15,642,392	623,413	1,392,119	1,964,208	83,401,540
1996	\$ 67,076,737	17,486,793	656,469	1,692,089	2,138,163	89,050,251
1997	\$ 62,627,259	17,367,025	635,168	1,907,935	1,661,269	84,198,656
1998	\$ 66,602,486	19,431,400	574,232	2,493,703	2,344,951	91,446,772
1999	\$ 68,288,250	20,547,588	599,585	2,433,679	2,152,209	94,021,311
2000	\$ 69,737,913	20,851,679	999,067	2,256,811	2,547,547	96,393,017
2001	\$ 71,965,768	23,174,312	1,041,975	2,143,211	2,612,173	100,937,439
2002	\$ 65,901,275	26,612,711	1,303,459	664,559	2,045,001	96,527,005
2003	\$ 77,987,633	26,916,435	1,342,234	407,404	3,503,237	110,156,943
2004	\$ 88,092,800	26,586,297	2,135,321	272,874	3,494,404	120,581,696

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

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

Fiscal Year	Taxes	State Sources	Investment Income	Other	Total
1995	\$ 55,147,201	13,982,956	1,075,378	1,166,218	71,371,753
1996	\$ 58,217,466	14,966,472	1,572,253	1,272,011	76,028,202
1997	\$ 54,473,145	15,285,840	1,856,501	886,702	72,502,188
1998	\$ 57,348,808	16,783,557	2,083,454	1,448,202	77,664,021
1999	\$ 58,598,139	18,243,046	1,893,498	1,230,039	79,964,722
2000	\$ 60,247,634	18,661,769	1,819,399	1,488,638	82,217,440
2001	\$ 62,339,365	20,635,748	1,677,538	1,168,774	85,821,425
2002	\$ 58,757,516	24,761,194	580,270	874,824	84,973,804
2003	\$ 69,466,893	24,600,854	316,693	1,610,418	95,994,858
2004	\$ 78,454,204	24,492,000	238,030	1,530,688	104,714,922

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

<u>Collection Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>% of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes</u>
1995	\$ 72,637,450	71,376,503	98.26	1,807,180	73,183,683	100.75	2,465,995
1996	\$ 71,429,318	69,160,239	96.82	1,773,077	70,933,316	99.31	3,110,548
1997	\$ 71,755,160	71,227,448	99.26	2,361,553	73,589,000	102.56	2,067,455
1998	\$ 73,623,396	73,056,853	99.23	1,491,730	74,548,583	101.26	2,683,127
1999	\$ 73,464,531	74,598,352	101.54	1,743,994	76,342,346	103.92	2,594,757
2000	\$ 76,356,202	74,691,790	97.82	1,800,298	76,492,088	100.18	2,968,985
2001	\$ 77,711,146	76,318,858	98.21	1,856,130	78,174,988	100.60	4,087,123
2002	\$ 88,036,586	85,884,488	95.56	3,526,269	89,410,757	101.56	4,359,612
2003	\$ 87,483,625	85,329,743	97.54	2,311,928	87,641,671	100.18	5,271,460
2004	NA	NA	NA	NA	NA	NA	NA

