



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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SOUTH-WESTERN CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SINGLE AUDIT

For the Year Ended June 30, 2013
Fiscal Year Audited Under GAGAS: 2013



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the South-Western City School District, Franklin County, prepared by Balestra, Harr & Scherer, CPAs, Inc. for the audit period July 1, 2012 through June 30, 2013. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery

As an accounts payable manager for the South-Western City Schools District, Trixie Belew was responsible for processing payments to vendors and employees of the District. Ms. Belew entered payment information in the District's accounting system for checks to be prepared. Ms. Belew also had the ability to create checks on demand within the system.

During the period June 17, 2009 through October 11, 2013, 28 District checks totaling \$26,412 were made payable to and endorsed by Ms. Belew. One check in the amount of \$1,174 was made payable to Brittney Belew and endorsed as Brittney Belew; Ms. Belew has a daughter named Brittney (last name unknown). One check in the amount of \$797 was made payable to and endorsed as a District teacher. Additionally, 21 checks totaling \$9,647 were made payable to various District teachers and endorsed by Ms. Belew. One check in the amount of \$901 was made payable to a District teacher and endorsed for deposit only. The Grove City Police Department traced the District checks to deposits to Ms. Belew's personal bank account.

District treasurer Hugh Garside stated the disbursements were not for employee payroll or reimbursement, were not supported or authorized for purposes of the District.

In accordance with the foregoing facts and pursuant to Ohio Revised Code Section 117.28, a finding for recovery for public monies illegally expended is hereby issued in the amount of \$38,931 against Trixie Belew in favor of the South-Western City School District.

In December 2013, the District received \$37,931 from its insurance company for the loss. The District's insurance policy had a \$1,000 deductible.

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

Dave Yost
Auditor of State

May 1, 2014

**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, 2013

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
United States Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
<i>Child Nutrition Cluster:</i>						
National School Lunch Program	3L60	10.555	\$ 4,641,406	\$ 508,542	\$ 4,641,406	\$ 508,542
School Breakfast Program	3L70	10.553	1,191,044	-	1,191,044	-
Total Child Nutrition Cluster			5,832,450	508,542	5,832,450	508,542
Child and Adult Food Care Program	3L80	10.558	182,350	-	182,350	-
Total United States Department of Agriculture			6,014,800	508,542	6,014,800	508,542
United States Department of Education						
<i>Passed through Ohio Department of Education</i>						
<i>Title I, Part A Cluster:</i>						
Title I Grants to Local Educational Agencies	3M00	84.010	6,211,717	-	6,509,540	-
Total Title I, Part A Cluster			6,211,717	-	6,509,540	-
<i>Special Education Cluster (IDEA):</i>						
Special Education - Grants to States	3M20	84.027	4,074,076	-	4,010,195	-
Special Education - Preschool Grants	3C50	84.173	42,050	-	42,044	-
Total Special Education Cluster			4,116,126	-	4,052,239	-
<i>Education Technology State Grants Cluster:</i>						
Education Technology State Grants	3S20	84.318	41,102	-	40,561	-
Total Education Technology State Grants Cluster			41,102	-	40,561	-
Career and Technical Education - Basic Grants to States	3L90	84.048	379,061	-	386,428	-
English Language Acquisition State Grants	3Y70	84.365	596,380	-	584,524	-
Improving Teacher Quality State Grants	3Y60	84.367	660,971	-	652,516	-
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, ARRA	3FD0	84.395	26,600	-	35,536	-
Education Jobs Fund	3ET0	84.410	60,982	-	26,704	-
<i>Total passed through Ohio Department of Education</i>			12,092,939	-	12,288,048	-
<i>Passed through the Goodman Guild Association</i>						
Adult Education - Basic Grants to States	N/A	84.002	221,006	-	243,058	-
<i>Passed through the Ohio Board of Regents</i>						
Adult Education - Basic Grants to States	N/A	84.002	30,596	-	30,596	-
			251,602	-	273,654	-
Total United States Department of Education			12,344,541	-	12,561,702	-
United States Department of Health and Human Services						
<i>Passed through Columbus Urgan League (CUL)</i>						
Head Start	N/A	93.600	1,877,321	-	1,939,063	-
<i>Passed through Ohio Department of Jobs and Family Services</i>						
Refugee and Entrant Assistance - Discretionary Grants	N/A	93.576	30,130	-	37,393	-
Total United States Department of Health and Human Services			1,907,451	-	1,976,456	-
United States Department of Homeland Security						
<i>Homeland Security Grant Program</i>						
Readiness and Emergency Management for Schools	Q184E100222	84.184E	38,401	-	38,385	-
Total United States Department of Homeland Security			38,401	-	38,385	-
Total Federal Financial Assistance			<u>\$ 20,305,193</u>	<u>\$ 508,542</u>	<u>\$ 20,591,343</u>	<u>\$ 508,542</u>

See accompanying notes to the schedule of federal awards receipts and expenditures.

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

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

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

The District commingles cash receipts from the U. S. Department of Agriculture with similar State grants. When reporting expenditures in the schedule, the District assumes that the federal monies were expended first.

NOTE C - FOOD DISTRIBUTIONS

Non monetary assistance is reported in the schedule at the entitlement value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2013, the District had no significant food commodities in inventory.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

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

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 24, 2014, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statements (GASB) No. 63., *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65., *Items Previously Reported as Assets and Liabilities*.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency in internal control. We consider finding 2013-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Entity's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

Purpose of this Report

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

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
February 24, 2014



Balestra, Harr & Scherer, CPAs, Inc.

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Report on Compliance With Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133 and the Schedule of Federal Awards Receipts And Expenditures

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

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

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

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

Members of the Board of Education
South-Western City School District
Report on Compliance With Requirements Applicable to Each Major Federal Program
and on Internal Control Over Compliance Required by OMB Circular A-133
and the Schedule of Federal Awards Receipts and Expenditures
Page 3

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

We have also 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 year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated February 24, 2014. Our opinion also explained that the District adopted Governmental Accounting Standard No. 63 and No. 65 during the year. We conducted our audit to opine on the District's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
February 24, 2014

South-Western City School District
 Schedule of Findings
 OMB CIRCULAR A-133 SECTION .505
 June 30, 2013

SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under Section .510(a)?	No
(d)(1)(vii)	Major Program(s) (list):	Child Nutrition Cluster: School Breakfast Program, CFDA #10.553 National School Lunch Program, CFDA #10.555 Improving Teacher Quality State Grants, CFDA #84.367
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$632,997 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

FINDING NUMBER 2013-001

Significant Deficiency

A sound control environment is necessary to ensure that management and employees, when performing their assigned functions, are able to prevent, or to detect and timely correct errors or irregularities.

The District uses the Check on Demand system for writing checks outside of the accounting system, when necessary. The use of the Check on Demand system was not being properly safeguarded to ensure that all checks written through that system agreed with information reported in the accounting records and were legitimate authorized expenditures for public funding. This led to expenses being made that were unauthorized in excess of \$45,000 over a three year period.

South-Western City School District
Schedule of Findings
OMB CIRCULAR A-133 SECTION .505
June 30, 2013

FINDING NUMBER 2013-001 (Continued)

The District placed the employee responsible for the unauthorized expenses on administrative leave in October of 2013, and that employee subsequently resigned.

The District recovered the unauthorized funds from the bonding company in January of 2014.

We recommend that the District implement additional controls, including restricted access to the Check on Demand system, intermittent review of check registers from the Check on Demand system, and a review of each check written from the Check on Demand system to ensure that all checks written through the system are properly accounted for and are made for authorized District purposes.

Client's Response: As a response to the theft that occurred, Hugh Garside, Treasurer and Karen New, Assistant Treasurer met with an EDGE Account Executive, to review options to safeguard the On Demand checks. Through consultation with the EDGE Executive, the Treasurer and Assistant Treasurer agreed to change access permissions for all users. The EDGE system was modified to allow the creation of On Demand checks by the Treasurer and Assistant Treasurer only. Accounts Payable/Receivable Managers must request that either the Treasurer or Assistant Treasurer to sign on the EDGE system to create an On Demand check. Accounts Payable/Receivable Managers do not have the ability to create On Demand checks through their user account on the EDGE system. The Treasurer or Assistant Treasurer will use this feature only when there are no other options. Additionally, both the Treasurer and Assistant Treasurer must sign off on any On Demand check written. The changes mentioned above to the EDGE system will also apply to the processing of On Demand payroll checks.

The District also updated the EDGE software so to allow the ability to print On Demand check registers for specific date ranges. This will allow the Treasurer and Assistant Treasurer to monitor the system independently from anyone else accessing the system.

Additional changes were made regarding vendor access, reviewing voucher packets, and using a check out system when removing a voucher packet from the treasurer's office filing system. Prior to the theft, Accounts Payable Managers could change information on existing vendors in the computerized vendor system. The primary reason for these changes was for when a vendor changed a remittance address. The Business Manager has the responsibility to create new vendors and assign vendor numbers. After the theft was discovered, the Treasurer instructed the Assistant Treasurer to disable the ability for Accounts Payable/Receivable Managers to change any information on a vendor record. All changes must be made by the Business Manager.

The Treasurer and Assistant Treasurer have also developed a system to account for voucher packets being removed from the treasurer's office filing system in an effort to insure that all voucher packets can easily be accessed if they are not in the treasurer's office filing system. If a voucher is to be removed from the file, a card is put in its place to show when and who removed the file. Additionally, the Assistant Treasurer will review all voucher packets monthly, researching any missing voucher packets and spot checking for proper documentation.

The Treasurer and Assistant Treasurer worked with the bank to set up positive pay with payee verification for all accounts payable and payroll checks. The Treasurer and Assistant Treasurer receive daily exceptions reporting from the bank that notifies them if there appear to be any issues with a check that is attempting to clear the bank. Additionally, the Assistant Treasurer will be responsible for voiding checks when necessary and will also review the all voided checks during the month end closing process to ensure all voided checks are accounted for.

3. FINDINGS FOR FEDERAL AWARDS

None.



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Auditor's Report on Applying Agreed-Upon Procedure

South-Western City School District
Franklin County
3805 Marlane Drive
Grove City, Ohio 43123

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether South-Western City School District (the District) has updated its anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of this procedure is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board amended its anti-harassment policy at its meeting on July 9, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act."

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
February 24, 2014

South Western City Schools

*Comprehensive Annual Financial Report
For the Year ended June 30, 2013*

**South-Western City Schools
3805 Marlane Drive
Grove City, Ohio 43123
(614) 801-3042**

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SOUTH-WESTERN CITY SCHOOL DISTRICT

Grove City, Ohio

***COMPREHENSIVE ANNUAL FINANCIAL
REPORT***

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Issued by the Treasurer's Office

Hugh W. Garside, Jr., Treasurer
Karen K. New, Assistant Treasurer

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Introductory Section

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South-Western City School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2013

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Financial Section

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District Service Center

3805 Marlane Drive
Grove City, Ohio 43123-3304
(614) 801-3000
Fax: (614) 875-1394

February 24, 2014

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

The twenty-fourth 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 2012-13 fiscal year. This report prepared by the Treasurer's office including the unmodified opinion of our independent auditors, Balestra, Harr & Scherer, CPA's, Inc. for the fiscal year ended June 30, 2013 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 accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

GAAP requires 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 the District's website and copies will be sent to the Southwest Public Library, Moody's Investors Services, 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 nineteen square miles. It encompasses most of the southwest quadrant of Franklin County, including a substantial portion of the southwest quadrant of the City of Columbus and five other cities and villages and a number of townships. In addition, a very small portion of Pickaway County is included within the District boundaries.

THE REPORTING ENTITY AND SERVICES PROVIDED – (Continued)

The District maintains thirty-six instruction/support facilities staffed by 885 non-certificated employees, 1,416 certificated full-time teaching personnel and 100 administrative employees to provide services to 20,215 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.

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. Generally speaking, 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, as listed by the Ohio Department of Job and Family Services, was 6.1 percent for the period ending November 2013. The seasonally adjusted rate of unemployment in Ohio was 7.4 percent and the national rate was 7.0 percent for the same period.

The Columbus metropolitan area is characterized by its diverse economy and economic growth. A strong residential, commercial and industrial tax base, a very diverse labor force, and an unemployment rate below the State average have resulted in strong growth throughout the area. The District's specific economic and jurisdictional territory is comprised primarily of the City of Columbus, 38% of the District, the City of Grove City (the "City"), 34% of the District, and the townships of Jackson, Franklin, Prairie and Pleasant. The Grove City Area Community Improvement Corporation (the "Grove City CIC") was incorporated on August 8, 1979 in order to advance, encourage, and promote the industrial, economic, commercial and civic development in the City. The Grove City CIC is the agency and instrumentality of the City for industrial, commercial, distribution and research development and works to retain, expand, and attract capital investment and jobs to the City. Strategies used to implement the Grove City CIC's mission include the promotion of local, state, and federal financial assistance, tax incentives, and training/technical assistance programs. The Treasurer of the District is a member of the Grove City CIC.

Economic Development Initiatives and Incentives within the City

In the City, opportunities for residential, commercial and industrial development have been enhanced by major expansions of the City's water distribution, sanitary sewer and street systems. On August 12, 2012, the reconstructed and expanded interchange located at Interstate 71 and State Route 665 opened. The I-71/SR 665 interchange can handle 41,600 vehicles a day, more than three times the previous capacity. By using the single-point urban interchange design, this project opens up hundreds of acres for development serving as a gateway to Rickenbacker International Airport ("Rickenbacker") located only minutes from the City. This interchange has significantly improved the safety and congestion on I-71 and SR 665 and serves as the western gateway to I-71 from Rickenbacker, thereby becoming an important expansion area for logistics companies capitalizing on the area's access to Rickenbacker's intermodal terminal.

Rickenbacker is a first-class cargo airport offering high-speed logistical movement of goods and serves as the area's only U.S. Foreign Trade Zone. With improved access to major interstate highways and area airports, the new redesigned interchange is also valuable to existing companies such as FedEx and Tigerpoly Manufacturing. These infrastructure improvements are a result of a comprehensive planning process that coordinates actions of the City with area developers.

ECONOMIC CONDITION AND OUTLOOK – (Continued)

The construction of the Rickenbacker Intermodal Connector (the "Intermodal Connector"), which is within two miles of the District nearby, but not within the territory of the City or the District, is a critical part of regional economic development effort. Formerly known as the East-West Connector, the Intermodal Connector recently came closer to becoming a reality with the approval of a \$2,036,320 State of Ohio Department of Development grant for the project. Overall, \$3,536,320 in Roadwork Development Grant funding has been secured for the Intermodal Connector. The \$2,036,320 grant is the first part of the allocation for fiscal year 2012 while the remaining \$1,500,000 is for fiscal year 2013, which began on July 1, 2012. This second part of the allocation still must be approved by the State of Ohio General Assembly. The Intermodal Connector, which is expected to cost \$25 million, will connect the Norfolk-Southern Intermodal Yard with U.S. Route 23 on the very northern edge of Pickaway County. The Columbus region has shaped itself as a logistics hub for the eastern United States, and the area around Rickenbacker Global Logistics Park has become the epicenter. Warehousing growth in the past 10 years has been strong north of Rickenbacker. The completion of the connector is expected to increase activity and business growth in the I-71 Corridor of the District significantly.

The Pinnacle Club of Grove City ("Pinnacle"), a 597-acre master planned residential community, is one example of the successful projects that have grown out of the City's planning process and coordination. Pinnacle began development in the spring of 2004, and it is expected, when fully developed, to include approximately 1,600 homes with prices ranging from \$250,000 to \$700,000, all centered around the championship golf course designed by Lanny Watkins that opened in September 2006.

Another development currently underway which highlights the City's commitment to furthering its public-private collaborations is the revitalization of the City's Town Center (the "Town Center"). The Town Center project is expected to include new streetscapes, small parks, improved pedestrian circulation, and a new parking structure. In addition, the Town Center Project is also expected to include the development of an adjacent property known as the "Old Lumberyard Site." The current conceptual plan for the Old Lumberyard Site provides for a mixed-use urban neighborhood consisting of office space, retail and residential.

The City is also embarking on a new venture by opening its first institution of higher education. Harrison College opened a 20,000 square foot facility on 3.8 acres with visibility from I-71 in September 2009. Harrison College currently operates 13 branch campuses, but the facility in the City is their first location outside of the state of Indiana. After an extensive search of 32 different sites in Central Ohio, the 5,000-student Harrison College chose the City because of its many amenities and location. The opening of Harrison College helps the City achieve its goal in securing continuing educational opportunities for its citizens.

To accommodate industrial and commercial growth, the City has cooperated with private investors in the development of seven business and industrial parks, including: (1) Grove City Industrial Park, a 100-acre park with 1 to 20 acre tracts near the intersection of I-71 and SR 665; (2) Southpark, a 500-acre park with 1 to 120 acre tracts near the intersection of I-71 and Interstate 270; (3) Capital Park South, a 150-acre park with 1 to 30 acre tracts at I-270 and State Route 62; (4) Southpointe, a 53-acre park with six major building sites under construction or development; (5) Gateway Business Park, 114- acre park with four major building sites under construction or development at I-71 and SR 665; (6) Gateway to the City Office Park, a

ECONOMIC CONDITION AND OUTLOOK – (Continued)

35-acre park with five of its 16 platted sites currently under construction at I-71 and Stringtown Road; and (7) Gateway Business Park West, a 232-acre park that was platted in 1999. Immediate access to I-71 and I-270 has resulted in the City's development as a travel center offering over 1,200 guest rooms with gross sales exceeding \$10 million per year. A growing list of restaurants complements the variety of accommodations found in the City.

The City offers the following economic development incentive programs:

1. Community Reinvestment Area ("CRA"): The City has four CRAs, including one in the Town Center that has recently been expanded. Properties within a CRA are eligible to receive real property tax abatement for real property improvements.
2. Tax Increment Financing ("TIF"): There are five TIF Districts within the City. Payments derived from the increased assessed value of any improvement to real property are directed towards a separate fund to finance the construction of the public infrastructure defined within the legislation approving the respective TIFs.
3. Enterprise Zones ("EZ"): In early 2004, the City passed Ordinance C-123-03 designating the territory as an EZ, which provides certain tax exemptions to certain businesses located in the EZ.

Major employers in the City include the following: Wal-Mart Distribution Center; FedEx Ground Package Distribution System; GAP Direct Inc. Distribution Systems; Manheim Ohio Auto Auction; Tigerpoly Manufacturing Inc.; Tosoh Corporation Headquarters for sales, marketing, and business development for North America; and Horton Emergency Vehicles van ambulance builders. Among those largest employers, Tigerpoly Manufacturing Inc. locates its corporate headquarters within the City, including a 32 acre manufacturing site.

Economic Development Initiatives and Incentives within the District but outside the City

Economic development and land management in the Jackson and Franklin Township portion of the District is described in great detail in the 2009 Southwest Area Plan, a joint effort completed by the Southwest Area Commission ("SWAC"), the newest Columbus City Area Commission. The boundaries of SWAC run just west of 3C highway on the west, Mound Street on the north, I-71 South on the east, and I-270 on the south. This area primarily located in the District within this territory is composed of Columbus (50%), Franklin Township (40%), and Jackson Township (10%). SWAC's goal is to identify and encourage productive land use and economic development within the territory of SWAC. SWAC worked cooperatively with the City of Columbus, Franklin County, Franklin Township, Jackson Township and groups of interested residents and stakeholders to research, develop and adopt the Southwest Area Plan in March of 2009. This comprehensive 71-page plan provides detailed plans and considerations from the point of view of land use, current and recommended, by all zoning types. It further describes existing priority development sites and action-oriented recommendations.

The most significant development in the SWAC area is the Hollywood Casino Columbus (the "Casino"), which is located in Franklin Township and in the District. The Casino opened in October, 2012, with the final construction and development costs valued at approximately \$136.5 million. The project area encompasses 123 acres while the Casino floor is 180,000 square feet. The project employed approximately 3,500 construction workers and is expected to employ approximately 2,000 permanent workers for operations. The Casino features a steakhouse, a 10,000 square-foot banquet hall, cocktail lounge and sports bar. The District has begun to receive property-tax revenues in calendar year 2014 associated with the Casino's building and land value. Additionally, thirty-three percent of funds from the Casino's taxes and license fees are required to go to school districts throughout the State and are distributed on a per pupil basis, in August and January each year.

ECONOMIC CONDITION AND OUTLOOK – (Continued)

The Casino is supported by a Joint Planning and Zoning Overlay Agreement (the "JPZO Agreement") between Franklin Township, the City of Columbus and Franklin County to ensure better coordination on projects, set forth future infrastructure and public investment opportunities, jointly market economic development opportunities and pursue a seamless look along the West Broad Street corridor.

The JPZO Agreement includes the creation of a 50-year joint economic development district ("JEDD"), which splits the City of Columbus income tax rate as follows: (i) 70% revenues to a project fund, (ii) 15% of revenues to the City of Columbus, and (iii) 15% of revenues to Franklin Township. It also sets aside 2% of the total income tax revenue collected from the Casino's construction site for the first five years of operation to be used to encourage businesses to participate in the JEDD, to assist in the mobilization, creation and coordination of the business working group in their effort to enhance the economic viability of the corridor area, and to make improvements in the right-of-way and other projects to revitalize the West Broad Street corridor. The JPZO Agreement further compensates Franklin Township over the life of the agreement through additional income tax payments.

