

**SOUTH-WESTERN CITY SCHOOL DISTRICT**

FRANKLIN COUNTY

SINGLE AUDIT

June 30, 2005





**Auditor of State  
Betty Montgomery**

Board of Education  
South-Western City School District  
3805 Marlane Drive  
Grove City, Ohio 43123

We have reviewed the *Independent Auditor's Report* of the South-Western City School District, Franklin County, prepared by Wilson, Shannon, & Snow, Inc., for the audit period July 1, 2004 through June 30, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The South-Western City School District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

December 28, 2005

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**South-Western City School District  
Franklin County**

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**SOUTH-WESTERN CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

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

Federal Grantor/ Pass thru Grantor/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Cash Receipts	Non-Cash Receipts	Cash Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed through Ohio Department of Education:</i>						
<i>Child Nutrition Cluster:</i>						
Food Donation	N/A	10.550	\$ -	\$ 505,569	\$ -	\$ 505,569
School Breakfast Program	05-PU	10.553	528,013	-	528,013	-
National School Lunch Program	LL-P4-02,03	10.555	2,611,584	-	2,611,584	-
Summer Food Service Program for Children	23-ML	10.559	104,080	-	104,080	-
<i>Total Child Nutrition Cluster:</i>			<u>3,243,677</u>	<u>505,569</u>	<u>3,243,677</u>	<u>505,569</u>
Child and Adult Food Care Program	21-ML	10.558	187,080	-	187,080	-
<b>Total U.S. Department of Agriculture</b>			<u>3,430,757</u>	<u>505,569</u>	<u>3,430,757</u>	<u>505,569</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed through Ohio Department of Education:</i>						
<i>Special Education Cluster:</i>						
Special Education-Grants to States	6B-SF	84.027	3,667,221	-	3,573,172	-
Special Education-Preschool Grants	PG-S1	84.173	59,029	-	59,065	-
<i>Total Special Education Cluster:</i>			<u>3,726,250</u>	<u>-</u>	<u>3,632,237</u>	<u>-</u>
Adult Education-State Grant Program	AB-S1	84.002	169,693	-	189,014	-
Title I Grants to Local Educational Agencies	C1-S1	84.010	3,343,047	-	3,182,412	-
Migrant Education-State Grant Program	MG-S1	84.011	92,384	-	96,937	-
Vocational Education-Basic Grants to States	20-CI	84.048	621,173	-	499,409	-
Safe and Drug Free Schools and Communities-State Grants	DR-S1	84.186	99,699	-	92,882	-
Even Start-State Educational Agencies	EV-S2,S4	84.213	176,117	-	189,043	-
State Grants for Innovative Programs	C2-S1	84.298	179,955	-	266,177	-
Education Technology State Grants	TF-24,25	84.318	247,039	-	251,698	-
Advanced Placement Program	AV-TF	84.330	1,508	-	1,508	-
Comprehensive School Reform Demonstration	RF-S1	84.332	174,745	-	50,619	-
English Language Acquisition Grants	T3-S1	84.365	342,308	-	278,108	-
Mathematics and Science Partnerships	MJ-S1	84.366	192,710	-	205,626	-
Improving Teacher Quality State Grants	TR-S1	84.367	600,265	-	545,020	-
Learn & Serve America-School and Community Based Programs	SV-S1	94.004	13,777	-	7,731	-
<b>Total U.S. Department of Education</b>			<u>9,980,671</u>	<u>-</u>	<u>9,488,421</u>	<u>-</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>						
<i>Passed through Columbus Metropolitan Area Community Action Organization:</i>						
Head Start	N/A	93.600	1,984,277	-	2,110,415	-
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Temporary Assistance for Needy Families	N/A	93.558	51,600	-	94,197	-
State Children's Insurance Program	N/A	93.767	56,110	-	56,110	-
Medical Assistance Program	N/A	93.778	344,987	-	344,987	-
<i>Total Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			<u>452,697</u>	<u>-</u>	<u>495,294</u>	<u>-</u>
<i>Passed through Ohio Department of Education:</i>						
Refugee and Entrant Assistance-Discretionary Grants	R1-S1	93.576	18,200	-	16,821	-
<b>Total U.S. Department of Health and Human Service</b>			<u>2,455,174</u>	<u>-</u>	<u>2,622,530</u>	<u>-</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 15,866,602</u>	<u>\$ 505,569</u>	<u>\$ 15,541,708</u>	<u>\$ 505,569</u>

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

**South-Western City School District  
Franklin County**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES**

For the Fiscal Year Ended June 30, 2005

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - CHILD NUTRITION CLUSTER**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the accompanying schedule of federal awards receipts and expenditures at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture.

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal funds is not included on the Schedule.



**Report on Internal Control over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

Board of Education  
South-Western City School District  
3805 Marlane Drive  
Grove City, Ohio 43123

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the District) as of and for the fiscal year ended June 30, 2005, and have issued our report thereon dated October 19, 2005. As disclosed within Note 4, the District adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosure*. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts 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 which we have reported to management of the District in a separate letter dated October 19, 2005.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of the 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 or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters related to compliance that we reported to management of the District in a separate letter dated October 19, 2005.

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

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
October 19, 2005



**Reports on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 and the Federal Awards Receipts and Expenditures Schedule**

Board of Education  
South-Western City School District  
3805 Marlane Drive  
Grove City, Ohio 43123

**Compliance**

We have audited the compliance of South-Western 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 fiscal year ended June 30, 2005. 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 its major federal programs are 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-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe 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 fiscal year ended June 30, 2005.

*Wilson, Shannon & Snow, Inc.*

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### 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 reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be 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 other matters involving internal control over compliance which we have reported to management of the District in a separate letter dated October 19, 2005.

### Schedule of Federal Awards Receipts and Expenditures

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South-Western City School District, Franklin County, Ohio (the District) as of and for the fiscal year ended June 30, 2005, and have issued our report thereon dated October 19, 2005. As disclosed in Note 4, the District implemented GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. 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 solely for the information and use of management, Board of Education, the Auditor of State, 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.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
October 19, 2005

**South-Western City School District  
Franklin County**

SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505

June 30, 2005

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Special Education Cluster / 84.027, 84.173 Vocational Education / 84.048 Improving Teacher Quality / 84.367 Head Start / 93.600 Title I / 84.010 Nutrition Cluster/10.550, 10.553, 10.555, 10.559
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 481,418 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

**South-Western City School District  
Franklin County**

**SCHEDULE OF FINDINGS  
*OMB CIRCULAR A-133 §.505***

June 30, 2005

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

None were noted

**3. FINDINGS FOR FEDERAL AWARDS**

None were noted

**South-Western City School District  
Franklin County**

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

June 30, 2005

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b></u>
04-01	Lack of adequate segregation of duties over cash receipt function.	Yes	Finding no longer valid due to new procedures implemented by the District.
04-02	5705.39 – Appropriations exceeded estimated resources in several funds.	No	Partially corrected. Reissued as non-compliance citation in the Management Letter.
04-03	District did not obtain semi-annual certifications of employees whose salary is charged solely to grant programs. Violation of OMB Circular A-87, Attachment B.	Yes	Finding no longer valid as the District obtained certifications semi-annually during fiscal year 2005.

***SOUTH-WESTERN CITY SCHOOL DISTRICT***

***Grove City, Ohio***

***COMPREHENSIVE ANNUAL FINANCIAL  
REPORT***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2005***

Issued by the Treasurer's Office

Catherine M. Bulgrin, Treasurer  
Karen K. New, Assistant Treasurer





South-Western City School District  
 Comprehensive Annual Financial Report  
 For the Year Ended June 30, 2005

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## District Service Center

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3805 Marlane Drive  
Grove City, Ohio 43123-3304  
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October 19, 2005

### **CITIZENS AND BOARD OF EDUCATION OF THE SOUTH-WESTERN CITY SCHOOL DISTRICT:**

The sixteenth Comprehensive Annual Financial Report (CAFR) of the South-Western City School District (the District) Treasurer's Office contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material aspects of the District for the 2004-05 fiscal year. This report prepared by the Treasurer's office including the unqualified opinion of our independent auditors, Wilson, Shannon & Snow, Inc. for the fiscal year ended June 30, 2005 is hereby submitted. Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

This report has been divided into three sections:

The Introductory Section includes this transmittal letter, a list of principal officials, the District organizational chart, and a reproduction of the Certificate of Achievement in Financial Reporting (GFOA).

The Financial Section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the financial statements and schedules.

The Statistical Section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparison purposes.

GAAP also require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD & A). This letter of transmittal is designed to complement MD & A and should be read in conjunction with it. The District's MD & A can be found immediately following the report of the independent auditors.

Copies of this report will be widely distributed throughout the District. A copy will be posted on our web site and copies will be sent to the Southwest Public Library, Moody's and Standard and Poor's Financial Rating Services, banks, and any other interested parties.

### **SCHOOL DISTRICT ORGANIZATION**

The District was established in 1959 through the consolidation of existing land areas and several smaller local school districts and is organized under Sections 2 and 3, Article VI of the constitution of the State of Ohio. Under Ohio law, there is no authority for a District to have a charter or adopt local laws. The legislative power of the District is vested in the board of education, consisting of five members elected at large for staggered four year terms.

The Superintendent is the chief administrative officer of the District, responsible for both education and support operations. The Treasurer is the chief fiscal officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, and investing idle funds as specified by Ohio law.

### **THE REPORTING ENTITY AND SERVICES PROVIDED**

The District serves an area of approximately one hundred twenty-seven square miles. It encompasses most of the southwestern quadrant of Franklin County, including a substantial portion of the southwestern quadrant of the City of Columbus and five other cities and villages. In addition, a very small portion of Pickaway County is included within the District boundaries.

The District operates 36 instruction/support facilities staffed by 1,045 non-certificated employees, 1,539 certificated full-time teaching personnel and 118 administrative employees to provide services to 20,863 students.

This report includes all funds of the District. The District provides a full range of traditional and non-traditional educational programs, services and facilities. These include elementary and secondary curriculum offerings at the college preparatory and career technical levels; a broad range of co-curricular and extracurricular activities; special education programs and community recreation facilities.

In addition to these general activities, the District acts as fiscal agent for the Central Ohio School Improvement Team which is accounted for in an agency fund. However, the City of Grove City; Townships of Franklin, Jackson, Pleasant and Prairie; and the Southwest Public Library have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

### **ECONOMIC CONDITION AND OUTLOOK**

The District is an independent political subdivision characterized as a “city school district” under Ohio Law, and provides educational services as mandated by state and/or federal agencies. The District is located primarily in Franklin County, Ohio southwest of, and included in parts of the City of Columbus, the State capital. The economic condition and outlook of the District has improved in recent years. The District has experienced considerable growth in both residential and commercial tax bases since 1985. Generally, the Columbus area is noted for its attractive service-based economy, cultural and educational elements. The District shares these demographic components with the resultant quality of life. Unemployment in the Franklin County Area, as listed by the Ohio Department of Job and Family Services, was 5.2 percent for the period ending September 2005. The Ohio rate of unemployment was 5.8 percent and the national unemployment rate was 5.1 percent for the same period. New residential construction continues to increase each year with many housing developments in progress throughout the District. Based on the economic condition of the area and the amount of undeveloped land within the District boundaries, this growth is expected to continue for the next 10 to 15 years. Commercial growth has increased with the continued growth in corporations locating warehouse/light manufacturing space in the District.

Although this growth has had a positive effect on employment and the District's tax base, realization of the full tax revenue impact has not been realized due to House Bill 920. This state law, enacted in 1976 provides that the assessed value of property will not be changed more than once every three years, and the property tax bill of the average homeowner for voted mileage will not be increased as a result of reappraisal or readjustment. Enacted as a result of protests from citizens who were being served markedly higher tax bills following reappraisals, this legislation has had the effect of seriously eroding the growth in revenue from local property tax and does not allow for revenue increases caused by inflationary growth of real estate property values. In other words, the 8.9 mill permanent operating levy that was voted on in August 1994 and projected to generate \$12,000,000 each year will never generate more than that amount. As assessed value increases due to new homes and businesses; the 8.9 mills will decrease for each property owner until the amount generated from this voted levy equals \$12,000,000. Although the economic condition of the area continues to be great, we must constantly recognize this built-in revenue limitation. Hence, the need for a new levy materializes with increased student growth, community asked to support 9.7 mills.

In conjunction with the growth in jobs and construction, there is a continual increase in the number of students. Additional students provide additional state funding, however, this funding does not cover all the expenses to educate these students. The remainder is expected to be received through the increase in property taxes the new properties and businesses generate. House Bill 920 will limit the same revenue after a subsequent reappraisal or update year. This provides a continued challenge to District officials to manage resources and provide services to the students and community.

#### **MAJOR INITIATIVE**

In 1994, the District passed an 8.9 mill operating levy. Since that time, due to challenges resulting from House Bill 920 mentioned above, the District has seen its effective millage rate drop by 9.33 mills. A group of community leaders within the District were instrumental in determining the levy amount of 9.7 mill combined operating/permanent improvement levy that was placed on the November 2004 ballot. The levy did not pass. The Board of Education authorized the same levy for the February 2005 ballot with no success. After outlining specific budget reductions the same levy passed in May 2005. Collections will begin in January 2006.

Continuous Improvement Plans (CIP) have been implemented in each building in support of the District's CIP. Each plan works as a blueprint in setting the direction on how individual buildings will grow academically even though their populations differ. Data based decision making is the focus of future education in Ohio schools. Administrative staff is working closely with teachers on enhancing engaging students in work; formulating questions encouraging instructional staff to converse about instructional design; and using Short Cycle Assessments to provide a resource for integrating a system bank of questions for assessment and intervention activities graded by artificial intelligence software.

Additionally, the District continues to grow and focus on Graduation, Attendance, and Proficiency (GAP), which has been an ongoing target. To meet the initiatives of GAP, the District implemented a pilot program involving four elementary schools which targeted State mandated proficiency outcomes which is in its third year of existence. The program is data driven. Participating schools studied data from the actual proficiency tests and correlated the information to the current courses of study. Adjustments were made to the courses of study to insure that the proficiency outcomes would be met. As a result of the District CIP and the focus on GAP, the District has received Continuous Improvement Status from the State of Ohio Department of Education.

## **FINANCIAL INFORMATION**

***Internal and Budgetary Controls*** - In developing the District's accounting system much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

The District utilizes a fully automated accounting system as well as an automated system of control for capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted once the County Auditor has completed the tax duplicate for the upcoming calendar year.

Annual appropriations may not exceed the County Budget Commission's official estimate of resources. The County Auditor must certify that the Board of Education's appropriations measures, including any supplements or amendments, do not exceed the amount set forth in the latest of these official estimates.

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. Budgets are controlled at the object level within a function and fund. All requisition requests must be approved by the individual program managers and be certified by the Business Manager and the Treasurer; necessary funds are then encumbered and purchase orders are created and released to vendors.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished weekly/monthly reports showing the status of the budget account for which he or she is responsible. Each program manager may request additional financial reports during the month when necessary.

As an additional safeguard, a blanket bond covers all employees involved with receiving and depositing funds, and a separate higher bond covers certain individuals in policy making roles. The basis of accounting and the various funds and account groups utilized by South-Western City Schools are fully described in the notes to the basic financial statements. Additional information on the District's budgetary accounts can also be found in the notes to the general purpose financial statements.

***Cash Management*** - The District operates a cash management program designed to provide safety, liquidity and yield in that order which is in compliance with Senate Bill 81. Funds are invested in the State of Ohio Treasurer's Investment Pool (STAR OHIO), in United States government bills, notes or agencies, in high-grade commercial paper, in high-grade banker's acceptances or, certificates of deposit.

The Federal Deposit Insurance Corporation as well as qualified securities pledged by the institution holding the assets provides protection of the District's cash and investments. By law, financial institutions may establish a collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least one hundred and ten percent of public funds deposited. The designated third party trustees of the financial institutions hold collateral.

***Risk Management*** – The District continues to protect its assets through a comprehensive insurance program. However, the district is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2005, the District contracted with Ohio School Plan for general liability. General liability had a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate limit with no deductible. Property and fleet insurance is with Indiana Insurance. Fleet insurance requires \$1,000 deductibles for both comprehensive and collision. Property insurance deductibles range from \$25 to \$50,000 depending upon the type of property and loss.

The District participates in the State Workers' Compensation System, which is a premium-based program. The premium rate is calculated through an actuarial analysis based on account history and administrative cost.

The District has elected to provide employee medical, dental, vision and life insurance benefits. United Health Care is the District's medical insurance provider. This is a fully insured plan that permits the District to pay a negotiated premium each month for each employee. The District negotiated a one-year plan with United Health Care that covers the period from January 1, 2005 through January 1, 2006. Premiums increased effective January 2005 by 7.5 percent. The increase was due to increased trend and claims payment history. The Board pays one hundred percent of the premium for single coverage and sixty-five percent of the premium for family coverage. The District Insurance Committee determined coverage and plan design. This committee consists of representatives of all three associations (unions) and the Board of Education. By negotiated agreement, this committee has the authority to modify district insurance programs and employee contributions.

The premiums associated with the dental, vision and life insurance are paid 100 percent by the Board. The dental plan contains a \$25 deductible with various co-payments required for restorative work; preventative work is covered at 100 percent. The benefit is limited to \$1,500 per person each calendar year. The vision plan allows for a vision exam every two years with an allowance for glasses/contacts. Life insurance is provided for all full time employees at various levels depending upon the negotiated agreement.

***Employee Relations*** - There are three organizations representing District employees. The South-Western Educational Association (SWEA), which is affiliated with the Ohio Education Association and the National Education Association, represents the teaching or certified staff. The Board has bargained with SWEA since 1968. During fiscal year 2002, a three-year contract was negotiated between the Board and SWEA effective July 1, 2002 through June 30, 2005. The contract provides for a four and one-half percent raise in the first year, followed by two four percent raises in the final two years effective July 1<sup>st</sup> of each year. A new contract was signed in August 2005 providing a one percent raise for fiscal year 2006 and a two percent raise in fiscal year 2007.

The Ohio Association of Public School Employees (OAPSE) Chapter 211, a group affiliated with AFSCME and the AFL-CIO, represents classified employees. A three-year contract was signed in July 2003 with an effective date of June 30, 2003. This contract provided for a 5 percent raise effective July 1, 2003 and an additional 4.5 percent and 3 percent raise effective July 1, 2004 and July 1, 2005, respectively.

The South-Western Administrators' Association (SWAA) represents administrative employees. While not associated or affiliated with any union, this association retains contractual rights to bargain with the Board of Education for ensuing contracts. In the spring of 2004, the District negotiated a three-year contract with the association. This contract commenced March 1, 2004, and expires February 29, 2007 includes pick up of the employees retirement costs of 10 % each year of the contract. Members of this organization received raises of 3.8%, 4%, and 4% effective August 1<sup>st</sup> of each year of the contract.



**OTHER INFORMATION**

**Independent Audit** - Provisions of State statute require an annual audit by independent accountants. Those provisions have been satisfied, and the opinion of Wilson, Shannon and Snow, Inc., is included herein.

Pursuant to statute, the State prescribes a uniform accounting system to standardize accounting classification and financial reporting for all units of local education agencies in Ohio. The District adopted and has been in conformance with that system for many years.

In addition to the financial audit, a single audit was performed as required by the Federal Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". The single audit report is not included in the CAFR.

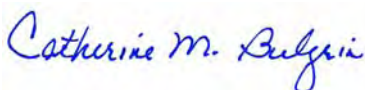
**Award** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2004.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This was the fifteenth consecutive year that the District has received this prestigious award. We believe our current report continues to conform to the standards required by the Certificate of Achievement Program, and we are submitting it to the GFOA for review.

**Acknowledgments** – Appreciation is extended to Karen New, Assistant Treasurer, and the Treasurer's office staff for their dedication and support in publishing the 2005 Comprehensive Annual Financial Report on a timely basis. Sincere thanks are also extended to various administrators and employees of the School District, the Franklin County Auditor's office staff and other outside agencies whose efforts assisted us with the fair presentation of the statistical information. Additionally, appreciation is expressed to the South-Western City School District Board of Education for their support, commitment and leadership to which the preparation of this report would not be possible.