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

Collection Year	Real Property			Personal Property			Public Utility			Total		
	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value	%	Assessed Value	Estimated Actual Value
1995	35%	1,083,785,060	3,096,528,743	25%	156,146,893	624,587,572	35%	90,480,810	258,516,600	35%	1,330,412,763	3,979,632,915
1996	35%	1,090,651,200	3,116,146,286	25%	164,705,264	658,821,056	35%	60,811,950	173,748,429	35%	1,316,168,414	3,948,715,771
1997	35%	1,161,727,240	3,319,220,686	25%	172,035,095	688,140,380	35%	62,029,110	177,226,029	35%	1,395,791,445	4,184,587,095
1998	35%	1,170,127,840	3,343,222,400	25%	168,152,747	672,610,988	35%	62,811,200	179,460,571	35%	1,401,091,787	4,195,293,959
1999	35%	1,187,226,200	3,392,074,857	25%	172,157,630	688,630,520	35%	51,529,460	147,227,029	35%	1,410,913,290	4,227,932,406
2000	35%	1,334,885,820	3,813,959,485	25%	173,673,482	694,693,928	35%	61,834,790	176,670,828	35%	1,570,394,092	4,685,324,241
2001	35%	1,348,010,980	3,851,459,942	25%	182,366,084	729,464,336	35%	60,284,870	172,242,485	35%	1,590,661,934	4,753,166,763
2002	35%	1,361,777,250	3,890,792,142	25%	199,935,920	799,743,680	35%	50,099,860	143,142,456	35%	1,611,813,030	4,833,678,278
2003	35%	1,517,928,590	4,336,938,828	25%	222,111,873	888,447,492	35%	51,560,220	147,314,913	35%	1,791,600,683	5,372,701,233
2004	35%	1,526,293,780	4,360,839,370	25%	196,298,030	785,192,120	35%	55,641,930	158,976,942	35%	1,778,233,740	5,305,008,432

WORTHINGTON CITY SCHOOL DISTRICT
Assessed and Estimated Actual Value of Taxable Property by Sub-Division
2003 Collection Year

Sub-division	Real Property			Personal Property			Public Utility			Total		
	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value	% to Total	Assessed Value	Estimated Actual Value	% to Total
City of Worthington	\$ 484,961,710	\$ 1,385,604,885	31.77%	\$ 50,264,144	\$ 201,056,576	25.61%	\$ 15,190,500	\$ 43,401,429	27.30%	\$ 550,416,354	\$ 1,630,062,890	30.73%
City of Columbus	898,831,720	2,568,090,629	58.89%	142,820,544	571,282,176	72.76%	31,247,430	89,278,371	56.16%	1,072,899,694	3,228,651,176	60.86%
Village of Riverlea	18,046,910	51,562,600	1.18%	130,001	520,004	0.07%	158,430	452,657	0.28%	18,335,341	52,535,261	0.99%
Perry Township	95,326,160	272,360,457	6.25%	2,546,210	10,184,840	1.30%	1,919,400	5,484,000	3.45%	99,791,770	288,029,297	5.43%
Sharon Township	29,127,280	83,220,800	1.91%	537,131	2,148,524	0.27%	7,126,170	20,360,486	12.81%	36,790,581	105,729,810	1.99%
Total	1,526,293,780	4,360,839,371		196,298,030	785,192,120		55,641,930	158,976,943		1,778,233,740	5,305,008,434	

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

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

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

<u>Collection Year</u>	<u>City of Worthington</u>	<u>Franklin County</u>	<u>Sharon Township</u>	<u>Library</u>	<u>Worthington School Dist.</u>	<u>Full Rate</u>	<u>Residential/ Agriculture Effective Rate</u>	<u>Commercial/ Industrial Effective Rate</u>
1995	3.50	14.57	0.60	2.20	73.43	94.30	66.7599	71.2343
1996	3.00	14.82	0.60	2.20	73.40	94.02	66.5440	71.4522
1997	3.00	15.12	0.60	2.20	72.88	93.80	63.1357	70.1997
1998	3.00	15.22	0.60	2.20	73.66	94.68	64.0904	71.2237
1999	3.00	17.54	0.60	2.20	73.66	97.00	66.3437	72.8107
2000	3.00	17.64	0.60	2.20	72.65	96.09	60.9406	67.6809
2001	3.00	17.64	0.60	2.20	72.65	96.09	60.7908	67.1461
2002	3.00	17.64	0.50	2.20	78.38	101.72	66.4030	72.1763
2003	3.00	17.64	0.50	2.20	77.88	101.22	60.7553	69.2800
2004	3.00	17.64	0.50	2.20	77.71	101.05	60.4806	69.2569