A recent study of the economic impact of the Casino reveals tremendous economic development and tax base growth potential. The study examines the 2.4 square miles surrounding the Casino, which is an area bounded by I-270 to the west, Sullivan Avenue to the south, Wilson Road to the east, and Norfolk Southern Railroad to the north. This area includes parts of the City of Columbus, Prairie Township, and Franklin Township. The study, which was released in January 2013, provides suggested guidelines for the redevelopment of the Westland area and the West Broad Street Corridor. More than 1,000 neighboring businesses and residents participated in this study through public meetings, interviews and online surveys.

The study identified the following areas for potential development:

1. 3,200 additional jobs from warehousing distribution companies
2. 273 additional jobs from restaurant, hotel, and auto retailer development
3. 333 additional jobs from destination retailers and small vendors
4. 250,000 additional square feet of retail space in the Westland area, including restaurants, automotive industries, electronic stores and lifestyle oriented businesses
5. Increased office space and hotel development

According to the study, the development of the Casino, improvements to West Broad Street, redevelopment of Oakbrook Manor Apartments, and development of Cooper Park Racetrack and the AP23 Sports Complex gives the area an opportunity to capitalize on attracting additional investors. Since the announcement of the Casino's development, the City of Columbus has committed \$5,000,000 to the improvement of Georgesville Road from West Broad Street to Sullivan Avenue and the Ohio Department of Transportation sponsored the redevelopment of West Broad Street west of Wilson Road.

The northwestern most portion of the District is in Prairie Township, with 73% of township territory in the District. Prairie Township has experienced recent and ongoing economic development activity. Doctor's Hospital completed a \$25 million expansion during 2010 and 2011. In addition, Doctor's Hospital added two additional buildings to a small medical office park across West Broad Street from its main facility.

In terms of public investment, Prairie Township has begun construction on a community recreation center. The recreation center is expected to be financed primarily by funds generated from the area's Joint Economic Development Zone. In addition, Prairie Township is planning a streetscape makeover project along West Broad in 2014/2015. Prairie Township formed its own community improvement corporation in February 2010.

ECONOMIC CONDITION AND OUTLOOK – (Continued)

Economic Condition and Outlook of the District

On June 30, 2013 the State biennial budget bill, Ohio House Bill 59, was signed into law. Ohio House Bill 59 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 52.0% of all General Fund revenues. Over the two year biennial budget period, the District will realize an increase in state funding of roughly 6.25% during the 2013-14 fiscal year, with an additional 10.5% in the 2014-15 fiscal year.

The District maintained its promise to the community to make the property tax dollars received from the passage of the November 3, 2009, 7.4 mill operating levy last through calendar year 2013. In fact, the District's current five-year financial forecast projects a positive cash balance through fiscal year 2017-18.

MAJOR INITIATIVES

Strategic Planning

The District developed long-term goals through a strategic planning process. To complete the process, the District utilized a strategic performance management tool called the Balanced Scorecard to build its framework. The District's balanced scorecard is a mixture of educational and financial measures that articulates the links between both human and physical inputs, processes and desired outcomes. It focuses the importance of managing these components to achieve the organization's strategic priorities through answering the questions of: 1) Who we are; 2) What we do; 3) Where education is headed; and 4) Where we want to be in the future.

Phase I

With community input and the services of volunteer facilitators, six strategic dimensions were identified as follows:

1. Academic Achievement
2. Student Development/Extracurricular Activities
3. Innovation in Education
4. College/Vocation Preparation
5. Parent Engagement
6. Diversity of the School District

Phase II

From these six dimensions, four themes emerged as follows:

1. Access for all students to the highest quality educational opportunities
2. Instruction created to meet the individual skills of students while advancing them toward their full potential
3. Seamless and universal access to instructional, enhancement and remedial learning opportunities through the integration of technology and other forms of communication
4. Engage the community to foster a fully integrated support system that feeds the development of every child.

Phase III

Through this process, we have been able to identify five long-term goals for the district:

1. Students can enter college without remediation
2. Parents actively receiving communications
3. Students graduate on time
4. Students exit emotionally, socially and physically prepared
5. Families are vested in planning their future

The District added metrics to measure the goals. During the 2013-13 school year, the District developed plans to achieve these goals. Data collection and systems alignment are significant parts of this process to fully meet the needs of the District's students.

MAJOR INITIATIVES – (Continued)

Capital Improvements

On March 6, 2012, the District passed a \$148,000,000 bond issue to secure its local share to participate in a classroom facilities assistance program with the Ohio School Facilities Commission with a total project cost of \$249,235,700. The project, co-funded by the State of Ohio, will replace thirteen of the District's sixteen elementary buildings and one high school building. Two of the remaining three elementary buildings will receive significant renovations, while the final elementary building will be subject to demolition. The thirteen replacement elementary buildings will be constructed in three phases. The first phase began in the spring of 2013. The replacement high school will begin construction in the spring of 2014. The two elementary renovations began in the summer of 2013. The entire construction project is anticipated to be complete by the late summer of 2017.

The elementary buildings will use a prototypical design process to create three separate enrollment capacities of 400, 520 and 600, respectively. The prototypical designs will provide an equitable and repeatable design throughout the District while saving architectural design fees in the process. Additionally, the replacement buildings will provide instructional space designed for twenty-first century learning that will serve students for years to come.

FINANCIAL INFORMATION

Long-term Financial Planning – The District annually prepares a five-year financial forecast to insure long-term financial success. The five-year financial forecast is prepared in October of each year and amended, if necessary, in May. The five-year financial forecast provides actual data on each major revenue and expenditure category for the past three fiscal years and forecasts these same categories for an additional five years. The five-year financial forecast is a planning tool used to certify if funds are available for future expenditures and additionally to strategize when the District will need to return to voters for additional funds or reduce expenditures accordingly. The five-year financial forecast is published on the Ohio Department of Education website for public use.

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 by law no later than October 1 or 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. The Board of Education has established the legal level of control at the fund level, however, management controls budgets 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.

FINANCIAL INFORMATION – (Continued)

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 daily reports showing the status of the budget account for which he or she is responsible.

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 utilized by the District 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 basic financial statements.

OTHER INFORMATION

Independent Audit - Provisions of State statute require an annual audit by independent accountants. Those provisions have been satisfied, and the opinion of Balestra, Harr & Scherer, CPAs, 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.

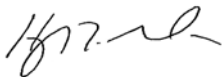
Award - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012.

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 accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. This was the twenty-third 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 Fiscal Year 2012-13 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,



Hugh W. Garside Jr.
Treasurer



William H. Wise, Ph.D.
Superintendent

PRINCIPAL OFFICIALS

Board of Education

Mindy Garverick	President
Randy Reisling	Vice President
Karen Dover	Member
Cathy Johnson	Member
Lee Schreiner	Member

Central Office Administrative Staff

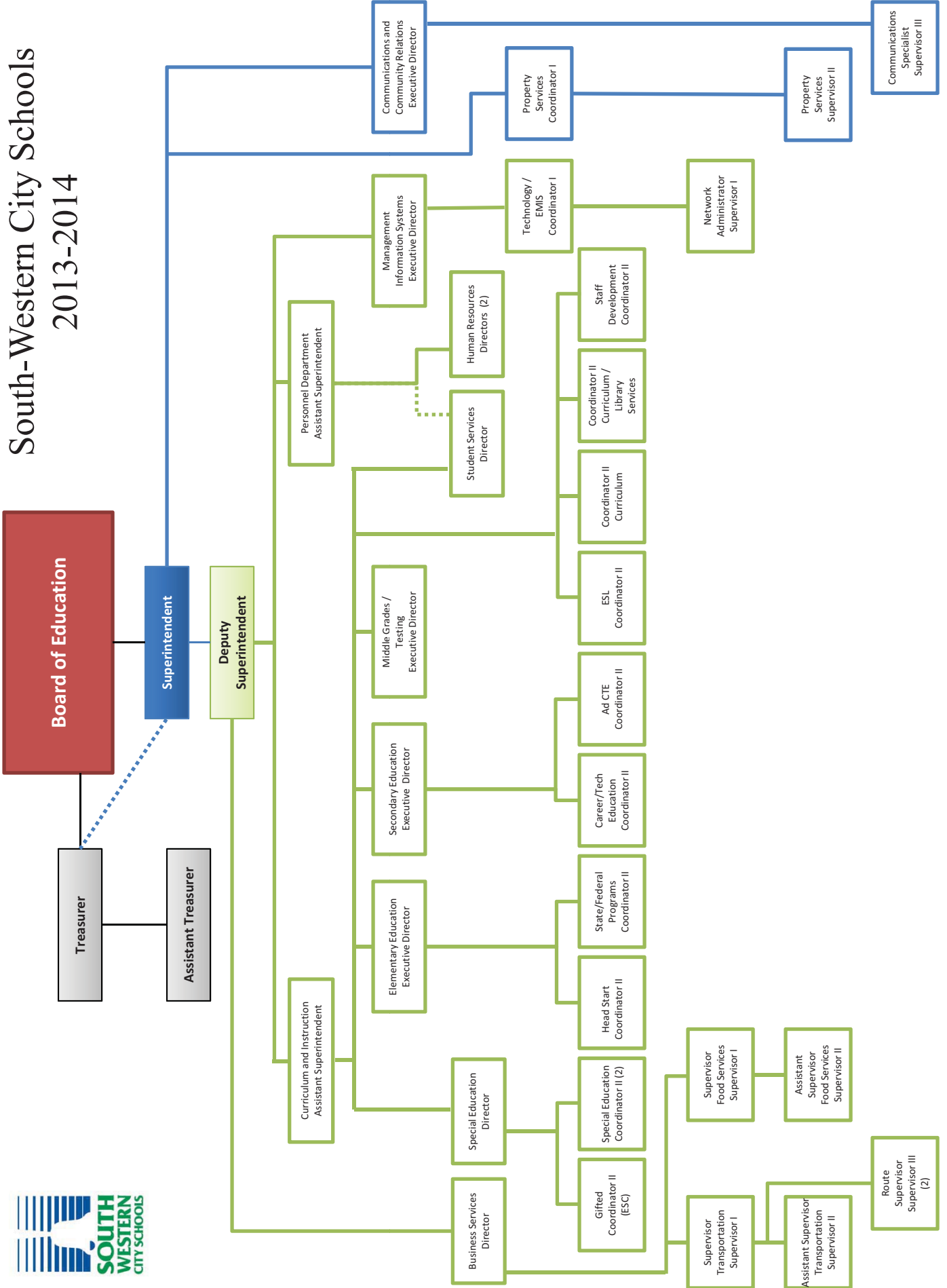
William H. Wise, Ph.D.	Superintendent
David J. Stewart	Deputy Superintendent
Hugh W. Garside Jr.	Treasurer
Karen K. New	Assistant Treasurer
Carl R. Metzger	Assistant Superintendent - Human Resources
J. Patrick Callaghan	Assistant Superintendent - Curriculum
Bryan J. Mulvany	Executive Director Data and Information Services
Sandra C. Nekoloff	Executive Director of Communications
Erik D. Shuey, Ph.D.	Executive Director of Secondary Education
Brian R. Bowser	Executive Director of Elementary Education
Linda C. Kuhn	Executive Director of Middle Grades and Achievement Data
Kevin D. Laffin	Director – Personnel, Certified
Kevin R. Scott	Director – Personnel, Classified
Ken R. Stark	Business Manager
Amy L. Schakat	Coordinator - Career and Technical Programs
Kristin E. Barker	Coordinator – Pupil Services

TREASURER'S DEPARTMENT STAFF

Hugh W. Garside Jr.	Treasurer
Karen K. New	Assistant Treasurer
Carolyn S. Sheridan	Payroll Supervisor
Todd A. Griffith	Payroll Supervisor
Janet B. Hager	Payroll
Debra L. Makarius	Payroll
Terese M. Litteral	Accounts Receivable
Julie A. Babbert	Accounts Payable
Deborah J. Berry	Accounts Payable
Sarah A. Johnson	Employee Benefits
Nancie A. Bevilacqua	Accountant
Anita M. McCreary	Accountant



South-Western City Schools 2013-2014





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**South-Western City
School District, Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



Balestra, Harr & Scherer, CPAs, Inc.

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

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

Emphasis of Matter

As discussed in Note 3 to the financial statements, during the year ended June 30, 2013, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

Members of the Board of Education
South-Western City School District
Independent Auditor's Report
Page 3

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
February 24, 2014

South-Western City School District
Management's Discussion and Analysis
(Unaudited)

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 fiscal year ended June 30, 2013. 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 Improvements, Building and Classroom Facilities Funds with all other funds presented in one column as non-major funds. The District has an Internal Service Proprietary Fund which accounts for the District's health self insurance program. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the District acts solely as an agent for the benefit of students and parents and also employee payroll administration.

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 position 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, liabilities and deferred inflows of resources, 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 position, as reported in the statement of net position, as one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position, 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 position 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 service, 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 District Managed Student Activity 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

South-Western City School District
Management's Discussion and Analysis
(Unaudited)

Using this Annual Report – (Continued)

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 position and the statement of activities) and governmental funds is described in a reconciliation.

Proprietary fund – The District maintains an Internal Service Proprietary Fund to account for and accumulate costs internally among the District's various functions. The District's Internal Service Fund accounts for a health self-insurance program which provides health and dental benefits to employees. The District does not have any enterprise funds.

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

The District is the trustee, or fiduciary, for its student activity funds, and various payroll deductions. All of the District's fiduciary activities are reported in a separate statement of assets and liabilities. 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.

The District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2013 and as of June 30, 2012 for comparison purposes:

<i>Table 1</i>		
	Governmental Activities (in thousands)	
	2013	2012*
Assets		
Current and other assets	\$ 512,359	\$ 245,849
Capital Assets	<u>138,791</u>	<u>130,388</u>
Total Assets	<u>651,150</u>	<u>376,237</u>
Liabilities		
Current liabilities	31,037	26,674
Long-term liabilities	<u>226,699</u>	<u>90,347</u>
Total Liabilities	<u>257,736</u>	<u>117,021</u>
Deferred Inflows of Resources		
Property Taxes not Levied to Finance Current Year Operations	<u>71,276</u>	<u>61,199</u>
Total Deferred Inflows of Resources	<u>71,276</u>	<u>61,199</u>
Net Position		
Net Investment in Capital Assets	73,225	59,024
Restricted	288,281	36,386
Unrestricted	<u>(39,368)</u>	<u>102,607</u>
Total Net Position	<u>\$ 322,138</u>	<u>\$ 198,017</u>

* - As restated, see note 3 to the basic financial statements

South-Western City School District
Management's Discussion and Analysis
(Unaudited)

The District as a Whole – (Continued)

The above analysis focuses on the net position (see Table 1). The change in net position (see Table 2) of the District's governmental activities is discussed below.

The District's net position was \$322,138 thousand at June 30, 2013. Net investment in capital assets totaling \$73,225 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 position are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use that net position for day-to-day operations.

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 position as of June 30, 2013 and as of June 30, 2012, for comparison purposes.

<i>Table 2</i>		
	Governmental Activities (in thousands)	
Revenue	2013	2012*
Program revenue:		
Charges for Services and Sales	\$ 4,065	\$ 4,264
Operating Grants, Contributions and Interest	32,737	33,142
General Revenue:		
Property Taxes	96,648	113,203
Payment in Lieu of Taxes	2,040	1,022
Grants and Entitlements	226,339	109,683
Interest	266	288
Other Local Revenue	<u>10,206</u>	<u>8,896</u>
Total Revenue	<u>372,301</u>	<u>270,498</u>
Functions/Program Expenses		
Instruction	142,740	139,874
Support Services	82,467	81,630
Food Services	8,404	8,388
Community Services	1,621	1,521
Extracurricular Activities	4,605	4,052
Shared Services	102	-
Interest and Fiscal Charges	<u>8,241</u>	<u>5,453</u>
Total Expenses	<u>248,180</u>	<u>240,918</u>
Change in Net Position	124,121	29,580
Net Position Beginning of Year	<u>198,017</u>	<u>168,437</u>
Net Position End of Year	<u>\$ 322,138</u>	<u>\$ 198,017</u>

* - As restated, see note 3 to the basic financial statements

South-Western City School District
Management's Discussion and Analysis
(Unaudited)

The District as a Whole – (Continued)

As reported in the statement of activities, the cost of all of the governmental activities this fiscal year is \$248,180 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$4,065 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$32,737 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$96,648 thousand in taxes, \$226,339 thousand in grants and entitlements, and with other revenues.

The District experienced an increase in net position of \$124,121 thousand. This increase was realized primarily due to the \$124,048 thousand Ohio Facility Construction Commission Grant and the retirement of \$12,592 thousand of principal on existing general obligation bonds.

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 of June 30, 2013, the governmental funds reported a combined fund balance of \$275,529 thousand, which is an increase of \$143,956 thousand from previous fiscal year. The primary reason for the increase is due to the commencement of the construction project in conjunction with the Ohio Facility Construction Commission.

The General Fund balance decreased \$1,374 thousand to \$100,742 thousand. This decrease is insignificant and can be attributed to a slight increase in costs.

The Debt Service Fund balance decreased \$4,361 thousand to \$12,696 thousand. This decrease is attributed to the retirement of debt. The Debt Service Fund balance, which is sufficient to meet future obligations, is reserved to pay debt service obligations of the District.

The Capital Improvement Fund balance decreased \$448 thousand to \$8,793 thousand due to the expenditures including, but not limited to, roofing and paving upgrades at various District facilities, twelve additional buses and technology equipment upgrades district-wide.

The Building Fund and Classroom Facilities Fund were created during 2013, with a final fund balance of \$23,046 thousand and \$126,306 thousand, respectively, primarily due to the issuance of bonds in connection with the Ohio Facility Construction project.

The Other Governmental Funds balance increased \$787 thousand to \$3,946 thousand. This increase is insignificant and can be attributed to the timing of state and federal grants.

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 adopted prior to June 30, 2013.

Revisions were made to the original General Fund budget for fiscal year 2013 based on current needs. Budgeted revenues and other financing sources increased by \$1,720 thousand while budgeted expenditures and other financing uses increased by \$99 thousand due to minor variations which are insignificant compared to the scope of the entire budget.

South-Western City School District
Management's Discussion and Analysis
(Unaudited)

Capital Assets and Debt Administration

Capital Assets

At June 30, 2013, the District had \$138,791 thousand invested in a broad range of capital assets, including land, construction in progress, improvements to land, buildings, furniture and equipment, vehicles, and buses. This amount represents a net increase (including additions, deductions, and depreciation) of \$8,403 thousand, or 6.4 percent, from last year.

<u>Description of Capital Asset</u>	<u>2013</u>	<u>2012</u>
Land	\$ 8,679	\$ 6,752
Improvements to Land	1,882	1,457
Buildings	110,313	114,747
Furniture and Equipment	1,764	1,071
Vehicles	214	223
Buses	3,906	3,706
Construction in Progress	<u>12,033</u>	<u>2,432</u>
Total Capital Assets	<u>\$ 138,791</u>	<u>\$ 130,388</u>

This fiscal year's additions of \$16,603 thousand included costs associated construction in progress related to the construction project, and equipment and technology purchases. A more detailed explanation of the District's capital assets can be located in Note 7 to the basic financial statements.

Debt

At June 30, 2013, the District had \$213,588 thousand in bonds and notes outstanding versus \$77,218 thousand in the previous fiscal year, which is an increase of 176.6 percent. Those bonds and notes consisted of the following: (in thousands)

<u>Description of G.O. Bonds and Note</u>	<u>2013</u>	<u>2012</u>
2002 School Facilities	-	525
2002 Energy Conservation	920	1,350
2000 Vocational Construction	267	333
2003 Refunding School Facilities	2,156	5,076
2006 Refunding School Facilities	53,537	60,898
2006 Refunding Capital Appreciation Bonds	1,319	2,366
2012 Qualified School Construction Bonds	6,670	6,670
2012 School Facilities	<u>148,719</u>	<u>-</u>
Total Long -Term Bonds and Notes Payable	<u>\$ 213,588</u>	<u>\$ 77,218</u>

South-Western City School District
Management's Discussion and Analysis
(Unaudited)

Capital Assets and Debt Administration – (Continued)

The District's general obligation bond rating is periodically reviewed by two independent rating firms; Moody's Investors Service and Standard and Poor's. Moody's Investors Services reaffirmed the District's Aa2 credit rating on August 2, 2012. Standard and Poor's reaffirmed the District's AA- credit rating on August 6, 2012 due to the District's stable financial and academic position. 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 \$213,588 thousand is below the \$214,262 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 Note 12 to Basic Financial Statements.

Current Issues Affecting Financial Conditions

The District has three bargaining units. The teaching and certificated staffs are represented by the South-Western Education Association (S.W.E.A.). The classified staff is represented by Chapter 211 of the Ohio Association of Public School Employees (O.A.P.S.E.). The administrative staff is represented by the South-Western Schools Administrators Association (S.W.A.A.).

S.W.E.A. is affiliated with the Ohio Education Association (O.E.A), and the National Education Association (N.E.A.). The Board has bargained with the S.W.E.A. since 1968. On November 18, 2013, the Board and S.W.E.A. signed a three year contract effective July 1, 2013 through June 30, 2016. The Board and S.W.E.A. agreed to provide a 2.0% base salary increase in each year of the contract.

Chapter 211 of the Ohio Association of Public School employees (O.A.P.S.E.) is affiliated with A.F.S.C.M.E. On September 9, 2013, the Board and O.A.P.S.E. signed a three year contract effective July 1, 2013 through June 30, 2016. The Board and O.A.P.S.E. agreed to provide a 2.0% base salary increase in each year of the contract.