Respectfully submitted,



Catherine M. Bulgrin  
Treasurer



R. Kirk Hamilton, Ph.D.  
Superintendent

## PRINCIPAL OFFICIALS

### Board of Education

William G. McCarty	President
Cathy Johnson	Vice President
Gary L. Leasure	Member
James E. Lester	Member
Krista A. Stastyshyn	Member

### Central Office Administrative Staff

R. Kirk Hamilton, Ph.D.	Superintendent
James H. Nelson	Deputy Superintendent
Catherine M. Bulgin	Treasurer
Karen K. New	Assistant Treasurer
Michael L. Bobby	Assistant Superintendent - Business Services
Gary D. Smetzer	Assistant Superintendent - Human Resources
William Wise	Assistant Superintendent - Curriculum
Bryan Mulvany	Executive Director Data and Information Services
Jeff B. Warner	Executive Director of Communications
Pamela J. Early	Executive Director of Early Education
Harvey Nesser	Executive Director of Special Services
Roby Schottke	Executive Director of Teaching and Learning
Janice A. Collette	Personnel Director
Matthew Cygnor	Personnel Director
James Staten	Personnel Director
Scott D. Deubner	Business Manager
Sherry P. Minton	Coordinator – Career and Technical Programs

## **TREASURER'S DEPARTMENT STAFF**

Catherine M. Bulgrin	Treasurer
Karen K. New	Assistant Treasurer
Carolyn A. Young	Administrative Assistant
Carolyn S. Logan	Payroll Supervisor
Janet B. Hager	Payroll
Debra L. Makarius	Payroll
Terese M. Litteral	Accounts Receivable
Deborah Berry	Accounts Payable
Kelly George	Accounts Payable
Barbara J. Lewis	Accounts Payable
Julie Raines	Fixed Assets
Sarah A. Johnson	Employee Benefits
Nancie A. Conley	Accountant
Anita M. McCreary	Accountant



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

South-Western  
City School District, Ohio

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

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



*Nancy L. Zjella*

President

*Jeffrey R. Emer*

Executive Director

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Board of Education  
South-Western City School District  
3805 Marlane Drive  
Grove City, Ohio 43123



## **Independent Auditors' Report**

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio as of June 30, 2005 and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 4, the District adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 19, 2005 on our consideration of the District's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
Ten West Locust Street  
Newark, Ohio 43055  
(740) 345-6611  
1-800-523-6611  
FAX (740) 345-5635

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consists 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
October 19, 2005



South-Western City District  
Management's Discussion and Analysis

This section of the South-Western City District's (the District) annual financial report presents the discussion and analysis of the District's financial performance during the year ended June 30, 2005. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District financially as a whole. The district-wide financial statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. The fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements look at the District's operations in more detail than the government-wide financial statements by providing information about the District's most significant funds - the General, Debt Service, and Capital Improvement Fund with all other funds presented in one column as non-major funds. The remaining statement, the statement of fiduciary net assets, presents financial information about activities for which the District acts solely as an agent for the benefit of students and parents.

***Reporting the District as a Whole - District-wide Financial Statements***

One of the most important questions asked about the District is, "As a whole, what is the District's financial condition as a result of the year's activities?" The statement of net assets and the statement of activities, which appear first in the District's financial statements, report information on the District as a whole and its activities in a way that helps you answer this question. The statements were prepared to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets - the difference between assets and liabilities, as reported in the statement of net assets - as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net assets - as reported in the statement of activities - are indicators of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the District's operating results. However, the District's goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

The statement of net assets and the statement of activities report the governmental activities for the District, which encompass all of the District's services, including instruction, support services, food services, community services, extracurricular activities, and interest and fiscal charges. Property taxes, grants and entitlements finance most of these activities.

***Reporting the District's Most Significant Funds - Fund Financial Statements***

The District's fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District establishes many other funds to help it control and manage money for particular purposes (the Food Service and Athletics Funds are examples) or to show that it's meeting legal responsibilities for using certain taxes, grants, and other money (like bond-funded construction funds used for voter-approved capital projects). The governmental funds of the District use the following accounting approach:

Governmental funds - All of the District's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the District and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent 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 described in a reconciliation.

***The District as Trustee - Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for its student activity funds, various payroll deductions, and for the Central Ohio School Improvement Team (COSIT). All of the District's fiduciary activities are reported in separate statements of fiduciary net assets. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

South-Western City District  
Management's Discussion and Analysis

**The District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets as of June 30, 2005 and as of June 30, 2004 for comparison purposes:

<i>Table 1</i>		
	Governmental Activities (in thousands)	
	2005	2004
<b>Assets</b>		
Current and other assets	\$ 118,019	\$ 125,324
Capital Assets	<u>165,492</u>	<u>172,863</u>
Total Assets	<u>283,511</u>	<u>298,187</u>
<b>Liabilities</b>		
Current liabilities	93,192	94,086
Long-term liabilities	<u>146,469</u>	<u>143,885</u>
Total Liabilities	<u>239,661</u>	<u>237,971</u>
<b>Net Assets</b>		
Invested in property and equipment - Net of related debt	33,551	32,771
Restricted	9,069	9,671
Unrestricted	<u>1,230</u>	<u>17,774</u>
Total Net Assets	<u>\$ 43,850</u>	<u>\$ 60,216</u>

The above analysis focuses on the net assets (see Table 1). The change in net assets (see Table 2) of the District's governmental activities is discussed below. The District's net assets were \$43,850 thousand at June 30, 2005. Capital assets, net of related debt totaling \$33,551 thousand, compares the original cost, less depreciation of the District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those net assets for day-to-day operations. The remaining amount of net assets \$1,230 thousand was unrestricted.

South-Western City District  
Management's Discussion and Analysis

The \$1,230 thousand in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. It means that if the District had to pay off all of the bills today, including all of the non-capital liabilities (compensated absences, for example), the District would have \$1,230 thousand remaining. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the District as a whole are reported in the statement of activities (Table 2), which shows the changes in net assets as of June 30, 2005 and as of June 30, 2004, for comparison purposes.

<b>Table 2</b>		
	Governmental Activities (in thousands)	
	2005	2004
<b>Revenue</b>		
Program revenue:		
Charges for Services	\$ 4,655	\$ 4,638
Operating Grants	23,920	21,175
General Revenue:		
Property Taxes	82,197	94,086
Grants and Entitlements	85,291	79,733
Interest	683	558
Other Local Revenue	3,770	3,959
Total Revenue	200,516	204,149
<b>Functions/Program Expenses</b>		
Instruction	118,356	109,182
Support Services	77,450	73,850
Food Services	7,860	7,311
Community Services	1,649	1,400
Extracurricular Activities	3,661	3,648
Interest and Fiscal Charges	7,907	8,310
Total Expenses	216,883	203,701
<b>Increase (Decrease) in Net Assets</b>	<b>\$ (16,367)</b>	<b>\$ 448</b>

South-Western City District  
Management's Discussion and Analysis

As reported in the statement of activities, the cost of all of the governmental activities this year was \$216,883 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$4,655 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$23,920 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$82,197 thousand in taxes, \$85,291 thousand in grants and entitlements, and with other revenues.

The District experienced a decrease in net assets of \$16,367 thousand. One of the most significant causes to the decrease in the School District's assets can be attributed to additional costs in the District's instructional and support services due to student enrollment increasing roughly 300 students. Also, 2005 property tax receivables reflect a decrease over collections in 2004. Another factor contributing to the decrease was the failure to pass the 9.7 mill levy in 2004 for collection to begin in 2005 requiring the prior year cash balance be expended in the current year to cover current year operations.

As discussed above, the net cost shows the financial burden that was placed on the state and the District's taxpayers by each of these functions. Since property taxes for operations and grants and entitlements constitute the vast majority of district operating revenue sources, the Board of Education and Administration must annually evaluate the needs of the District and balance those needs with available unrestricted resources.

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

As noted earlier, the District uses funds to help it control and manage money for particular purposes. Looking at funds helps the reader consider whether the District is being accountable for the resources taxpayers and others provide to it and may provide more insight into the District's overall financial health.

As the District completed this year, the governmental funds reported a combined fund balance of \$11,799 thousand, which is a decrease of \$16,247 thousand from last year. The primary reason for the decrease is due to restricted revenue growth as compared to expenditure growth.

In the General Fund, the principal operating fund, the fund balance decreased \$15,426 thousand to \$866 thousand. The change is due mainly to increasing expenditures and stagnant tax revenues as a result of House Bill 920, which was passed in the 1976. House Bill 920 reduces the millage rate as property valuation increases, therefore, as property value increases, the actual tax collection remains virtually the same. General Fund balance is available to fund costs related to the District's operations.

The Debt Service Fund showed a fund balance decrease of \$186 thousand due to tax collections being slightly lower than debt service requirements for last fiscal year. The Debt Service Fund balance is reserved since it can only be used to pay debt service obligations and are not intended to grow each year.

The Capital Improvement Fund fund balance decreased \$208 thousand as the District finished used money to complete smaller projects within the district.

South-Western City District  
Management's Discussion and Analysis

Other Governmental Funds consist of special revenue funds. The decrease of \$428 thousand is due to state budget cuts, which are focused on supplemental programming.

**General Fund Budgetary Highlights**

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was actually adopted just before year-end.

There were significant revisions made to the 2004-2005 General Fund original budget. Budgeted revenues were increased \$8,068 thousand primarily due to delinquent tax receipts and state foundation revenue being higher than anticipated. Revenues are conservatively budgeted each year to insure that the programming planned for the ensuing fiscal year will be implemented.

Budgeted expenditures were also increased \$6,433 thousand primarily to account for the increase in payments to community schools and health insurance as noted earlier. The amount of transfers to other funds established in the amended budget was \$1,241 thousand and represents support provided by the General Fund to other functions.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2005, the District had \$165,492 thousand invested in a broad range of capital assets, including land, improvements to land, buildings, furniture and equipment, vehicles, and buses. This amount represents a net decrease (including additions, deductions, and depreciation) of \$7,371 thousand, or 4.3 percent, from last year. (in thousands)

<u>Description of Capital Asset</u>	<u>2005</u>	<u>2004</u>
Land	\$ 6,768	\$ 6,768
Improvements to Land	1,446	1,748
Buildings	147,709	153,333
Furniture and Equipment	5,015	6,586
Vehicles	190	295
Buses	<u>4,364</u>	<u>4,133</u>
Total Capital Assets	<u>\$ 165,492</u>	<u>\$ 172,863</u>

This year's additions of \$3,096 thousand included costs associated with the Preschool Center renovation, buses, vehicles, and technology. No new debt was issued for these additions in fiscal year 2005.

South-Western City District  
Management's Discussion and Analysis

In May 2005 the District supported the passage of 9.7 mill levy designating 2 of the 9.7 mills to be used for permanent improvements. In July 2005 the District issued Tax Anticipation Notes to begin various capital improvement projects. These projects include building repairs and maintenance, purchase of textbooks, instructional technology, buses, equipment, vehicle replacement and repairs. A more detailed explanation of the capital assets is presented in the notes to the financial statements in Note 8.

***Debt***

At the end of this year, the District had \$131,774 thousand in bonds and note outstanding versus \$138,980 thousand in the previous year, which is a decrease of 5.2 percent. Those bonds and note consisted of the following: (in thousands)

<u>Description of General Obligation Bonds</u>	<u>2005</u>	<u>2004</u>
1996 Bus	535	785
1999 School Facilities	94,713	100,174
2002 School Facilities	3,695	4,095
2002 Energy Conservation	3,955	4,285
2000 Vocational Construction	800	866
2003 Refunding School Facilities	25,419	28,774
2004 Refunding School Facilities	<u>2,657</u>	<u>-</u>
Total General Obligation Bonds	<u>\$ 131,774</u>	<u>\$ 138,979</u>

The District's general obligation bond rating was reviewed in November 2004 by two independent rating firms. Both firms confirmed no change to the District's rating. Moody's credit rating is A1 and Standard and Poor's credit rating is A+. The state limits the amount of general obligation debt that schools can issue to ten percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$131,774 thousand is significantly below the \$244,057 thousand statutorily imposed limit.

Other obligations include accrued vacation pay, sick leave, and capital leases. A more detailed explanation of the long-term liabilities is presented in the notes to the financial statements in Note 14.

**Economic Factors and Next Year's Budgets**

The elected officials and administration considered many factors when setting the District's fiscal year 2006 budget. One of the most important factors affecting the budget is state foundation revenue. The state foundation revenue is determined by multiplying a weighted student count taken the first full week of October by the foundation allowance per pupil. The State of Ohio determines the per pupil rate as well as other formula factors through the biennial budget. The State of Ohio's biennial budget bill (HB66) was adopted in late June. Unanticipated

South-Western City District  
Management's Discussion and Analysis

shortfalls in the state's revenues forced cutbacks to school districts by changing the funding formula. This state budget included many changes to the state foundation formula that were not anticipated. These changes adversely affect the state foundation revenue for the district. Approximately fifty percent of total General Fund revenue is from the foundation allowance. The other major source of revenue is property taxes. As stated earlier, due to House Bill 920, real estate property tax revenues are not allowed to increase when valuation increases and when a new levy is passed. While the district will receive additional property tax revenue in fiscal year 2006, the state foundation revenue will not increase at the same rate as in the past.

The fiscal year 2006 budget was adopted in June 2005, based on an estimate of students that will be enrolled in September 2005. Based on early enrollment data at the start of the 2006 school year, the District anticipates that the fall student count will be below the estimates used in creating the fiscal year 2006 budget. Once the final student count and related per pupil funding is validated, state law requires the District to amend the budget if actual district resources are not sufficient to fund original appropriations.



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South-Western City School District  
Statement of Net Assets  
June 30, 2005

	Governmental <u>Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash	
Equivalents	\$ 11,429,443
Restricted Cash and Cash Equivalents	3,044
Receivable:	
Taxes - Current	91,143,756
Taxes - Delinquent	10,140,571
Accounts	302,509
Interest	18,306
Intergovernmental - Federal	3,093,479
Interfund Loan Receivable	326,948
Prepaid Items	391,847
Materials and Supplies Inventory	320,238
Unamortized Debt Issuance Costs	848,981
Capital Assets:	
Land	6,768,233
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>158,723,490</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>165,491,723</u>
Total Assets	<u>\$ 283,510,845</u>
<u>Liabilities</u>	
Accounts Payable	\$ 2,886,658
Contracts Payable	14,268
Payable from Restricted Assets:	
Contracts Payable - Retainage	3,044
Claims Payable	2,420
Accrued Wages and Benefits	18,676,251
Accrued Interest Payable	684,900
Unearned Revenue	70,924,894
Long-Term Liabilities:	
Due within One Year	8,500,969
Due in More than One Year	<u>137,967,635</u>
Total Liabilities	<u>\$ 239,661,039</u>
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	33,551,196
Restricted for:	
Debt Service	8,954,327
Capital Projects	114,400
Unrestricted	<u>1,229,883</u>
Total Net Assets	<u>\$ 43,849,806</u>

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

South-Western City School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2005

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and</u>
		<u>Charges for</u>	<u>Operating Grants,</u>	<u>Changes in Net Assets</u>
		<u>Services and Sales</u>	<u>Contributions</u>	<u>Governmental</u>
			<u>and Interest</u>	<u>Activities</u>
Governmental Activities:				
Instruction:				
Regular	\$ 89,164,246	\$ 296,625	\$ 2,275,397	\$ (86,592,224)
Special	22,254,484		8,649,421	(13,605,063)
Vocational	6,544,444	105,895	1,835,680	(4,602,869)
Other	393,079		170,672	(222,407)
Support Services:				
Pupil	8,184,349		1,236,704	(6,947,645)
Instructional Staff	18,230,029		2,938,932	(15,291,097)
Board of Education	364,457			(364,457)
Administration	14,662,677		877,634	(13,785,043)
Fiscal	2,684,904		268,237	(2,416,667)
Business	1,020,572			(1,020,572)
Operations and Maintenance	15,922,071		262,349	(15,659,722)
Pupil Transportation	11,993,324	111,106	550,205	(11,332,013)
Central	4,386,542			(4,386,542)
Food Service	7,860,418	3,489,028	3,599,701	(771,689)
Community Services	1,649,082	5,806	1,164,979	(478,297)
Extracurricular Activities	3,661,136	646,568	89,816	(2,924,752)
Interest and Fiscal Charges	7,907,100			(7,907,100)
Total Governmental Activities	<u>\$ 216,882,914</u>	<u>\$ 4,655,028</u>	<u>\$ 23,919,727</u>	<u>(188,308,159)</u>
General Revenues:				
Property Taxes Levied for:				
General Purposes				69,546,730
Debt Service				12,649,989
Grants and Entitlements not Restricted to Specific Programs				85,291,437
Interest				683,103
Other Local Revenues				3,770,228
Total General Revenues				<u>171,941,487</u>
Changes in Net Assets				(16,366,672)
Net Assets Beginning of Year				<u>60,216,478</u>
Net Assets End of Year				<u>\$ 43,849,806</u>

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

South-Western City School District  
 Balance Sheet  
 Governmental Funds  
 June 30, 2005

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash				
Equivalents	\$ 2,327,587	\$ 4,268,884	\$ 95,301	\$ 4,430,005
Restricted Cash and Cash Equivalents	-	-	3,044	-
Receivable:				
Taxes - Current	77,420,676	11,555,517	2,167,563	-
Taxes - Delinquent	8,616,530	1,524,041	-	-
Accounts	282,790	-	-	19,719
Interest	18,306	-	-	-
Intergovernmental	644,551	-	-	2,448,928
Interfund Loan Receivable	1,062,340	-	-	-
Prepaid Items	279,730	-	-	112,117
Materials and Supplies Inventory	240,855	-	-	79,383
Total Assets	<u>\$ 90,893,365</u>	<u>\$ 17,348,442</u>	<u>\$ 2,265,908</u>	<u>\$ 7,090,152</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 1,994,699	\$ -	\$ -	\$ 891,959
Contracts Payable	-	-	14,268	-
Payable from Restricted Assets:				
Contracts Payable - Retainage	-	-	3,044	-
Accrued Wages and Benefits	16,936,755	-	-	1,739,496
Compensated Absences Payable	1,188,244	-	-	-
Interfund Loans Payable	-	-	-	735,392
Deferred Revenue	69,907,949	9,593,826	2,167,563	625,245
Total Liabilities	<u>90,027,647</u>	<u>9,593,826</u>	<u>2,184,875</u>	<u>3,992,092</u>
<u>Fund Balance:</u>				
Reserved for Encumbrances	1,919,113	-	75,778	1,052,932
Reserved for Future Appropriation	16,733,130	3,485,732	-	-
Reserved for Debt Service	-	4,268,884	-	-
Unreserved				
Designated for Capital Projects	-	-	5,255	36,640
Undesignated, reported in				
General Fund	(17,786,525)	-	-	-
Special Revenue Funds	-	-	-	2,008,488
Total Fund Balances	<u>865,718</u>	<u>7,754,616</u>	<u>81,033</u>	<u>3,098,060</u>
Total Liabilities and Fund Balances	<u>\$ 90,893,365</u>	<u>\$ 17,348,442</u>	<u>\$ 2,265,908</u>	<u>\$ 7,090,152</u>

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

South-Western City School District  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2005

<u>Total</u>		
Governmental		
<u>Funds</u>		
	Total Governmental Fund Balances	\$ 11,799,427
\$ 11,121,777	Amounts reported for governmental activities in the	
3,044	statement of net assets are different because:	
91,143,756	Capital assets used in governmental activities are not financial	
10,140,571	resources and therefore are not reported in the funds.	165,491,723
302,509		
18,306	Other long-term assets are not available to pay for current period	
3,093,479	expenditures and therefore are deferred in the funds.	12,218,670
1,062,340		
391,847	An internal service fund is used by management to charge the cost	
320,238	of dental insurance to individual funds. The assets and liabilities of	
<u>\$ 117,597,867</u>	the internal service fund are included in governmental	
	activities in the statement of net assets	305,246
\$ 2,886,658	Long-term liabilities, including bonds payable, are not due and	
14,268	payable in the current period and therefore are not reported	
	in the funds:	
	Interest Payable	(684,900)
3,044	Compensated Absences Payable	(13,336,560)
18,676,251	Capital Leases Payable	(170,123)
1,188,244	General Obligation Debt	(127,018,677)
735,392	Energy Conservation Debt	(3,955,000)
82,294,583	Vocational Construction Loan	(800,000)
<u>105,798,440</u>	Net Assets of Governmental Activities	<u>\$ 43,849,806</u>
3,047,823	The notes to the basic financial statements are an integral part of this statement.	
20,218,862		
4,268,884		
41,895		
(17,786,525)		
<u>2,008,488</u>		
<u>11,799,427</u>		
<u>\$ 117,597,867</u>		