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

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

Collection Year	City of Columbus	Franklin County	Worthington		Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
			Library	School District		
			Full			
			Rate			
1995	3.14	14.57	2.20	73.43	65.7999	70.2743
1996	3.14	14.82	2.20	73.40	66.0840	70.9922
1997	3.14	15.12	2.20	72.88	62.6757	69.7397
1998	3.14	15.22	2.20	73.66	63.6304	70.7637
1999	3.14	17.54	2.20	73.66	65.8837	72.3507
2000	3.14	17.64	2.20	72.65	60.4806	67.2209
2001	3.14	17.64	2.20	72.65	60.3508	66.7061
2002	3.14	17.64	2.20	78.38	66.0430	71.8163
2003	3.14	17.64	2.20	77.88	60.3953	68.9200
2004	3.14	17.64	2.20	77.71	60.1206	68.8969

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

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

<u>Collection Year</u>	<u>Village of Riverlea</u>	<u>Franklin County</u>	<u>Sharon Township</u>	<u>Library</u>	<u>Worthington School Dist.</u>	<u>Full Rate</u>	<u>Residential/Agriculture Effective Rate</u>	<u>Commercial/Industrial Effective Rate</u>
1995	8.00	14.57	3.60	2.20	73.43	101.80	72.7471	77.4415
1996	8.00	14.82	3.60	2.20	73.40	102.02	73.0376	78.0091
1997	6.00	15.12	3.60	2.20	72.88	99.80	68.0212	75.8408
1998	6.00	15.22	3.60	2.20	73.66	100.68	68.9757	76.8790
1999	6.00	17.54	3.60	2.20	73.66	103.00	71.2311	78.2554
2000	6.00	17.64	3.60	2.20	72.65	102.09	65.1213	72.6177
2001	6.00	17.64	3.60	2.20	72.65	102.09	64.9731	72.0228
2002	6.00	17.64	3.50	2.20	78.38	107.72	65.1213	72.6177
2003	6.00	17.64	3.50	2.20	77.88	107.22	64.0975	73.6590
2004	6.00	17.64	3.50	2.20	77.71	107.05	63.8290	73.6360

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

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

Collection Year	Franklin County	Perry Township	Worthington			Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
			Library	School District	Full Rate		
1995	14.57	23.80	2.20	73.43	114.00	79.1882	81.6995
1996	14.82	23.80	2.20	73.40	114.22	79.4902	82.3926
1997	15.12	23.80	2.20	72.88	114.00	74.9921	80.8787
1998	15.22	23.80	2.20	73.66	114.88	76.0275	81.8584
1999	17.54	23.80	2.20	73.66	117.20	78.6678	86.1906
2000	17.64	23.80	2.20	72.65	116.29	71.6184	78.8807
2001	17.64	23.80	2.20	72.65	116.29	70.2258	77.3188
2002	17.64	23.80	2.20	78.38	122.02	79.2200	85.6251
2003	17.64	23.80	2.20	77.88	121.52	71.8528	81.6524
2004	17.64	20.40	2.20	77.71	117.95	72.9892	81.2885

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

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

Collection Year	Franklin County	Sharon Township	Library	Worthington School District	Full Rate	Residential/ Agriculture Effective Rate	Commercial/ Industrial Effective Rate
1995	14.57	8.10	2.20	73.43	98.30	69.6402	75.2253
1996	14.82	13.10	2.20	73.40	103.52	74.9410	80.2697
1997	15.12	13.10	2.20	72.88	103.30	70.6388	78.7684
1998	15.22	13.10	2.20	73.66	104.18	71.5919	79.8566
1999	17.54	13.10	2.20	73.66	106.50	73.8558	81.4284
2000	17.64	19.10	2.20	72.65	111.59	72.4310	80.9014
2001	17.64	19.10	2.20	72.65	111.59	72.2968	79.9594
2002	17.64	19.00	2.20	78.38	117.22	77.9002	84.8649
2003	17.64	23.50	2.20	77.88	121.22	74.5215	85.0989
2004	17.64	23.50	2.20	77.71	121.05	74.2750	85.0758

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

WORTHINGTON CITY SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
(2004 Collection Year)