On September 9, 2013, the Board and S.W.A.A. signed a three year contract effective July 1, 2013 through June 30, 2016. The Board and S.W.A.A. agreed to provide a 2.0% base salary increase in each year of the contract.

On June 30, 2013 the State biennial budget bill, Ohio House Bill 59, was signed into law. Ohio House Bill 59 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 52.0% of all General Fund revenues. Over the two year biennial budget period, the District is expected to receive increases in state funding of roughly 6.25% during the 2013-14 fiscal year, and an additional 10.5% increase in the 2014-15 fiscal year. The District's current five-year financial forecast projects a positive cash balance through fiscal year 2017-18.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions or need additional financial information, please feel free to contact:

Hugh W. Garside Jr.
Treasurer/Chief Fiscal Officer
Voice: (614) 801-3047
Email: hugh.garside@swcs.us

South-Western City Schools
3805 Marlane Drive
Grove City, Ohio 43123

South-Western City School District
Statement of Net Position
June 30, 2013

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash	
Equivalents	\$ 185,949,884
Investments	80,002,959
Receivables:	
Taxes - Current	111,734,833
Taxes - Delinquent	10,086,578
Payment in Lieu of Taxes	1,873,528
Accounts	35,806
Interest	67,747
Intergovernmental	122,166,390
Materials and Supplies Inventory	441,223
Capital Assets:	
Land	8,678,711
Construction in Progress	12,033,260
Depreciable Capital Assets, Net of Accumulated Depreciation	118,079,029
Total Capital Assets, Net of Accumulated Depreciation	<u>138,791,000</u>
Total Assets	<u>\$ 651,149,948</u>

<u>Liabilities</u>	
Accounts Payable	\$ 3,818,574
Contracts Payable	5,646,415
Claims Payable	1,885,000
Accrued Wages and Benefits	19,017,474
Accrued Interest Payable	670,121
Long-Term Liabilities:	
Due within One Year	10,227,663
Due in More than One Year	216,471,094
Total Liabilities	<u>\$ 257,736,341</u>

<u>Deferred Inflows of Resources</u>	
Property Taxes not Levied to Finance Current Year Operations	71,275,772
Total Deferred Inflows of Resources	<u>\$ 71,275,772</u>

<u>Net Position</u>	
Net Investment in Capital Assets	73,224,817
Restricted for:	
Debt Service	13,763,940
Capital Projects	268,505,052
District Managed Student Activities	780,838
State Grants	176,620
Federal Grants	2,166,293
Food Service	1,895,349
Other Purposes	993,385
Unrestricted	(39,368,459)
Total Net Position	<u>\$ 322,137,835</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, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 102,766,386	\$ 127,137	\$ 418,076	\$ (102,221,173)
Special	32,721,653	-	14,706,668	(18,014,985)
Vocational	6,268,512	77,472	1,816,944	(4,374,096)
Other	983,567	19,098	244,717	(719,752)
Support Services:				
Pupil	10,582,567	-	1,772,197	(8,810,370)
Instructional Staff	14,851,375	-	4,970,085	(9,881,290)
Board of Education	38,433	-	-	(38,433)
Administration	15,025,637	953	718,858	(14,305,826)
Fiscal	3,970,157	-	213,782	(3,756,375)
Business	820,483	-	-	(820,483)
Operations and Maintenance	16,488,459	157,119	320,742	(16,010,598)
Pupil Transportation	12,706,181	566,411	6,228	(12,133,542)
Central	7,983,879	-	55,800	(7,928,079)
Food Service	8,404,080	2,160,948	6,203,575	(39,557)
Community Services	1,620,950	16,907	1,289,785	(314,258)
Extracurricular Activities	4,604,650	939,040	-	(3,665,610)
Shared Services	101,502	-	-	(101,502)
Interest and Fiscal Charges	8,241,288	-	-	(8,241,288)
Total Governmental Activities	\$ 248,179,759	\$ 4,065,085	\$ 32,737,457	(211,377,217)

General Revenues:

Property Taxes Levied for:		
General Purposes		81,312,729
Debt Service		11,717,816
Capital Projects		3,155,717
Classroom Facility Maintenance		461,791
Payment in Lieu of Taxes		2,039,592
Ohio Facility Construction Commission Grant		124,047,645
Grants and Entitlements not Restricted to Specific Programs		102,290,500
Interest		266,483
Other Local Revenues		10,206,218
Total General Revenues		335,498,491

Changes in Net Position	124,121,274
Net Position Beginning of Year (restated)	198,016,561
Net Position End of Year	\$ 322,137,835

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, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Building</u>	<u>Classroom Facilities</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash					
Equivalents	\$ 86,879,169	\$ 7,741,365	\$ 7,756,300	\$ 10,245,434	\$ 58,325,832
Investments	-	-		12,800,474	67,202,485
Receivable:					
Taxes - Current	94,110,555	13,375,922	3,565,277	-	-
Taxes - Delinquent	8,583,699	1,146,577	356,302	-	-
Payment in Lieu of Taxes	1,798,528	-	75,000	-	-
Accounts	32,230	-	-	-	-
Interest	32,653	-	-	5,615	29,479
Intergovernmental	264,774	-	-	-	116,273,699
Interfund Loan Receivable	1,566,676	-	-	-	-
Materials and Supplies Inventory	309,149	-	-	-	-
Total Assets	<u>\$ 193,577,433</u>	<u>\$ 22,263,864</u>	<u>\$ 11,752,879</u>	<u>\$ 23,051,523</u>	<u>\$ 241,831,495</u>
<u>Liabilities:</u>					
Accounts Payable	\$ 2,548,382	\$ -	\$ 342,130	\$ -	\$ 111,854
Contracts Payable	-	-	155,701	5,758	5,484,956
Accrued Wages and Benefits	17,162,317	-	-	-	-
Compensated Absences Payable	2,356,500	-	-	-	-
Interfund Loans Payable	-	-	-	-	-
Total Liabilities	<u>22,067,199</u>	<u>-</u>	<u>497,831</u>	<u>5,758</u>	<u>5,596,810</u>
<u>Deferred Inflows of Resources:</u>					
Property Taxes not Levied to Finance					
Current Year Operations	60,140,479	8,421,767	2,030,447	-	-
Delinquent Taxes	8,583,701	1,146,576	356,301	-	-
State and Federal Grant Revenue Not Received	245,879	-	-	-	109,928,469
Payment in Lieu of Taxes Not Received	1,798,528	-	75,000	-	-
Total Deferred Inflows of Resources	<u>70,768,587</u>	<u>9,568,343</u>	<u>2,461,748</u>	<u>-</u>	<u>109,928,469</u>
<u>Fund Balance:</u>					
Nonspendable	309,149	-	-	-	-
Restricted	-	12,695,521	8,793,300	23,045,765	126,306,216
Committed	1,121,869	-	-	-	-
Assigned	1,045,417	-	-	-	-
Unassigned	98,265,212	-	-	-	-
Total Fund Balances	<u>100,741,647</u>	<u>12,695,521</u>	<u>8,793,300</u>	<u>23,045,765</u>	<u>126,306,216</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 193,577,433</u>	<u>\$ 22,263,864</u>	<u>\$ 11,752,879</u>	<u>\$ 23,051,523</u>	<u>\$ 241,831,495</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 Position of Governmental Activities
June 30, 2013

Other Governmental Funds	Total Governmental Funds		
		Total Governmental Fund Balances	\$ 275,528,693
\$ 4,486,959	\$ 175,435,059	Amounts reported for governmental activities in the statement of net position are different because:	
-	80,002,959		
683,079	111,734,833	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	138,791,000
-	10,086,578		
3,576	35,806	Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
-	67,747	Taxes	10,086,578
5,627,917	122,166,390	State and Federal Grant Revenue	112,240,589
-	1,566,676	Payment in Lieu of Taxes	1,873,528
132,074	441,223		
<u>\$ 10,933,605</u>	<u>\$ 503,410,799</u>	Unamortized premiums on bond and long-term note issuances are not recognized in the funds.	(10,102,548)
\$ 816,208	\$ 3,818,574	An internal service fund is used by management to charge the cost of health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	8,629,825
-	5,646,415		
1,855,157	19,017,474	Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds:	
-	2,356,500	Interest Payable	(670,121)
1,566,676	1,566,676	Compensated Absences Payable	(10,754,579)
<u>4,238,041</u>	<u>32,405,639</u>	General Obligation Debt	(194,309,989)
		Energy Conservation Debt	(7,590,000)
683,079	71,275,772	Vocational Construction Loan	(266,664)
-	10,086,578	Capital Appreciation Accretion	(1,318,477)
2,066,241	112,240,589	Net Position of Governmental Activities	<u>\$ 322,137,835</u>
-	1,873,528		
<u>2,749,320</u>	<u>195,476,467</u>		
132,074	441,223		
4,025,670	174,866,472		
-	1,121,869		
-	1,045,417		
(211,500)	98,053,712		
<u>3,946,244</u>	<u>275,528,693</u>		
<u>\$ 10,933,605</u>	<u>\$ 503,410,799</u>		

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

South-Western City School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Building</u>	<u>Classroom Facilities</u>
Revenues:					
Local:					
Taxes	\$ 84,788,092	\$ 12,184,626	\$ 3,306,052	\$ -	\$ -
Tuition	1,595,764	-	-	-	-
Interest	112,879	1,026	-	23,074	127,149
Other Local Revenue	3,524,963	3,722	310,842	-	-
Payment in Lieu of Taxes	580,252	-	75,000	-	-
Intergovernmental - State	109,667,424	2,005,858	774,793	-	14,119,176
Intergovernmental - Federal	498,140	160,159	-	-	-
Total Revenues	<u>200,767,514</u>	<u>14,355,391</u>	<u>4,466,687</u>	<u>23,074</u>	<u>14,246,325</u>
Expenditures:					
Current:					
Instruction:					
Regular	96,977,614	-	978,504	-	-
Special	26,967,793	-	-	-	-
Vocational	4,883,034	-	-	-	-
Other	692,910	-	-	-	-
Support Services:					
Pupil	9,096,803	-	-	-	-
Instructional Staff	9,732,813	-	-	-	-
Board of Education	38,433	-	-	-	-
Administration	14,069,362	-	-	-	-
Fiscal	3,346,357	268,081	83,303	-	-
Business	751,230	-	114,630	-	-
Operations and Maintenance	14,501,322	-	-	-	-
Pupil Transportation	11,727,362	-	-	-	-
Central	3,491,666	-	35,621	-	-
Food Service	-	-	-	-	-
Community Services	124,380	-	-	-	-
Shared Services	68,734	-	-	-	-
Extracurricular Activities	3,261,612	-	-	-	-
Capital Outlay	1,184,415	-	3,636,017	929,664	11,987,754
Debt Services:					
Principal Retirement	-	12,190,000	66,667	-	-
Interest and Fiscal Charges	-	7,205,069	-	-	-
Issuance Costs for Bonds	-	-	-	59,415	307,708
Underwriter's Discount on Bonds	-	-	-	96,117	497,782
Total Expenditures	<u>200,915,840</u>	<u>19,663,150</u>	<u>4,914,742</u>	<u>1,085,196</u>	<u>12,793,244</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(148,326)	(5,307,759)	(448,055)	(1,062,122)	1,453,081
Other Financing Sources (Uses):					
Transfers - In	-	945,795	-	-	-
Transfers - Out	(1,290,220)	-	-	-	-
Proceeds from Sale of Capital Assets	64,965	-	-	-	-
Proceeds from Sale of Bonds	-	-	-	22,698,093	117,551,907
Proceeds from the Premium on the Sale of Bonds	-	-	-	1,409,794	7,301,228
Total Other Financing Sources (Uses)	<u>(1,225,255)</u>	<u>945,795</u>	<u>-</u>	<u>24,107,887</u>	<u>124,853,135</u>
Net Change in Fund Balances	(1,373,581)	(4,361,964)	(448,055)	23,045,765	126,306,216
Fund Balances at Beginning of Year (restated)	102,115,228	17,057,485	9,241,355	-	-
Fund Balances at End of Year	<u>\$ 100,741,647</u>	<u>\$ 12,695,521</u>	<u>\$ 8,793,300</u>	<u>\$ 23,045,765</u>	<u>\$ 126,306,216</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, 2013

<u>Other</u>	<u>Total</u>		
<u>Governmental</u>	<u>Governmental</u>		
<u>Funds</u>	<u>Funds</u>		
		Net Change in Fund Balances - Total Governmental Funds	\$ 143,955,617
		Amounts reported for governmental activities in the statement of activities are different because:	
\$ 461,791	\$ 100,740,561		
7,911	1,603,675	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.	
2,355	266,483		
4,015,174	7,854,701	This is the amount by which capital outlay, which met the capitalization criteria (\$16,603,459) exceeds depreciation (\$7,108,998) in the current period.	9,494,461
-	655,252		
1,900,535	128,467,786	In the statement of activities, only the gain and loss on the disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the assets disposed.	(1,091,268)
20,884,349	21,542,648	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
<u>27,272,115</u>	<u>261,131,106</u>	Tax Revenue	(4,092,508)
		State and Federal Grant Revenue	109,065,168
		Payment in Lieu of Tax Revenue	1,384,340
315,019	98,271,137	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 position.	12,256,667
5,840,438	32,808,231	Long-term debt proceeds and related premiums provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(148,961,022)
489,170	5,372,204	Premiums on debt issuances are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance on the statement of activities.	543,090
295,141	988,051	Accretion on capital appreciation bonds is an expenditures in the governmental funds but is allocated as an expense over the life of the bonds.	(207,753)
1,498,305	10,595,108	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 report in the statement of activities is due to the accrued interest on bonds.	(410,534)
5,257,844	14,990,657	Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	985,253
-	38,433	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.	1,199,763
899,168	14,968,530	Changes in Net Position of Governmental Activities	<u>\$ 124,121,274</u>
271,633	3,969,374		
-	865,860		
376,348	14,877,670		
6,228	11,733,590		
55,800	3,583,087		
8,365,996	8,365,996		
1,174,609	1,298,989		
-	68,734		
1,132,407	4,394,019		
851,198	18,589,048		
-	12,256,667		
-	7,205,069		
-	367,123		
-	593,899		
<u>26,829,304</u>	<u>266,201,476</u>		
442,811	(5,070,370)		
344,425	1,290,220		
-	(1,290,220)		
-	64,965		
-	140,250,000		
-	8,711,022		
<u>344,425</u>	<u>149,025,987</u>		
787,236	143,955,617		
3,159,008	131,573,076		
<u>\$ 3,946,244</u>	<u>\$ 275,528,693</u>		

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

South-Western City School District
Statement of Net Position
Internal Service Fund
June 30, 2013

Current Assets:

Equity in Pooled Cash and Cash	
Equivalents	\$ 10,514,825
Total Current Assets	<u>\$ 10,514,825</u>

Current Liabilities:

Claims Payable	\$ 1,885,000
Total Current Liabilities	<u>1,885,000</u>

Net Position

Unrestricted	8,629,825
Total Net Position	<u>\$ 8,629,825</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 Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2013

Operating Revenues:	
Charges for Services	\$ 20,643,391
Charges to Employees	<u>4,832,656</u>
Total Operating Revenues	<u>25,476,047</u>
Operating Expenses:	
Salaries and Wages	505,503
Fringe Benefits	12,553
Claims	21,868,362
Purchased Services	<u>1,889,866</u>
Total Operating Expenses	<u>24,276,284</u>
Operating Income	1,199,763
Net Position Beginning of Year	<u>7,430,062</u>
Net Position End of Year	<u>\$ 8,629,825</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, 2013

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 20,643,391
Cash Received from Employees	4,832,656
Cash Payments for Claims	(21,601,373)
Cash Payments for Salaries and Fringe Benefits	(518,056)
Cash Payments to Suppliers for Goods and Services	<u>(1,889,866)</u>
Net Cash Provided by Operating Activities	<u>1,466,752</u>

Net Increase in Cash and Cash Equivalents	1,466,752
Cash and Cash Equivalents Beginning of Year	<u>9,048,073</u>
Cash and Cash Equivalents End of Year	<u>\$ 10,514,825</u>

Reconciliation of Operating Income to Net Cash

<u>Provided by Operating Activities:</u>	
Operating Income	\$ 1,199,763

Adjustments to Reconcile Operating Income to Net

Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Claims Payable	<u>266,989</u>
Net Cash Provided by Operating Activities	<u>\$ 1,466,752</u>

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

South-Western City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2013

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,719,981
Receivables:	
Accounts	179,419
Intergovernmental	380,801
Total Assets	<u>\$ 4,280,201</u>
 <u>Liabilities:</u>	
Accounts Payable	\$ 12,525
Due to Other Governments	925,553
Undistributed Money	3,342,123
Total Liabilities	<u>\$ 4,280,201</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, 2013*

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 staffed by 885 non-certificated employees, 1,416 certificated full time teaching personnel and 100 administrative employees to provide approximately 20,215 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 nineteen (119) 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 2013 the District operated 16 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 the 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 the 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’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, 2013*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government - Wide Financial Statements

The statement of net position 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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. Internal Service Fund operating activity is eliminated to avoid doubling-up of revenues and expenses. The statements distinguish between governmental and business-type activities of the District. The District has no business-type activities.

The statement of net position 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. It is the policy of the District not to allocate indirect expenses to functions in the statement of activities. 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, deferred inflows of resources 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 plus deferred inflows of resources is reported as fund balance. Below is a description of the funds presented in the financial statements:

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Major Governmental Funds

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

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

Capital Improvement Fund - The Capital Improvements Fund is used to account for and report financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by bond proceeds, proprietary funds and trust funds).

Building Fund - The Building fund is used to account for the Locally Funded Initiatives (LFI) as they relate to the Ohio Facility Construction Commission projects.

Classroom Facilities Fund - The Classroom Facilities Fund is used to account for and the grants and debt restricted for Ohio Facility Construction Commission projects.

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 position, 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 and report dental insurance claims and health insurance claims.

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 and report student 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, all liabilities and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus (continued)

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, current liabilities and deferred inflows of resources 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 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 position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

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 basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources and the presentation of expenses versus expenditures.

Revenues – Exchange and Non-exchange Transactions

Revenues 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.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. 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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues – Exchange and Non-exchange Transactions (continued)

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 Outflows and Deferred Inflows of Resources

As more fully described in Note 3 of the basic financial statements, the District has implemented both GASB Statement No. 63 and GASB Statement No. 65, effective for fiscal year 2013. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The District had no deferred outflows of resources in fiscal year 2013. The District reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District these amounts consist of taxes and grants which are not collected in the available period. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to delinquent property taxes and grants not received during the available period.

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.

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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Data (continued)

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 2013, 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 2013.

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/Investments

The District maintains a cash and investment pool used by all funds except the Building Fund and the Classroom Facilities Fund, representing bond proceeds and Ohio Facility Construction Commission Grant 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.

During fiscal year 2013, 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 three 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.

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 2013 amounted to \$112,879, which includes \$13,123 assigned from other District Funds.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents/Investments (continued)

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 thirty 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. Capital Assets and Depreciation

Capital assets are reported in the government-wide statement of net position 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 \$5,000 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 and construction in progress, 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	6 years
Buses	13 years

I. 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 is 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, 2013.

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, 2013, and reduced to the maximum payment allowed by labor contracts and/or statute, plus any additional salary related payments.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences (continued)

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.

J. 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 and 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.

K. 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. These amounts are eliminated in the Statement in Activities.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position.

L. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (District resolutions).

Enabling legislation authorizes the District to assess, levy, charge, or otherwise mandates payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the District can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Balance (continued)

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Governing Board, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Education.

Unassigned

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The District does not have a formal minimum fund balance policy.

M. Net Position

Net position represents the difference between assets and liabilities and deferred inflows/outflows of resources. Net investment in capital assets 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. Any unspent borrowings used for the acquisition, construction or improvement of those assets do not reduce net investment in capital assets. Net position is 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. Net position restricted for other purposes include activities for other grants and vocational rotary programs restricted to cash disbursements for specified purposes.

The District applies restricted resources first when an expense is incurred for purposes of which both restricted and unrestricted net position is available. The District did not have net position restricted by enabling legislation at June 30, 2013.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. 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.

O. 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.

P. 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 2013.

Q. Bond Premiums, Bond Discounts and Gains on Refunding and Issuance Costs

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond issuance costs are expensed when incurred in the government-wide financial statements.

Bond premiums on the capital appreciation bonds are deferred and accreted over the term of the bonds.

Any gain or loss on refunding is allocated over the life of the old debt or the new debt whichever is shorter.

On the governmental fund financial statements, governmental fund types recognize bond premiums and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF BALANCES

For the fiscal year 2013, the District has further reviewed their fund structure and made some changes to this structure in order to more fully comply with Governmental Accounting Standards Board (GASB) Statement No. 54. This review resulted in the reclassification of certain funds and restatement of the District's beginning fund balance:

	<u>General</u>	Other Governmental <u>Funds</u>
Fund Balance at June 30, 2012	\$ 101,092,671	\$ 4,181,565
Change in fund structure	1,022,557	(1,022,557)
Restated Fund Balance at June 30, 2012	<u>\$ 102,115,228</u>	<u>\$ 3,159,008</u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES AND RESATEMENT OF BALANCES (continued)

The District implemented GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,” GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” and GASB Statement No. 65, “Items Previously Reported as Assets and Liabilities.”

GASB Statement No. 62 incorporated into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure issued on or before November 30, 1989 which does not conflict with or contradict GASB pronouncements.

Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. GASB 63 standardizes the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government’s net position.

Statement No. 65 provides guidance on how to properly classify items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. In addition, guidance is provided on recognizing certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

The implementation of GASB Statement No. 62 had no effect on the financial statements.

The implementation of GASB Statements No. 63 and 65 resulted in various financial statement terminology changes and reclassifications, and also had the following effect on beginning net position; beginning net position decreased from \$199,902,114 as of June 30, 2012 to \$198,016,561 as of July 1, 2012. The \$1,885,553 restatement is due to the removal of the remaining amount of bond issuance costs that had not yet been amortized.

NOTE 4 – CASH AND CASH EQUIVALENTS/INVESTMENTS

Deposits

At fiscal year-end, the carrying amount of the District’s deposits was \$148,758,254 and the bank balance was \$149,081,483. Of the bank balance, \$31,582,569 was covered by federal deposit insurance coverage. 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			
		Less than 1 year	1-2 Years	2-3 Years	3-4 Years
Repurchase Agreement	\$ 7,137,692	\$ 7,137,692	\$ -	\$ -	\$ -
Municipal Bonds	3,425,895	739,430	264,095	2,422,370	-
FNMA	5,772,964	-	800,664	4,972,300	-
FFCB	56,818,819	-	31,903,269	24,915,550	-
FHLMC	32,767,950	-	15,320,050	14,969,500	2,478,400
FHLB	14,991,250	10,006,800	-	4,984,450	-
	<u>\$ 120,914,570</u>	<u>\$ 17,883,922</u>	<u>\$ 48,288,078</u>	<u>\$ 52,264,170</u>	<u>\$ 2,478,400</u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 4 – CASH AND CASH EQUIVALENTS/INVESTMENTS (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: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District’s policy places limitations on the types of investments the District may invest in. The District’s policy authorizes investment in allowable securities as outlined by Ohio Revised Code Section 135. The District’s repurchase agreement is secured by underlying securities granted by the United States Government. The District’s investments in FNMA, FFCB, FHLMC and FHLB were each rated AAA or Aaa by Standard & Poor’s or Moody’s Investor Services, respectively. The District’s investment in municipal bonds were rated AA+ or AA and Aa1 or Aa2 by Standard & Poor’s or Moody’s Investor Services, respectively.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2013:

Investment Type	Fair Value	% of Total
Repurchase Agreement	\$ 7,137,692	5.90%
Municipal Bonds	3,425,895	2.84%
FNMA	5,772,964	4.77%
FFCB	56,818,819	46.99%
FHLMC	32,767,950	27.10%
FHLB	14,991,250	12.40%
	\$ 120,914,570	100.00%

Custodial credit risk is the risk that, in the event of a bank failure, the District’s deposits may not be returned. The District has no deposit policy for custodial credit risk beyond the requirements of state statute. 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 2013, the District and public depositories complied with the provisions of these statutes.

The District has adopted a formal investment policy. There are two investment objectives: safety of principal and compliance with all federal and state laws.

Reconciliation of Cash and Investment to the Statement of Net Position: The following is a reconciliation of cash and investments to the Statement of Net Position as of June 30, 2013:

Investments (summarized above)	\$ 120,914,570
Carrying Amount of District’s Deposits	148,758,254
Agency Fund - Cash and Cash Equivalents	(3,719,981)
Total Governmental Activities - Cash and Cash Equivalents and Investments	\$ 265,952,843

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 5 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the District fiscal year runs from July through June. First half tax collections are received by the District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real, public utility property, and tangible personal property (used in business) located in the District. Real property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed values as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2013 represent the collection of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2012 became a lien on December 31, 2011, were levied after October 1, 2012, and are collected in 2013 with real property taxes. Public utility real property is assessed at twenty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out of the tangible personal property tax on local and inter-exchange telephone companies. No tangible personal property taxes will be levied or collected after calendar year 2010 on local and inter-exchange telephone companies.

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, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes personal property and public utility taxes, which are measurable as of June 30, 2013 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property tax settlement were levied to finance current fiscal year operations.

On a full accrual basis, collectible delinquent property taxes and the amount available as an advance have been recorded as a receivable and revenue while the rest of the receivable is recorded as a deferred inflow of resources. On a modified accrual basis, only the amount available as an advance is recognized as revenue.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 5 – PROPERTY TAXES (continued)

The amount available as an advance at June 30 was \$33,970,074 in the General Fund, \$4,954,156 in the Debt Service Fund and \$1,534,831 in the Capital Improvements Fund, which is recognized as revenue. The assessed values upon which the fiscal year 2013 taxes were collected are:

	2012 Second Half Collection		2013 First Half Collection	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 2,290,295,740	96.11%	\$ 2,291,139,940	96.24%
Public Utility Real and Personal	92,684,960	3.89%	89,546,940	3.76%
Total Assessed Value	<u>\$ 2,382,980,700</u>	<u>100%</u>	<u>\$ 2,380,686,880</u>	<u>100%</u>
 Tax rate per \$1,000 of Assessed Valuation	\$	73.55	\$	73.25

NOTE 6 – RECEIVABLES

Receivables at June 30, 2013 consisted of taxes, payment in lieu of taxes, accounts (rent and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full in one year with the exception of the Ohio Facilities Construction Commission grant (OFCC) and property taxes. The OFCC Grant awarded in August 2012 for \$124,047,645 is being collected over the life of the construction of new facilities. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A summary of receivables reported on the statement of net position follows:

Governmental Activities:	
Property Taxes – Current	\$ 111,734,833
Property Taxes – Delinquent	10,086,578
Payment in Lieu of Taxes	1,873,528
Accounts	35,806
Interest	67,747
Intergovernmental	122,166,390
Total	<u>\$ 245,964,882</u>

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 7 – CAPITAL ASSETS

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

	Balance <u>6/30/2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2013</u>
Governmental Activities				
Non-Depreciable:				
Land	\$ 6,751,905	\$ 1,947,806	\$ (21,000)	\$ 8,678,711
Construction in Progress	2,431,738	13,528,357	(3,926,835)	12,033,260
Total Non-Depreciable	<u>9,183,643</u>	<u>15,476,163</u>	<u>(3,947,835)</u>	<u>20,711,971</u>
Depreciable:				
Improvements to Land	6,160,514	531,159	(132,542)	6,559,131
Buildings	208,941,418	2,590,763	(2,594,358)	208,937,823
Furniture and Equipment	7,409,327	936,535	(267,340)	8,078,522
Vehicles	1,592,481	33,080	-	1,625,561
Buses	12,009,460	983,594	(42,756)	12,950,298
Total Depreciable	<u>236,113,200</u>	<u>5,075,131</u>	<u>(3,036,996)</u>	<u>238,151,335</u>
Accumulated Depreciation:				
Improvements to Land	(4,703,227)	(106,159)	132,542	(4,676,844)
Buildings	(94,194,982)	(6,008,343)	1,578,178	(98,625,147)
Furniture and Equipment	(6,337,912)	(168,725)	192,252	(6,314,385)
Vehicles	(1,369,221)	(42,757)	-	(1,411,978)
Buses	(8,303,694)	(783,014)	42,756	(9,043,952)
Total Accumulated Depreciation	<u>(114,909,036)</u>	<u>(7,108,998)</u>	<u>1,945,728</u>	<u>(120,072,306)</u>
Net Depreciable Capital Assets	<u>121,204,164</u>	<u>(2,033,867)</u>	<u>(1,091,268)</u>	<u>118,079,029</u>
Net Governmental Activities Capital Assets	<u>\$ 130,387,807</u>	<u>\$ 13,442,296</u>	<u>\$ (5,039,103)</u>	<u>\$ 138,791,000</u>

Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 4,384,337
Special	46,691
Vocational	504,668
Support Services:	
Instructional Staff	1,854
Administration	231,345
Operations and Maintenance	45,341
Transportation	832,204
Central	753,064
Food Service	13,212
Community Services	140,917
Extracurricular	155,365
Total Depreciation Expense	<u>\$ 7,108,998</u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 7 – CAPITAL ASSETS (continued)

The District and Franklin County entered into a land and building exchange agreement in April 2013. The District transferred ownership of Harmon Elementary school and land located at 1611 Frank Road. Franklin County gave the District 16.262 acres of land at the corner of Frank Road and Gantz Road. The District is building a new Harmon Elementary School on the new land using Ohio Facilities Construction Commission grant money. As part of the agreement Franklin County agreed to allow the District to use Harmon Elementary building and grounds until June 10, 2016.

NOTE 8 - DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

Funding Policy - Plan members are required to contribution 10 percent of their annual covered salary and the South-Western City School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2013, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS's Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for members and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2013, 2012, and 2011, were \$3,864,446, \$3,663,149, and \$3,383,481, respectively, 100 percent has been contributed for each fiscal year.

B. State Teachers Retirement System

Plan Description - The South-Western City School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 East Broad Street, Columbus, Ohio 43215-3771 or calling (614)-227-4090, or by visiting the STRS Ohio Web site at www.strsoh.org.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System (continued)

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of services, or an allowance based on the member's lifetime contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan.

The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

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

The District's required contributions to pension obligations to the DB, DC and Combined Plans for the fiscal years ended June 30, 2013, 2012, and 2011, were \$ 13,260,088, \$13,000,170, and \$12,969,742, respectively, 100 percent has been contributed for each fiscal year.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 9 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The South-Western City School District participates in two cost-sharing multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians’ fees through several types of plans including HMO’s, PPO’s and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 (latest information available) was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS’ reimbursement to retirees was \$45.50. Benefits provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report, which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS’ Ohio website, www.ohsers.org, under “Employers/Audit Resources”.

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2013, 0.16 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer’s SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the actuarially determined amount was \$20,525.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The District’s contributions for health care, including the surcharge for the fiscal years ended June 30, 2013, 2012, and 2011, \$476,132, \$585,131, and \$836,165, respectively, with 100 percent contributed for each fiscal year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2013 the actuarially required allocation was .74 percent. The District’s contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$ 218,297, \$216,328, and \$217,735, respectively; with 100 percent contributed for each fiscal year.

B. State Teachers Retirement System

Plan Description – The District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians’ fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio, which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 9 - POSTEMPLOYMENT BENEFITS (continued)

B. State Teachers Retirement System (continued)

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2013, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District’s contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011, were \$ 1,020,007, \$1,000,013, and \$997,672, respectively; with 100 percent contributed for each fiscal year.

NOTE 10 - 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 health and dental claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

As of January 1, 2008, the District switched to self-insurance program for health and dental programs administered by Aetna and Delta Dental, respectively. Payments are made to Aetna and Delta Dental for the actual amounts of claims processed, monthly stop-loss premiums, and administrative charges. Operating revenues of the internal service fund consist of charges to other funds for an amount expected to be needed to cover claims and to provide for future catastrophe losses, policy, stop-loss premiums, and other operating expenses. The portion of the charge relating to the cost needed to cover claims is calculated annually based on historical and trend information.

The claims liability is \$1,885,000 reported in the internal service fund at June 30, 2013 is based on actual claims paid and estimates provide by the third party administrators and the requirements of GASB Statement No. 10, “Accounting and Financial Reporting for Risk Financing and Related Insurance Issues”, as amended by GASB statement No. 30. “Risk Financing Omnibus”, which requires that a liability for unpaid claims costs, including estimates of costs related to incurred by not reported claims, be accrued at the estimated ultimate cost of settling the claims. The District anticipates paying these claims within one year. Changes in claims activity for the past two fiscal years are as follows:

	Balance at July 1	Current Year Claims	Claim Payments	Balance at June 30
Fiscal Year 2012	\$ 1,535,601	\$ 19,966,155	\$ 19,883,745	\$ 1,618,011
Fiscal Year 2013	1,618,011	21,868,362	21,601,373	1,885,000

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 11 - 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 12- 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. Long-term obligations also include notes and compensated absences.

The District issued \$140,250,000 of General Obligation Bonds in August 2012. The bonds issue included serial and term bonds in the amount of \$73,210,000 and \$67,040,000, respectively. The bonds were issued at a premium of \$8,711,022 and will be outstanding for 30 years with final maturity on December 1, 2042. The debt proceeds were used as the District's local share of the school construction under the Ohio Facility Construction Commission Grant Program.

The following is a description of the District's Bonds and Long-Term Note outstanding at June 30, 2013:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired/Accreted in 2013</u>	<u>Bonds Outstanding 6/30/2013</u>
2002 School Facilities	3.86%	12/1/2012	\$ 4,690,000	\$ (525,000)	\$ -
2002 Energy Conservation	3.86%	12/1/2014	4,775,000	(430,000)	920,000
2000 Vocational Construction	0%	12/31/2016	1,000,000	(66,667)	266,664
2003 Refunding School Facilities	4.24%	12/1/2013	28,896,786	(2,919,678)	2,156,565
2006 Refunding School Facilities	4.02%	12/1/2027	77,988,782	(8,616,439)	53,536,923
2006 Refunding Capital Appreciation Bonds	4.02%	12/1/2016	1,254,989	207,753	1,318,477
2011 Qualified School Construction Bonds	5.60%	12/1/2025	6,670,000	-	6,670,000
2012 School Facilities	4.00%	12/1/2042	140,250,000	(241,973)	148,719,049
Total Long-Term Bonds and Notes Payable			<u>\$ 265,525,557</u>	<u>\$ (12,592,004)</u>	<u>\$ 213,587,678</u>

Amortization of premium on the 2003 Refunding School Facilities Bond for fiscal year 2013 was \$184,678. The balance of unamortized premium on the bonds is \$61,565 and is included in the total bonds outstanding at June 30, 2013.

Amortization of premium on the 2006 Refunding School Facilities Bonds for fiscal year 2013 was \$116,439. The balance of unamortized premium on the bonds is \$1,571,934 and is included in the total bonds outstanding at June 30, 2013.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 12- LONG-TERM DEBT (continued)

Amortization of premium on the 2012 School Facilities Bonds for fiscal year 2013 was \$241,973. The balance of unamortized premium on the bonds is \$8,469,049 and is included in the total bonds outstanding at June 30, 2013.

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

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 6,511,667	\$ 8,183,116	\$ 14,694,783
2015	7,426,665	7,918,034	15,344,699
2016	7,201,666	7,665,251	14,866,917
2017	5,311,655	9,612,088	14,923,743
2018	7,500,000	7,272,226	14,772,226
2019-2023	35,535,000	31,743,481	67,278,481
2024-2028	40,865,000	23,291,759	64,156,759
2029-2033	24,775,000	16,571,563	41,346,563
2034-2038	30,605,000	10,570,200	41,175,200
2039-2043	36,435,000	3,655,925	40,090,925
Total	<u>\$ 202,166,653</u>	<u>\$ 126,483,643</u>	<u>\$ 328,650,296</u>

The above amortization schedule (principal payments) does not include the \$10,102,548 in unamortized premium on the 2003, 2006 and 2012 bond issues. The accretion of \$1,318,477 on the 2006 Refunding School Facilities Capital Appreciation Bonds is also not accounted for in this schedule.

The District's voted legal debt margin was \$674,141 with an unvoted debt margin of \$2,380,687 at June 30, 2013.

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 with the General Fund being the most significant fund.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 12- LONG-TERM DEBT (continued)

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

Issue	Balance at June 30, 2012	Additions	Deductions	Balance at June 30, 2013	Due within 1 year
General Obligation Bonds					
School Facilities 2002					
Serial Bonds 3.00% - 4.20%	\$ 525,000	\$ -	\$ 525,000	\$ -	\$ -
Refunding Bond 2003					
Serial Bonds 2.00% - 5.00%	4,830,000	-	2,735,000	2,095,000	2,095,000
Serial Bonds Premium	246,243	-	184,678	61,565	-
Refunding Bonds 2006					
Serial Bonds 4.00% - 4.75%	44,855,000	-	8,500,000	36,355,000	3,015,000
Term Bonds 4.25%	14,355,000	-	-	14,355,000	-
Serial/Term Bonds Premium	1,688,373	-	116,439	1,571,934	-
Capital Appreciation Bonds					
Refunding 2006 4.02%	1,254,989	-	-	1,254,989	-
Capital Appreciation Accretion	1,110,724	207,753	-	1,318,477	-
School Facilities 2012					
Serial Bonds 3.00%-4.5%		73,210,000		73,210,000	885,000
Term Bonds 3.5% - 5.0%		67,040,000		67,040,000	-
Serial/Term Bonds Premium		8,711,022	241,973	8,469,049	-
Total General Obligation Bonds	68,865,329	149,168,775	12,303,090	205,731,014	5,995,000
Energy Conservation Bonds					
Energy Conservation 2002 3.00% - 4.45%	1,350,000	-	430,000	920,000	450,000
Qualified School Construction Bonds 2011					
Serial Bonds 5.60%	6,670,000	-	-	6,670,000	-
Total Energy Conservation Bonds	8,020,000	-	430,000	7,590,000	450,000
Long-Term Notes Payable					
Technical Equipment Loan 2000 0%	333,331	-	66,667	266,664	66,667
Total Long-term Notes Payable	333,331	-	66,667	266,664	66,667
Compensated Absences	13,128,576	1,678,576	1,696,073	13,111,079	3,715,996
Total	\$ 90,347,236	\$ 150,847,351	\$ 14,495,830	\$ 226,698,757	\$ 10,227,663

Compensated absences of \$3,715,996 include \$1,359,496 for vacation and personal leave, which is estimated to be used in the next fiscal year. Compensated absences are liquidated by the General and nonmajor special revenue funds.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 13 - INTERFUND TRANSACTIONS

Interfund Balances at June 30, 2013 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Fund		
General Fund	\$ 1,566,676	\$ -
Non-Major Funds		
State Grants	-	15,316
Federal Grants	-	1,551,360
Total	<u>\$ 1,566,676</u>	<u>\$ 1,566,676</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.

Interfund balances between governmental funds are eliminated on the government-wide financial statements; no internal balances at June 30, 2013 are reported on the statement of net position.

Interfund transfers for the fiscal year ended June 30, 2013 consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to debt service major fund:	\$ 945,795
Transfers from general fund to nonmajor governmental funds:	344,425

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. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

NOTE 14 – FUND BALANCE

Fund balances are nonspendable, restricted, committed or assigned for the following purposes:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance:							
Nonspendable							
Inventory	\$ 309,149	\$ -	\$ -	\$ -	\$ -	\$ 132,074	\$ 441,223
Total Nonspendable	309,149	-	-	-	-	132,074	441,223
Restricted for:							
Debt Service	-	12,695,521	-	-	-	-	12,695,521
Capital Projects	-	-	8,793,300	23,045,765	126,306,216	-	158,145,281
Regular Instruction	-	-	-	-	-	496,513	496,513
Special Education	-	-	-	-	-	285,962	285,962
Vocational Education	-	-	-	-	-	5,259	5,259
Targeted Academic Assistance	-	-	-	-	-	10,744	10,744
Extracurricular Activities	-	-	-	-	-	766,772	766,772
Maintenance of Buildings	-	-	-	-	-	683,079	683,079
Food Service	-	-	-	-	-	1,777,341	1,777,341
Total Restricted	-	12,695,521	8,793,300	23,045,765	126,306,216	4,025,670	174,866,472
Committed							
Public School Support	1,121,869	-	-	-	-	-	1,121,869
Total Committed	1,121,869	-	-	-	-	-	1,121,869
Assigned:							
Unpaid Obligations	817,035	-	-	-	-	-	817,035
Regular Instruction	223,942	-	-	-	-	-	223,942
Vocational Education	4,440	-	-	-	-	-	4,440
Total Assigned	1,045,417	-	-	-	-	-	1,045,417
Unassigned	98,265,212	-	-	-	-	(211,500)	98,053,712
Total Fund Balance	\$ 100,741,647	\$ 12,695,521	\$ 8,793,300	\$ 23,045,765	\$ 126,306,216	\$ 3,946,244	\$ 275,528,693

NOTE 15 – 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 are 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, 2013.

B. Litigation

There are currently several matters in litigation with the District as defendant. 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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 16 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

The District had significant contractual obligation as of June 30, 2013 which are listed below:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Brewer-Garrett Co.	Commissioning OFCC Buildings	\$ 620,976
Ruscilli Construction Co.	Construction Management OFCC Projects	4,119,425
General Temperature Control	Renovations Buckeye Woods	447,668
General Temperature Control	Renovations Darby Woods	281,899
Altman Company	Construction of Alton Hall Elementary	11,816,664
Robertson Construction	Construction of Harmon Elementary	12,539,125
Summit Construction Co.	Construction of Prairie Norton Elementary	12,243,887
Robertson Construction	Construction of Monterey Elementary	11,470,701
Schorr Architects	Architect Services for Buckeye Woods	297,500
Schorr Architects	Architect Services for Darby Woods	297,500
Smoot Construction Co. of Ohio	Site Work at Franklin Heights High School	417,321

NOTE 17 - SUBSTITUTE HOUSE BILL 412

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

The District had qualifying disbursements that reduced the capital improvements set-aside amount below zero. This excess may not be carried forward to offset future year set-side requirements. Disclosure of this information is required by State Statute.