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

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
<b>Revenues:</b>				
Local:				
Taxes	\$ 69,538,526	\$ 12,996,760	\$ -	\$ -
Tuition	229,883	-	-	138,777
Interest	654,032	-	1,842	21,210
Other Local Revenue	1,600,835	4,329	75,000	6,949,653
Intergovernmental - State	87,869,974	1,461,703	-	3,977,964
Intergovernmental - Federal	482,440	-	-	14,878,417
<b>Total Revenues</b>	<u>160,375,690</u>	<u>14,462,792</u>	<u>76,842</u>	<u>25,966,021</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	80,434,613	-	-	3,305,511
Special	17,742,475	-	-	4,289,351
Vocational	4,854,331	-	-	499,829
Other	218,591	-	-	173,536
Support Services:				
Pupil	7,340,704	-	-	818,946
Instructional Staff	14,328,863	-	-	3,675,172
Board of Education	364,457	-	-	-
Administration	12,664,606	-	-	1,384,911
Fiscal	2,498,122	129,739	-	46,991
Business	990,089	-	-	-
Operations and Maintenance	15,249,383	-	24,543	231,695
Pupil Transportation	9,854,726	-	-	618,820
Central	2,746,531	-	-	544,573
Food Service	-	-	-	7,318,639
Community Services	243,909	-	-	1,059,473
Extracurricular Activities	2,186,712	-	-	1,237,522
Capital Outlay	2,703,133	-	260,143	1,238,619
Pass Through Grants	325,000	-	-	-
Debt Services:				
Principal Retirement	248,267	7,110,394	-	-
Interest and Fiscal Charges	11,867	8,177,757	-	-
Issuance Costs for Refunding Bonds	-	183,191	-	-
<b>Total Expenditures</b>	<u>175,006,379</u>	<u>15,601,081</u>	<u>284,686</u>	<u>26,443,588</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(14,630,689)	(1,138,289)	(207,844)	(477,567)
<b>Other Financing Sources (Uses):</b>				
Transfers - In	-	769,595	-	39,785
Transfers - Out	(809,380)	-	-	-
Proceeds from the Sale of Refunding Bonds	-	2,499,961	-	-
Premium on the Sale of Refunding Bonds	-	183,230	-	-
Principal Payment to Refunding Bonds Escrow Agent	-	(2,500,000)	-	-
Proceeds from the Sale of Capital Assets	14,159	-	-	10,050
<b>Total Other Financing Sources (Uses)</b>	<u>(795,221)</u>	<u>952,786</u>	<u>-</u>	<u>49,835</u>
<b>Net Change in Fund Balances</b>	(15,425,910)	(185,503)	(207,844)	(427,732)
<b>Fund Balances at Beginning of Year</b>	<u>16,291,628</u>	<u>7,940,119</u>	<u>288,877</u>	<u>3,525,792</u>
<b>Fund Balances at End of Year</b>	<u>\$ 865,718</u>	<u>\$ 7,754,616</u>	<u>\$ 81,033</u>	<u>\$ 3,098,060</u>

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

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

<hr/>		
Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$ (16,246,989)
	Amounts reported for governmental activities in the statement of activities are different because:	
\$ 82,535,286		
368,660	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 and reported as depreciation expense.	
677,084	This is the amount by which depreciation (10,257,020) in the current period exceeds capital outlay, which met the capitalization criteria, (\$2,897,808).	(7,359,212)
8,629,817		
93,309,641		
15,360,857		
<hr/>		
200,881,345	In the statement of activities, only the gain and loss on the disposal of fixed assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets disposed.	(12,137)
83,740,124		
22,031,826	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(1,937)
5,354,160		
392,127		
8,159,650	Long-term debt proceeds provide current financial resource to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	10,070,060
18,004,035		
364,457		
14,049,517	Proceeds and premiums from the sale of bonds in the statement of revenues, expenditures, and changes in fund balance that are reported as other financing sources are not reported as revenues in the statement of activities.	(2,683,191)
2,674,852		
990,089		
15,505,621	Debt Issuance costs reported in the statement of revenues, expenditures, and changes in fund balances that are reported as expenditures are not reported as expenses in the statement of activities.	183,191
10,473,546		
3,291,104		
7,318,639	Governmental Funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is due to the accrued interest on bonds	71,125
1,303,382		
3,424,234		
4,201,895		
325,000	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.	(337,344)
7,358,661		
8,189,624		
183,191		
<hr/>		
217,335,734	Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of internal services funds is reported with governmental activities.	(50,238)
(16,454,389)	Changes in Net Assets of Governmental Activities	<u>\$ (16,366,672)</u>
809,380		
(809,380)		
2,499,961		
183,230		
(2,500,000)		
24,209		
<hr/>		
207,400	The notes to the basic financial statements are an integral part of this statement.	
(16,246,989)		
28,046,416		
<hr/>		
\$ 11,799,427		

South-Western City School District  
Statement of Net Assets  
Internal Service Fund  
June 30, 2005

Current Assets:

Equity in Pooled Cash and Cash	
Equivalents	\$ 307,666
Total Current Assets	<u>\$ 307,666</u>

Current Liabilities:

Claims Payable	\$ 2,420
Total Current Liabilities	<u>\$ 2,420</u>

Net Assets

Unrestricted	\$ 305,246
Total Net Assets	<u>\$ 305,246</u>

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



South-Western City School District  
Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2005

Operating Revenues:	
Charges for Services	\$ 925,456
Charges to Employees	<u>2,993</u>
Total Operating Revenues	<u>928,449</u>
Operating Expenses:	
Claims	972,322
Purchased Services	<u>14,878</u>
Total Operating Expenses	<u>987,200</u>
Operating Loss	(58,751)
Non-Operating Revenues:	
Interest	<u>8,513</u>
Total Non-Operating Revenues	<u>8,513</u>
Change in Net Assets	(50,238)
Net Assets Beginning of Year	<u>355,484</u>
Net Assets End of Year	<u><u>\$ 305,246</u></u>

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

South-Western City School District  
Statement of Cash Flows  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2005

Increase in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Cash Received from Customers	\$ 868,987
Cash Received from Employees	2,993
Cash Payments for Claims	(1,106,484)
Cash Payments to Suppliers for Goods and Services	<u>(14,878)</u>
Net Cash Used in Operating Activities	<u>(249,382)</u>

Cash Flows from Investing Activities:

Interest	<u>8,513</u>
Net Cash Provided by Investing Activities	<u>8,513</u>

Net Decrease in Cash and Cash Equivalents	(240,869)
Cash and Cash Equivalents Beginning of Year	<u>548,535</u>
Cash and Cash Equivalents End of Year	<u>\$ 307,666</u>

Reconciliation of Operating Loss to Net Cash

Used in Operating Activities:

Operating Loss	\$ (58,751)
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Adjustments to Reconcile Operating Loss to Net

Cash Used in Operating Activities:

Changes in Assets and Liabilities:

Decrease in Claims Payable	(132,860)
Decrease in Deferred Revenue	<u>(57,771)</u>
Net Cash Used in Operating Activities	<u>\$ (249,382)</u>

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

South-Western City School District  
Statement of Fiduciary Net Assets  
Agency Funds  
June 30, 2005

Assets:

Equity in Pooled Cash and Cash Equivalents	\$	5,304,914
Accounts Receivable		301,388
Intergovernmental Receivable		<u>174,514</u>
Total Assets	\$	<u><u>5,780,816</u></u>

Liabilities:

Accounts Payable	\$	707,634
Due to Other Governments		1,406,107
Accrued Wages and Benefits		1,813
Interfund Loans Payable		326,948
Undistributed Money		3,213,612
Deferred Revenue		<u>124,702</u>
Total Liabilities	\$	<u><u>5,780,816</u></u>

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The South-Western City School District (the "District") operates under a locally elected five-member board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District's thirty-six instructional/support facilities and one leased facility staffed by 1,045 non-certificated employees, 1,539 certificated full time teaching personnel and 118 administrative employees to provide services to approximately 20,863 students and other community members.

The District was established in 1959 through the consolidation of existing land areas and school districts and is organized under Sections 2 and 3, Article VI of the constitution of the State of Ohio. Under the law, there is no authority for a school district to have a charter or adopt local laws. The legislative power of the District is vested in the Board of Education, consisting of five members elected at large for staggered four-year terms.

The District serves an area of approximately one hundred twenty seven (127) square miles. It encompasses most of the southwestern quadrant of Franklin County, including a substantial portion of the southwestern quadrant of the City of Columbus, Ohio, the state capital, and five other cities and townships. In addition, a very small portion of Pickaway County is included within the District boundaries.

The District is the sixth largest in the state of Ohio (among 612 school districts) in terms of enrollment and the second largest (behind the Columbus City School District) in Franklin County. During fiscal year 2005 the District operated 17 elementary schools, five intermediate schools, five middle schools, four comprehensive high schools and one career academy high school.

**Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For South-Western City School District, this includes general operations, food service, head start, student guidance, extracurricular activities and care and upkeep of grounds and buildings of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has assumed responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the levying of taxes or the issuance of debt. The District has no component units.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of South-Western City School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) statements and Interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**A. Basis of Presentation**

**Government - Wide Financial Statements**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid overstatement of revenues and expenses.

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods or services offered by the program and grants, contributions and interest that are restricted to meeting the operational requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited expectations. The comparison of direct expense with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund Financial Statements**

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

**B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

**Governmental Funds**

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. Below is a description of the funds presented in the financial statements:

**Major Governmental Funds**

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

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Fund Accounting (continued)**

Capital Improvements Fund - The Capital Improvements Fund is 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 and trust funds).

The other governmental funds of the District account for grants and other resources.

Proprietary Fund

The proprietary fund focuses on the determination of the changes in net assets, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service; the District has no enterprise funds.

Internal Service Fund – The Health Self Insurance Internal Service fund is used to account for dental insurance claims and stop-loss insurance.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governmental units and/or other funds. This includes agency funds. Agency funds are purely custodial and thus do not involve measurement of results of operation.

Agency Funds – Agency Funds are used to account for student activities, Central Ohio Regional Professional Development Center activities and internal processing of employee health insurances and retirement.

**C. Measurement Focus**

Government-wide Financial Statements

The government-wide financial statement is prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statement therefore includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in total net assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. The fund financial statements are prepared using either modified accrual for governmental funds or accrual basis for proprietary and agency funds. Differences in the accrual and modified accrual bases of accounting arise in the recognition of revenue, the recording of deferred revenue and the presentation of expenses versus expenditures.

**Revenue – Exchange and Non-exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty days after fiscal year end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, grants, investment earnings, and tuition.

**Deferred Revenue**

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes (should not include delinquent) for which there is an enforceable legal claim as of June 30, 2005, but which were levied to finance fiscal year 2006 operations, have been recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

**Operating and Nonoperating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds’ principal ongoing operations. The principal operating revenues of the Health Self Insurance Fund are charges to the District and employees for insurance premiums. Operating expenses for the Internal Service Fund include payments of claims and administrative costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expense.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Expenditures/Expenses

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

E. Budgetary Data

The District is required by state statute to adopt an annual appropriation cash basis budget for all funds, except agency funds. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution. The timeline is explained below.

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The expressed purpose for 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 tax rate determination.

Prior to April 1, 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 will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts set forth in the original and final Amended Certificate issued for fiscal year 2005, respectively.

By July 1, the Annual Appropriation Resolution is legally enacted by the Board of Education at the fund level, which is the legal level of budgetary control. Resolution appropriations by fund must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals. Although the legal level of budgetary control was established at the fund level of expenditures, the District has elected to present the general fund's budgetary statement comparisons at the fund, function and object level.

Any revisions that alter the total of any fund appropriations must be approved by the Board of Education

Formal budgetary integration is employed as a management control device during the year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the year within the amount of their legally authorized cash basis appropriation.

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriation amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2005.



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Budgetary Data (continued)**

Unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated. Cash disbursements may not legally exceed budgeted appropriations at the fund level.

**F. Cash and Cash Equivalents**

The District maintains a cash and investment pool used by all funds, except a portion of the Capital Improvements Fund, representing bond and note proceeds. The cash and investment pool has the same characteristics as demand deposits. Each fund's interest in the pooled bank account is presented as "Cash and Cash Equivalents" on the financial statements.

Restricted Cash represents retainage held for contractors.

During fiscal year 2005, the District invested in a variety of instruments as allowed in the Ohio Revised Code. Except for investment contracts and money market investments that had a remaining maturity of two years or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2005. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2005.

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during fiscal year 2005 amounted to \$654,032, which includes \$228,257 assigned from other District Funds.

The District utilizes a financial institution to service bonded debt as principal and interest payments come due.

For presentation on the financial statements, investments of the cash management pool and investments with maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. During the fiscal year, all investments in the cash management pool had a maturity of twenty-four months or less.

**G. Inventory**

Inventories of governmental funds are stated at cost. The cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds when used by using the consumption method.

**H. Prepaid Items**

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**I. Restricted Assets**

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments or imposed by enabling legislation. Restricted assets include amounts established for retainage associated with District contracts.

**J. Capital Assets and Depreciation**

Capital assets are reported in the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$1,000 and a useful life of at least 5 years. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

Land Improvements	10 to 20 years
Buildings	5 to 45 years
Furniture and Equipment	5 to 20 years
Vehicles	5 years
Buses	9 years

**K. Compensated Absences**

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's right 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. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The District records a liability for accumulated unused sick leave for all employees after fifteen years of service. A bonus payment is available to employees who retire at their first retirement eligibility date, which is based on the number of years experience they have earned. A liability is recorded for those employees that have declared their retirement date as of June 30, 2005.

The entire compensated absence liability is reported on the government-wide financial statements.

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2005, and reduced to the maximum payment allowed by labor contracts and/or statute, plus any additional salary related payments.

For governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**L. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

**M. Interfund Transactions**

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.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net assets, except for amounts due between governmental and fiduciary funds.

**N. Fund Balance Reserves**

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, debt services and property tax advances.

**O. Net Assets**

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

The District applies restricted resources first when an expense is incurred for purposes of which both restricted and unrestricted net assets are available.

**P. Parochial Schools**

Within the District boundaries are various parochial schools operated through the Catholic Diocese and local churches. Current state legislation provides funding to these parochial schools. These monies are received and disbursed on behalf of the parochial schools by the Treasurer of the District, as directed by the parochial school. The fiduciary responsibility of the District for these monies is reflected in a special revenue fund (a nonmajor governmental fund) for financial reporting purposes.

**Q. Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2005.

**NOTE 3 - CENTRAL OHIO SCHOOL IMPROVEMENT TEAM (COSIT)**

The District serves as the fiscal agent for Central Ohio School Improvement Team (COSIT) responsible for deploying professional development and technical assistance activities and services for the Ohio Improvement Planning Framework and surrounding school districts within the region through the Ohio Department of Education. The District serves strictly as fiscal agent and is not financial accountable for COSIT operations. The agreement between the District and the COSIT states the District shall serve as fiscal agent and will be compensated based on services preformed. At June 30, 2005, the District received \$175,847 for services provided. Additional information can be obtained from the Treasurer of the South-Western City School District located at 3805 Marlane Drive, Grove City, Ohio 43123.

**NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLE**

The District has elected to implement Governmental Accounting Standards Board (GASB) Statement No. 40, Deposit and Investment Risk Disclosures, which amends GASB Statement No. 3, Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements. Implementation of GASB 40 has no impact on the District's financial position or results of operations.

**NOTE 5 - CASH AND CASH EQUIVALENTS**

Deposits

At year-end, the carrying amount of the District's deposits were \$12,825,274 and the bank balance was \$12,814,395. Of the bank balance, \$100,000 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized as defined by the GASB because the collateral pledged by the financial institution or their trust department or agents is not in the District's name. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

Investment Type	Fair Value	Investment Maturities	
		6 months or less	7 to 12 months
Repurchase Agreement	\$ 927,000	\$ 927,000	\$ -
FHLMC Notes	2,985,127	1,995,499	989,628
	<u>\$ 3,912,127</u>	<u>\$ 2,922,499</u>	<u>\$ 989,628</u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 5 - CASH AND CASH EQUIVALENTS (continued)**

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

Credit Risk: The District's investments in FHLMC notes were each rated Aaa by Moody's Investor Services. STAR Ohio is rated AAAM by Moody's Investor Services. .

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. 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 laws does not require security for public deposits and investments to be maintained in the District's name. During 2005, the District and public depositories complied with the provisions of these statutes.

**Reconciliation of Cash and Investment to the Statement of Net Assets:** The following is a reconciliation of cash and investments to the Statement of Net Assets as of June 30, 2005:

Investments (summarized above)	\$ 3,912,127
Carrying Amount of District's Deposits	12,825,274
Restricted Cash and Cash Equivalents	(3,044)
Agency Fund - Cash and Cash Equivalents	<u>(5,304,914)</u>
Total Governmental Activities - Cash and Cash Equivalents	<u><u>\$ 11,429,443</u></u>

**NOTE 6 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 25 percent of true value (with certain exceptions) and on real property at 35 percent of true value. The State of Ohio has agreed to hold school district's harmless through direct and indirect payments starting in fiscal year 2002. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value. Beginning in fiscal year 2003, the assessed value of the inventory portion of tangible personal property will be reduced annually by one percent until it eventually reaches zero. This change is due to House Bill 283 passed by the 123<sup>rd</sup> General Assembly.

Real Property taxes are payable annually or semi-annually. If paid annually, payment is due January 20; if paid semi-annually, the first payment is due January 20 with the remainder payable by June 20. Under certain circumstances, state statute permits earlier or later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 6 - PROPERTY TAXES (continued)**

The District receives property taxes from Franklin County. The county auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2005 are available to finance fiscal year 2005 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which become measurable as of June 30, 2005. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue of the portion not intended to finance current year operations. The amount available as an advance at June 30 was \$16,733,130 in the General Fund and \$3,485,732 in the Debt Service Fund, which is recognized as revenue.

The assessed values upon which the fiscal year 2005 Taxes were collected are:

	2004 Second Half Collection		2005 First Half Collection	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,995,580,630	84.30%	\$ 2,058,122,350	84.33%
Public Utility Real and Personal	85,902,440	3.63%	87,646,630	3.59%
Tangible Personal Property	285,817,957	12.07%	294,803,262	12.08%
Total Assessed Value	2,367,301,027	100%	2,440,572,242	100%
Tax rate per \$1,000 of Assessed Valuation	\$ 56.48		\$ 55.23	

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2005 consisted of taxes, accounts (rent and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. Therefore, there is no allowance for doubtful accounts in these financial statements. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
General Fund	
Federal ROTC Reimbursement	\$ 45,914
Medicare	425,098
E-Rate	173,539
NonMajor Other Governmental Funds	
Food Service Federal Reimbursement	426,527
Career Grant	468
State Head Start Grant	346,403
Public Preschool Grant	21,269
Student Intervention Grant	148,793
ABLE	25,976
Migrant Children Grant	8,253
IDEA - B Grant	586,016
Perkins Grant	24,129
Federal Head Start Grant	66,405
Title III	47,015
Title I Grant	352,608
EvenStart Grant	30,040
Safe and Drug Free Grant	12,202
IDEA	9,871
Title II-A	247,115
SMART Grant	94,425
Learn and Serve Grant	1,413
Nonmajor Agency Fund	
State SSIO Grant	9,999
State English 7-12	12,740
State OMAP Grant	70,229
Title I - Technical Assistance	11,641
Title I - OSCI	69,905
Total Intergovernmental Receivable	<u>\$ 3,267,993</u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 7 – RECEIVABLES (continued)**

Receivables have been disaggregated on the face of the financial statements. All receivables are expected to be collected within one year.

Governmental funds report deferred revenue in connection with receivables for revenue that is not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Deferred</u>	<u>Unearned</u>
Delinquent Property Taxes	\$ 10,140,571	\$ 70,924,894
Grant payments received prior to meeting all eligibility requirements	1,229,118	-
	\$ 11,369,689	\$ 70,924,894

**NOTE 8 – CAPITAL ASSETS**

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

	<u>Balance 6/30/2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2005</u>
<b>Governmental Activities</b>				
Non-Depreciable:				
Land	\$ 6,768,233	\$ -	\$ -	\$ 6,768,233
Construction in Progress	198,470	570,956	769,426	-
Total Non-Depreciable	6,966,703	570,956	769,426	6,768,233
Depreciable:				
Improvements to Land	5,727,560	28,837	-	5,756,397
Buildings	203,101,791	764,009	19,075	203,846,725
Furniture and Equipment	21,357,546	1,081,087	627,674	21,810,959
Vehicles	1,611,157	9,263	198,083	1,422,337
Buses	10,705,134	1,213,082	301,873	11,616,343
Total Depreciable	242,503,188	3,096,278	1,146,705	244,452,761
Accumulated Depreciation:				
Improvements to Land	3,980,333	330,885	-	4,311,218
Buildings	49,966,976	6,189,900	19,075	56,137,801
Furniture and Equipment	14,771,719	2,640,041	615,537	16,796,223
Vehicles	1,315,715	114,360	198,083	1,231,992
Buses	6,572,076	981,834	301,873	7,252,037
Total Accumulated Depreciation	76,606,819	10,257,020	1,134,568	85,729,271
Net Depreciable Capital Assets	165,896,369	(7,160,742)	12,137	158,723,490
Net Governmental Activities Capital Assets	\$ 172,863,072	\$ (6,589,786)	\$ 781,563	\$ 165,491,723



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 8 – CAPITAL ASSETS (continued)**

Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 5,096,794
Special	132,609
Vocational	1,028,989
Other	328
Support Services:	
Pupil	8,245
Instructional Staff	188,168
Administration	498,776
Fiscal	4,125
Business	396
Operations and Maintenance	238,123
Transportation	1,073,621
Central	1,000,876
Food Service	518,545
Community Services	264,978
Extracurricular	202,447
Total Depreciation Expense	<u>\$ 10,257,020</u>

**NOTE 9 - DEFINED BENEFIT PENSION PLANS**

A. School Employees Retirement System

The South-Western City School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer public employee retirement system administered by the School Employees Retirement Board. SERS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available financial report that includes financial statements and required supplementary information of SERS. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215.