Table 6

<u>Public Utilities</u>		
	Assessed Valuation	% of Total Assessed Valuation
1. Columbus Southern Power Company	\$ 22,884,640	1.29%
2. Ohio Bell Telephone Company	11,917,370	0.67%
3. Sprintcom Inc.	9,001,150	0.51%
 <u>Real Estate</u>		
1. Anheuser-Busch Inc.	17,729,950	1.00%
2. ASP Boma LLC	11,511,520	0.65%
3. Eastrich No 167 Corp.	11,450,970	0.64%
4. Worthington Meadows	10,024,400	0.56%
5. Worthington Industries	8,490,470	0.48%
6. Columbus Retail Inc.	8,184,160	0.46%
7. EOP-Community Corporate	8,050,000	0.45%
8. Fieldstone Trace Partnership	7,334,260	0.41%
9. Regency Centers LP	7,039,510	0.40%
10. Donald R Kenney TR	6,874,010	0.39%
 <u>Tangible Personal Property</u>		
1. Anheuser-Busch Inc.	84,477,439	4.75%
2. GE Superabrasives Inc.	14,553,790	0.82%
3. Worthington Steel Inc.	9,821,480	0.55%
4. Liebert North America Inc.	6,502,980	0.37%
5. Mettler Toledo Inc.	4,888,370	0.27%
6. Worthington Foods Inc.	4,769,640	0.27%
7. Jack Maxton Chevrolet, Inc.	4,341,340	0.24%
8. Chase Manhattan Mortgage Corp.	3,906,290	0.22%
9. Abbott Laboratories	3,838,780	0.22%
10. Worthington Cylinder Corporation	2,605,580	0.15%
ALL OTHERS	1,498,035,641	84.23%
TOTAL ASSESSED VALUATION	\$ 1,778,233,740	100.00%

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

WORTHINGTON CITY SCHOOL DISTRICT

Table 7

Computation of Legal Debt Margin
June 30, 2004

Total Assessed Valuation	\$ 1,778,233,740
OVERALL DEBT LIMITATION:	
9% of assessed valuation	160,041,037
Gross indebtedness	50,259,016
Less: Debt outside limitations	-
Net debt within limitation	50,259,016
Legal debt margin within 9% limitation	109,782,021
UNVOTED DEBT LIMITATION:	
.1% of assessed valuation	1,778,234
Gross indebtedness	650,000
Less: Debt outside limitations	-
Net debt within limitation	650,000
Legal debt margin within .1% limitation	1,128,234

Notes: Assessed valuation from Table 4.

Gross indebtedness excludes accretion of deep discount debt in accordance with State laws

Source: Office of the Treasurer, Worthington City School District

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

Collection Year	Estimated Population (1)	Assessed Value Real & Personal Property (2)	General Bonded Debt (3)	Ratio of Bonded Debt to Assessed Value (%)	Net Bonded Debt Per Capita
1995	54,546	1,330,412,763	77,586,233	5.83%	1,422.40
1996	54,919	1,316,168,414	72,916,234	5.54%	1,327.71
1997	55,194	1,395,791,445	68,061,234	4.88%	1,233.13
1998	55,894	1,401,091,787	76,911,024	5.49%	1,376.02
1999	56,115	1,410,913,290	70,676,024	5.01%	1,259.49
2000	56,938	1,570,394,092	70,961,024	4.52%	1,246.29
2001	56,975	1,590,661,934	64,572,478	4.06%	1,133.35
2002	56,975	1,611,813,030	60,402,478	3.75%	1,060.16
2003	56,687	1,791,600,683	52,062,458	2.91%	918.42
2004	59,063	1,778,233,740	50,259,016	2.83%	850.94

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

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

<u>Fiscal Year</u>	<u>Total General Obligation Debt Service</u>	<u>Total General Governmental Expenditures</u>	<u>Ratio of General Obligation Bonded Debt Service to Total General Fund Expenditures</u>
1995	9,591,013	81,026,056	0.12
1996	9,496,256	85,336,535	0.11
1997	9,377,035	83,531,492	0.11
1998	9,375,811	88,440,315	0.11
1999	10,518,747	99,524,265	0.11
2000	11,074,404	110,146,130	0.10
2001	10,575,803	109,966,284	0.10
2002	12,354,999	109,107,940	0.11
2003	11,423,109	112,672,106	0.10
2004	10,026,321	113,484,639	0.09