	<u>Capital Acquisition</u>
Set aside Cash Balance as of June 30, 2012	\$ -
Current Year Set-aside Requirement	3,431,516
Qualifying Offset - Capital Improvements Fund	(3,673,179)
Qualifying Offset - Classroom Facilities Maintenance Fund	(683,079)
Qualifying Disbursements	<u>(1,961,712)</u>
Total	<u>\$ (2,886,454)</u>

NOTE 18 – JOINTLY GOVERNED ORGANIZATION

Metropolitan Educational Council (MEC)

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013*

NOTE 19 - OTHER COMMITMENTS

The District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at fiscal year- end may be reported as part of restricted, committed or assigned classifications of fund balance. At year end, the District's commitments for encumbrances in the governmental funds were as follows:

Fund	Fiscal Year - End Encumbrances
General Fund	\$ 785,910
Capital Improvement Fund	54,239,620
Other Governmental Funds	<u>273,181</u>
Total	<u>\$ 55,298,711</u>

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REQUIRED SUPPLEMENTAL INFORMATION

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, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local:				
Taxes	\$ 93,183,400	\$ 93,418,400	\$ 93,414,427	\$ (3,973)
Tuition	1,016,100	1,016,100	1,497,264	481,164
Interest	284,400	284,400	300,518	16,118
Other Local Revenue	2,108,900	2,445,200	2,891,874	446,674
Intergovernmental - State	108,068,900	109,221,900	109,643,875	421,975
Intergovernmental - Federal	574,400	627,300	562,522	(64,778)
Total Revenues	<u>205,236,100</u>	<u>207,013,300</u>	<u>208,310,480</u>	<u>1,297,180</u>
Expenditures:				
Current:				
Instruction:				
Regular				
Salaries and Wages	62,186,805	61,002,390	60,334,116	668,274
Fringe Benefits	19,257,440	18,452,685	18,094,002	358,683
Purchased Services	16,769,697	16,240,491	16,220,173	20,318
Supplies and Materials	772,537	1,029,778	923,466	106,312
Miscellaneous	2,868	-	-	-
Total Regular	<u>98,989,347</u>	<u>96,725,344</u>	<u>95,571,757</u>	<u>1,153,587</u>
Special				
Salaries and Wages	16,100,040	16,387,300	16,282,563	104,737
Fringe Benefits	5,359,430	5,471,504	5,158,413	313,091
Purchased Services	4,289,034	4,981,176	4,978,480	2,696
Supplies and Materials	108,011	108,953	98,785	10,168
Miscellaneous	100	-	-	-
Total Special	<u>25,856,615</u>	<u>26,948,933</u>	<u>26,518,241</u>	<u>430,692</u>
Vocational				
Salaries and Wages	3,101,130	3,164,520	3,102,862	61,658
Fringe Benefits	997,810	979,691	933,230	46,461
Purchased Services	318,224	168,279	146,588	21,691
Supplies and Materials	635,015	872,197	809,133	63,064
Miscellaneous	3,700	-	-	-
Total Vocational	<u>5,055,879</u>	<u>5,184,687</u>	<u>4,991,813</u>	<u>192,874</u>
Other				
Salaries and Wages	503,020	511,960	497,732	14,228
Fringe Benefits	173,960	183,850	159,747	24,103
Purchased Services	300	300	-	300
Supplies and Materials	16,400	16,921	16,493	428
Total Other	<u>693,680</u>	<u>713,031</u>	<u>673,972</u>	<u>39,059</u>
Total Instruction	<u>130,595,521</u>	<u>129,571,995</u>	<u>127,755,783</u>	<u>1,816,212</u>
Support Services:				
Pupil				
Salaries and Wages	6,396,530	6,122,120	6,084,836	37,284
Fringe Benefits	1,868,770	1,886,127	1,772,686	113,441
Purchased Services	1,046,394	1,133,687	1,121,258	12,429
Supplies and Materials	48,108	51,333	50,689	644
Total Pupil	<u>9,359,802</u>	<u>9,193,267</u>	<u>9,029,469</u>	<u>163,798</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, 2013
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff				
Salaries and Wages	\$ 6,767,100	\$ 6,704,573	\$ 6,443,877	\$ 260,696
Fringe Benefits	3,159,770	3,229,799	2,857,458	372,341
Purchased Services	469,223	462,344	427,206	35,138
Supplies and Materials	358,153	361,348	352,168	9,180
Miscellaneous	4,040	2,344	554	1,790
Total Instructional Staff	<u>10,758,286</u>	<u>10,760,408</u>	<u>10,081,263</u>	<u>679,145</u>
Board of Education				
Salaries and Wages	15,000	15,000	12,980	2,020
Fringe Benefits	2,450	2,460	2,297	163
Purchased Services	6,500	6,500	2,790	3,710
Supplies and Materials	2,817	5,297	5,297	-
Miscellaneous	25,683	25,683	17,549	8,134
Total Board of Education	<u>52,450</u>	<u>54,940</u>	<u>40,913</u>	<u>14,027</u>
Administration				
Salaries and Wages	8,944,440	9,085,664	8,913,463	172,201
Fringe Benefits	3,752,090	3,764,217	3,477,079	287,138
Purchased Services	842,418	938,637	884,367	54,270
Supplies and Materials	88,068	103,381	95,632	7,749
Miscellaneous	2,366,117	2,390,668	2,382,187	8,481
Total Administration	<u>15,993,133</u>	<u>16,282,567</u>	<u>15,752,728</u>	<u>529,839</u>
Fiscal				
Salaries and Wages	770,750	772,690	762,134	10,556
Fringe Benefits	447,461	388,439	372,314	16,125
Purchased Services	245,226	266,531	258,130	8,401
Supplies and Materials	10,764	10,763	6,680	4,083
Miscellaneous	1,971,738	2,040,422	2,034,208	6,214
Total Fiscal	<u>3,445,939</u>	<u>3,478,845</u>	<u>3,433,466</u>	<u>45,379</u>
Business				
Salaries and Wages	158,130	178,100	178,091	9
Fringe Benefits	62,850	68,210	65,650	2,560
Purchased Services	543,715	464,843	446,444	18,399
Supplies and Materials	68,367	56,269	47,089	9,180
Miscellaneous	68,690	70,390	66,762	3,628
Total Business	<u>901,752</u>	<u>837,812</u>	<u>804,036</u>	<u>33,776</u>
Operations and Maintenance				
Salaries and Wages	6,651,970	6,794,088	6,720,788	73,300
Fringe Benefits	2,809,750	2,828,250	2,659,433	168,817
Purchased Services	5,749,732	4,863,034	4,706,589	156,445
Supplies and Materials	1,227,256	1,275,217	1,262,344	12,873
Miscellaneous	2,200	2,700	2,659	41
Total Operations and Maintenance	<u>16,440,908</u>	<u>15,763,289</u>	<u>15,351,813</u>	<u>411,476</u>
Pupil Transportation				
Salaries and Wages	6,321,110	6,372,796	6,357,737	15,059
Fringe Benefits	3,025,441	2,897,093	2,855,888	41,205
Purchased Services	887,898	839,008	814,749	24,259
Supplies and Materials	1,914,575	1,891,485	1,875,577	15,908
Miscellaneous	11,210	210	210	-
Total Pupil Transportation	<u>12,160,234</u>	<u>12,000,592</u>	<u>11,904,161</u>	<u>96,431</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, 2013
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Central				
Salaries and Wages	\$ 1,462,080	\$ 1,506,705	\$ 1,503,205	\$ 3,500
Fringe Benefits	670,200	659,852	621,722	38,130
Purchased Services	1,582,381	1,466,484	1,437,838	28,646
Supplies and Materials	33,608	35,728	22,829	12,899
Miscellaneous	7,300	7,820	5,291	2,529
Total Central	<u>3,755,569</u>	<u>3,676,589</u>	<u>3,590,885</u>	<u>85,704</u>
Total Support Services	<u>72,868,072</u>	<u>72,048,309</u>	<u>69,988,734</u>	<u>2,059,575</u>
Food Service				
Purchased Services	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Food Service	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community Services				
Salaries and Wages	104,770	121,190	119,699	1,491
Fringe Benefits	19,710	21,800	21,426	374
Purchased Services	500	-	-	-
Supplies and Materials	3,000	4,000	1,367	2,633
Total Community Services	<u>127,980</u>	<u>146,990</u>	<u>142,492</u>	<u>4,498</u>
Extracurricular Activities				
Salaries and Wages	1,936,050	2,108,410	1,925,297	183,113
Fringe Benefits	401,390	439,340	388,479	50,861
Purchased Services	126,430	507,102	497,081	10,021
Total Extracurricular Activities	<u>2,463,870</u>	<u>3,054,852</u>	<u>2,810,857</u>	<u>243,995</u>
Capital Outlay	<u>1,220,107</u>	<u>1,485,149</u>	<u>1,473,292</u>	<u>11,857</u>
Total Expenditures	<u>207,300,550</u>	<u>206,307,295</u>	<u>202,171,158</u>	<u>4,136,137</u>
Excess of Revenues Over (Under) Expenditures	(2,064,450)	706,005	6,139,322	5,433,317
Other Financing Sources (Uses):				
Transfers - In	76,000	76,000	89,919	13,919
Transfers - Out	(500,000)	(1,850,960)	(1,850,953)	7
Advances - In	1,340,000	1,282,800	1,317,150	34,350
Advances - Out	(1,825,000)	(1,566,676)	(1,566,676)	-
Total Other Financing Sources (Uses)	<u>(909,000)</u>	<u>(2,058,836)</u>	<u>(2,010,560)</u>	<u>48,276</u>
Net Change in Fund Balances	(2,973,450)	(1,352,831)	4,128,762	5,481,593
Fund Balance at Beginning of Year	75,211,899	75,211,899	75,211,899	-
Prior Year Encumbrances Appropriated	3,619,162	3,619,162	3,619,162	-
Fund Balance at End of Year	<u>\$ 75,857,611</u>	<u>\$ 77,478,230</u>	<u>\$ 82,959,823</u>	<u>\$ 5,481,593</u>

*South-Western City School District, Ohio
Required Supplemental Information
For the Fiscal Year Ended June 30, 2013*

BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations and changes in fund balance on the basis of accounting principles generally accepted in the United States of America (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 the General 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 are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Due to the implementation of GASB 54, the Public School Support Fund was reclassified to the General Fund. This fund is not required to be included in the General Fund Budgetary Schedule. Therefore, the activity from this fund is excluded with an adjustment for the change in fund balance.

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

	<u>General</u>
GAAP Basis	\$ (1,373,581)
Adjustments:	
Revenue Accruals	9,222,852
Expenditure Accruals	(5,582,205)
Encumbrances	2,777,438
Activity of Fund Reclassified for	
GAAP Reporting Purposes	(351,878)
Operating Transfers	(249,373)
Advances	(249,526)
Proceeds from Sale of Capital Assets	(64,965)
Budget Basis	\$ 4,128,762

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 12,525,000	\$ 13,337,426	\$ 812,426
Interest	-	1,026	1,026
Other Local Revenue	-	3,722	3,722
Intergovernmental - State	1,891,000	2,005,858	114,858
Intergovernmental - Federal	-	160,159	160,159
Total Revenues	<u>14,416,000</u>	<u>15,508,191</u>	<u>1,092,191</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	268,081	268,081	-
Total Fiscal	<u>268,081</u>	<u>268,081</u>	<u>-</u>
Total Support Services	<u>268,081</u>	<u>268,081</u>	<u>-</u>
Debt Service:			
Principal Retirement	12,190,000	12,190,000	-
Interest and Fiscal Charges	7,205,069	7,205,069	-
Total Expenditures	<u>19,663,150</u>	<u>19,663,150</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(5,247,150)	(4,154,959)	1,092,191
Other Financing Sources:			
Transfers - In	1,012,000	945,795	(66,205)
Total Other Financing Sources	<u>1,012,000</u>	<u>945,795</u>	<u>(66,205)</u>
Net Change in Fund Balances	(4,235,150)	(3,209,164)	1,025,986
Fund Balance at Beginning of Year	10,950,529	10,950,529	-
Fund Balance at End of Year	<u>\$ 6,715,379</u>	<u>\$ 7,741,365</u>	<u>\$ 1,025,986</u>

CAPITAL IMPROVEMENTS FUNDS

The Capital Improvement funds are established to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets. The following are descriptions of each Capital Improvement Fund:

Capital Improvements

To account for and report all resources assigned to permanent improvements as authorized by Section 5705, Revised Code.

Building Fund

To account for the bond proceeds issued to fund the Locally Funded Initiative related to the Ohio Facilities Construction Commission project.

Classroom Facilities

To account for the bond and state grant proceeds in connection with contracts entered into by the District and the Ohio Construction Commission.

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 4,072,000	\$ 3,673,179	\$ (398,821)
Other Local Revenue	75,000	385,842	310,842
Intergovernmental - State	<u>1,032,000</u>	<u>774,793</u>	<u>(257,207)</u>
Total Revenues	<u>5,179,000</u>	<u>4,833,814</u>	<u>(345,186)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	<u>1,003,312</u>	<u>987,754</u>	<u>15,558</u>
Total Regular	<u>1,003,312</u>	<u>987,754</u>	<u>15,558</u>
Vocational			
Purchased Services	<u>66,667</u>	<u>66,667</u>	<u>-</u>
Total Vocational	<u>66,667</u>	<u>66,667</u>	<u>-</u>
Total Instruction	<u>1,069,979</u>	<u>1,054,421</u>	<u>15,558</u>
Support Services:			
Fiscal			
Miscellaneous	<u>83,303</u>	<u>83,303</u>	<u>-</u>
Total Fiscal	<u>83,303</u>	<u>83,303</u>	<u>-</u>
Business			
Purchased Services	<u>142,552</u>	<u>127,374</u>	<u>15,178</u>
Total Business	<u>142,552</u>	<u>127,374</u>	<u>15,178</u>
Central			
Supplies and Materials	<u>35,621</u>	<u>35,621</u>	<u>-</u>
Total Central	<u>35,621</u>	<u>35,621</u>	<u>-</u>
Total Support Services	<u>261,476</u>	<u>246,298</u>	<u>15,178</u>
Capital Outlay	<u>7,408,395</u>	<u>6,894,887</u>	<u>513,508</u>
Total Expenditures	<u>8,739,850</u>	<u>8,195,606</u>	<u>544,244</u>
Net Change in Fund Balances	(3,560,850)	(3,361,792)	199,058
Fund Balance at Beginning of Year	3,763,173	3,763,173	-
Prior Year Encumbrances Appropriated	<u>6,045,426</u>	<u>6,045,426</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 6,247,749</u>	<u>\$ 6,446,807</u>	<u>\$ 199,058</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Building Fund
For the Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ -	\$ 40,728	\$ 40,728
Total Revenues	<u>-</u>	<u>40,728</u>	<u>40,728</u>
Expenditures:			
Capital Outlay	1,675,051	1,099,446	575,605
Debt Service:			
Issuance Costs	<u>155,532</u>	<u>155,532</u>	<u>-</u>
Total Expenditures	<u>1,830,583</u>	<u>1,254,978</u>	<u>575,605</u>
Excess of Revenues Over Expenditures	(1,830,583)	(1,214,250)	616,333
Other Financing Sources (Uses):			
Proceeds from the Sale of Bonds	22,698,093	22,698,093	-
Premium on Sale of Bonds	<u>1,409,794</u>	<u>1,409,794</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>24,107,887</u>	<u>24,107,887</u>	<u>-</u>
Net Change in Fund Balances	22,277,304	22,893,637	616,333
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 22,277,304</u>	<u>\$ 22,893,637</u>	<u>\$ 616,333</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Classroom Facilities Fund
For the Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 3,000	\$ 219,738	\$ 216,738
Intergovernmental - State	124,617,849	7,773,946	(116,843,903)
Total Revenues	<u>124,620,849</u>	<u>7,993,684</u>	<u>(116,627,165)</u>
Expenditures:			
Capital Outlay	248,668,494	66,245,931	182,422,563
Debt Service:			
Issuance Costs	805,490	357,490	448,000
Total Expenditures	<u>249,473,984</u>	<u>66,603,421</u>	<u>182,870,563</u>
Excess of Revenues Over Expenditures	(124,853,135)	(58,609,737)	66,243,398
Other Financing Sources (Uses):			
Proceeds from the Sale of Bonds	117,551,907	117,551,907	-
Premium on Sale of Bonds	7,301,228	7,301,228	-
Total Other Financing Sources (Uses)	<u>124,853,135</u>	<u>124,853,135</u>	<u>-</u>
Net Change in Fund Balances	-	66,243,398	66,243,398
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 66,243,398</u>	<u>\$ 66,243,398</u>

NONMAJOR 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. For GAAP reporting purposes, this fund is reported as part of the General Fund in accordance with GASB Statement No. 54; however, for budgetary reporting purposes this fund is included with the Special Revenue Funds.

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.

District Managed Student Activities

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, Early Childhood Education, and Alternative Education.

Jobs Grant

To account for federal funds used to assist states in providing an appropriate public education for all children.

Federal Grants

To account for federal grant programs which include: Adult Basic Education, Title I, Title I-School Improvement, Title II-A, Title II-D, Title III, Title IV, Title V, IDEA B, IDEA, Perkins, Head Start, Refugee Children, and Various ARRA programs.

Food Service

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

Classroom Facilities Maintenance

To account for and report property taxes restricted to expenditures for the maintenance and upkeep of classroom facilities.

South-Western City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	<u>Other Grants</u>	<u>District Managed Student Activities</u>	<u>All State Grants</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash			
Equivalents	\$ 318,381	\$ 795,123	\$ 317,809
Receivable:			
Taxes - Current	-	-	-
Accounts	-	-	-
Intergovernmental	-	-	36,066
Materials and Supplies Inventory	-	14,066	-
Total Assets	<u>\$ 318,381</u>	<u>\$ 809,189</u>	<u>\$ 353,875</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 6,584	\$ 28,351	\$ 83,943
Accrued Wages and Benefits	1,491	-	77,996
Interfund Loans Payable	-	-	15,316
Total Liabilities	<u>8,075</u>	<u>28,351</u>	<u>177,255</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes not Levied to Finance			
Current Year Operations	-	-	-
State and Federal Grant Revenue Not Received	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balance:</u>			
Nonspendable	-	14,066	-
Restricted	310,306	766,772	176,620
Unassigned (Deficit)	-	-	-
Total Fund Balances	<u>310,306</u>	<u>780,838</u>	<u>176,620</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 318,381</u>	<u>\$ 809,189</u>	<u>\$ 353,875</u>

<u>Federal Grants</u>	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Total Nonmajor Funds</u>
\$ 927,145	\$ 1,445,422	\$ 683,079	\$ 4,486,959
-	-	683,079	683,079
-	3,576	-	3,576
4,872,463	719,388	-	5,627,917
-	118,008	-	132,074
<u>\$ 5,799,608</u>	<u>\$ 2,286,394</u>	<u>\$ 1,366,158</u>	<u>\$ 10,933,605</u>
\$ 674,566	\$ 22,764	\$ -	\$ 816,208
1,407,389	368,281	-	1,855,157
1,551,360	-	-	1,566,676
<u>3,633,315</u>	<u>391,045</u>	<u>-</u>	<u>4,238,041</u>
-	-	683,079	683,079
2,066,241	-	-	2,066,241
<u>2,066,241</u>	<u>-</u>	<u>683,079</u>	<u>2,749,320</u>
-	118,008	-	132,074
311,552	1,777,341	683,079	4,025,670
(211,500)	-	-	(211,500)
<u>100,052</u>	<u>1,895,349</u>	<u>683,079</u>	<u>3,946,244</u>
<u>\$ 5,799,608</u>	<u>\$ 2,286,394</u>	<u>\$ 1,366,158</u>	<u>\$ 10,933,605</u>

South-Western City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013

	<u>Other Grants</u>	<u>District Managed Student Activities</u>	<u>All State Grants</u>
Revenues:			
Local:			
Taxes	\$ -	\$ -	\$ -
Tuition	7,911	-	-
Interest	-	-	882
Other Local Revenue	54,149	1,195,517	-
Intergovernmental - State	-	-	1,545,764
Intergovernmental - Federal	-	-	-
Total Revenues	<u>62,060</u>	<u>1,195,517</u>	<u>1,546,646</u>
Current:			
Instruction:			
Regular	103,159	1,787	183,149
Special	12,796	-	94,494
Vocational	655	-	-
Other	34,684	-	274
Support Services:			
Pupil	50,340	-	4,233
Instructional Staff	128,922	33,096	3,330
Administration	-	972	11,716
Fiscal	-	-	44,472
Operations and Maintenance	-	-	24,106
Pupil Transportation	-	-	-
Central	-	-	55,800
Food Service	-	-	-
Community Services	750	-	1,004,308
Extracurricular Activities	9,376	1,123,031	-
Capital Outlay	19,695	37,155	262,563
Total Expenditures	<u>360,377</u>	<u>1,196,041</u>	<u>1,688,445</u>
Excess of Revenues Over (Under) Expenditures	(298,317)	(524)	(141,799)
Other Financing Sources:			
Transfers - In	325,000	19,425	-
Total Other Financing Sources	<u>325,000</u>	<u>19,425</u>	<u>-</u>
Net Change in Fund Balance	26,683	18,901	(141,799)
Fund Balances at Beginning of Year	283,623	761,937	318,419
Fund Balances at End of Year	<u>\$ 310,306</u>	<u>\$ 780,838</u>	<u>\$ 176,620</u>