Plan members are required contribution 10% of their annual covered salary and the South-Western City School District is required to contribute 14 percent. The contribution rates are determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State Statute. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. The District's contributions to SERS for the years ending June 30, 2005, 2004, and 2003, were \$7,167,185, \$6,551,883, and \$5,889,527, respectively, equal to the required contributions for each year.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)**

**B. State Teachers Retirement System**

The South-Western City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Effective July 1, 2001, members have three plan options. The defined benefit plan is established under Chapter 3307 of the Revised Code. The defined contribution plan is established under Sections 3307.80 to 3307.89 of the Revised Code. A combined plan allows members to allocate their contribution with the employer contribution used to fund a defined benefit payment. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribution 10% of covered salaries and the South-Western City School District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employees. The District's contributions to STRS for the years ending June 30, 2005, 2004, and 2003, were \$22,466,400, \$20,933,364, and \$18,701,662, respectively, equal to the required contributions for each year.

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System, and to retired non-certificated employees and their dependents through the School Employees Retirement System. 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.

State Teachers Retirement System of Ohio (STRS Ohio) provides access to health care coverage to retirees who participated in the Defined Benefit or Combined Plans and their dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Pursuant to the Revised Code, the State Teachers Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. The cost of the coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14% of covered payroll. All benefits recipients pay a portion of the health care cost in the form of a monthly premium. For the fiscal year ended June 30, 2004, (the latest information available) the board allocated employer contributions equal to 1% of covered payroll to the Health Care Stabilization fund. For South-Western City School District this amount equaled \$936,100 during the 2004 fiscal year. As of June 30, 2004, the balance in the health care reserve fund was \$3,100,000,000. For the year ended June 30, 2004, the net health care costs paid by STRS were \$268,739,000 and there were 111,853 eligible benefit recipients for the System as a whole.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 10 - POSTEMPLOYMENT BENEFITS (continued)**

For the School Employees Retirement System, postretirement health care coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefits recipients. All retirees with a retirement date prior to July 1, 1986, are eligible to receive benefits. Effective January 1, 2004, all retirees and beneficiaries are required to pay a portion of their health care premium. The portion is based on years of service, Medicare eligibility and retirement status. A safety net is in place for retirees whose household income falls below federal poverty levels. Premiums are reduced by 50% for those who apply. At June 30, 2004, (the latest information available) 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 has been established as \$25,400. The surcharge rate, 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.

Health care benefits are financed on a pay-as-you-go basis. The target level of the health care reserve is 150 percent of annual health care expense before premium deductions. Gross expenses for health care at June 30, 2004 were \$223,443,805 and the target level was \$335,200,000. At June 30, 2004, (the latest information available) the Retirement System's net assets available for payment of health care benefits was \$300,800,000. The number of participants currently receiving health care benefits is approximately 62,000. The District's actual contributions for the 2005 fiscal year were \$2,513,675.

**NOTE 11 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, workers' compensation as well as medical benefits provided to employees. The District has purchased commercial insurance for property loss, torts, errors and omissions, workers' compensation, health, life and vision insurance claims. The District is self-insured for dental claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past four fiscal years.

As of January 1, 2005 the District is participating in a fully insured dental insurance program. The claims liability is for actual claims that have been incurred since the end of the fiscal year. This amount is recorded in the self-insurance internal service fund. As of January 1, 2005 the District is participating in a fully insured dental insurance program. Changes in the estimated liability of the past two fiscal years were as follows:

	Balance at <u>July 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>June 30</u>
Fiscal Year 2004	\$ 118,487	\$ 1,672,242	\$ 1,655,449	\$ 135,280
Fiscal Year 2005	135,280	839,462	972,322	2,420

**NOTE 12 - CAPITALIZED LEASES**

The District entered into no new capital leases during fiscal year 2005. In the past the District entered into lease agreements to acquire a building, computers, furniture, equipment and vehicles.

Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risk of ownership to the leasee at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service in the financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Principal payments in the 2005 fiscal year totaled \$181,601. Assets acquired through capital lease are as follows: Building \$350,000, Equipment \$374,688, Vehicles \$33,998.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 12 - CAPITALIZED LEASES (continued)**

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2005.

<u>Fiscal year Ending June 30</u>	
2006	\$ 176,060
Total Minimum Lease Payments	176,060
Less: Amount Representing Interest	(5,937)
Present Value of Minimum Payments	\$ 170,123

**NOTE 13 - COMPENSATED ABSENCES**

The criteria for determining vested vacation, personal and sick leave are derived from negotiated agreements and State laws. Twelve month classified employees and administrators earn ten to twenty days of vacation per year, depending upon length of service. Teachers do not earn vacation time. Accumulated, unused vacation time is paid upon termination of employment. All employees considered full-time earn three days of personal leave each year. Each employee is allowed to carry a maximum balance of five days. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave is paid at the rate of one-third the employees accumulated but unused sick leave balance up to various maximums depending upon the union contract. A bonus payment is available for employees who retire at their first eligibility date. This amount is calculated based on the actual individuals who have applied for retirement.

The entire compensated absence liability is reported on the entity-wide financial statements. For governmental fund financial statements, the amount of accumulated sick leave and bonus pay for those employees who have certified their retirement has been recorded as a current liability to extent the amounts are considered due.

**NOTE 14 - LONG-TERM DEBT**

The District issues bonds, notes and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the District. Notes and capital leases agreements are also general obligations of the District. Long-term obligations also include compensated absences.

During fiscal year 2005, the District issued \$2,499,961 of general obligation bonds for a current refunding of \$2,500,000 of general obligation bonds. The District recorded an additional liability in the amount of \$183,230 to record the unamortized premium on these bonds. This refunding was undertaken to take advantage of an opportunity to restructure debt payments. The total debt service payments were reduced by \$20,648 and the present value of this reduction resulted in an economic loss of \$63,703.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 14 - LONG-TERM DEBT (continued)**

The following is a description of the District's Bonds and Long-Term Note outstanding at June 30, 2005:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired in 2005</u>	<u>Bonds Outstanding 6/30/2005</u>
1996 Bus	4.08%	12/1/2006	\$ 2,260,000	\$ 250,000	\$ 535,000
1999 School Facilities	4.94%	12/1/2026	119,499,621	5,460,394	94,713,218
2002 School Facilities	3.86%	12/1/2012	4,690,000	400,000	3,695,000
2002 Energy Conservation	3.86%	12/1/2014	4,775,000	330,000	3,955,000
2000 Vocational Construction	0%	12/31/2016	1,000,000	66,666	800,000
2003 Refunding School Facilities	4.24%	12/1/2013	28,896,786	3,354,678	25,418,989
2004 Refunding School Facilities	2.20%	6/1/2007	2,683,191	26,721	2,656,470
Total Long-Term Bonds and Notes Payable			<u>\$ 163,804,598</u>	<u>\$ 9,888,459</u>	<u>\$ 131,773,677</u>

Amortization of premium on the 2003 Refunding School Facilities Bond for fiscal year 2005 was \$184,678. The balance of unamortized premium on the bonds is \$1,538,989 and is included in the total bonds outstanding at June 30, 2005.

The 2004 Refunding School Facilities Bond includes \$183,230 premium received when the bonds were sold and \$26,721 in amortization of premium for fiscal year 2005. The balance of unamortized premium on the bonds is \$156,509 and is included in the total bonds outstanding at June 30, 2005.

Annual debt service requirements to maturity for the General Obligation Bonds, Energy Conservation Bonds and the Long-Term Note Payable are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	\$ 5,989,885	\$ 6,984,869	\$ 12,974,754
2007	9,911,628	5,689,818	15,601,446
2008	6,076,666	5,084,637	11,161,303
2009	3,766,667	4,918,076	8,684,743
2010	6,511,666	4,714,985	11,226,651
2011-2015	32,213,334	19,031,137	51,244,471
2016-2020	23,078,333	12,926,532	36,004,865
2021-2025	28,940,000	6,791,312	35,731,312
2026-2027	13,590,000	653,124	14,243,124
Total	<u>\$ 130,078,179</u>	<u>\$ 66,794,490</u>	<u>\$ 196,872,669</u>

The above amortization schedule (principal payments) does not include the \$1,695,498 in unamortized premium on the 2003 and 2004 bond issues.

The District's voted legal debt margin was \$93,167,825 with an unvoted debt margin of \$2,440,572 at June 30, 2005.

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid. Lease obligations will be paid from the General Fund.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 14 - LONG-TERM DEBT (continued)**

In 1994, the District defeased a General Obligation Construction Bond and an Energy Conservation Long-Term Note by placing enough money in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2005 the balance in the irrevocable trust account is \$3,375,028 and the principal outstanding is \$3,000,000.

A summary of Long-Term obligation activity during the fiscal year is summarized below:

	Balance at June 30, 2004	Issued/ Transferred	Retired	Balance at June 30, 2005	Amounts Due In One Year
General Obligation Bonds Payable	\$ 133,827,279	\$ 2,683,191	\$ 9,491,793	\$ 127,018,677	\$ 5,588,219
Energy Conservation Bonds Payable	4,285,000	-	330,000	3,955,000	335,000
Long-Term Notes Payable	866,666	-	66,666	800,000	66,667
Compensated Absences	14,025,110	8,820,853	8,321,159	14,524,804	2,340,960
Capital Leases	351,724	-	181,601	170,123	170,123
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 153,355,779</u>	<u>\$ 11,504,044</u>	<u>\$ 18,391,219</u>	<u>\$ 146,468,604</u>	<u>\$ 8,500,969</u>

Compensated absences of \$2,340,960 include \$1,152,716 for vacation and personal leave, which is estimated to be used in the next fiscal year.

**NOTE 15- INTERFUND TRANSACTIONS**

Interfund Balances at June 30, 2005 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 1,062,340	\$ -
Non-Major Funds:		
Food Service Fund	-	93,095
Other Grants	-	5,274
Athletic/Music Fund	-	62,824
Other State Grants	-	318,940
Other Federal Grants	-	255,259
Fiduciary Funds:		
Teacher Development Agency Fund	-	286,452
Student Activity Fund	-	40,496
Total	<u>\$ 1,062,340</u>	<u>\$ 1,062,340</u>

The primary purpose of the interfund balances is to cover anticipated negative cash balances in specific funds where revenues were not received or to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 15- INTERFUND TRANSACTIONS (continued)**

Interfund balances between governmental funds are eliminated on the government-wide financial statements, no internal balances at June 30, 2005 are reported on the statement of net assets.

In addition, the General fund advanced the nonmajor agency funds \$326,948 during fiscal year 2005 which is shown as an interfund loan receivable in the General Fund and an interfund loan payable in the Agency fund. The District elected to advance monies to avoid negative cash balance at year-end. Monies will be repaid once the anticipate revenue is received.

Interfund transfer for the year ended June 30, 2005, consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to:	
debt service major fund	\$ 769,595
Transfers from general fund to:	
nonmajor governmental funds	39,785

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 16 – CONTINGENCIES**

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits should become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2005.

B. Litigation

There are currently several matters in litigation with the District as defendant. A bankruptcy case involving the Columbus Metropolitan Area Community Action Organization (CMACAO) is likely to have a material effect on the financial statements of the District. CMACAO was the grantee for the District’s state and federal Head Start Programs. The District did not receive the entire grant award during fiscal year 2005. The estimated liability is \$460,000. Based upon the facts and circumstances as they currently exist, management believes that the remaining cases will have no material effect on the financial statements of the District.

**NOTE 17- SIGNIFICANT CONTRACTUAL OBLIGATIONS**

The District had only one significant contractual obligation as of June 30, 2005, which is listed below:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Dell Computers Corporation	Career Technical Program Computers	\$ 278,136

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 18 - SCHOOL FUNDING**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. Declared unconstitutional was the State's "school foundation program", which provides monetary support to the District's general fund. During fiscal year 2003, the District received \$71,897,461 of school foundation support.

On May 11, 2000, the Supreme Court held the mandate of the Ohio Constitution that the State provide a "thorough and efficient system of common schools throughout the State" had not yet been fulfilled. The Supreme Court identified seven major areas that warranted further attention and development by the General Assembly.

After several attempts by the State to remedy the defects in the system, the Court issued its latest opinion on September 6, 2001. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Court relinquished jurisdiction over the case based on anticipated compliance with its order.

The State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001. In November 2001, the Court granted the request for reconsideration, but also ordered the parties to participate in a settlement conference with a court appointed mediator. On March 21, 2002, the mediator issued his final report indicating that the conference was unable to produce a settlement.

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 decision is unconstitutional and vacated its decision of September 6, 2001. 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..."

On March 4, 2003, the Plaintiffs filed a motion with the Common Pleas Court of Perry County requesting that such Court schedule and conduct a conference to address the State's compliance with the orders of such Court and the Supreme Court. On May 16, 2003, the Ohio Supreme Court granted a Writ of Prohibition as filed by the State and ordered the Common Pleas Court of Perry County to dismiss the motion for a compliance conference. The Ohio Supreme Court further stated again its ruling made on December 11, 2002.

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



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2005*

**NOTE 19- SUBSTITUTE HOUSE BILL 412**

Substitute House Bill 412, as amended by H. B. 770, requires Districts, effective in Fiscal Year 1999, to set aside certain percentages of defined revenues for (1) textbook and instructional materials, (2) capital and maintenance and (3) budget reserve and also requires five year budget projections. It amended the fiscal watch and fiscal emergency statutes, created a state school district solvency fund, and phased out the “spending reserve” borrowing provisions. On April 10<sup>th</sup>, 2001, Senate Bill 345 became law removing the requirement for school district’s to maintain a budget stabilization reserve. Additionally, school districts could opt to release funds from the budget stabilization reserve. However, Senate Bill 345 required school districts’ to maintain any balances attributable to any Worker’s Compensation rebates. On April 23<sup>rd</sup>, 2001, the District released all funds that were not provided form Worker’s Compensation rebates. During fiscal year 2005 the Board of Education voted to release the Budget Stabilization money because the General Fund needed it to operate.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set aside Cash Balance as of June 30, 2004 (Restated)	\$ (1,127,614)	\$ -	\$ 557,898	\$ (569,716)
Current Year Set-aside Requirement	2,995,727	2,995,727	-	5,991,454
Qualifying Disbursements	<u>(3,360,336)</u>	<u>(3,390,857)</u>	<u>(557,898)</u>	<u>(7,309,091)</u>
Total	<u>\$ (1,492,223)</u>	<u>\$ (395,130)</u>	<u>\$ -</u>	<u>\$ (1,887,353)</u>
Cash Balance Carried Forward to FY2006	<u>\$ (1,492,223)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,492,223)</u>

The District expended the BWC refunds received prior to April 10, 2001 for allowable uses as stipulated by state statute.

The District had qualifying disbursements during the year that reduced the set-aside amounts below zero for the textbook reserve which may be carried forward to future fiscal years. The beginning cash balance within the textbook reserve has been restated to reflect prior year excesses that may be carried over. Although qualifying disbursements in excess of the set-aside requirement may be carried forward for the textbook reserve, any excesses within the capital acquisition reserve may not be carried forward.

**NOTE 20 - SUBSEQUENT EVENTS**

The District issued Tax Anticipation Notes in the amount of \$21,390,000 on July 19, 2005. These notes were issued in anticipation of the tax collections from the May 2005 9.7 operating/permanent improvement tax levy. The notes will be repaid over the next three years.

At the September 2005 regular board meeting the Board of Education approved the issuance of advanced refunding bonds in an amount not to exceed \$45,000,000 to partially refund bonds issued in 1999. The approval was in anticipation of a favorable interest rate environment. The bonds will not be issued until that situation occurs.