Source: Office of the Treasurer, Worthington City School District

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

	<u>Assessed Valuation</u>	<u>General Bonded Debt</u>	<u>Percent Overlapping</u>	<u>Amount Applicable to Worthington City School District</u>
Direct				
Worthington City School District	\$ 1,778,233,740	\$ 40,256,612	100.00%	\$ 40,256,612
Overlapping				
Franklin County	24,771,631,080	143,154,117	7.18%	10,278,466
City of Worthington	550,416,354	9,980,537	100.00%	9,980,537
City of Columbus	14,199,724,479	283,748,348	7.56%	21,451,375
Village of Riverlea	18,335,341	-	100.00%	-
Perry Township	129,996,118	-	76.77%	-
Sharon Township	628,649,534	-	96.32%	-

WORTHINGTON CITY SCHOOL DISTRICT

Table 11

Demographic Statistics
Enrollment Data
Last Ten Fiscal Years

<u>School Year</u>	<u>Enrollment K - 12</u>	<u>Increase/ Decrease</u>	<u>Percent Increase/ Decrease</u>
1994-95	10,801	182	1.71%
1995-96	10,818	17	0.16%
1996-97	10,790	(28)	(0.26%)
1997-98	10,680	(110)	(1.02%)
1998-99	10,604	(76)	(0.71%)
1999-00	10,498	(106)	(1.00%)
2000-01	10,323	(175)	(1.67%)
2001-02	10,031	(292)	(2.83%)
2002-03	9,934	(97)	(0.97%)
2003-04	9,651	(283)	(2.85%)

Source: Office of the Treasurer, Worthington City School District

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

Collection Year	New Construction (1)			Real Property Values (1)		
	Agricultural/ Residential	Commercial/ Industrial	Total	Agricultural/ Residential	Commercial/ Industrial	Total
1995	8,034,150	15,168,410	23,202,560	744,999,220	338,785,840	1,083,785,060
1996	8,920,340	3,886,200	12,806,540	755,940,280	334,710,920	1,090,651,200
1997	6,471,600	7,285,460	13,757,060	816,606,370	345,040,400	1,161,646,770
1998	6,622,640	533,730	7,156,370	824,289,160	345,838,680	1,170,127,840
1999	2,964,420	9,024,050	11,988,470	831,202,970	356,023,230	1,187,226,200
2000	2,935,310	9,024,050	11,959,360	929,520,290	405,365,530	1,334,885,820
2001	4,927,160	6,228,260	11,155,420	934,815,990	413,194,990	1,348,010,980
2002	4,707,220	4,208,430	8,915,650	937,915,140	423,862,110	1,361,777,250
2003	2,003,120	1,849,600	3,852,720	1,072,551,470	445,377,120	1,517,815,880
2004	4,662,450	3,905,480	8,567,930	1,078,744,680	447,549,100	1,526,293,780

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

Miscellaneous Statistics

Enrollment

October 2003 9,651

Staff

	<u>FTE</u>	<u>Head Count</u>
Certificated	742.37	801
Classified	405.42	489
	<u>1,147.79</u>	<u>1,290</u>

Education and Experience of Teaching Staff

Average classroom teaching experience (in years) 15.3

Percentage of Teachers with Master's Degrees (or beyond) 70.8%

Percentage of High School graduates:

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

ACT Scores Composite 2003-2004

(National Average 20.08) 23.9

SAT Scores Average 2003-2004

Verbal (National Average 504) 538
 Math (National Average 516) 567

Source: Office of the Treasurer, Worthington City School District



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**WORTHINGTON CITY SCHOOL DISTRICT
FRANKLIN COUNTY**

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 20, 2005**