<u>JOBS Grant</u>	<u>Federal Grants</u>	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Total Nonmajor Funds</u>
\$ -	\$ -	\$ -	\$ 461,791	\$ 461,791
-	-	-	-	7,911
-	-	1,473	-	2,355
-	-	2,765,508	-	4,015,174
-	-	133,483	221,288	1,900,535
-	14,814,257	6,070,092	-	20,884,349
-	14,814,257	8,970,556	683,079	27,272,115
-	26,924	-	-	315,019
-	5,733,148	-	-	5,840,438
-	488,515	-	-	489,170
-	260,183	-	-	295,141
-	1,443,732	-	-	1,498,305
3,396	5,089,100	-	-	5,257,844
-	885,527	953	-	899,168
-	227,161	-	-	271,633
-	195,123	157,119	-	376,348
-	6,228	-	-	6,228
-	-	-	-	55,800
-	-	8,365,996	-	8,365,996
-	169,551	-	-	1,174,609
-	-	-	-	1,132,407
-	521,479	10,306	-	851,198
3,396	15,046,671	8,534,374	-	26,829,304
(3,396)	(232,414)	436,182	683,079	442,811
-	-	-	-	344,425
-	-	-	-	344,425
(3,396)	(232,414)	436,182	683,079	787,236
3,396	332,466	1,459,167	-	3,159,008
\$ -	\$ 100,052	\$ 1,895,349	\$ 683,079	\$ 3,946,244

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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 83,000	\$ 101,105	\$ 18,105
Other Local Revenue	1,192,500	1,363,547	171,047
Intergovernmental - State	13,000	15,270	2,270
Total Revenues	<u>1,288,500</u>	<u>1,479,922</u>	<u>191,422</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	15,418	9,044	6,374
Fringe Benefits	3,482	1,495	1,987
Purchased Services	52,996	42,803	10,193
Supplies and Materials	918,196	589,112	329,084
Total Regular	<u>990,092</u>	<u>642,454</u>	<u>347,638</u>
Special			
Salaries and Wages	50	50	-
Fringe Benefits	8	8	-
Purchased Services	2,362	442	1,920
Supplies and Materials	165,521	43,259	122,262
Miscellaneous	210	157	53
Total Special	<u>168,151</u>	<u>43,916</u>	<u>124,235</u>
Vocational			
Salaries and Wages	1,670	1,620	50
Fringe Benefits	300	268	32
Purchased Services	10,190	7,108	3,082
Supplies and Materials	23,735	17,942	5,793
Total Vocational	<u>35,895</u>	<u>26,938</u>	<u>8,957</u>
Other			
Salaries and Wages	9,736	8,204	1,532
Fringe Benefits	1,800	1,356	444
Purchased Services	300	55	245
Supplies and Materials	6,430	5,003	1,427
Total Other	<u>18,266</u>	<u>14,618</u>	<u>3,648</u>
Total Instruction	<u>1,212,404</u>	<u>727,926</u>	<u>484,478</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, 2013
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Salaries and Wages	\$ 669	\$ 569	\$ 100
Fringe Benefits	93	93	-
Purchased Services	12,077	7,777	4,300
Supplies and Materials	230,360	172,066	58,294
Miscellaneous	3,000	3,000	-
Total Pupil	<u>246,199</u>	<u>183,505</u>	<u>62,694</u>
Instructional Staff			
Salaries and Wages	41,002	25,090	15,912
Fringe Benefits	6,556	4,039	2,517
Purchased Services	43,400	15,623	27,777
Supplies and Materials	35,102	19,154	15,948
Total Instructional Staff	<u>126,060</u>	<u>63,906</u>	<u>62,154</u>
Administration			
Purchased Services	73,922	30,123	43,799
Supplies and Materials	183,387	109,673	73,714
Miscellaneous	3,215	1,396	1,819
Total Administration	<u>260,524</u>	<u>141,192</u>	<u>119,332</u>
Total Support Services	<u>632,783</u>	<u>388,603</u>	<u>244,180</u>
Community Services			
Supplies and Materials	<u>1,550</u>	<u>1,500</u>	<u>50</u>
Total Community Services	<u>1,550</u>	<u>1,500</u>	<u>50</u>
Extracurricular Activities			
Salaries and Wages	24,792	24,285	507
Fringe Benefits	4,132	4,001	131
Purchased Services	438,441	422,599	15,842
Supplies and Materials	40,947	31,800	9,147
Miscellaneous	3,156	1,755	1,401
Total Extracurricular Activities	<u>511,468</u>	<u>484,440</u>	<u>27,028</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, 2013
(continued)

	Final Budget	Actual	Variance
Miscellaneous	\$ 5,583	\$ 2,589	\$ 2,994
Capital Outlay	119,439	56,805	62,634
Total Expenditures	<u>2,483,227</u>	<u>1,661,863</u>	<u>821,364</u>
Excess of Revenues Over (Under) Expenditures	(1,194,727)	(181,941)	1,012,786
Other Financing Sources:			
Transfers - In	168,000	221,441	53,441
Total Other Financing Sources	<u>168,000</u>	<u>221,441</u>	<u>53,441</u>
Net Change in Fund Balance	(1,026,727)	39,500	1,066,227
Fund Balance at Beginning of Year	995,805	995,805	-
Prior Year Encumbrances Appropriated	80,441	80,441	-
Fund Balance at End of Year	<u>\$ 49,519</u>	<u>\$ 1,115,746</u>	<u>\$ 1,066,227</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 7,911	\$ 7,911	\$ -
Other Local Revenue	56,308	54,308	(2,000)
Total Revenues	<u>64,219</u>	<u>62,219</u>	<u>(2,000)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	30,439	11,860	18,579
Supplies and Materials	160,344	95,299	65,045
Total Regular	<u>190,783</u>	<u>107,159</u>	<u>83,624</u>
Special			
Salaries and Wages	7,945	6,933	1,012
Fringe Benefits	2,946	2,507	439
Supplies and Materials	16,807	2,177	14,630
Total Special	<u>27,698</u>	<u>11,617</u>	<u>16,081</u>
Vocational			
Supplies and Materials	1,325	655	670
Total Vocational	<u>1,325</u>	<u>655</u>	<u>670</u>
Other			
Salaries and Wages	46,311	29,779	16,532
Fringe Benefits	9,720	4,903	4,817
Total Other	<u>56,031</u>	<u>34,682</u>	<u>21,349</u>
Total Instruction	<u>275,837</u>	<u>154,113</u>	<u>121,724</u>
Support Services:			
Pupil			
Salaries and Wages	46,997	30,090	16,907
Fringe Benefits	8,084	4,917	3,167
Purchased Services	1,569	1,131	438
Supplies and Materials	30,767	15,106	15,661
Total Pupil	<u>87,417</u>	<u>51,244</u>	<u>36,173</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, 2013
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	\$ 131,577	\$ 99,277	\$ 32,300
Fringe Benefits	22,515	16,468	6,047
Purchased Services	27,884	12,608	15,276
Supplies and Materials	8,702	7,040	1,662
Total Instructional Staff	<u>190,678</u>	<u>135,393</u>	<u>55,285</u>
Total Support Services	<u>278,095</u>	<u>186,637</u>	<u>91,458</u>
Community Services			
Miscellaneous	<u>750</u>	<u>750</u>	<u>-</u>
Total Community Services	<u>750</u>	<u>750</u>	<u>-</u>
Extracurricular Activities			
Salaries and Wages	11,505	8,048	3,457
Fringe Benefits	1,903	1,328	575
Total Extracurricular Activities	<u>13,408</u>	<u>9,376</u>	<u>4,032</u>
Miscellaneous	159	159	-
Capital Outlay	43,442	20,945	22,497
Total Expenditures	<u>611,691</u>	<u>371,980</u>	<u>239,711</u>
Excess of Revenues Over (Under) Expenditures	(547,472)	(309,761)	237,711
Other Financing Sources:			
Transfer - In	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Total Other Financing Sources	<u>325,000</u>	<u>325,000</u>	<u>-</u>
Net Change in Fund Balance	(222,472)	15,239	237,711
Fund Balance at Beginning of Year	272,092	272,092	-
Prior Year Encumbrances Appropriated	17,420	17,420	-
Fund Balance at End of Year	<u>\$ 67,040</u>	<u>\$ 304,751</u>	<u>\$ 237,711</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
District Managed Student Activities Fund
For the Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 1,231,000	\$ 1,199,995	\$ (31,005)
Total Revenues	<u>1,231,000</u>	<u>1,199,995</u>	<u>(31,005)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	858	858	-
Fringe Benefits	142	142	-
Purchased Services	838	285	553
Supplies and Materials	502	502	-
Total Regular	<u>2,340</u>	<u>1,787</u>	<u>553</u>
Total Instruction	<u>2,340</u>	<u>1,787</u>	<u>553</u>
Support Services:			
Instructional Staff			
Purchased Services	4,605	4,505	100
Supplies and Materials	36,615	28,591	8,024
Total Instructional Staff	<u>41,220</u>	<u>33,096</u>	<u>8,124</u>
Administration			
Purchased Services	2,371	1,771	600
Total Administration	<u>2,371</u>	<u>1,771</u>	<u>600</u>
Total Support Services	<u>43,591</u>	<u>34,867</u>	<u>8,724</u>
Extracurricular Activities			
Salaries and Wages	41,045	36,365	4,680
Fringe Benefits	7,075	5,945	1,130
Purchased Services	443,942	376,916	67,026
Supplies and Materials	983,867	722,269	261,598
Miscellaneous	1,580	509	1,071
Total Extracurricular Activities	<u>1,477,509</u>	<u>1,142,004</u>	<u>335,505</u>
Miscellaneous	1,222	1,222	-
Capital Outlay	200,845	37,455	163,390
Total Expenditures	<u>1,725,507</u>	<u>1,217,335</u>	<u>508,172</u>

(continued)

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 District Managed Student Activities Fund
 For the Fiscal Year Ended June 30, 2013
 (continued)

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	\$ (494,507)	\$ (17,340)	\$ 477,167
Other Financing Sources (Uses):			
Transfers - In	20,000	19,425	(575)
Advances - Out	-	(20,582)	20,582
Total Other Financing Sources (Uses)	<u>20,000</u>	<u>(1,157)</u>	<u>20,007</u>
Net Change in Fund Balances	(474,507)	(18,497)	497,174
Fund Balance at Beginning of Year	735,505	735,505	-
Prior Year Encumbrances Appropriated	38,469	38,469	-
Fund Balance at End of Year	<u>\$ 299,467</u>	<u>\$ 755,477</u>	<u>\$ 497,174</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 882	\$ 882	-
Intergovernmental - State	1,575,264	1,539,198	(36,066)
Total Revenues	<u>1,576,146</u>	<u>1,540,080</u>	<u>(36,066)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	188,617	184,636	3,981
Total Regular	<u>188,617</u>	<u>184,636</u>	<u>3,981</u>
Special			
Salaries and Wages	75,674	66,314	9,360
Fringe Benefits	30,621	26,608	4,013
Purchased Services	135	115	20
Supplies and Materials	2,281	2,160	121
Total Special	<u>108,711</u>	<u>95,197</u>	<u>13,514</u>
Other			
Supplies and Materials	300	274	26
Total Other	<u>300</u>	<u>274</u>	<u>26</u>
Total Instruction	<u>297,628</u>	<u>280,107</u>	<u>17,521</u>
Support Services:			
Pupil			
Salaries and Wages	3,457	2,960	497
Fringe Benefits	572	489	83
Purchased Services	220	166	54
Supplies and Materials	600	597	3
Total Pupil	<u>4,849</u>	<u>4,212</u>	<u>637</u>
Instructional Staff			
Purchased Services	3,344	3,330	14
Total Instructional Staff	<u>3,344</u>	<u>3,330</u>	<u>14</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, 2013
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Administration			
Salaries and Wages	\$ 8,951	\$ 7,488	\$ 1,463
Fringe Benefits	3,167	2,757	410
Purchased Services	486	476	10
Supplies and Materials	1,500	1,469	31
Total Administration	<u>14,104</u>	<u>12,190</u>	<u>1,914</u>
Fiscal			
Miscellaneous	85,446	44,472	40,974
Total Fiscal	<u>85,446</u>	<u>44,472</u>	<u>40,974</u>
Operations and Maintenance			
Salaries and Wages	16,805	16,594	211
Fringe Benefits	7,895	7,439	456
Purchased Services	65	65	-
Total Operations and Maintenance	<u>24,765</u>	<u>24,098</u>	<u>667</u>
Central			
Purchased Services	55,800	55,800	-
Total Central	<u>55,800</u>	<u>55,800</u>	<u>-</u>
Total Support Services	<u>188,308</u>	<u>144,102</u>	<u>44,206</u>
Community Services			
Salaries and Wages	449,600	380,445	69,155
Fringe Benefits	102,478	87,494	14,984
Purchased Services	102,019	94,270	7,749
Supplies and Materials	547,298	468,419	78,879
Total Community Services	<u>1,201,395</u>	<u>1,030,628</u>	<u>170,767</u>
Capital Outlay	267,318	266,244	1,074
Total Expenditures	<u>1,954,649</u>	<u>1,721,081</u>	<u>233,568</u>
Excess of Revenues Over (Under) Expenditures	(378,503)	(181,001)	197,502 (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, 2013
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Advances - In	\$ -	\$ 15,316	\$ 15,316
Advances - Out	-	(12,489)	(12,489)
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,827</u>	<u>2,827</u>
Net Change in Fund Balances	(378,503)	(178,174)	200,329
Fund Balance at Beginning of Year	373,134	373,134	-
Prior Year Encumbrances Appropriated	17,854	17,854	-
Fund Balance at End of Year	<u>\$ 12,485</u>	<u>\$ 212,814</u>	<u>\$ 200,329</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
JOBS Grant Fund
For the Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental - Federal	\$ 60,982	\$ 60,982	\$ -
Total Revenues	<u>60,982</u>	<u>60,982</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Pupil			
Salaries and Wages	20,000	20,000	-
Fringe Benefits	<u>6,704</u>	<u>6,704</u>	<u>-</u>
Total Pupil	<u>26,704</u>	<u>26,704</u>	<u>-</u>
Total Expenditures	<u>26,704</u>	<u>26,704</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	34,278	34,278	-
Other Financing Uses:			
Advances - Out	<u>-</u>	<u>(34,279)</u>	<u>(34,279)</u>
Total Other Financing Uses	<u>-</u>	<u>(34,279)</u>	<u>(34,279)</u>
Net Change in Fund Balances	34,278	(1)	(34,279)
Fund Balance at Beginning of Year	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 34,279</u>	<u>\$ -</u>	<u>\$ (34,279)</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Federal Grants Fund
For the Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental - Federal	\$ 19,138,556	\$ 14,229,410	\$ (4,909,146)
Total Revenues	<u>19,138,556</u>	<u>14,229,410</u>	<u>(4,909,146)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	7,275	7,275	-
Fringe Benefits	1,199	1,199	-
Supplies and Materials	18,450	18,450	-
Total Regular	<u>26,924</u>	<u>26,924</u>	<u>-</u>
Special			
Salaries and Wages	4,790,790	4,117,474	673,316
Fringe Benefits	1,649,777	1,397,771	252,006
Purchased Services	21,983	20,166	1,817
Supplies and Materials	160,678	156,366	4,312
Total Special	<u>6,623,228</u>	<u>5,691,777</u>	<u>931,451</u>
Vocational			
Salaries and Wages	325,733	284,015	41,718
Fringe Benefits	90,680	78,423	12,257
Purchased Services	71,899	71,898	1
Supplies and Materials	55,102	55,102	-
Total Vocational	<u>543,414</u>	<u>489,438</u>	<u>53,976</u>
Other			
Salaries and Wages	191,833	191,833	-
Fringe Benefits	31,680	31,680	-
Supplies and Materials	38,055	37,958	97
Total Other	<u>261,568</u>	<u>261,471</u>	<u>97</u>
Total Instruction	<u>7,455,134</u>	<u>6,469,610</u>	<u>985,524</u>

(continued)

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Federal Grants Fund
For the Fiscal Year Ended June 30, 2013
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Salaries and Wages	\$ 631,999	\$ 548,051	\$ 83,948
Fringe Benefits	232,570	200,914	31,656
Purchased Services	542,311	501,128	41,183
Supplies and Materials	341,509	329,537	11,972
Miscellaneous	2,000	2,000	-
Total Pupil	<u>1,750,389</u>	<u>1,581,630</u>	<u>168,759</u>
Instructional Staff			
Salaries and Wages	5,154,876	3,661,761	1,493,115
Fringe Benefits	1,621,167	1,260,852	360,315
Purchased Services	256,128	225,332	30,796
Supplies and Materials	122,847	111,040	11,807
Miscellaneous	5,862	3,838	2,024
Total Instructional Staff	<u>7,160,880</u>	<u>5,262,823</u>	<u>1,898,057</u>
Administration			
Salaries and Wages	707,125	641,172	65,953
Fringe Benefits	261,286	234,758	26,528
Purchased Services	8,574	8,524	50
Supplies and Materials	2,845	2,845	-
Miscellaneous	2,165	2,165	-
Total Administration	<u>981,995</u>	<u>889,464</u>	<u>92,531</u>
Fiscal			
Miscellaneous	348,440	227,161	121,279
Total Fiscal	<u>348,440</u>	<u>227,161</u>	<u>121,279</u>
Operations and Maintenance			
Salaries and Wages	137,136	127,466	9,670
Fringe Benefits	51,249	45,700	5,549
Purchased Services	27,729	27,276	453
Supplies and Materials	18,119	18,119	-
Total Operations and Maintenance	<u>234,233</u>	<u>218,561</u>	<u>15,672</u>
Pupil Transportation			
Purchased Services	45,284	45,284	-
Total Pupil Transportation	<u>45,284</u>	<u>45,284</u>	<u>-</u>
Total Support Services	<u>10,521,221</u>	<u>8,224,923</u>	<u>2,296,298</u>

(continued)

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Federal Grants Funds
For the Fiscal Year Ended June 30, 2013
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Community Services			
Salaries and Wages	\$ 84,026	\$ 77,556	\$ 6,470
Fringe Benefits	23,100	17,786	5,314
Purchased Services	158,851	40,880	117,971
Supplies and Materials	44,336	41,347	2,989
Total Community Services	<u>310,313</u>	<u>177,569</u>	<u>132,744</u>
Capital Outlay	<u>561,226</u>	<u>558,724</u>	<u>2,502</u>
Total Expenditures	<u>18,847,894</u>	<u>15,430,826</u>	<u>3,417,068</u>
Excess of Revenues Over (Under) Expenditures	290,662	(1,201,416)	(1,492,078)
Other Financing Sources (Uses):			
Advances - In	-	1,551,360	1,551,360
Advances - Out	-	(490,352)	(490,352)
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,061,008</u>	<u>1,061,008</u>
Net Change in Fund Balances	290,662	(140,408)	(431,070)
Fund Balance at Beginning of Year	5	5	-
Prior Year Encumbrances Appropriated	199,684	199,684	-
Fund Balance at End of Year	<u>\$ 490,351</u>	<u>\$ 59,281</u>	<u>\$ (431,070)</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, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 1,000	\$ 1,473	\$ 473
Other Local Revenue	2,723,000	2,250,379	(472,621)
Intergovernmental - State	127,000	133,483	6,483
Intergovernmental - Federal	<u>5,691,420</u>	<u>6,014,801</u>	<u>323,381</u>
Total Revenues	<u>8,542,420</u>	<u>8,400,136</u>	<u>(142,284)</u>
Expenditures:			
Current:			
Support Services:			
Administration			
Purchased Services	<u>1,529</u>	<u>1,373</u>	<u>156</u>
Total Administration	<u>1,529</u>	<u>1,373</u>	<u>156</u>
Operations and Maintenance			
Purchased Services	<u>164,700</u>	<u>157,119</u>	<u>7,581</u>
Total Operations and Maintenance	<u>164,700</u>	<u>157,119</u>	<u>7,581</u>
Total Support Services	<u>166,229</u>	<u>158,492</u>	<u>7,737</u>
Community Services			
Salaries and Wages	3,350,460	3,148,714	201,746
Fringe Benefits	1,433,870	1,371,026	62,844
Purchased Services	211,362	181,938	29,424
Supplies and Materials	3,359,240	3,203,501	155,739
Miscellaneous	<u>500</u>	<u>273</u>	<u>227</u>
Total Community Services	<u>8,355,432</u>	<u>7,905,452</u>	<u>449,980</u>
Capital Outlay	<u>48,300</u>	<u>10,306</u>	<u>37,994</u>
Total Expenditures	<u>8,569,961</u>	<u>8,074,250</u>	<u>495,711</u>
Net Change in Fund Balances	(27,541)	325,886	353,427
Fund Balance at Beginning of Year	1,055,156	1,055,156	-
Prior Year Encumbrances Appropriated	<u>27,541</u>	<u>27,541</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,055,156</u>	<u>\$ 1,408,583</u>	<u>\$ 353,427</u>

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Classroom Facilities Maintenance Fund
 For the Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 461,791	\$ 461,791	\$ -
Intergovernmental - State	221,288	221,288	-
Total Revenues	<u>683,079</u>	<u>683,079</u>	<u>-</u>
Expenditures:			
Current:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	683,079	683,079	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ 683,079</u>	<u>\$ 683,079</u>	<u>\$ -</u>

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INTERNAL SERVICE FUND

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 health and 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.

South-Western City School District
Schedule of Revenues, Expenses and
Changes in Fund Net Position - Budget (Non-GAAP) and Actual
Health Self Insurance Fund
For the Fiscal Year Ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	Variance
Revenues:			
Charges for Services	\$ 20,743,680	\$ 20,643,391	\$ (100,289)
Charges for Employees	4,856,320	4,832,656	(23,664)
Total Revenues	<u>25,600,000</u>	<u>25,476,047</u>	<u>(123,953)</u>
Expenses:			
Salaries and Wages	505,511	505,503	8
Fringe Benefits	12,569	12,553	16
Purchased Services	<u>25,783,383</u>	<u>24,038,531</u>	<u>1,744,852</u>
Total Expenses	<u>26,301,463</u>	<u>24,556,587</u>	<u>1,744,876</u>
Changes in Net Position	(701,463)	919,460	1,620,923
Net Position at Beginning of Year	8,689,407	8,689,407	-
Prior Year Encumbrances Appropriated	<u>793,863</u>	<u>793,863</u>	<u>-</u>
Net Position at End of Year	<u>\$ 8,781,807</u>	<u>\$ 10,402,730</u>	<u>\$ 1,620,923</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.