## **REQUIRED SUPPLEMENTAL INFORMATION**

**BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis for the General Fund:

		<u>General</u>
GAAP Basis	\$	(15,425,910)
Adjustments:		
Revenue Accruals		(1,212,636)
Expenditure Accruals		(2,626,424)
Encumbrances		2,402,190
Operating Transfers		(575,809)
Advances		136,494
Budget Basis	\$	<u><u>(17,302,095)</u></u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local:				
Taxes	\$ 66,115,625	\$ 69,473,267	\$ 68,043,717	\$ (1,429,550)
Tuition	523,789	517,317	236,827	(280,490)
Interest	502,240	623,537	673,186	49,649
Other Local Revenue	724,630	1,460,501	1,300,683	(159,818)
Intergovernmental - State	84,369,375	88,002,000	87,869,974	(132,026)
Intergovernmental - Federal	652,338	880,000	779,195	(100,805)
<b>Total Revenues</b>	<u>152,887,997</u>	<u>160,956,622</u>	<u>158,903,582</u>	<u>(2,053,040)</u>
Expenditures:				
Current:				
Instruction:				
Regular				
Salaries and Wages	56,620,101	56,315,766	56,315,766	-
Fringe Benefits	15,814,022	16,128,742	16,128,742	-
Purchased Services	4,637,086	5,644,686	5,544,752	99,934
Supplies and Materials	1,958,168	2,235,071	1,979,298	255,773
Miscellaneous	7,726	102,349	2,985	99,364
<b>Total Regular</b>	<u>79,037,103</u>	<u>80,426,614</u>	<u>79,971,543</u>	<u>455,071</u>
Special				
Salaries and Wages	11,610,697	11,612,788	11,612,788	-
Fringe Benefits	3,431,662	3,545,077	3,545,077	-
Purchased Services	2,452,668	2,243,412	2,234,754	8,658
Supplies and Materials	149,490	189,552	121,648	67,904
Miscellaneous	250	250	-	250
<b>Total Special</b>	<u>17,644,767</u>	<u>17,591,079</u>	<u>17,514,267</u>	<u>76,812</u>
Vocational				
Salaries and Wages	3,840,668	3,518,532	3,518,532	-
Fringe Benefits	1,035,887	971,054	971,054	-
Purchased Services	12,711	130,667	125,502	5,165
Supplies and Materials	136,453	535,541	505,905	29,636
Miscellaneous	5,260	22,090	-	22,090
<b>Total Vocational</b>	<u>5,030,979</u>	<u>5,177,884</u>	<u>5,120,993</u>	<u>56,891</u>
Other				
Salaries and Wages	204,662	177,690	177,690	-
Fringe Benefits	37,893	39,568	39,568	-
Supplies and Materials	19,000	19,000	6,682	12,318
<b>Total Other</b>	<u>261,555</u>	<u>236,258</u>	<u>223,940</u>	<u>12,318</u>
<b>Total Instruction</b>	<u>101,974,404</u>	<u>103,431,835</u>	<u>102,830,743</u>	<u>601,092</u>
Support Services:				
Pupil				
Salaries and Wages	5,515,674	5,612,186	5,612,186	-
Fringe Benefits	1,481,087	1,547,065	1,547,065	-
Purchased Services	26,460	36,928	31,662	5,266
Supplies and Materials	63,363	73,131	44,012	29,119
<b>Total Pupil</b>	<u>7,086,584</u>	<u>7,269,310</u>	<u>7,234,925</u>	<u>34,385</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>				
Salaries and Wages	10,067,185	9,529,609	9,529,609	-
Fringe Benefits	3,496,237	3,505,111	3,505,111	-
Purchased Services	249,967	301,851	209,410	92,441
Supplies and Materials	548,300	643,037	457,353	185,684
Miscellaneous	4,400	3,549	3,149	400
<b>Total Instructional Staff</b>	<u>14,366,089</u>	<u>13,983,157</u>	<u>13,704,632</u>	<u>278,525</u>
<b>Board of Education</b>				
Salaries and Wages	10,000	18,185	18,185	-
Fringe Benefits	-	3,027	3,027	-
Purchased Services	245,800	249,749	244,920	4,829
Supplies and Materials	4,000	4,000	192	3,808
Miscellaneous	167,000	167,000	98,022	68,978
<b>Total Board of Education</b>	<u>426,800</u>	<u>441,961</u>	<u>364,346</u>	<u>77,615</u>
<b>Administration</b>				
Salaries and Wages	7,864,104	7,872,183	7,872,183	-
Fringe Benefits	2,895,104	2,959,700	2,959,700	-
Purchased Services	1,063,540	935,477	788,543	146,934
Supplies and Materials	138,546	149,190	104,796	44,394
Miscellaneous	980,710	1,014,344	994,208	20,136
<b>Total Administration</b>	<u>12,942,004</u>	<u>12,930,894</u>	<u>12,719,430</u>	<u>211,464</u>
<b>Fiscal</b>				
Salaries and Wages	1,028,482	989,502	989,502	-
Fringe Benefits	217,640	235,144	235,144	-
Purchased Services	298,700	310,939	275,123	35,816
Supplies and Materials	13,000	13,316	8,733	4,583
Miscellaneous	1,057,300	1,080,815	1,038,676	42,139
<b>Total Fiscal</b>	<u>2,615,122</u>	<u>2,629,716</u>	<u>2,547,178</u>	<u>82,538</u>
<b>Business</b>				
Salaries and Wages	343,026	329,694	329,694	-
Fringe Benefits	126,683	121,355	121,355	-
Purchased Services	633,350	617,531	553,785	63,746
Supplies and Materials	67,400	67,168	29,464	37,704
Miscellaneous	17,466	5,966	2,440	3,526
<b>Total Business</b>	<u>1,187,925</u>	<u>1,141,714</u>	<u>1,036,738</u>	<u>104,976</u>
<b>Operations and Maintenance</b>				
Salaries and Wages	7,166,181	7,617,831	7,617,831	-
Fringe Benefits	2,383,953	2,581,785	2,581,785	-
Purchased Services	4,263,971	4,524,005	4,184,923	339,082
Supplies and Materials	831,122	1,085,701	1,019,665	66,036
Miscellaneous	10,000	3,700	2,582	1,118
<b>Total Operations and Maintenance</b>	<u>14,655,227</u>	<u>15,813,022</u>	<u>15,406,786</u>	<u>406,236</u>
<b>Pupil Transportation</b>				
Salaries and Wages	4,888,686	5,735,300	5,735,300	-
Fringe Benefits	2,156,028	2,372,194	2,372,194	-
Purchased Services	742,552	778,077	676,261	101,816
Supplies and Materials	911,300	1,099,319	1,083,860	15,459
Miscellaneous	500	-	-	-
<b>Total Pupil Transportation</b>	<u>8,699,066</u>	<u>9,984,890</u>	<u>9,867,615</u>	<u>117,275</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2005  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Central				
Salaries and Wages	1,424,072	1,544,050	1,544,050	-
Fringe Benefits	464,753	515,222	515,222	-
Purchased Services	698,207	763,552	607,220	156,332
Supplies and Materials	158,000	190,919	161,561	29,358
Miscellaneous	6,000	8,034	3,134	4,900
Total Central	<u>2,751,032</u>	<u>3,021,777</u>	<u>2,831,187</u>	<u>190,590</u>
Total Support Services	<u>64,729,849</u>	<u>67,216,441</u>	<u>65,712,837</u>	<u>1,503,604</u>
Community Services				
Salaries and Wages	72,953	195,285	195,285	-
Fringe Benefits	21,520	42,283	42,283	-
Purchased Services	33,864	33,864	838	33,026
Supplies and Materials	7,000	7,000	173	6,827
Miscellaneous	650	650	-	650
Total Community Services	<u>135,987</u>	<u>279,082</u>	<u>238,579</u>	<u>40,503</u>
Extracurricular Activities				
Salaries and Wages	1,837,301	1,840,240	1,840,240	-
Fringe Benefits	82,305	344,021	344,021	-
Supplies and Materials	-	3,321	3,321	-
Total Extracurricular Activities	<u>1,919,606</u>	<u>2,187,582</u>	<u>2,187,582</u>	<u>-</u>
Miscellaneous	35,000	-	-	-
Capital Outlay	2,090,330	4,203,531	3,935,872	267,659
Pass Through Grants	325,000	325,000	325,000	-
Total Expenditures	<u>171,210,176</u>	<u>177,643,471</u>	<u>175,230,613</u>	<u>2,412,858</u>
Excess of Revenues Over (Under) Expenditures	(18,322,179)	(16,686,849)	(16,327,031)	359,818
Other Financing Sources (Uses):				
Operating Transfers - In	-	571,380	576,004	4,624
Operating Transfers - Out	(1,460,000)	(1,961,193)	(1,961,193)	-
Advances - In	1,605,668	1,240,668	1,240,668	-
Advances - Out	-	(1,104,174)	(1,104,174)	-
Proceeds from Sale of Fixed Assets	191,000	371,472	273,631	(97,841)
Total Other Financing Sources (Uses)	<u>336,668</u>	<u>(881,847)</u>	<u>(975,064)</u>	<u>(93,217)</u>
Net Change in Fund Balances	(17,985,511)	(17,568,696)	(17,302,095)	266,601
Fund Balance at Beginning of Year	13,335,333	13,335,333	13,335,333	-
Prior Year Encumbrances Appropriated	4,647,175	4,647,175	4,647,175	-
Fund Balance at End of Year	<u>\$ (3,003)</u>	<u>\$ 413,812</u>	<u>\$ 680,413</u>	<u>\$ 266,601</u>

## **OTHER SUPPLEMENTAL INFORMATION**

## **DEBT SERVICE FUND**

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



South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 13,410,000	\$ 12,064,281	\$ (1,345,719)
Other Local Revenue	-	4,329	4,329
Intergovernmental - State	1,400,000	1,461,703	61,703
Total Revenues	<u>14,810,000</u>	<u>13,530,313</u>	<u>(1,279,687)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	129,800	129,739	61
Total Fiscal	<u>129,800</u>	<u>129,739</u>	<u>61</u>
Total Support Services	<u>129,800</u>	<u>129,739</u>	<u>61</u>
Debt Service:			
Principal Retirement	7,110,394	7,110,394	-
Interest and Fiscal Charges	8,230,258	8,177,757	52,501
Total Expenditures	<u>15,470,452</u>	<u>15,417,890</u>	<u>52,562</u>
Excess of Revenues Over (Under) Expenditures	(660,452)	(1,887,577)	(1,227,125)
Other Financing Sources:			
Operating Transfers - In	769,595	769,595	-
Total Other Financing Sources:	<u>769,595</u>	<u>769,595</u>	<u>-</u>
Net Change in Fund Balances	109,143	(1,117,982)	(1,227,125)
Fund Balance at Beginning of Year	4,606,152	4,606,152	-
Fund Balance at End of Year	<u>\$ 4,715,295</u>	<u>\$ 3,488,170</u>	<u>\$ (1,227,125)</u>

## **CAPITAL IMPROVEMENTS FUND**

The Capital Improvements fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Capital Improvements Fund  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 2,245	\$ 1,842	\$ (403)
Other Local Revenue	<u>74,597</u>	<u>75,000</u>	<u>403</u>
Total Revenues	<u>76,842</u>	<u>76,842</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance			
Purchased Services	23,500	23,500	-
Supplies and Materials	<u>1,555</u>	<u>1,053</u>	<u>502</u>
Total Operations and Maintenance	<u>25,055</u>	<u>24,553</u>	<u>502</u>
Total Support Services	<u>25,055</u>	<u>24,553</u>	<u>502</u>
Capital Outlay	<u>360,479</u>	<u>335,911</u>	<u>24,568</u>
Total Expenditures	<u>385,534</u>	<u>360,464</u>	<u>25,070</u>
Net Change in Fund Balances	(308,692)	(283,622)	25,070
Fund Balance at Beginning of Year	218,554	218,554	-
Prior Year Encumbrances Appropriated	<u>90,198</u>	<u>90,198</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 60</u>	<u>\$ 25,130</u>	<u>\$ 25,070</u>

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## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are used to account for revenue sources (other than capital projects or debt service) that are legally or third party restricted to expenditures for specified purposes. The following are descriptions of each Special Revenue Fund:

### Public School Support

To account for specific local revenue sources, other than taxes or expendable trusts, (i.e. profits from vending machines, sale of pictures, etc.), that are restricted to expenditures of specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases. These funds have been established at each school and at certain administrative centers for the purposes described above.

### Other Grants

To account for the proceeds of specific revenue sources, except state and federal grants that are legally restricted to expenditures for specified purposes.

### Athletics/Music

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 and other similar types of activities.

### All State Grants

To account for all state grant programs which include Auxiliary Services, Career Education, Ohio Reads, EMIS, State Head Start, Public School Preschool, Alternative Education, DPIA, Data Communication, SchoolNet Training, and Summer Intervention.

### All Federal Grants

To account for all federal grant programs which include: Adult Basic Education, Title II, Title VI-B, Perkins, Head Start, Refugee Children, Title I, Title VI, Preschool Grant, Emergency Immigrant Education, Title IV, CSR, Title VI-R, and SMART.

### Food Service

To account for the financial transactions related to the food service operations of the District.

### Insurance Reserve

To account for assets generated when the District was self-funded for health insurance. These assets are used to buy down the health care premium for employees and board share.

### Vocational Rotary

To account for income and expenses made in connection with goods and services provided by the students in the vocational programs.

## **NONMAJOR CAPITAL PROJECT FUND**

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment.

### SchoolNet Plus

To account for the state monies provided to help equip all classrooms with one computer for every five students.

Negative fund balances are caused by revenue estimates that are based solely on amounts received during the fiscal year, whereas appropriations are based on the total grant award.

South-Western City School District  
 Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2005

	<u>Public School Support</u>	<u>Other Grants</u>	<u>Athletic/ Music</u>	<u>All State Grants</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash				
Equivalents	\$ 783,330	\$ 655,963	\$ 643,154	\$ 657,393
Receivable:				
Accounts	10,312	2,271	1,879	-
Intergovernmental	-	-	-	516,933
Prepaid Items	-	2,502	-	8,399
Materials and Supplies Inventory	-	-	10,621	-
<b>Total Assets</b>	<b><u><u>\$ 793,642</u></u></b>	<b><u><u>\$ 660,736</u></u></b>	<b><u><u>\$ 655,654</u></u></b>	<b><u><u>\$ 1,182,725</u></u></b>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 59,795	\$ 15,012	\$ 39,971	\$ 271,243
Accrued Wages and Benefits	715	11,802	691	291,972
Interfund Loans Payable	-	5,274	62,824	318,940
Deferred Revenue	-	-	-	8,333
<b>Total Liabilities</b>	<b><u><u>60,510</u></u></b>	<b><u><u>32,088</u></u></b>	<b><u><u>103,486</u></u></b>	<b><u><u>890,488</u></u></b>
<u>Fund Balance:</u>				
Reserved for Encumbrances	83,459	30,629	58,690	288,201
Designated for Capital Projects	-	-	-	-
Unreserved, Undesignated, reported in Special Revenue Funds	649,673	598,019	493,478	4,036
<b>Total Fund Balances</b>	<b><u><u>733,132</u></u></b>	<b><u><u>628,648</u></u></b>	<b><u><u>552,168</u></u></b>	<b><u><u>292,237</u></u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u><u>\$ 793,642</u></u></b>	<b><u><u>\$ 660,736</u></u></b>	<b><u><u>\$ 655,654</u></u></b>	<b><u><u>\$ 1,182,725</u></u></b>

<u>All Federal Grants</u>	<u>Food Service</u>	<u>Insurance Reserve</u>	<u>Vocational Rotary</u>	<u>School Net Plus</u>	<u>Total Nonmajor Funds</u>
\$ 1,369,649	\$ 14,140	\$ 213,727	\$ 24,545	\$ 68,104	\$ 4,430,005
-	5,257	-	-	-	19,719
1,505,468	426,527	-	-	-	2,448,928
38,303	62,913	-	-	-	112,117
-	68,762	-	-	-	79,383
<u>\$ 2,913,420</u>	<u>\$ 577,599</u>	<u>\$ 213,727</u>	<u>\$ 24,545</u>	<u>\$ 68,104</u>	<u>\$ 7,090,152</u>
\$ 452,231	\$ 12,005	\$ 8,928	\$ 1,310	\$ 31,464	891,959
1,035,877	398,439	-	-	-	1,739,496
255,259	93,095	-	-	-	735,392
616,912	-	-	-	-	625,245
<u>2,360,279</u>	<u>503,539</u>	<u>8,928</u>	<u>1,310</u>	<u>31,464</u>	<u>3,992,092</u>
406,633	183,350	1,904	66	-	1,052,932
-	-	-	-	36,640	36,640
146,508	(109,290)	202,895	23,169	-	2,008,488
<u>553,141</u>	<u>74,060</u>	<u>204,799</u>	<u>23,235</u>	<u>36,640</u>	<u>3,098,060</u>
<u>\$ 2,913,420</u>	<u>\$ 577,599</u>	<u>\$ 213,727</u>	<u>\$ 24,545</u>	<u>\$ 68,104</u>	<u>\$ 7,090,152</u>

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

	Public School <u>Support</u>	Other <u>Grants</u>	Athletic/ <u>Music</u>	All State <u>Grants</u>
<b>Revenues:</b>				
<b>Local:</b>				
Tuition	\$ 10,727	\$ 128,050	\$ -	\$ -
Interest	7,845	-	6,852	-
Other Local Revenue	1,003,102	392,961	1,498,809	2,200
Intergovernmental - State	-	-	-	3,657,489
Intergovernmental - Federal	-	-	-	-
<b>Total Revenues</b>	<u>1,021,674</u>	<u>521,011</u>	<u>1,505,661</u>	<u>3,659,689</u>
<b>Current:</b>				
<b>Instruction:</b>				
Regular	365,418	170,530	156,631	1,175,089
Special	-	49,449	-	126,191
Vocational	11,017	2,951	-	-
Other	13,638	523	-	-
<b>Support Services:</b>				
Pupil	221	68,194	-	156,283
Instructional Staff	16,426	65,157	16,885	767,461
Administration	480,632	2,155	3,200	55,307
Fiscal	-	372	-	40,259
Operations and Maintenance	-	12,295	-	34,326
Pupil Transportation	-	18,615	-	100,332
Central	8,322	-	-	220,869
Food Service	-	-	-	-
Community Services	-	3,110	-	871,960
Extracurricular Activities	12,134	12,846	1,193,323	-
Capital Outlay	71,520	30,866	116,785	476,506
<b>Total Expenditures</b>	<u>979,328</u>	<u>437,063</u>	<u>1,486,824</u>	<u>4,024,583</u>
Excess of Revenues Over (Under) Expenditures	42,346	83,948	18,837	(364,894)
<b>Other Financing Sources (Uses):</b>				
Transfers - In	20,690	-	19,095	-
Proceeds from Sales of Capital Assets	-	-	-	10,050
<b>Total Other Financing Sources (Uses)</b>	<u>20,690</u>	<u>-</u>	<u>19,095</u>	<u>10,050</u>
Net Change in Fund Balance	63,036	83,948	37,932	(354,844)
Fund Balances at Beginning of Year	670,096	544,700	514,236	647,081
Fund Balances at End of Year	<u>\$ 733,132</u>	<u>\$ 628,648</u>	<u>\$ 552,168</u>	<u>\$ 292,237</u>



All Federal <u>Grants</u>	Food <u>Service</u>	Insurance <u>Reserve</u>	Vocational <u>Rotary</u>	School Net <u>Plus</u>	Total Nonmajor <u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,777
-	1,244	5,269	-	-	21,210
930	3,982,618	34,917	34,116	-	6,949,653
-	141,345	-	-	179,130	3,977,964
11,421,305	3,457,112	-	-	-	14,878,417
<u>11,422,235</u>	<u>7,582,319</u>	<u>40,186</u>	<u>34,116</u>	<u>179,130</u>	<u>25,966,021</u>
1,379,940	-	2,398	-	55,505	3,305,511
4,113,711	-	-	-	-	4,289,351
437,848	-	-	48,013	-	499,829
159,375	-	-	-	-	173,536
594,248	-	-	-	-	818,946
2,809,178	-	-	65	-	3,675,172
823,827	479	19,311	-	-	1,384,911
6,360	-	-	-	-	46,991
185,074	-	-	-	-	231,695
499,873	-	-	-	-	618,820
-	-	315,382	-	-	544,573
-	7,318,639	-	-	-	7,318,639
184,403	-	-	-	-	1,059,473
-	-	17,300	1,919	-	1,237,522
455,957	-	-	-	86,985	1,238,619
<u>11,649,794</u>	<u>7,319,118</u>	<u>354,391</u>	<u>49,997</u>	<u>142,490</u>	<u>26,443,588</u>
(227,559)	263,201	(314,205)	(15,881)	36,640	(477,567)
-	-	-	-	-	39,785
-	-	-	-	-	10,050
-	-	-	-	-	49,835
(227,559)	263,201	(314,205)	(15,881)	36,640	(427,732)
780,700	(189,141)	519,004	39,116	-	3,525,792
<u>\$ 553,141</u>	<u>\$ 74,060</u>	<u>\$ 204,799</u>	<u>\$ 23,235</u>	<u>\$ 36,640</u>	<u>\$ 3,098,060</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Public School Support Fund  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 15,000	\$ 10,727	\$ (4,273)
Interest	1,831	7,845	6,014
Other Local Revenue	<u>1,021,576</u>	<u>999,145</u>	<u>(22,431)</u>
Total Revenues	<u>1,038,407</u>	<u>1,017,717</u>	<u>(20,690)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	1,559	1,559	-
Fringe Benefits	253	253	-
Purchased Services	43,637	36,371	7,266
Supplies and Materials	<u>412,526</u>	<u>354,608</u>	<u>57,918</u>
Total Regular	<u>457,975</u>	<u>392,791</u>	<u>65,184</u>
Special			
Supplies and Materials	<u>500</u>	<u>-</u>	<u>500</u>
Total Special	<u>500</u>	<u>-</u>	<u>500</u>
Vocational			
Salaries and Wages	85	85	-
Fringe Benefits	14	14	-
Purchased Services	8,951	925	8,026
Supplies and Materials	<u>13,203</u>	<u>10,693</u>	<u>2,510</u>
Total Vocational	<u>22,253</u>	<u>11,717</u>	<u>10,536</u>
Other			
Salaries and Wages	11,237	11,237	-
Fringe Benefits	1,859	1,859	-
Supplies and Materials	<u>3,900</u>	<u>-</u>	<u>3,900</u>
Total Other	<u>16,996</u>	<u>13,096</u>	<u>3,900</u>
Total Instruction	<u>497,724</u>	<u>417,604</u>	<u>80,120</u>

(continued)

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Public School Support Fund  
 For the Fiscal Year Ended June 30, 2005  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Purchased Services	79	79	-
Supplies and Materials	181	151	30
Total Pupil	<u>260</u>	<u>230</u>	<u>30</u>
Instructional Staff			
Salaries and Wages	3,559	3,559	-
Fringe Benefits	586	586	-
Purchased Services	18,950	1,645	17,305
Supplies and Materials	30,500	10,708	19,792
Miscellaneous	100	-	100
Total Instructional Staff	<u>53,695</u>	<u>16,498</u>	<u>37,197</u>
Administration			
Salaries and Wages	2,894	2,894	-
Fringe Benefits	470	470	-
Purchased Services	54,366	33,145	21,221
Supplies and Materials	595,787	469,790	125,997
Miscellaneous	850	300	550
Total Administration	<u>654,367</u>	<u>506,599</u>	<u>147,768</u>
Central			
Purchased Services	9,989	9,989	-
Total Central	<u>9,989</u>	<u>9,989</u>	<u>-</u>
Total Support Services	<u>718,311</u>	<u>533,316</u>	<u>184,995</u>
Extracurricular Activities			
Salaries and Wages	400	400	-
Fringe Benefits	66	66	-
Purchased Services	1,000	305	695
Supplies and Materials	22,480	12,276	10,204
Total Extracurricular Activities	<u>23,946</u>	<u>13,047</u>	<u>10,899</u>
Capital Outlay	<u>151,640</u>	<u>98,644</u>	<u>52,996</u>
Total Expenditures	<u>1,391,621</u>	<u>1,062,611</u>	<u>329,010</u>

(continued)