South-Western City School District
 Combining Balance Sheet
 All Agency Funds
 June 30, 2013

	<u>Student Activity</u>	<u>District Agency</u>	<u>Total</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 269,786	\$ 3,450,195	\$ 3,719,981
Receivables:			
Accounts	1,431	177,988	179,419
Intergovernmental	-	380,801	380,801
Total Assets	<u>\$ 271,217</u>	<u>\$ 4,008,984</u>	<u>\$ 4,280,201</u>
 <u>Liabilities:</u>			
Accounts Payable	\$ 7,511	\$ 5,014	\$ 12,525
Due to Other Governments	-	925,553	925,553
Undistributed Money	263,706	3,078,417	3,342,123
Total Liabilities	<u>\$ 271,217</u>	<u>\$ 4,008,984</u>	<u>\$ 4,280,201</u>

South-Western City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2013

	Beginning Balance <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2013</u>
<u>Student Activity:</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 298,144	\$ 415,776	\$ 444,134	\$ 269,786
Receivable:				
Accounts	4,402	1,431	4,402	1,431
Total Assets	<u>\$ 302,546</u>	<u>\$ 417,207</u>	<u>\$ 448,536</u>	<u>\$ 271,217</u>
Liabilities:				
Accounts Payable	\$ 22,217	\$ 7,511	\$ 22,217	\$ 7,511
Undistributed Money	280,329	409,696	426,319	263,706
Total Liabilities	<u>\$ 302,546</u>	<u>\$ 417,207</u>	<u>\$ 448,536</u>	<u>\$ 271,217</u>
<u>District Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 3,382,143	\$ 16,615,447	\$ 16,547,395	\$ 3,450,195
Receivable:				
Accounts	179,401	177,988	179,401	177,988
Intergovernmental	-	380,801	-	380,801
Total Assets	<u>\$ 3,561,544</u>	<u>\$ 17,174,236</u>	<u>\$ 16,726,796</u>	<u>\$ 4,008,984</u>
Liabilities:				
Accounts Payable	\$ 10,182	\$ 5,014	\$ 10,182	\$ 5,014
Due to Other Governments	907,296	925,553	907,296	925,553
Undistributed Money	2,644,066	16,243,669	15,809,318	3,078,417
Total Liabilities	<u>\$ 3,561,544</u>	<u>\$ 17,174,236</u>	<u>\$ 16,726,796</u>	<u>\$ 4,008,984</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 3,680,287	\$ 17,031,223	\$ 16,991,529	\$ 3,719,981
Receivable:				
Accounts	183,803	179,419	183,803	179,419
Intergovernmental	-	380,801	-	380,801
Total Assets	<u>\$ 3,864,090</u>	<u>\$ 17,591,443</u>	<u>\$ 17,175,332</u>	<u>\$ 4,280,201</u>
Liabilities:				
Accounts Payable	\$ 32,399	\$ 12,525	\$ 32,399	\$ 12,525
Due to Other Governments	907,296	925,553	907,296	925,553
Undistributed Money	2,924,395	16,653,365	16,235,637	3,342,123
Total Liabilities	<u>\$ 3,864,090</u>	<u>\$ 17,591,443</u>	<u>\$ 17,175,332</u>	<u>\$ 4,280,201</u>

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Statistical Section

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STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	104
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	114
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	122
<u>Operating Information</u> These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	128
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	139

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 for the year ended June 30, 2002; schedules presenting government-wide information include information beginning in that year.

South-Western City School District
 Net Position by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Governmental Activities				
Net Investment in Capital Assets	\$ 73,224,817	\$ 59,024,319	\$ 50,483,110	\$ 44,612,781
Restricted	288,281,477	38,270,638	45,063,166	28,128,813
Unrestricted	(39,368,459)	102,607,157	72,890,740	57,067,078
Total Governmental Activities Net Position	<u>\$ 322,137,835</u>	<u>\$ 199,902,114</u>	<u>\$ 168,437,016</u>	<u>\$ 129,808,672</u>

Source: School District Comprehensive Annual Financial Report

<u>Fiscal 2009</u>	<u>Fiscal 2008</u>	<u>Fiscal 2007</u>	<u>Fiscal 2006</u>	<u>Fiscal 2005</u>	<u>Fiscal 2004</u>
\$ 40,527,577	\$ 34,413,508	\$ 27,802,364	\$ 29,644,575	\$ 33,551,196	\$ 32,771,331
23,493,846	22,761,533	17,692,309	12,886,527	9,068,727	9,670,710
32,825,649	22,787,305	23,853,095	(8,326,148)	1,229,883	17,774,437
<u>\$ 96,847,072</u>	<u>\$ 79,962,346</u>	<u>\$ 69,347,768</u>	<u>\$ 34,204,954</u>	<u>\$ 43,849,806</u>	<u>\$ 60,216,478</u>

South-Western City School District
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
Governmental Activities:				
Instruction:				
Regular	\$ 102,766,386	\$ 101,677,915	\$ 98,991,909	\$ 99,541,915
Special	32,721,653	31,207,794	30,607,426	28,566,712
Vocational	6,268,512	6,069,817	6,508,952	6,387,286
Other	983,567	917,499	997,663	971,222
Support Services:				
Pupil	10,582,567	10,258,396	10,440,174	10,157,786
Instructional Staff	14,851,375	15,611,841	16,956,180	17,532,453
Board of Education	38,433	35,875	36,274	43,974
Administration	15,025,637	15,677,734	16,031,146	15,717,538
Fiscal	3,970,157	3,634,551	3,505,319	3,498,071
Business	820,483	883,314	862,888	861,465
Operations and Maintenance	16,488,459	16,496,886	16,023,962	17,219,782
Pupil Transportation	12,706,181	12,371,791	11,832,057	11,466,296
Central	7,983,879	6,659,541	4,584,027	6,094,728
Food Service	8,404,080	8,388,222	8,395,557	8,340,945
Community Services	1,620,950	1,520,689	1,842,104	1,498,385
Extracurricular Activities	4,604,650	4,052,430	4,331,911	2,376,629
Shared Services	101,502	-	-	-
Interest and Fiscal Charges	8,241,288	3,568,207	3,601,621	4,032,517
Total Governmental Activities Expenses	<u>\$ 248,179,759</u>	<u>\$ 239,032,502</u>	<u>\$ 235,549,170</u>	<u>\$ 234,307,704</u>

Source: School District Comprehensive Annual Financial Report

(1) Restated to reflect change in accounting principal. Capitalization criteria changed from \$1,000 to \$5,000. Information is not available to restate previous years

			(Restated) (1)		
Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
\$ 99,472,506	\$ 92,884,468	\$ 91,155,349	\$ 96,226,789	\$ 89,164,246	\$ 82,081,703
26,318,268	24,665,611	25,337,011	23,014,050	22,254,484	20,041,211
6,386,202	6,229,106	6,283,046	7,170,672	6,544,444	6,665,313
2,835,918	2,521,547	1,054,636	1,058,537	393,079	394,006
9,255,581	8,423,846	8,011,862	8,057,563	8,184,349	7,326,436
14,963,463	14,006,287	13,972,865	19,252,242	18,230,029	16,854,642
53,816	59,840	51,971	268,724	364,457	401,151
15,407,715	15,895,145	15,618,324	15,667,633	14,662,677	13,688,663
3,460,086	3,326,319	3,626,102	3,321,790	2,684,904	3,030,493
961,685	920,806	666,937	1,203,141	1,020,572	1,122,396
16,666,018	15,983,374	14,711,400	16,144,129	15,922,071	15,802,554
11,894,384	11,398,807	10,908,037	12,957,996	11,993,324	10,786,583
8,723,626	4,002,153	3,517,936	4,364,987	4,386,542	4,837,026
8,609,997	8,084,601	7,769,587	8,143,737	7,860,418	7,311,356
1,803,117	1,316,649	1,926,744	1,445,270	1,649,082	1,399,643
3,878,853	3,897,530	3,996,761	3,826,852	3,661,136	3,648,003
-	-	-	-	-	-
4,692,127	5,468,524	5,486,093	7,271,315	7,907,100	8,309,541
<u>\$ 235,383,362</u>	<u>\$ 219,084,613</u>	<u>\$ 214,094,661</u>	<u>\$ 229,395,427</u>	<u>\$ 216,882,914</u>	<u>\$ 203,700,720</u>

South-Western City School District
Changes in Net Position (continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal 2013	Fiscal 2012	Fiscal 2011
Program Revenue:			
Governmental Activities:			
Charges for Services and Sales			
Instruction:			
Regular	\$ 127,137	\$ 161,894	\$ 165,561
Special	-	-	-
Vocational	77,472	114,619	116,529
Other	19,098	17,457	17,486
Support Services:			
Instructional Staff	-	-	-
Administration	953	958	1,037
Operations and Maintenance	157,119	165,620	163,785
Pupil Transportation	566,411	414,153	435,277
Food Service	2,160,948	2,468,329	2,914,191
Community Services	16,907	15,808	15,317
Extracurricular Activities	939,040	904,857	1,115,825
Operating Grants, Contributions and Interest	32,737,457	33,141,879	36,908,180
Total Governmental Activities Program Revenues	<u>\$ 36,802,542</u>	<u>\$ 37,405,574</u>	<u>\$ 41,853,188</u>
Net (Expenses)/Revenue			
Governmental Activities	<u>\$ (211,377,217)</u>	<u>\$ (201,626,928)</u>	<u>\$ (193,695,982)</u>
General Revenues and Other Changes in Net Position			
General Revenues:			
Property Taxes Levied for:			
General Purposes	81,312,729	95,303,398	95,084,630
Debt Service	11,717,816	13,722,961	12,143,490
Capital Improvement	3,155,717	4,177,603	3,954,430
Classroom Facilities	461,791	-	-
Payments in Lieu of Taxes	2,039,592	1,021,635	2,446,398
Ohio Facility Construction Commission Grant	124,047,645	-	-
Grants and Entitlements not Restricted to Specific Programs	102,290,500	109,682,717	111,373,088
Interest	266,483	287,852	344,720
Other Local Revenues	10,206,218	8,895,860	6,977,570
Total Governmental Activities	<u>335,498,491</u>	<u>233,092,026</u>	<u>232,324,326</u>
Changes in Net Position	<u>\$ 124,121,274</u>	<u>\$ 31,465,098</u>	<u>\$ 38,628,344</u>

Source: School District Comprehensive Annual Financial Report

(1) Restated to reflect change in accounting principal. Capitalization criteria changed from \$1,000 to \$5,000.
Information is not available to restate previous years

Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	(Restated) (1) Fiscal 2006	Fiscal 2005	Fiscal 2004
\$ 137,446	\$ 165,213	\$ 134,405	\$ 111,180	\$ 102,094	\$ 296,625	\$ 99,520
-	-	-	-	-	-	218
91,031	185,043	149,010	133,119	119,795	105,895	117,860
23,880	24,165	-	-	-	-	-
-	-	-	467	200	-	-
-	140	-	-	-	-	-
-	-	-	-	-	-	-
252,500	432,111	365,920	326,268	151,725	111,106	110,668
3,070,970	3,242,294	3,256,780	3,425,763	3,868,230	3,489,028	3,696,360
12,245	16,668	13,573	10,484	8,163	5,806	11,093
606,324	756,351	738,167	743,352	719,363	646,568	602,334
35,369,286	33,841,376	30,260,222	28,441,279	26,766,874	23,919,727	21,174,742
<u>\$ 39,563,682</u>	<u>\$ 38,663,361</u>	<u>\$ 34,918,077</u>	<u>\$ 33,191,912</u>	<u>\$ 31,736,444</u>	<u>\$ 28,574,755</u>	<u>\$ 25,812,795</u>
<u>\$ (194,744,022)</u>	<u>\$ (196,720,001)</u>	<u>\$ (184,166,536)</u>	<u>\$ (180,902,749)</u>	<u>\$ (197,658,983)</u>	<u>\$ (188,308,159)</u>	<u>\$ (177,887,925)</u>
92,055,343	85,257,556	80,492,369	100,123,160	79,877,444	69,546,730	77,869,586
13,130,296	12,884,620	14,888,794	19,774,851	12,848,845	12,649,989	16,216,513
4,207,501	4,343,741	168,056	-	1,787,078	-	-
-	-	-	-	-	-	-
1,360,937	-	-	-	-	-	-
-	-	-	-	-	-	-
109,993,005	101,900,997	91,935,545	91,398,564	85,381,816	85,291,437	79,733,241
335,983	974,009	2,011,085	3,135,902	1,787,222	683,103	557,566
6,622,557	8,243,804	5,285,265	3,819,982	4,124,726	3,770,228	3,959,083
<u>227,705,622</u>	<u>213,604,727</u>	<u>194,781,114</u>	<u>218,252,459</u>	<u>185,807,131</u>	<u>171,941,487</u>	<u>178,335,989</u>
<u>\$ 32,961,600</u>	<u>\$ 16,884,726</u>	<u>\$ 10,614,578</u>	<u>\$ 37,349,710</u>	<u>\$ (11,851,852)</u>	<u>\$ (16,366,672)</u>	<u>\$ 448,064</u>

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

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
General Fund					
Nonspendable	\$ 309,149	\$ 328,594	\$ 321,417	\$ -	\$ -
Committed	1,121,869	-	-	-	-
Assigned	1,045,417	2,740,409	1,849,870	-	-
Unassigned	98,265,212	98,023,668	77,917,544	-	-
Reserved	-	-	-	43,789,311	34,702,439
Unreserved	-	-	-	11,527,828	(1,474,986)
Total General Fund	<u>\$ 100,741,647</u>	<u>\$ 101,092,671</u>	<u>\$ 80,088,831</u>	<u>\$ 55,317,139</u>	<u>\$ 33,227,453</u>
All Other Governmental Funds					
Nonspendable	\$ 132,074	\$ 89,877	\$ 181,384	\$ -	\$ -
Restricted	174,866,472	29,426,667	32,856,497	-	-
Committed	-	1,022,557	1,038,265	-	-
Unassigned (Deficit)	(211,500)	(58,696)	(1,077)	-	-
Reserved	-	-	-	18,140,962	16,169,375
Unreserved, reported in:					
Special Revenue Funds	-	-	-	2,913,891	2,849,640
Capital Projects Fund	-	-	-	3,947,443	853,201
Total All Other Governmental Funds	<u>\$ 174,787,046</u>	<u>\$ 30,480,405</u>	<u>\$ 34,075,069</u>	<u>\$ 25,002,296</u>	<u>\$ 19,872,216</u>

Source: School District Comprehensive Annual Financial Report

Note: The School District Implemented GASB 54 in 2011

Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,646,062	34,795,213	23,115,605	18,652,243	18,110,925
(7,646,791)	(12,754,310)	(26,952,311)	(17,786,525)	(1,819,297)
<u>\$ 23,999,271</u>	<u>\$ 22,040,903</u>	<u>\$ (3,836,706)</u>	<u>\$ 865,718</u>	<u>\$ 16,291,628</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
16,783,696	16,762,052	10,589,657	8,883,326	9,095,092
3,315,826	2,895,628	2,293,939	2,045,128	2,982,529
1,458,916	6,146,880	10,189,703	5,255	(322,833)
<u>\$ 21,558,438</u>	<u>\$ 25,804,560</u>	<u>\$ 23,073,299</u>	<u>\$ 10,933,709</u>	<u>\$ 11,754,788</u>

South-Western City School District
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified Accrual Basis of accounting)

	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Revenues:					
Local:					
Taxes	\$ 100,740,561	\$ 111,448,896	\$ 110,043,274	\$ 108,946,272	\$ 99,222,737
Tuition	1,603,675	1,193,855	860,270	974,692	834,944
Interest	266,483	289,075	344,720	336,732	974,009
Other Local Revenue	7,854,701	7,546,155	7,312,531	6,080,996	10,037,234
Payments in Lieu of Taxes	655,252	2,631,269	1,821,006	1,678,739	-
Intergovernmental - State	128,467,786	116,429,306	114,911,159	114,173,138	116,393,859
Intergovernmental - Federal	21,542,648	26,234,348	33,103,360	30,732,525	18,961,145
Total Revenues	\$ 261,131,106	\$ 265,772,904	\$ 268,396,320	\$ 262,923,094	\$ 246,423,928
Expenditures:					
Current:					
Instruction:					
Regular	98,271,137	96,470,472	94,405,014	95,546,496	95,068,111
Special	32,808,231	31,076,201	30,555,128	28,489,938	26,150,024
Vocational	5,372,204	5,356,704	5,516,509	5,562,747	5,595,820
Other	988,051	889,683	982,579	955,483	2,785,526
Support Services:					
Pupil	10,595,108	10,298,499	10,525,586	10,108,635	9,211,089
Instructional Staff	14,990,657	15,628,160	16,577,081	17,492,815	14,997,314
Board of Education	38,433	35,875	36,274	43,974	53,816
Administration	14,968,530	15,348,771	15,833,157	15,632,272	15,143,308
Fiscal	3,969,374	3,625,358	3,497,286	3,385,646	3,458,286
Business	865,860	881,525	861,320	860,177	955,910
Operations and Maintenance	14,877,670	15,911,738	15,625,581	16,239,398	16,391,490
Pupil Transportation	11,733,590	11,476,850	10,780,268	10,690,064	10,511,656
Central	3,583,087	3,196,388	3,085,766	3,048,648	3,376,369
Food Service	8,365,996	8,383,343	8,356,991	8,161,209	8,572,735
Community Services	1,298,989	1,198,527	1,250,783	1,247,088	1,514,605
Shared Services	68,734	-	-	-	-
Extracurricular Activities	4,394,019	3,829,207	4,077,017	2,362,556	3,732,287
Capital Outlay	18,589,048	10,216,416	5,321,337	2,195,183	3,935,133
Pass Through Grants	-	-	-	-	-
Debt Services:					
Principal Retirement	12,256,667	11,081,667	13,876,667	9,811,667	12,976,667
Interest and Fiscal Charges	7,205,069	3,458,344	3,679,030	3,971,678	4,509,630
Issuance Costs for Bonds and Notes	367,123	-	-	-	-
Underwriter's Discount on Bonds	593,899	-	-	-	-
Total Expenditures	266,201,476	248,363,728	244,843,374	235,805,674	238,939,776
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,070,370)	17,409,176	23,552,946	27,117,420	7,484,152
Other Financing Sources (Uses):					
Transfers - In	1,290,220	1,462,976	1,003,065	1,069,376	1,022,766
Transfers - Out	(1,290,220)	(1,462,976)	(1,003,065)	(1,069,376)	(1,022,766)
Issuance of Refunding Bonds	-	-	3,490,000	-	-
Issuance of Qualifying School Construction Bonds	-	-	6,670,000	-	-
Issuance of General Obligation Bonds	140,250,000	-	-	-	-
Issuance of Tax Anticipation Notes	-	-	-	-	-
Premium on the Sale of Refunding Bonds	-	-	32,666	-	-
Premium on the Sale of Tax Anticipation Notes	-	-	-	-	-
Premium on the Sale of General Obligation Bonds	8,711,022	-	-	-	-
Principal Payment to Refunding Bonds Escrow Agent	-	-	-	-	-
Inception of Capital Lease	-	-	-	-	-
Sale of Capital Assets	64,965	-	98,853	12,346	57,808
Total Other Financing Sources (Uses)	149,025,987	-	10,291,519	12,346	57,808
Net Change in Fund Balances	\$ 143,955,617	\$ 17,409,176	\$ 33,844,465	\$ 27,129,766	\$ 7,541,960
Debt Service as a Percentage of Noncapital Expenditures	8.00%	6.05%	7.24%	5.88%	7.39%

Source: School District Comprehensive Annual Financial Report

Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
\$ 94,345,111	\$ 117,228,444	\$ 97,704,539	\$ 82,535,286	\$ 90,760,617
450,502	475,386	375,050	368,660	654,619
2,011,085	3,135,902	2,131,626	677,084	552,865
7,627,835	8,422,523	8,880,015	8,629,817	8,563,461
-	-	-	-	-
104,587,960	102,073,298	95,177,226	93,309,641	86,857,635
17,351,176	17,269,242	16,911,352	15,360,857	14,052,036
<u>\$ 226,373,669</u>	<u>\$ 248,604,795</u>	<u>\$ 221,179,808</u>	<u>\$ 200,881,345</u>	<u>\$ 201,441,233</u>