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Public School Support Fund  
 For the Fiscal Year Ended June 30, 2005  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(353,214)	(44,894)	308,320
Other Financing Uses:			
Operating Transfers - In	-	20,690	20,690
Total Other Financing Uses	<u>-</u>	<u>20,690</u>	<u>20,690</u>
Net Change in Fund Balances	(353,214)	(24,204)	329,010
Fund Balance at Beginning of Year	594,362	594,362	-
Prior Year Encumbrances Appropriated	119,708	119,708	-
Fund Balance at End of Year	<u>\$ 360,856</u>	<u>\$ 689,866</u>	<u>\$ 329,010</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Other Grant Funds  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 118,197	\$ 128,050	\$ 9,853
Other Local Revenue	<u>403,336</u>	<u>395,701</u>	<u>(7,635)</u>
Total Revenues	<u>521,533</u>	<u>523,751</u>	<u>2,218</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	115,297	43,555	71,742
Fringe Benefits	18,474	7,129	11,345
Purchased Services	51,316	33,028	18,288
Supplies and Materials	<u>253,854</u>	<u>101,332</u>	<u>152,522</u>
Total Regular	<u>438,941</u>	<u>185,044</u>	<u>253,897</u>
Special			
Salaries and Wages	26,116	25,087	1,029
Fringe Benefits	14,158	13,949	209
Purchased Services	2,457	1,840	617
Supplies and Materials	<u>46,162</u>	<u>9,715</u>	<u>36,447</u>
Total Special	<u>88,893</u>	<u>50,591</u>	<u>38,302</u>
Vocational			
Purchased Services	1,253	-	1,253
Supplies and Materials	<u>3,801</u>	<u>2,951</u>	<u>850</u>
Total Vocational	<u>5,054</u>	<u>2,951</u>	<u>2,103</u>
Other			
Purchased Services	700	-	700
Supplies and Materials	<u>600</u>	<u>523</u>	<u>77</u>
Total Other	<u>1,300</u>	<u>523</u>	<u>777</u>
Total Instruction	<u>534,188</u>	<u>239,109</u>	<u>295,079</u>
Support Services:			
Pupil			
Salaries and Wages	71,108	54,387	16,721
Fringe Benefits	11,888	8,870	3,018
Purchased Services	629	240	389
Supplies and Materials	<u>4,914</u>	<u>3,537</u>	<u>1,377</u>
Total Pupil	<u>88,539</u>	<u>67,034</u>	<u>21,505</u>

(continued)

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Other Grants Fund  
 For the Fiscal Year Ended June 30, 2005  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	79,944	42,460	37,484
Fringe Benefits	14,199	7,649	6,550
Purchased Services	57,528	17,807	39,721
Supplies and Materials	9,583	5,922	3,661
<b>Total Instructional Staff</b>	<u>161,254</u>	<u>73,838</u>	<u>87,416</u>
<b>Administration</b>			
Purchased Services	4,058	2,539	1,519
Supplies and Materials	478	-	478
Miscellaneous	486	-	486
<b>Total Administration</b>	<u>5,022</u>	<u>2,539</u>	<u>2,483</u>
<b>Fiscal</b>			
Miscellaneous	814	372	442
<b>Total Fiscal</b>	<u>814</u>	<u>372</u>	<u>442</u>
<b>Operations and Maintenance</b>			
Purchased Services	18,666	12,236	6,430
<b>Total Operations and Maintenance</b>	<u>18,666</u>	<u>12,236</u>	<u>6,430</u>
<b>Pupil Transportation</b>			
Supplies and Materials	32,011	18,615	13,396
<b>Total Pupil Transportation</b>	<u>32,011</u>	<u>18,615</u>	<u>13,396</u>
<b>Total Support Services</b>	<u>306,306</u>	<u>174,634</u>	<u>131,672</u>
<b>Community Services</b>			
Salaries and Wages	500	300	200
Fringe Benefits	83	50	33
Supplies and Materials	4,788	3,434	1,354
<b>Total Community Services</b>	<u>5,371</u>	<u>3,784</u>	<u>1,587</u>
<b>Extracurricular Activities</b>			
Salaries and Wages	15,311	11,024	4,287
Fringe Benefits	2,535	1,822	713
Supplies and Materials	200	-	200
<b>Total Extracurricular Activities</b>	<u>18,046</u>	<u>12,846</u>	<u>5,200</u>
Miscellaneous	2,443	2,443	-
Capital Outlay	66,895	33,546	33,349
<b>Total Expenditures</b>	<u>933,249</u>	<u>466,362</u>	<u>466,887</u>

(continued)

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Other Grants Fund  
 For the Fiscal Year Ended June 30, 2005  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(411,716)	57,389	469,105
Other Financing Sources (Uses):			
Advances - In	5,274	5,274	-
Advances - Out	<u>(5,219)</u>	<u>(5,219)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>55</u>	<u>55</u>	<u>-</u>
Net Change in Fund Balances	(411,661)	57,444	469,105
Fund Balance at Beginning of Year	534,128	534,128	-
Prior Year Encumbrances Appropriated	<u>37,796</u>	<u>37,796</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 160,263</u>	<u>\$ 629,368</u>	<u>\$ 469,105</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Athletic/Music Fund  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 545	\$ 6,852	\$ 6,307
Other Local Revenue	<u>1,533,350</u>	<u>1,494,949</u>	<u>(38,401)</u>
Total Revenues	<u>1,533,895</u>	<u>1,501,801</u>	<u>(32,094)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	190,672	113,815	76,857
Supplies and Materials	<u>61,723</u>	<u>44,116</u>	<u>17,607</u>
Total Regular	<u>252,395</u>	<u>157,931</u>	<u>94,464</u>
Total Instruction	<u>252,395</u>	<u>157,931</u>	<u>94,464</u>
Support Services:			
Instructional Staff			
Supplies and Materials	<u>27,702</u>	<u>16,885</u>	<u>10,817</u>
Total Instructional Staff	<u>27,702</u>	<u>16,885</u>	<u>10,817</u>
Administration			
Purchased Services	5,935	2,545	3,390
Supplies and Materials	<u>1,539</u>	<u>682</u>	<u>857</u>
Total Administration	<u>7,474</u>	<u>3,227</u>	<u>4,247</u>
Total Support Services	<u>35,176</u>	<u>20,112</u>	<u>15,064</u>
Extracurricular Activities			
Salaries and Wages	35,792	35,792	-
Fringe Benefits	5,838	5,838	-
Purchased Services	342,800	235,820	106,980
Supplies and Materials	1,184,647	945,143	239,504
Miscellaneous	<u>4,384</u>	<u>64</u>	<u>4,320</u>
Total Extracurricular Activities	<u>1,573,461</u>	<u>1,222,657</u>	<u>350,804</u>
Miscellaneous	1,084	1,084	-
Capital Outlay	<u>226,561</u>	<u>143,816</u>	<u>82,745</u>
Total Expenditures	<u>2,088,677</u>	<u>1,545,600</u>	<u>543,077</u>
Excess of Revenues Over (Under) Expenditures	(554,782)	(43,799)	510,983

(continued)



South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Athletic/Music Fund  
 For the Fiscal Year Ended June 30, 2005  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Operating Transfers - In	19,000	51,095	32,095
Operating Transfers - Out	(25,000)	(25,000)	-
Advances - In	62,824	62,824	-
Advances - Out	(87,524)	(87,524)	-
Total Other Financing Sources (Uses)	<u>(30,700)</u>	<u>1,395</u>	<u>32,095</u>
Net Change in Fund Balances	(585,482)	(42,404)	543,078
Fund Balance at Beginning of Year	498,672	498,672	-
Prior Year Encumbrances Appropriated	128,228	128,228	-
Fund Balance at End of Year	<u>\$ 41,418</u>	<u>\$ 584,496</u>	<u>\$ 543,078</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All State Grant Funds  
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Local:			
Other Local Revenue	\$ 2,200	\$ 2,200	\$ -
Intergovernmental - State	<u>4,043,982</u>	<u>3,475,281</u>	<u>(568,701)</u>
<b>Total Revenues</b>	<u>4,046,182</u>	<u>3,477,481</u>	<u>(568,701)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular			
Salaries and Wages	675,840	512,372	163,468
Fringe Benefits	168,169	130,010	38,159
Purchased Services	352,605	350,660	1,945
Supplies and Materials	<u>143,754</u>	<u>127,414</u>	<u>16,340</u>
<b>Total Regular</b>	<u>1,340,368</u>	<u>1,120,456</u>	<u>219,912</u>
Special			
Salaries and Wages	91,288	75,183	16,105
Fringe Benefits	41,762	38,329	3,433
Supplies and Materials	<u>14,368</u>	<u>5,566</u>	<u>8,802</u>
<b>Total Special</b>	<u>147,418</u>	<u>119,078</u>	<u>28,340</u>
<b>Total Instruction</b>	<u>1,487,786</u>	<u>1,239,534</u>	<u>248,252</u>
Support Services:			
Pupil			
Salaries and Wages	104,595	96,008	8,587
Fringe Benefits	39,610	36,675	2,935
Purchased Services	10,032	9,956	76
Supplies and Materials	<u>15,411</u>	<u>15,411</u>	<u>-</u>
<b>Total Pupil</b>	<u>169,648</u>	<u>158,050</u>	<u>11,598</u>
Instructional Staff			
Salaries and Wages	595,583	536,317	59,266
Fringe Benefits	173,760	163,436	10,324
Purchased Services	46,981	39,080	7,901
Supplies and Materials	<u>8,643</u>	<u>8,468</u>	<u>175</u>
<b>Total Instructional Staff</b>	<u>824,967</u>	<u>747,301</u>	<u>77,666</u>
Administration			
Salaries and Wages	46,785	40,802	5,983
Fringe Benefits	14,951	13,091	1,860
Purchased Services	<u>1,500</u>	<u>1,500</u>	<u>-</u>
<b>Total Administration</b>	<u>63,236</u>	<u>55,393</u>	<u>7,843</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All State Grant Funds  
For the Fiscal Year Ended June 30, 2005  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Fiscal			
Miscellaneous	40,259	40,259	-
Total Fiscal	<u>40,259</u>	<u>40,259</u>	<u>-</u>
Operations and Maintenance			
Salaries and Wages	25,272	23,751	1,521
Fringe Benefits	10,719	9,934	785
Total Operations and Maintenance	<u>35,991</u>	<u>33,685</u>	<u>2,306</u>
Pupil Transportation			
Salaries and Wages	76,179	68,806	7,373
Fringe Benefits	39,412	33,637	5,775
Supplies and Materials	4,551	4,551	-
Total Pupil Transportation	<u>120,142</u>	<u>106,994</u>	<u>13,148</u>
Central			
Salaries and Wages	108,031	72,938	35,093
Fringe Benefits	19,841	19,484	357
Purchased Services	254,597	154,494	100,103
Total Central	<u>382,469</u>	<u>246,916</u>	<u>135,553</u>
Total Support Services	<u>1,636,712</u>	<u>1,388,598</u>	<u>248,114</u>
Community Services			
Salaries and Wages	318,897	279,422	39,475
Fringe Benefits	76,373	66,089	10,284
Purchased Services	22,723	16,048	6,675
Supplies and Materials	640,213	633,082	7,131
Total Community Services	<u>1,058,206</u>	<u>994,641</u>	<u>63,565</u>
Miscellaneous	4,443	4,443	-
Capital Outlay	571,985	561,084	10,901
Total Expenditures	<u>4,759,132</u>	<u>4,188,300</u>	<u>570,832</u>
Excess of Revenues Over (Under) Expenditures	(712,950)	(710,819)	2,131
Other Financing Sources (Uses):			
Advances - In	318,940	318,940	-
Advances - Out	(296,008)	(296,008)	-
Proceeds from Sale of Asset	-	10,050	10,050
Total Other Financing Sources (Uses)	<u>22,932</u>	<u>32,982</u>	<u>10,050</u>
Net Change in Fund Balances	(690,018)	(677,837)	12,181
Fund Balance at Beginning of Year	523,692	523,692	-
Prior Year Encumbrances Appropriated	475,214	475,214	-
Fund Balance at End of Year	<u>\$ 308,888</u>	<u>\$ 321,069</u>	<u>\$ 12,181</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All Federal Grants Fund  
For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Local:			
Other Local Revenue	\$ 930	\$ 930	\$ -
Intergovernmental - Federal	<u>14,313,127</u>	<u>11,874,308</u>	<u>(2,438,819)</u>
<b>Total Revenues</b>	<u>14,314,057</u>	<u>11,875,238</u>	<u>(2,438,819)</u>
<b>Expenditures:</b>			
Current:			
Instruction:			
Regular			
Salaries and Wages	1,275,413	973,177	302,236
Fringe Benefits	493,927	357,837	136,090
Purchased Services	8,566	1,841	6,725
Supplies and Materials	<u>73,485</u>	<u>64,171</u>	<u>9,314</u>
<b>Total Regular</b>	<u>1,851,391</u>	<u>1,397,026</u>	<u>454,365</u>
Special			
Salaries and Wages	2,841,156	2,436,742	404,414
Fringe Benefits	823,470	680,720	142,750
Purchased Services	164,185	6,812	157,373
Supplies and Materials	<u>1,041,392</u>	<u>990,502</u>	<u>50,890</u>
<b>Total Special</b>	<u>4,870,203</u>	<u>4,114,776</u>	<u>755,427</u>
Vocational			
Salaries and Wages	172,358	147,289	25,069
Fringe Benefits	48,308	37,058	11,250
Purchased Services	147,303	145,331	1,972
Supplies and Materials	<u>189,125</u>	<u>189,125</u>	<u>-</u>
<b>Total Vocational</b>	<u>557,094</u>	<u>518,803</u>	<u>38,291</u>
Other			
Salaries and Wages	96,071	83,704	12,367
Fringe Benefits	17,188	15,265	1,923
Purchased Services	20,508	18,894	1,614
Supplies and Materials	<u>26,901</u>	<u>24,471</u>	<u>2,430</u>
<b>Total Other</b>	<u>160,668</u>	<u>142,334</u>	<u>18,334</u>
<b>Total Instruction</b>	<u>7,439,356</u>	<u>6,172,939</u>	<u>1,266,417</u>
<b>Support Services:</b>			
Pupil			
Salaries and Wages	532,500	375,293	157,207
Fringe Benefits	193,042	125,524	67,518
Purchased Services	108,936	38,941	69,995
Supplies and Materials	<u>55,232</u>	<u>41,423</u>	<u>13,809</u>
<b>Total Pupil</b>	<u>889,710</u>	<u>581,181</u>	<u>308,529</u>

(continued)

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 All Federal Grants Fund  
 For the Fiscal Year Ended June 30, 2005  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	1,941,972	1,493,860	448,112
Fringe Benefits	659,837	549,238	110,599
Purchased Services	963,522	724,903	238,619
Supplies and Materials	161,252	145,146	16,106
Miscellaneous	900	849	51
<b>Total Instructional Staff</b>	<u>3,727,483</u>	<u>2,913,996</u>	<u>813,487</u>
<b>Administration</b>			
Salaries and Wages	699,358	582,538	116,820
Fringe Benefits	246,266	203,538	42,728
Purchased Services	38,817	33,447	5,370
Supplies and Materials	30,209	25,741	4,468
Miscellaneous	1,800	1,025	775
<b>Total Administration</b>	<u>1,016,450</u>	<u>846,289</u>	<u>170,161</u>
<b>Fiscal</b>			
Salaries and Wages	4,341	4,341	-
Fringe Benefits	1,197	1,197	-
Miscellaneous	2,622	822	1,800
<b>Total Fiscal</b>	<u>8,160</u>	<u>6,360</u>	<u>1,800</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	105,682	93,914	11,768
Fringe Benefits	39,037	34,397	4,640
Purchased Services	69,447	50,802	18,645
Supplies and Materials	227	227	-
<b>Total Operations and Maintenance</b>	<u>214,393</u>	<u>179,340</u>	<u>35,053</u>
<b>Pupil Transportation</b>			
Salaries and Wages	333,718	258,431	75,287
Fringe Benefits	157,754	124,656	33,098
Purchased Services	56,535	53,356	3,179
Supplies and Materials	80,586	62,578	18,008
<b>Total Pupil Transportation</b>	<u>628,593</u>	<u>499,021</u>	<u>129,572</u>
<b>Total Support Services</b>	<u>6,484,789</u>	<u>5,026,187</u>	<u>1,458,602</u>
<b>Community Services</b>			
Salaries and Wages	125,971	110,403	15,568
Fringe Benefits	38,243	34,134	4,109
Purchased Services	27,212	8,216	18,996
Supplies and Materials	21,501	21,251	250
<b>Total Community Services</b>	<u>212,927</u>	<u>174,004</u>	<u>38,923</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All Federal Grants Funds  
For the Fiscal Year Ended June 30, 2005  
(continued)

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Miscellaneous	160,685	160,685	-
Capital Outlay	565,464	484,740	80,724
Total Expenditures	<u>14,863,221</u>	<u>12,018,555</u>	<u>2,844,666</u>
Excess of Revenues Over (Under) Expenditures	(549,164)	(143,317)	405,847
Other Financing Sources (Uses):			
Advances - In	255,259	255,259	-
Advances - Out	(276,578)	(276,578)	-
Total Other Financing Sources (Uses)	<u>(21,319)</u>	<u>(21,319)</u>	<u>-</u>
Net Change in Fund Balances	(570,483)	(164,636)	405,847
Fund Balance at Beginning of Year	448,393	448,393	-
Prior Year Encumbrances Appropriated	337,351	337,351	-
Fund Balance at End of Year	<u>\$ 215,261</u>	<u>\$ 621,108</u>	<u>\$ 405,847</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Food Service Fund  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>			
Local:			
Interest	\$ 200	\$ 1,244	\$ 1,044
Other Local Revenue	3,599,706	3,559,963	(39,743)
Intergovernmental - State	237,000	141,345	(95,655)
Intergovernmental - Federal	3,296,403	3,430,757	134,354
<b>Total Revenues</b>	<u>7,133,309</u>	<u>7,133,309</u>	<u>-</u>
<b>Expenditures:</b>			
Current:			
Support Services:			
Administration			
Purchased Services	370	370	-
Total Administration	370	370	-
<b>Total Support Services</b>	<u>370</u>	<u>370</u>	<u>-</u>
Community Services			
Salaries and Wages	2,959,166	2,959,166	-
Fringe Benefits	1,124,833	1,124,833	-
Purchased Services	158,706	158,706	-
Supplies and Materials	2,827,988	2,827,988	-
<b>Total Community Services</b>	<u>7,070,693</u>	<u>7,070,693</u>	<u>-</u>
Capital Outlay	14,725	14,725	-
<b>Total Expenditures</b>	<u>7,085,788</u>	<u>7,085,788</u>	<u>-</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	47,521	47,521	-
<b>Other Financing Sources (Uses):</b>			
Advances - In	93,095	93,095	-
Advances - Out	(327,810)	(327,810)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(234,715)</u>	<u>(234,715)</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(187,194)	(187,194)	-
Fund Balance at Beginning of Year	6,930	6,930	-
Prior Year Encumbrances Appropriated	180,265	180,265	-
<b>Fund Balance at End of Year</b>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Insurance Reserve Fund  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 10,112	\$ 5,271	\$ (4,841)
Other Local Revenue	34,888	34,917	29
Total Revenues	<u>45,000</u>	<u>40,188</u>	<u>(4,812)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	1,465	265	1,200
Supplies and Materials	3,718	953	2,765
Miscellaneous	1,191	1,191	-
Total Regular	<u>6,374</u>	<u>2,409</u>	<u>3,965</u>
Total Instruction	<u>6,374</u>	<u>2,409</u>	<u>3,965</u>
Support Services:			
Administration			
Purchased Services	2,250	1,031	1,219
Supplies and Materials	28,918	18,047	10,871
Miscellaneous	595	569	26
Total Administration	<u>31,763</u>	<u>19,647</u>	<u>12,116</u>
Central			
Purchased Services	505,290	317,104	188,186
Supplies and Materials	900	736	164
Total Central	<u>506,190</u>	<u>317,840</u>	<u>188,350</u>
Total Support Services	<u>537,953</u>	<u>337,487</u>	<u>200,466</u>
Extracurricular Activities			
Miscellaneous	17,300	16,400	900
Total Extracurricular Activities	<u>17,300</u>	<u>16,400</u>	<u>900</u>
Capital Outlay	70	-	70
Total Expenditures	<u>561,697</u>	<u>356,296</u>	<u>205,401</u>
Net Change in Fund Balances	(516,697)	(316,108)	200,589
Fund Balance at Beginning of Year	518,474	518,474	-
Prior Year Encumbrances Appropriated	673	673	-
Fund Balance at End of Year	<u>\$ 2,450</u>	<u>\$ 203,039</u>	<u>\$ 200,589</u>



South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Vocational Rotary Fund  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 34,229	\$ 34,229	\$ -
Total Revenues	<u>34,229</u>	<u>34,229</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Vocational			
Purchased Services	116	-	116
Supplies and Materials	53,806	48,079	5,727
Total Vocational	<u>53,922</u>	<u>48,079</u>	<u>5,843</u>
Total Instruction	<u>53,922</u>	<u>48,079</u>	<u>5,843</u>
Support Services:			
Instructional Staff			
Purchased Services	1,000	65	935
Total Instructional Staff	<u>1,000</u>	<u>65</u>	<u>935</u>
Total Support Services	<u>1,000</u>	<u>65</u>	<u>935</u>
Extracurricular Activities			
Supplies and Materials	2,200	1,919	281
Total Extracurricular Activities	<u>2,200</u>	<u>1,919</u>	<u>281</u>
Miscellaneous	113	113	-
Capital Outlay	969	-	969
Total Expenditures	<u>58,204</u>	<u>50,176</u>	<u>8,028</u>
Net Change in Fund Balances	(23,975)	(15,947)	8,028
Fund Balance at Beginning of Year	39,879	39,879	-
Prior Year Encumbrances Appropriated	138	138	-
Fund Balance at End of Year	<u>\$ 16,042</u>	<u>\$ 24,070</u>	<u>\$ 8,028</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 School Net Plus Fund  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental - State	\$ 179,130	\$ 179,130	\$ -
Total Revenues	<u>179,130</u>	<u>179,130</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	78,826	55,505	23,321
Total Regular	<u>78,826</u>	<u>55,505</u>	<u>23,321</u>
Total Instruction	<u>78,826</u>	<u>55,505</u>	<u>23,321</u>
Capital Outlay	100,304	86,985	13,319
Total Expenditures	<u>179,130</u>	<u>142,490</u>	<u>36,640</u>
Net Change in Fund Balances	-	36,640	36,640
Fund Balance at Beginning of Year	-	-	-
Prior Year Encumbrances Appropriated	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 36,640</u>	<u>\$ 36,640</u>

## **INTERNAL SERVICE FUNDS**

To account for the financing of services provided by one department or agency to another department or agency of the district on a cost-reimbursement basis. A description of the District's internal service fund follows:

### Health Self Insurance

To account for monies received from other funds as payment for providing dental insurance. This fund reimburses for service provided to employees, for reimbursements to employees who have paid providers, to third party administrators for claims payment or administration, for stop-loss coverage, or any other reinsurance or other similar purposes. As of January 2005 the District has adopted a fully insured dental insurance program.

South-Western City School District  
 Schedule of Revenues, Expenses and  
 Changes in Fund Net Assets - Budget (Non-GAAP) and Actual  
 Health Self Insurance Fund  
 For the Fiscal Year Ended June 30, 2005

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Charges for Services	\$ 873,000	\$ 868,987	\$ (4,013)
Charges to Employees	3,000	2,993	(7)
Interest	<u>3,000</u>	<u>8,513</u>	<u>5,513</u>
Total Revenues	<u>879,000</u>	<u>880,493</u>	<u>1,493</u>
Expenses:			
Purchased Services	<u>1,179,187</u>	<u>1,178,363</u>	<u>824</u>
Total Expenses	<u>1,179,187</u>	<u>1,178,363</u>	<u>824</u>
Changes in Net Assets	(300,187)	(297,870)	2,317
Net Assets at Beginning of Year	<u>602,650</u>	<u>602,650</u>	-
Net Assets at End of Year	<u>\$ 302,463</u>	<u>\$ 304,780</u>	<u>\$ 2,317</u>

## **FIDUCIARY FUND TYPES**

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. This includes Agency Funds. The following are descriptions of each Agency Fund.

### **AGENCY FUNDS**

#### Student Activity

To account for those student activity programs, which have student participation in the activity and have students involved in the management of the programs.

#### District Agency

To account for payments from all other funds for their contributions to the two retirement systems and the medical, vision, life insurance program and workers' compensation. This agency fund disburses payments to the appropriate vendors when payments are due.

#### Teacher Development

To account for monies used to operate the Central Ohio School Improvement Team (COSIT). The Treasurer of the District receives these monies, as directed by the COSIT.

South-Western City School District  
 Combining Balance Sheet  
 All Agency Funds  
 June 30, 2005

	<u>Student Activity</u>	<u>District Agency</u>	<u>Teacher Development</u>	<u>Total</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 317,631	\$ 3,894,174	\$ 1,093,109	\$ 5,304,914
Accounts Receivable	-	176,929	124,459	301,388
Intergovernmental Receivable	-	-	174,514	174,514
Total Assets	<u>\$ 317,631</u>	<u>\$ 4,071,103</u>	<u>\$ 1,392,082</u>	<u>\$ 5,780,816</u>
<u>Liabilities:</u>				
Accounts Payable	\$ 27,602	\$ 28,727	\$ 651,305	\$ 707,634
Due to Other Governments	-	1,406,107	-	1,406,107
Accrued Wages and Benefits	-	691	1,122	1,813
Interfund Loans Payable	40,496	-	286,452	326,948
Deferred Revenue	-	-	124,702	124,702
Undistributed Money	249,533	2,635,578	328,501	3,213,612
Total Liabilities	<u>\$ 317,631</u>	<u>\$ 4,071,103</u>	<u>\$ 1,392,082</u>	<u>\$ 5,780,816</u>

South-Western City School District  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2005

	Beginning Balance <u>June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2005</u>
<u>Student Activity:</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 300,903	\$ 68,098	\$ 51,370	\$ 317,631
Accounts Receivable	2,246	-	2,246	-
Total Assets	<u>\$ 303,149</u>	<u>\$ 68,098</u>	<u>\$ 53,616</u>	<u>\$ 317,631</u>
Liabilities:				
Accounts Payable	\$ 26,124	\$ 27,602	\$ 26,124	\$ 27,602
Interfund Loans Payable	25,211	40,496	25,211	40,496
Undistributed Money	251,814	-	2,281	249,533
Total Liabilities	<u>\$ 303,149</u>	<u>\$ 68,098</u>	<u>\$ 53,616</u>	<u>\$ 317,631</u>
<u>District Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 3,214,427	\$ 1,744,848	\$ 1,065,101	\$ 3,894,174
Accounts Receivable	166,013	176,929	166,013	176,929
Total Assets	<u>\$ 3,380,440</u>	<u>\$ 1,921,777</u>	<u>\$ 1,231,114</u>	<u>\$ 4,071,103</u>
Liabilities:				
Accounts Payable	\$ 11,894	\$ 28,727	\$ 11,894	\$ 28,727
Due to Other Governments	1,219,220	1,406,107	1,219,220	1,406,107
Accrued Wages and Benefits	-	691	-	691
Undistributed Money	2,149,326	486,252	-	2,635,578
Total Liabilities	<u>\$ 3,380,440</u>	<u>\$ 1,921,777</u>	<u>\$ 1,231,114</u>	<u>\$ 4,071,103</u>
<u>Teacher Development</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 1,061,576	\$ 956,650	\$ 925,117	\$ 1,093,109
Accounts Receivable	-	124,459	-	124,459
Intergovernmental Receivable	342,384	174,514	342,384	174,514
Total Assets	<u>\$ 1,403,960</u>	<u>\$ 1,255,623</u>	<u>\$ 1,267,501</u>	<u>\$ 1,392,082</u>
Liabilities:				
Accounts Payable	\$ 776,333	\$ 651,305	\$ 776,333	\$ 651,305
Accrued Wages and Benefits	1,564	1,122	1,564	1,122
Interfund Loans Payable	180,484	286,452	180,484	286,452
Deferred Revenue	309,120	124,702	309,120	124,702
Undistributed Money	136,459	192,042	-	328,501
Total Liabilities	<u>\$ 1,403,960</u>	<u>\$ 1,255,623</u>	<u>\$ 1,267,501</u>	<u>\$ 1,392,082</u>

(continued)

South-Western City School District  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2005  
(continued)

	Beginning Balance <u>June 30, 2004</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2005</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 4,576,906	\$ 2,769,596	\$ 2,041,588	\$ 5,304,914
Receivable:				
Accounts	168,259	301,388	168,259	301,388
Intergovernmental	342,384	174,514	342,384	174,514
Total Assets	<u>\$ 5,087,549</u>	<u>\$ 3,245,498</u>	<u>\$ 2,552,231</u>	<u>\$ 5,780,816</u>
Liabilities:				
Accounts Payable	\$ 814,351	\$ 707,634	\$ 814,351	\$ 707,634
Due to Other Governments	1,219,220	1,406,107	1,219,220	1,406,107
Accrued Wages and Benefits	1,564	1,813	1,564	1,813
Interfund Loans Payable	205,695	326,948	205,695	326,948
Deferred Revenue	309,120	124,702	309,120	124,702
Undistributed Money	2,537,599	678,294	2,281	3,213,612
Total Liabilities	<u>\$ 5,087,549</u>	<u>\$ 3,245,498</u>	<u>\$ 2,552,231</u>	<u>\$ 5,780,816</u>



## **STATISTICAL SECTION**

South-Western City School District  
 General Fund Expenditures by Function  
 Last Ten Fiscal Years

	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996
<b>Instruction:</b>										
Regular	\$ 80,434,613	\$ 73,386,722	\$ 66,732,252	\$ 58,041,395	\$ 54,132,589	\$ 50,553,336	\$ 47,490,805	\$ 45,173,936	\$ 42,683,610	\$ 39,922,094
Special	17,742,475	16,393,026	14,311,498	11,815,665	10,828,745	9,323,302	9,684,269	8,219,162	8,135,577	6,073,950
Vocational	4,854,331	5,001,224	4,678,304	4,008,708	3,836,439	3,795,074	3,717,091	3,621,744	3,534,832	3,486,900
Other	218,591	218,794	164,925	145,456	117,047	111,936	102,405	62,922	72,219	988,834
<b>Support Services:</b>										
Pupil	7,340,704	6,635,526	6,419,711	5,279,781	5,054,682	4,775,095	4,403,439	4,265,340	3,970,682	3,791,883
Instructional Staff	14,328,863	13,768,132	12,108,275	9,738,960	9,144,722	7,868,800	7,454,951	6,779,116	5,934,357	5,747,840
Board of Education	364,457	401,151	479,880	224,840	220,905	198,957	204,843	202,947	190,188	212,642
Administration	12,664,606	11,930,698	11,740,003	10,322,615	9,553,137	8,697,820	7,931,227	7,008,561	6,796,032	6,288,392
Fiscal	2,498,122	2,588,884	2,404,228	2,407,363	2,595,935	2,321,657	2,699,919	2,112,083	1,957,283	2,498,294
Business	990,089	1,088,251	974,415	892,459	819,113	727,262	832,269	510,486	584,603	510,541
Operations and Maintenance	15,249,383	15,207,070	13,926,549	12,239,655	11,742,314	12,155,861	8,584,160	7,752,638	7,673,496	6,827,854
Pupil Transportation	9,854,726	8,833,545	8,035,413	6,869,883	6,302,708	5,184,355	5,212,170	3,928,342	3,757,958	3,637,803
Central	2,746,531	2,677,134	2,499,380	2,089,229	1,937,416	1,835,522	1,885,573	1,839,888	1,459,915	1,135,676
Community Services	243,909	228,175	258,400	228,750	209,574	271,779	-	-	-	-
Extracurricular Activities	2,186,712	2,071,856	2,130,030	505,182	341,656	356,441	315,465	313,878	257,789	248,118
Miscellaneous	-	-	-	-	177,695	127,567	117,798	-	53,403	79,307
Capital Outlay	2,703,133	3,954,468	3,580,906	4,384,965	2,165,623	1,883,656	1,868,051	2,541,252	1,325,828	756,576
Pass Through Grants	325,000	325,000	325,000	325,000	325,000	300,000	300,000	348,606	-	-
Debt Service	260,134	285,463	283,722	365,893	359,177	398,951	450,013	395,806	711,586	422,864
<b>Total Expenditures</b>	<b>\$ 175,006,379</b>	<b>\$ 164,995,119</b>	<b>\$ 151,052,891</b>	<b>\$ 129,885,799</b>	<b>\$ 119,864,477</b>	<b>\$ 110,887,371</b>	<b>\$ 103,254,448</b>	<b>\$ 95,076,707</b>	<b>\$ 89,099,358</b>	<b>\$ 82,629,568</b>

Source: School District Comprehensive Annual Financial Report

South-Western City School District  
 General Fund Revenues by Source  
 Last Ten Fiscal Years

	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996
Revenues										
Taxes	\$ 69,538,526	\$ 75,002,555	\$ 64,314,881	\$ 58,597,390	\$ 64,147,057	\$ 66,579,291	\$ 60,154,425	\$ 54,057,378	\$ 50,172,388	\$ 52,521,120
Tuition	229,883	490,455	263,531	393,119	370,993	206,029	116,264	340,628	366,903	194,253
Interest	654,032	521,057	1,061,385	1,944,485	3,436,812	2,656,159	2,067,933	1,539,023	1,462,480	1,064,080
Intergovernmental - State	87,869,974	81,716,404	73,895,778	67,340,648	55,556,934	50,154,517	47,416,508	43,705,799	39,695,247	37,205,452
Intergovernmental - Federal	482,440	941,662	616,432	535,899	381,051	306,305	262,415	223,198	325,201	99,162
Other	1,600,835	1,401,458	1,501,510	1,458,789	1,414,068	755,685	429,325	565,630	264,275	294,136
Total Revenues	<u>\$ 160,375,690</u>	<u>\$ 160,073,591</u>	<u>\$ 141,653,517</u>	<u>\$ 130,270,330</u>	<u>\$ 125,306,915</u>	<u>\$ 120,657,986</u>	<u>\$ 110,446,870</u>	<u>\$ 100,431,656</u>	<u>\$ 92,286,494</u>	<u>\$ 91,378,203</u>

Source: School District Comprehensive Annual Financial Report

South-Western City School District  
 Property Tax Levies and Collections  
 Last Ten Years

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy	Delinquent Taxes Receivable	Tax Year/ Collection Year
2004/2005 (1)	\$ 87,226,531	\$ 7,222,650	\$ 94,449,181	\$ 82,722,065	94.84%	\$ 3,819,146	\$ 86,541,211	91.63%	\$ 10,140,571	2004/2005
2003/2004 (1)	88,953,867	9,929,033	98,882,900	84,340,638	94.81%	6,254,525	90,595,163	91.62%	10,479,138	2003/2004
2002/2003 (1)	86,458,902	7,337,196	93,796,098	81,512,004	94.28%	5,145,762	86,657,766	92.39%	7,153,656	2002/2003
2001/2002 (1)	85,132,756	8,745,197	93,877,953	82,014,581	96.34%	4,380,375	86,394,956	92.03%	8,305,224	2001/2002
2000/2001 (1)	84,797,133	6,383,257	91,180,390	82,882,592	97.74%	3,924,217	86,806,809	95.20%	5,684,753	2000/2001
1999/2000 (1)	89,837,034	5,482,545	95,319,579	79,192,486	88.15%	3,147,122	82,339,608	86.38%	5,431,851	1999/2000
1998/1999 (1)	75,816,300	4,890,024	80,706,324	74,698,742	98.53%	2,824,094	77,522,836	96.06%	5,514,324	1998/1999
1997/1998 (1)	65,222,021	5,970,823	71,192,844	63,612,455	97.53%	2,850,394	66,462,849	93.36%	5,349,378	1997/1998
1996/1997 (1)	63,457,650	5,057,702	68,515,352	61,642,680	97.14%	2,293,063	63,935,743	93.32%	5,757,230	1996/1997
1995/1996 (1)	60,310,628	3,686,008	63,996,636	59,544,988	98.73%	1,691,898	61,236,886	95.69%	4,736,586	1995/1996

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

(1) Does not include November Personal Property reimbursement from the State of Ohio.

(2) Includes Homestead/Rollback on Real and reimbursement on personal property taxes assessed locally, but distributed through the State and reported as Intergovernmental revenues.

South-Western City School District  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Collection Years

Collection Year	Real Property (1)		Tangible Personal Property (2)		Public Utility (3)		Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
	2005	\$ 2,058,122,350	\$ 5,880,349,571	\$ 294,803,262	\$ 1,228,346,925	\$ 87,646,630	\$ 175,293,260	\$ 2,440,572,242
2004	1,995,790,380	5,702,258,229	285,817,957	1,190,908,154	85,692,690	171,385,380	2,367,301,027	7,064,551,763
2003	1,944,520,110	5,555,771,743	327,412,336	1,309,649,344	80,654,260	161,308,520	2,352,586,706	7,026,729,607
2002	1,740,984,660	4,974,241,886	312,181,478	1,248,725,912	77,011,450	154,022,900	2,130,177,588	6,376,990,698
2001	1,686,914,280	4,819,755,086	320,534,386	1,282,137,544	94,580,280	189,160,560	2,102,028,946	6,291,053,190
2000	1,602,009,470	4,577,169,914	290,640,778	1,162,563,112	95,575,700	191,151,400	1,988,225,948	5,930,884,426
1999	1,351,762,160	3,862,177,600	286,032,773	1,144,131,092	91,164,590	182,329,180	1,728,959,523	5,188,637,872
1998	1,303,642,930	3,724,694,085	276,769,393	1,107,077,572	90,550,140	181,100,280	1,670,962,463	5,012,871,937
1997	1,249,075,420	3,568,786,914	249,281,118	997,124,472	89,660,060	179,330,120	1,588,016,598	4,745,241,506
1996	1,124,661,530	3,213,318,657	233,340,206	933,360,824	89,584,970	179,169,940	1,447,586,706	4,325,849,421

Source: Franklin County Auditor

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax commissioner.
- (2) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation for collection years 1995 through 2003 is 25%. Starting in collection year 2004, the assessed value will decrease 1% per year until it is completely phased out.
- (3) Assumes public utilities are assessed at true value, which is 50% of estimated actual value.

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

Tax Year/ Collection Year	CITIES			South-Western City School District				VILLAGES				TOWNSHIPS			
	Franklin County	City of Columbus	City of Grove City	Voted		Unvoted		Village of Harrisburg	Village of New Rome	Village of Urbancrest	Franklin Township	Jackson Township	Pleasant Township	Harrisburg- Pleasant Township	Prairie Township
				General Fund	Bond Fund	General Fund	General Fund								
2004/2005	18.44 (14.32) (16.11)	3.14 (3.14) (3.14)	4.20 (4.20) (4.20)	46.10 (19.59) (32.14)	5.28 (5.28) (5.28)	3.85 (3.85) (3.85)	1.00 (1.00) (1.00)	0.00 0.00 0.00	0.60 (0.60) (0.60)	18.05 (13.28) (17.95)	20.20 (9.51) (10.26)	18.70 (11.47) (9.88)	18.30 (11.07) (12.93)	14.50 (10.78) (13.22)	
2003/2004	17.64	3.14	4.20	46.10	6.48	3.85	1.00	0.00	0.60	13.05	20.20	18.70	18.30	14.20	
2002/2003	17.64	3.14	4.30	46.10	6.44	3.90	1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20	
2001/2002	17.64	3.14	4.40	46.10	6.61	3.90	1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20	
2000/2001	17.64	3.14	4.50	46.10	6.97	3.90	1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20	
1999/2000	17.64	3.14	4.60	46.10	6.97	3.90	1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20	
1998/1999	17.54	3.14	4.70	46.10	7.18	3.90	1.00	1.20	5.60	13.05	20.20	16.20	15.80	14.20	
1997/1998	15.22	3.14	4.80	46.10	2.30	3.90	5.00	1.20	5.60	13.05	20.20	16.20	15.80	14.20	
1996/1997	15.12	3.14	4.90	46.10	2.36	3.90	5.00	1.20	5.60	13.05	20.20	16.20	20.80	14.00	
1995/1996	14.82	3.14	4.90	46.10	2.48	3.90	5.00	1.20	5.60	13.05	20.20	16.20	15.80	14.00	

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

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

South-Western City School District  
 Percent of Net General Obligation Bonded Debt to  
 Assessed Value, Net Bonded Debt per Capita and per Average Daily Membership  
 Last Ten Collection Years

Year	(1) Estimated Population	(2) Average Daily Membership	(3) Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Average Daily Membership
2005	119,708	20,863	\$ 2,440,572,242	\$ 131,773,677	\$ 4,268,884	\$ 127,504,793	5.22%	\$ 1,065.13	\$ 6,111.53
2004	119,708	20,536	2,367,301,027	138,112,279	4,606,151	133,506,128	5.64%	1,115.26	6,501.08
2003	119,708	20,251	2,352,586,706	144,480,176	3,901,456	140,578,720	5.98%	1,174.35	6,941.82
2002	119,708	19,722	2,130,177,588	150,412,305	3,013,751	147,398,554	6.92%	1,231.32	7,473.81
2001	95,632	19,070	2,102,028,946	147,692,665	3,673,813	144,018,852	6.85%	1,505.97	7,552.12
2000	95,632	18,594	1,988,225,948	153,444,448	2,318,444	151,126,004	7.60%	1,580.29	8,127.68
1999	95,632	18,224	1,728,959,523	159,265,330	4,847,954	154,417,376	8.93%	1,614.70	8,473.30
1998	95,632	18,558	1,670,962,463	41,901,816	3,679,940	38,221,876	2.29%	399.68	2,059.59
1997	95,632	18,220	1,588,016,598	44,719,803	4,579,315	40,140,488	2.53%	419.74	2,203.10
1996	92,000	17,844	1,447,586,706	46,448,816	4,561,556	41,887,260	2.89%	455.30	2,347.41

(1) Ohio Municipal Advisory Council - population is estimated by this organization.

(2) Per District records

(3) Franklin County Auditor

South-Western City School District  
 Computation of Legal Debt Margin  
 June 30, 2005

Assessed Valuation	\$	2,440,572,242	
Bonded Debt Limit - 9% of Assessed Value	\$	219,651,502	
Amount of Debt Applicable to 9% Debt Limit:		<u>126,483,677</u>	
9% Voted Debt Margin			<u><u>\$ 93,167,825</u></u>
Bonded Debt Limit - .10% of Assessed Value	\$	2,440,572	
Amount of Debt Applicable to .10% Debt Limit		<u>-</u>	
.10% Unvoted Debt Margin			<u><u>\$ 2,440,572</u></u>

Source: Franklin County Auditor and School District financial records

Note: Voted debt margins are determined without reference of applicable monies  
 in the District's Bond Retirement Fund.



South-Western City School District  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 June 30, 2005

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
South-Western City School District	\$ 131,773,677	100.00%	\$ 131,773,677
Franklin County	86,435,000	9.67%	8,358,265
City of Columbus	283,748,348	7.03%	19,947,509
City of Grove City	18,779,000	100.00%	18,779,000
Total Net Overlapping Debt	<u>\$ 520,736,025</u>		<u>\$ 178,858,451</u>

Note: Percent were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivisions.  
 The valuations used were for the 2005 collection year

Source: Franklin County Auditor

South-Western City School District  
Ratio of Annual Debt Service Expenditures for Voted General Obligation Bonded  
Debt to Total General Fund Expenditures  
Last Ten Years

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Percent of Debt Service to General Fund Expenditures</u>
2005	\$ 6,530,394	\$ 7,988,163	\$ 14,518,557	\$ 175,006,379	8.30%
2004	6,421,563	8,122,880	14,544,443	164,995,119	8.82%
2003	5,247,129	8,588,707	13,835,836	151,052,891	9.16%
2002	6,255,360	6,866,303	13,121,663	129,885,799	10.10%
2001	5,283,783	7,569,267	12,853,050	119,864,477	10.72%
2000	5,090,882	7,565,888	12,656,770	110,859,371	11.42%
1999	1,442,107	4,019,851	5,461,958	103,254,448	5.29%
1998	1,850,000	1,741,440	3,591,440	95,076,707	3.78%
1997	1,580,000	1,811,480	3,391,480	89,099,358	3.81%
1996	1,930,000	1,880,068	3,810,068	82,629,568	4.61%
1995	1,560,000	2,042,768	3,602,768	76,209,668	4.73%

Source: School District Financial Records

South-Western City School District  
 New Construction, Property Value and Bank Deposits (3)  
 Last Ten Years

Collection Year	New Construction (1)			Property Value (2)			Collection Year
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Real Property	Tangible Personal	Public Utility(4)	
2005	\$ 32,691,870	\$ 12,425,330	\$ 45,117,200	\$ 5,880,349,571	\$ 1,228,346,925	\$ 175,293,260	2005
2004	36,262,760	7,959,820	44,222,580	5,702,258,229	1,190,908,154	171,385,380	2004
2003	38,281,050	12,795,380	51,076,430	5,555,771,743	1,309,649,344	161,308,520	2003
2002	45,122,230	16,047,580	61,169,810	4,974,241,886	1,248,725,912	154,022,900	2002
2001	39,851,280	27,273,130	67,124,410	4,819,755,086	1,282,137,544	189,160,560	2001
2000	42,823,980	24,486,650	67,310,630	4,577,169,914	1,162,563,112	191,151,400	2000
1999	31,709,480	7,787,500	39,496,980	3,862,177,600	1,144,131,092	182,329,180	1999
1998	33,047,870	16,398,100	49,445,970	3,724,694,085	1,107,077,572	181,100,280	1998
1997	31,055,330	15,471,280	46,526,610	3,568,786,914	997,124,472	179,330,120	1997
1996	35,245,180	12,823,230	48,068,410	3,213,318,657	933,360,824	179,169,940	1996

Source: Franklin County Auditor

(1) New Construction data in District boundaries.

(2) Represents Estimated Actual Value

(3) Bank Deposit information unavailable for District. Information for Franklin County would be irrelevant.

(4) Public Utility property taxes are assessed on tangible personal property at 88 percent of true value. Telecommunication equipment was reduced to 25 percent of true value.

South-Western City School District  
Principal Taxpayers  
December 31, 2004

	<u>Total Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Public Utilities</u>		
1. Columbus Southern Power Company	\$ 51,729,820	2.12%
2. Ohio Bell Telephone Co.	15,245,780	0.62%
3. Columbia Gas of Ohio Inc.	4,959,050	0.20%
<u>Real Estate</u>		
1. Consolidated Stores International Corp.	\$ 14,759,500	0.60%
2. PCCP IRG Columbus LLC	12,914,340	0.53%
3. Dispatch Printing Co.	11,014,610	0.45%
4. Wingates LLC	9,782,500	0.40%
5. Distribution Funding III	8,928,400	0.37%
6. Realty Associates Fund V	5,761,350	0.24%
7. Security Capital	5,635,110	0.23%
8. Advantis	4,644,470	0.19%
9. Avoh LLC	4,537,340	0.19%
10. DDR Derby Square LLC	4,531,470	0.19%
<u>Tangible Personal Property</u>		
1. Medco Health Solutions of Cols West Ltd.	\$ 24,946,810	1.02%
2. Masterfoods USA	16,467,670	0.67%
3. Big Lots Stores Inc.	15,466,110	0.63%
4. Wal Mart Stores	14,048,770	0.58%
5. Dispatch Printing Company	11,295,560	0.46%
6. Sears Roebuck & Company	10,067,620	0.41%
7. Delphi Automotive Systems LLC	9,661,830	0.40%
8. Ohio Machinery Co.	8,321,010	0.34%
9. Sally Distribution of Ohio	7,742,920	0.32%
10. Tosoh S M D Inc.	6,307,730	0.26%
All Others	<u>2,161,802,472</u>	<u>88.58%</u>
Total Assessed Valuation	<u>\$ 2,440,572,242</u>	<u>100.00%</u>

South-Western City School District  
 Ten Year Attendance Data

School Year End	Number Of Graduates	Elementary Schools Enrollment	(1)	Middle Schools Enrollment	High Schools Enrollment	Total Enrollment
			Intermediate Schools Enrollment			
2005	1,113	8,035	3,308	3,339	6,181	20,863
2004	1,087	8,044	3,299	3,329	5,864	20,536
2003	1,090	7,895	3,231	3,403	5,722	20,251
2002	978	7,731	3,157	3,173	5,661	19,722
2001	856	7,619	3,118	2,985	5,348	19,070
2000	996	9,064	N/A	4,273	5,257	18,594
1999	936	8,753	N/A	4,292	5,179	18,224
1998	826	8,898	N/A	4,461	5,150	18,509
1997	1,034	8,749	N/A	4,268	5,203	18,220
1996	1,005	8,625	N/A	4,137	5,059	17,821

Source: Education Management Information System

(1) The intermediate buildings, which house the District's 5th and 6th grade students, were opened in January 2001. 5th and 6th grade students were removed from the elementary schools and middle schools, respectively.

South-Western City School District  
 Certified Staff by Training  
 as of February 2005

	<u>Non-Degree</u>	<u>B.S.</u>	<u>B.S. + 30</u>	<u>M.A.</u>	<u>M.A. +30</u>	<u>Total</u>
<u>Pupil Personnel</u>						
Number		37	2	42	36	116
Percentage of Total		31.47%	1.72%	35.78%	31.03%	100.00%
<u>High School</u>						
Number	3	176	4	205	74	462
Percentage of Total	0.65%	38.11%	0.87%	44.35%	16.02%	100.00%
<u>Middle School</u>						
Number		108	3	116	32	259
Percentage of Total		41.70%	1.16%	44.79%	12.36%	100.00%
<u>Elementary</u>						
Number		268	9	296	74	647
Percentage of Total		41.42%	1.39%	45.75%	11.44%	100.00%
<u>Federal Programs</u>						
Number		24	0	22	9	55
Percentage of Total		43.48%	0.00%	40.22%	16.30%	100.00%
<u>Total</u>						
Number	3	613	18	681	225	1,539
Percentage of Total	0.19%	39.80%	1.17%	44.22%	14.62%	100.00%

Source: School district personnel records.

South-Western City School District  
 Schedule of Property and Casualty Insurance in Force  
 June 30, 2005

Company	Policy Period		Coverage	Liability Limits	Deductible	Annual Premium
	From	To				
Ohio School Plan	7/1/2004	7/1/2005	General Liability	\$1,000,000/\$3,000,000	\$0	\$ 76,258
			Fire	\$500,000/fire	\$0	
			Medical Expense Limit	\$10,000/person	\$0	
			Employee Benefits	\$1,000,000/\$3,000,000	\$0	
			Educational Legal Liability	\$1,000,000/\$2,000,000	\$10,000	
Indiana	7/1/2004	7/1/2005	Fleet	\$2,000,000	\$1,000 Comprehensive \$1,000 Collision	\$ 181,812
Indiana	7/1/2004	7/1/2005	Property/Building Content	Replacement Cost	\$10,000	\$ 234,074
			Flood Coverage	\$1,000,000	\$50,000	
			Boiler/Machinery	\$301,004,000	\$10,000	
			Employee Dishonesty	\$50,000	\$250	
			Inland Marine		\$250	
			Photography Equipment	\$115,115	\$250	
			Musical Instruments	\$1,597,899	\$250	
			School Band Uniforms	\$100,000	\$250	
			Athletic Equipment	\$408,436	\$25	
			Mobile Phones	\$35,000	\$500	
			Cellular Phones	\$4,040	\$500	
			Mobile Radios	\$157,075	\$500	
			Contractor's Equipment	\$736,370	\$250	

Source: School district records.

South-Western City School District  
 State Basic Aid and South-Western Per Pupil Cost  
 Last Ten Years

<u>Year</u>	<u>State Basic Aid Per Pupil (1)</u>	<u>Percentage Change</u>	<u>Actual State Basic Aid Per Pupil Received</u>	<u>Percentage Change</u>	<u>South-Western Cost Per Pupil in ADM (2)</u>	<u>Percentage Increase</u>
2004/2005	\$ 5,169	2.2%	\$ 3,591	5.1%	\$ 9,140	7.3%
2003/2004	5,058	2.2%	3,415	5.0%	8,515	3.3%
2002/2003	4,949	2.8%	3,253	10.2%	8,243	9.4%
2001/2002	4,814	12.1%	2,952	16.9%	7,533	2.4%
2000/2001	4,294	6.0%	2,525	14.5%	7,354	6.7%
1999/2000	4,052	5.2%	2,206	2.8%	6,890	5.3%
1998/1999	3,851	5.1%	2,145	25.3%	6,546	24.1%
1997/1998	3,663	4.7%	1,712	6.5%	5,275	3.7%
1996/1997	3,500	5.6%	1,607	7.0%	5,087	4.3%
1995/1996	3,315	9.2%	1,502	12.3%	4,879	3.1%

Source: School district financial records.  
 Ohio Department of Education

- (1) Actual state revenue increase percent is less than reflected. This chart shows statewide per student allotment which is then adjusted for individual school district characteristics.
- (2) Previous years information for General Fund only. Beginning in fiscal year 1999, the Ohio Department of Education does not provide expenditure per pupil information for the General Fund only. Information for fiscal year 1998-99 is expenditure per pupil information for all funds.



South-Western City School District  
 General Fund - Operating Expenditures Necessary to Educate  
 a District Student for Graduation in June, 2004  
 (Actual Dollars Expended by Year)

	Grade Level	South-Western City School District	State Average for All School Districts	Franklin County Average
Elementary School				
	1991-92	K \$ 4,202	\$ 4,473	\$ 4,835
	1992-93	1 4,466	4,437	5,068
	1993-94	2 4,695	4,640	5,426
	1994-95	3 4,732	4,758	5,299
	1995-96	4 4,879	4,940	5,626
	1996-97	5 5,087	5,113	5,635
	1997-98	6 5,275	5,369	6,046
	1998-99 (1)	7 6,546	6,642	7,167
	1999-00 (1)	8 6,890	7,057	7,636
	2000-01 (1)	9 7,354	7,602	8,222
	2001-02 (1)	10 7,354	7,602	8,222
	2002-03 (1)	11 8,243	8,441	9,111
	2003-04 (1)	12 8,515	not available	not available
Total		<u>\$ 78,238</u>	<u>\$ 71,074</u>	<u>\$ 78,293</u>

Source: District Financial Records  
 General Fund Costs per Pupil-State of Ohio Department of Education.

(1) Previous year information for General Fund only. Beginning in fiscal year 1999, the Ohio Department of Education does not provide expenditure per pupil information for the General Fund only. Information for fiscal year 1998-99 and beyond is expenditure per pupil information for all funds.

South-Western City School District  
Facility Inventory

		<u>Original Construction</u>	<u>Addition (s) Date (s)</u>	<u>Building Area (Sq. Ft.)</u>	<u>Acreage</u>	<u>Student Capacity</u>
<b><u>Elementary Schools</u></b>						
Alton Hall	Basic	1960	1961, 1964, 1996	36,958	9.90	500
	Portable	1977		1,718		
	Portable	1989		1,596		
	Portable	1995		1,596		
Buckeye Woods	Basic	1995		68,000	20.10	725
Darbydale	Basic	1958		31,143	7.15	249
	Portable (1)	1977		1,704		
Darby Woods	Basic	1995		68,000	8.80	725
East Franklin	Basic	1956	1963, 1997	36,638	6.16	450
Finland	Basic	1964	1995	36,636	8.60	475
Harmon	Basic	1950	1997	43,362	12.00	500
	Portable (1)	1953		3,336		
Harrisburg	Basic	1939	1951	16,390	4.60	175
	Portable (1)	1967		793		
Highland Park	Basic	1969	1997	42,002	14.59	525
Monterey	Basic	1956	1995	36,636	10.10	475
	Portables (2)	1990		3,192		
North Franklin	Basic	1920	1938	38,387	5.40	425
Prairie Lincoln	Basic	1956	1961, 1962	43,058	19.40	525
	Portable (1)	1995		1,596		
Prairie Norton	Basic	1950		39,721	10.90	575
	Portable (1)	1967		793		
	Portable (1)	1995		1,596		
Richard Avenue	Basic	1957		44,718	10.30	525
J. C. Sommer	Basic	1956	1959	36,964	8.70	561
	Portable (2)	1967		1,586		
Stiles	Basic	1963	1995	36,636	10.77	475
	Portable (2)	1988		3,192		
West Franklin	Basic	1955	1997	47,813	9.70	575
<b><u>Intermediate Schools</u></b>						
Franklin Woods	Basic	2000		87,981	21.45	800
Galloway Ridge	Basic	2000		87,981	6.95	800
Holt Crossing	Basic	2000		87,981	20.70	800
Park Street	Basic	2000		87,981	5.00	800
Hayes	Basic	1966	1981,1982,1986, 2003	58,677	10.80	520
	Modular	1991		4,150		

		<u>Original Construction</u>	<u>Addition (s) Date (s)</u>	<u>Building Area (Sq. Ft.)</u>	<u>Acreage</u>	<u>Student Capacity</u>
<b><u>Middle Schools</u></b>						
Brookpark	Basic	1953	1997	82,422	16.20	725
	Portable (2)	1964		1,668		
Finland	Basic	1964	1975, 1995	91,098	17.30	786
	Portable (1)	1989		1,596		
	Portable (1)	1991		1,596		
Jackson	Basic	2001		99,597	28.14	800
Norton	Basic	1953	1995	87,204	15.00	680
	Portable (1)	1964		1,668		
	Portable (1)	1990		1,596		
Pleasant View	Basic	1958	1963	138,702	40.00	924
<b><u>High Schools</u></b>						
Central Crossing	Basic	2002		260,716	63.40	1,880
Franklin Heights	Basic	1955	1956, 1957, 1963 1974, 1975, 1976 1986, 1997	152,983	37.02	1,172
Grove City	Basic	1970	1971, 1976, 1983 1985, 2000	198,348	53.30	1,843
Westland	Basic	1970	1971, 1976, 1982 1985, 2000	197,154	54.65	1,861
<b><u>Additional Schools</u></b>						
Kingston	Basic	1949		13,180	2.00	70
Preschool Center	Basic	1950	2004	10,000	1.17	60
South-Western Career Academy	Basic	2002		130,156	25.10	750
<b><u>Recreation Centers</u></b>						
Falcons Nest		1986		37,507		
Grove City		1986		37,507		
Cougar Community		1986		37,507		
<b><u>Miscellaneous</u></b>						
District Service Center	Basic	1981	1989, 1995, 2002	70,000	9.51	350
Darbydale Distribution		1930-1940		4,170	1.63	5
Transportation		1986		16,594	10.00	109
2 Houses - offices		1960 est		5,000	1.50	8
Norton Road Head Start		1975		4,300		46
Stiles Family Center		1994		4,510		206
Tech Services - Garage		1960 est		2,000	0.50	3
Bostic Center - Head Start	Basic	1973	2003	13,105	2.60	115

South-Western City School District  
 Educational Statistics  
 Last Nine Fiscal Years

	Percentage of Students Passing:								
	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997
<u>3rd Grade</u>									
Reading	70.2%	73.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	63.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>4th Grade</u>									
Citizenship	59.2%	46.3%	51.3%	60.9%	54.8%	49.0%	59.9%	43.9%	35.6%
Mathematics	65.3%	58.5%	53.3%	58.3%	56.3%	42.1%	57.6%	26.0%	24.4%
Reading	70.8%	65.2%	65.2%	63.2%	49.6%	48.6%	51.8%	35.7%	41.4%
Writing	77.9%	69.2%	75.9%	78.1%	76.5%	75.1%	62.8%	52.3%	58.8%
Science	50.0%	50.3%	48.0%	52.6%	43.5%	33.8%	40.6%	33.9%	27.7%
<u>5th Grade</u>									
Reading	72.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>6th Grade</u>									
Citizenship	76.3%	69.7%	66.7%	68.4%	69.1%	61.5%	69.3%	51.6%	54.6%
Mathematics	57.2%	62.2%	46.6%	52.8%	59.9%	39.0%	41.2%	33.3%	39.6%
Reading	67.4%	61.9%	59.7%	48.9%	55.6%	40.8%	44.7%	39.0%	35.0%
Writing	84.9%	89.4%	85.8%	85.4%	84.6%	75.1%	78.1%	82.1%	34.1%
Science	65.8%	56.5%	60.3%	52.7%	56.9%	39.8%	35.4%	34.4%	30.2%
<u>7th Grade</u>									
Mathematics	59.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>8th Grade</u>									
Reading	74.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	63.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>9th Grade</u>									
Citizenship	N/A	94.2%	80.7%	78.1%	80.6%	77.5%	76.5%	75.3%	77.2%
Mathematics	N/A	87.2%	70.1%	67.3%	69.7%	64.9%	62.4%	61.3%	63.9%
Reading	N/A	96.6%	87.2%	86.6%	89.2%	86.7%	86.4%	86.0%	88.1%
Writing	N/A	96.8%	88.5%	85.6%	90.1%	90.0%	89.5%	84.9%	82.5%
Science	N/A	89.8%	74.2%	71.1%	77.3%	72.5%	68.8%	64.0%	N/A
<u>10th Grade</u>									
Social Studies	77.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	79.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reading	91.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Writing	82.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	71.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Student Attendance Rate</u>	94.0%	94.4%	94.1%	93.0%	93.0%	93.9%	94.1%	94.3%	94.7%

Source: State of Ohio School District Report Card.



**Auditor of State  
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**SOUTH-WESTERN 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 12, 2006**