89,832,529	85,663,533	88,155,340	83,740,124	76,676,200
24,670,704	25,026,764	22,841,563	22,031,826	19,686,644
5,331,116	5,137,585	5,822,910	5,354,160	5,482,555
2,511,183	1,058,821	1,051,457	392,127	393,589
8,382,856	8,199,528	8,105,144	8,159,650	7,407,498
13,875,612	14,269,451	19,131,625	18,004,035	16,616,241
59,840	51,971	268,724	364,457	401,151
15,720,663	15,192,285	15,092,352	14,049,517	13,129,600
3,324,289	3,624,585	3,309,531	2,674,852	3,025,920
875,530	657,063	1,272,174	990,089	1,088,251
15,784,267	14,367,705	15,867,057	15,505,621	15,397,113
9,906,398	10,006,531	11,439,383	10,473,546	9,392,675
3,210,341	2,569,236	3,135,113	3,291,104	3,722,217
8,005,503	7,490,713	7,658,325	7,318,639	6,787,151
974,602	1,523,184	1,073,496	1,303,382	1,033,799
-	-	-	-	-
3,726,269	3,624,996	3,562,468	3,424,234	3,388,247
4,647,056	3,541,384	3,995,595	4,201,895	6,891,967
-	325,000	325,000	325,000	325,000
12,401,628	11,926,667	6,160,009	7,358,661	7,547,704
5,465,493	5,742,967	7,735,902	8,189,624	8,367,908
-	2,324,738	137,015	183,191	831,005
-	-	-	-	-
<u>228,705,879</u>	<u>222,324,707</u>	<u>226,140,183</u>	<u>217,335,734</u>	<u>207,592,435</u>

(2,332,210)	26,280,088	(4,960,375)	(16,454,389)	(6,151,202)
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866,306	828,359	1,160,563	809,380	1,026,395
(866,306)	(828,359)	(1,160,563)	(809,380)	(1,026,395)
-	76,914,989	-	2,499,961	27,050,000
-	-	-	-	-
-	-	12,000,000	-	-
-	2,328,792	-	183,230	1,846,786
-	-	341,741	-	-
-	-	-	-	-
-	(76,914,999)	-	(2,500,000)	(27,860,001)
-	-	-	-	-
44,456	-	55,800	24,209	12,859
<u>44,456</u>	<u>2,328,782</u>	<u>12,397,541</u>	<u>207,400</u>	<u>1,049,644</u>
<u>\$ (2,287,754)</u>	<u>\$ 28,608,870</u>	<u>\$ 7,437,166</u>	<u>\$ (16,246,989)</u>	<u>\$ (5,101,558)</u>

7.91%	7.97%	6.24%	7.51%	8.06%
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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 Ut
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value
2013	\$ 2,291,139,940	\$ 6,546,114,114	\$ -	\$ -	\$ 89,546,940
2012	2,290,295,740	6,543,702,114	-	-	92,684,960
2011	2,506,723,390	7,162,066,829	13,600	-	82,904,850
2010	2,498,607,010	7,138,877,171	2,276,634	-	75,388,180
2009	2,486,984,970	7,105,671,343	4,619,246	73,907,936	71,470,170
2008	2,430,613,730	6,944,610,657	89,991,185	1,439,858,960	67,032,840
2007	2,404,642,590	6,870,407,400	169,030,582	1,352,244,656	73,945,840
2006	2,356,536,630	6,732,961,800	211,762,887	1,129,402,064	85,570,630
2005	2,058,332,580	5,880,950,229	294,803,262	1,179,213,048	87,436,400
2004	1,995,790,380	5,702,258,229	285,817,957	1,143,271,828	85,692,690

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 decreased by 6.25% to 18.75% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate continued to decrease by 6.25% in 2008 and was 0% in 2009.
- (3) Assumes public utilities are assessed at true value, which is 35% of estimated actual value.
- (4) Tax rates are per \$1,000 of assessed value. The rate represents the weighted average of all the effective (assessed) rates applied by property type.

tility (3)	Total		
Estimated Actual Value	Assessed Value	Estimated Actual Value	Tax Rate (4)
\$ 255,848,400	\$ 2,380,686,880	\$ 6,801,962,514	43.27
264,814,171	2,382,980,700	6,808,516,285	43.31
236,871,000	2,589,641,840	7,398,937,829	43.10
215,394,800	2,576,271,824	7,354,271,971	42.98
204,200,486	2,563,074,386	7,383,779,765	35.43
191,522,400	2,587,637,755	8,575,992,017	33.73
211,273,829	2,647,619,012	8,433,925,885	37.01
244,487,514	2,653,870,147	8,106,851,378	37.79
249,818,286	2,440,572,242	7,309,981,562	32.87
244,836,257	2,367,301,027	7,090,366,314	34.16

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

<u>Tax Year/ Collection Year</u>	<u>Current Levy</u>	<u>Delinquent Levy</u>	<u>Total Levy</u>	<u>Current Collection</u>	<u>Percent of Current Levy Collected</u>
2011/2012	\$ 126,982,574	\$ 12,882,209	\$ 139,864,783	\$ 113,461,457	89.35%
2010/2011	125,930,322	12,918,261	138,848,583	114,860,051	91.21%
2009/2010	123,678,758	11,178,512	134,857,270	113,950,085	92.13%
2008/2009	103,732,433	11,099,246	114,831,679	93,169,566	89.82%
2007/2008	105,669,991	9,207,010	114,877,001	95,876,685	90.73%
2006/2007	108,335,893	9,820,143	118,156,036	102,369,887	94.49%
2005/2006	111,827,574	7,460,906	119,288,480	105,497,851	94.34%
2004/2005	87,226,531	7,222,650	94,449,181	82,722,065	94.84%
2003/2004	88,953,867	9,929,033	98,882,900	84,340,638	94.81%
2002/2003	86,458,902	7,337,196	93,796,098	81,512,004	94.28%

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.

Information for 2012/2013 Tax Year/Collection Year was not available from the Franklin County Auditor

<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Total Levy</u>	<u>Delinquent Taxes Receivable</u>	<u>Tax Year/ Collection Year</u>
\$ 4,482,500	\$ 117,943,957	84.33%	\$ 13,436,877	2011/2012
3,646,269	118,506,320	85.35%	14,179,086	2010/2011
4,045,044	117,995,129	87.50%	12,424,020	2009/2010
4,646,962	97,816,528	85.18%	11,284,744	2008/2009
4,127,145	100,003,830	87.05%	10,837,876	2007/2008
4,876,462	107,246,349	90.77%	9,618,966	2006/2007
6,114,565	111,612,416	93.57%	6,949,399	2005/2006
3,819,146	86,541,211	91.63%	10,140,571	2004/2005
6,254,525	90,595,163	91.62%	10,479,138	2003/2004
5,145,762	86,657,766	92.39%	7,153,656	2002/2003

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

Tax Year/ Collection Year	CITIES			SCHOOL DISTRICT				LIBRARY
	Franklin County	City of Columbus	City of Grove City	South-Western City School District				Southwest Public Library
				General Fund	Voted Bond Fund	Permanent Improvement	Unvoted General Fund	
2012/2013	18.47 (18.27) (18.42)	3.14 (3.14) (3.14)	3.50 (3.50) (3.50)	61.20 (34.15) (46.79)	6.20 (6.20) (6.20)	2.00 (1.96) (1.96)	3.85 (3.85) (3.85)	1.00 (1.00) (1.00)
2011/2012	18.07	3.14	3.50	61.20	6.50	2.00	3.85	1.00
2010/2011	18.07	3.14	3.50	61.20	5.50	2.00	3.85	1.00
2009/2010	18.07	3.14	3.50	61.20	5.40	2.00	3.85	-
2008/2009	18.02	3.14	3.50	53.80	5.35	2.00	3.85	-
2007/2008	18.49	3.14	3.50	53.80	4.80	2.00	3.85	-
2006/2007	18.44	3.14	3.70	53.80	4.90	2.00	3.85	-
2005/2006	18.44	3.14	4.20	53.80	5.02	2.00	3.85	-
2004/2005	18.44	3.14	4.20	46.10	5.28	0.00	3.85	-
2003/2004	17.64	3.14	4.20	46.10	6.48	0.00	3.85	-

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.

VILLAGES		TOWNSHIPS				
<u>Village of Harrisburg</u>	<u>Village of Urbancrest</u>	<u>Franklin Township</u>	<u>Jackson Township</u>	<u>Pleasant Township</u>	Harrisburg- <u>Pleasant Township</u>	<u>Prairie Township</u>
1.00	0.60	25.20	20.20	21.20	20.80	18.20
(1.00)	(0.60)	(20.42)	(9.25)	(12.99)	(12.59)	(17.15)
(1.00)	(0.60)	(25.20)	(8.69)	(12.85)	(12.45)	(17.28)
1.00	0.60	25.20	20.20	21.20	20.80	18.20
1.00	0.60	25.20	20.20	21.20	20.80	18.20
1.00	0.60	25.20	20.20	21.20	20.80	18.20
1.00	0.60	25.20	20.20	18.70	18.30	18.20
1.00	0.60	21.31	20.20	18.70	18.30	18.20
1.00	0.60	21.31	20.20	18.70	18.30	18.20
1.00	0.60	18.05	20.20	18.70	18.30	18.20
1.00	0.60	18.05	20.20	18.70	18.30	14.50
1.00	0.60	13.05	20.20	18.70	18.30	14.20

South-Western City School District
Principal Taxpayers
December 31, 2012 and December 31, 2003

	<u>December 31, 2012</u>	
	<u>Total Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Public Utilities</u>		
Ohio Power Company	\$ 77,170,950	3.24%
Columbia Gas of Ohio Inc.	8,261,580	0.35%
<u>Real Estate</u>		
Industrial Southpark	\$ 13,531,470	0.57%
Security Capital	11,110,540	0.47%
Wal Mart Stores Inc	10,964,350	0.46%
Big Lots Stores Inc.	9,861,370	0.42%
Distribution Funding III	8,444,600	0.35%
Parkway Centre East LLC	8,431,160	0.35%
Columbus Business Park	7,700,010	0.32%
CD Gaming Ventures	6,975,720	0.29%
Showgates LLC	6,739,830	0.28%
Crossroads Ohio LLC	5,947,210	0.25%
All Others	<u>2,205,548,090</u>	<u>92.65%</u>
Total Assessed Valuation	<u><u>\$ 2,380,686,880</u></u>	<u><u>100.00%</u></u>

Source: Franklin County Auditor's Office. This is the latest information available.

Note: Personal property was phased out and therefore not presented for the current period.

	<u>December 31, 2003</u>	
	<u>Total</u>	<u>% of Total</u>
	<u>Assessed</u>	<u>Assessed</u>
	<u>Valuation</u>	<u>Valuation</u>
<u>Public Utilities</u>		
Columbus Southern Power Company	\$ 50,604,980	2.14%
Ohio Bell Telephone Co.	14,838,480	0.63%
Columbia Gas of Ohio Inc.	4,897,250	0.21%
<u>Real Estate</u>		
Distribution Fulfillment Services Inc.	\$ 12,914,340	0.55%
Dispatch Printing Co.	10,696,000	0.45%
Wingates LLC	9,782,500	0.41%
Distribution Funding III	8,928,400	0.38%
Consolidated Stores International Corp	8,908,200	0.38%
Security Capital	7,003,510	0.30%
Realty Associates Fund V	5,761,350	0.24%
Megrue Lizanne G TR	5,066,640	0.21%
Cincinnati SMSA LP	4,594,890	0.19%
Avoh LLC	4,537,340	0.19%
<u>Tangible Personal Property</u>		
Wal Mart Stores	\$ 17,957,500	0.76%
Kal Kan Foods Inc.	17,139,940	0.72%
Medco Health Solutions of Cols West Ltd.	15,774,325	0.67%
Big Lots Stores Inc.	14,512,130	0.61%
Sears Roebuck & Company	14,213,630	0.60%
Delphi Automotive Systems LLC	11,202,730	0.47%
Dispatch Printing Company	9,583,470	0.40%
Sally Distribution of Ohio	7,748,560	0.33%
Tosoh S M D Inc.	6,412,160	0.27%
Holt Company of Ohio	6,069,390	0.26%
All Others	<u>2,098,153,312</u>	<u>88.63%</u>
Total Assessed Valuation	<u>\$ 2,367,301,027</u>	<u>100.00%</u>

South-Western City School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year	(1) (2) Net General Obligation Bonds	(1) Tax Anticipation Notes	(1) Energy Conservation Bonds	(1) Technical Equipment Loan	Total Primary Government	(3) Percentage of Personal Income	(4) Per Capita	(5) Per ADM
2013	\$ 193,035,493	\$ -	\$ 7,590,000	\$ 266,664	\$ 200,892,157	not available	\$ 1,504.37	\$ 9,937.78
2012	51,807,844	-	8,020,000	333,331	60,161,175	not available	451.20	2,996.67
2011	64,550,939	-	8,435,000	399,998	73,385,937	2.77%	551.29	3,688.85
2010	81,078,725	-	2,165,000	466,665	83,710,390	3.29%	629.88	4,198.11
2009	91,285,024	-	2,550,000	533,332	94,368,356	3.79%	710.71	4,547.65
2008	98,914,174	7,505,000	2,920,000	599,999	109,939,173	4.30%	828.50	5,238.94
2007	107,751,432	14,838,913	3,275,000	666,666	126,532,011	4.94%	957.21	6,027.34
2006	115,915,597	21,617,827	3,620,000	733,333	141,886,757	5.86%	1,094.13	6,769.41
2005	122,749,793	-	3,955,000	800,000	127,504,793	5.24%	993.66	6,111.53
2004	129,221,128	-	4,285,000	866,666	134,372,794	5.73%	1,063.95	6,543.28

Sources:

(1) Per District records

(2) Includes General Obligation Bonds Payable less Debt Service Funds available

(3) Personal Income provided by Ohio Department of Taxation

(4) Population estimates provided by Ohio Municipal Advisory Council and Mid Ohio Regional Planning Commission

(5) ADM per District records

South-Western City School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Collection Years

Year	(1) Assessed Value	(2) Gross Bonded Debt	(2) Less Debt Service Funds	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	(3) Net Bonded Debt Per Capita	(4) Net Bonded Debt Per ADM
2013	\$ 2,380,686,880	\$ 213,321,014	\$ 12,695,521	\$ 200,625,493	8.43%	\$ 1,502.37	\$ 9,924.59
2012	2,382,980,700	76,885,329	17,057,485	59,827,844	2.51%	448.70	2,980.07
2011	2,589,641,840	88,021,502	15,035,563	72,985,939	2.82%	548.29	3,668.74
2010	2,576,271,824	91,750,321	8,506,596	83,243,725	3.23%	626.37	4,174.71
2009	2,563,074,386	101,601,609	7,766,585	93,835,024	3.66%	706.69	4,521.95
2008	2,587,637,755	110,399,693	8,565,519	101,834,174	3.94%	767.42	4,852.71
2007	2,647,619,012	118,875,828	7,849,396	111,026,432	4.19%	839.91	5,288.74
2006	2,653,870,147	124,819,972	5,284,375	119,535,597	4.50%	921.77	5,703.03
2005	2,440,572,242	130,973,677	4,268,884	126,704,793	5.19%	987.43	6,073.18
2004	2,367,301,027	138,112,279	4,606,151	133,506,128	5.64%	1,057.09	6,501.08

Sources:

- (1) Franklin County Auditor
- (2) Per District records - Includes Energy Conservation Bonds
- (3) Population estimates provided by Ohio Municipal Advisory Council and Mid Ohio Regional Planning Commission
- (4) ADM per District records

South-Western City School District
 Computation of Direct and Overlapping Governmental Activities Debt
 June 30, 2013

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
Direct:			
South-Western City School District	\$ 213,321,014	100.00%	\$ 213,321,014
Indirect:			
Franklin County	\$ 361,618,494	9.11%	\$ 32,943,445
City of Columbus	<u>2,820,280,344</u>	38.18%	<u>1,076,783,035</u>
Total Overlapping Debt	<u>\$ 3,181,898,838</u>		<u>\$ 1,109,726,480</u>
Total Direct and Overlapping Debt	<u><u>\$ 3,395,219,852</u></u>		<u><u>\$ 1,323,047,494</u></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 2012 collection year.

Source: Franklin County Auditor

South-Western City School District
 Computation of Legal Debt Margin
 Last Ten Fiscal Years

Assessed Valuation	\$ 2,380,686,880
Bonded Debt Limit - 9% of Assessed Value	\$ 214,261,819
Amount of Debt Applicable to 9% Debt Limit:	<u>213,587,678</u>
9% Voted Debt Margin	<u>\$ 674,141</u>
Bonded Debt Limit - .10% of Assessed Value	\$ 2,380,687
Amount of Debt Applicable to .10% Debt Limit	<u>-</u>
.10% Unvoted Debt Margin	<u>\$ 2,380,687</u>

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 214,261,819	\$ 214,468,263	\$ 233,067,766	\$ 231,864,464
Total Net Debt Applicable to Limit	<u>213,587,678</u>	<u>77,218,660</u>	<u>88,421,500</u>	<u>92,216,986</u>
Legal Debt Margin	<u>\$ 674,141</u>	<u>\$ 137,249,603</u>	<u>\$ 144,646,266</u>	<u>\$ 139,647,478</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	99.69%	36.00%	37.94%	39.77%

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.

2009	2008	2007	2006	2005	2004
<u>\$ 230,676,695</u>	<u>\$ 232,887,398</u>	<u>\$ 238,285,711</u>	<u>\$ 238,848,313</u>	<u>\$ 219,651,502</u>	<u>\$ 213,057,092</u>
<u>102,134,941</u>	<u>110,999,692</u>	<u>119,542,494</u>	<u>125,553,305</u>	<u>126,483,677</u>	<u>133,042,279</u>
<u>\$ 128,541,754</u>	<u>\$ 121,887,706</u>	<u>\$ 118,743,217</u>	<u>\$ 113,295,008</u>	<u>\$ 93,167,825</u>	<u>\$ 80,014,813</u>
44.28%	47.66%	50.17%	52.57%	57.58%	62.44%

South-Western City School District
 Staffing Statistics - Full Time Equivalents (FTE) by Type and Function
 Last Nine Fiscal Years

	2013	2012	2011	2010	2009	2008 (1)	2007	2006	2005 (2)
Teaching Staff									
Regular Education	914.21	915.18	909.78	926.33	934.04	936.68	956.42	1,034.20	1,041.50
Special Education	294.30	284.30	283.25	270.75	254.75	253.19	239.25	238.83	230.00
Vocational Education	55.00	55.50	56.50	59.00	59.50	60.00	62.00	81.20	72.00
Tutors	56.50	56.40	56.40	65.75	56.00	70.23	73.10	64.00	59.41
Administrators									
Buildings/Departments	100.00	100.50	100.50	100.00	105.00	105.00	104.00	119.00	120.00
Other Positions									
Psychologists	12.30	12.30	11.30	12.80	12.80	12.80	12.50	12.50	12.50
Nurses	8.95	8.95	8.95	8.90	9.40	9.40	9.40	9.40	9.40
Speech	17.60	19.60	19.20	19.70	18.80	18.80	18.00	18.00	18.00
OT/PT	12.00	11.10	11.70	10.40	10.30	8.20	7.90	5.80	4.20
Adapted Physical Education Therapist	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Sign Interpreter	2.00	3.00	3.00	3.00	4.00	3.00	2.00	1.00	2.00
Social Worker	0.50	0.50	0.50	0.50	0.50	0.50	-	0.80	2.80
Counselors	25.00	25.00	25.00	25.00	24.50	24.00	24.00	29.00	29.00
Library Media Specialists	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Other Professionals	11.00	11.00	14.00	13.00	12.50	12.50	10.20	10.20	10.20
Support Staff									
Technology	10.00	10.00	10.00	11.00	13.00	13.00	13.00	13.00	13.00
Aides	281.03	279.08	286.28	288.16	290.50	275.75	285.99	329.63	334.53
Accounting	9.00	9.00	9.00	8.00	8.00	8.00	8.00	9.00	9.00
Clerical	108.00	109.00	108.00	108.00	115.00	117.00	115.00	126.00	127.50
Custodial	105.00	102.00	103.00	116.00	116.50	116.50	122.76	141.50	140.00
Printer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	29.00	29.00	29.00	30.00	31.00	31.00	31.00	31.00	33.00
Mechanics	8.00	8.00	8.00	8.00	8.00	9.00	9.00	10.00	10.00
Bus Drivers	155.00	153.00	148.00	152.00	160.00	154.00	156.00	181.00	176.00
Food Service Transporters	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Cooks	127.93	128.18	128.17	134.76	132.74	128.00	134.99	138.81	136.64
Hall Monitors	33.42	41.10	39.16	38.56	43.00	39.00	42.22	45.50	45.00
Recreation Center	13.50	14.00	14.00	13.50	14.00	16.00	14.50	15.00	15.00
Athletic Trainer	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00
Total	<u>2,400.74</u>	<u>2,397.19</u>	<u>2,394.19</u>	<u>2,434.61</u>	<u>2,445.83</u>	<u>2,433.55</u>	<u>2,463.23</u>	<u>2,676.37</u>	<u>2,662.68</u>

Function

Instructional									
Regular and Special	1,317.69	1,310.73	1,304.93	1,320.08	1,322.54	1,314.30	1,334.25	1,410.76	
Support Services									
Pupil	114.50	119.91	117.50	116.76	124.47	120.00	115.61	124.05	
Instructional Staff	259.88	259.21	270.93	270.31	253.35	258.00	257.99	343.93	
Administration	153.70	154.92	154.40	154.35	161.15	162.00	162.75	156.50	
Fiscal	13.00	13.00	13.00	12.00	12.00	12.00	12.00	12.00	
Business	2.00	2.00	2.00	2.00	3.00	3.00	3.00	4.00	
Operation and Maintenance	156.99	157.69	158.19	171.64	177.08	179.00	179.00	202.75	
Pupil Transportation	206.00	202.50	195.50	201.00	208.00	201.00	206.00	225.00	
Central	20.00	20.00	20.00	21.00	21.50	23.00	27.00	26.00	
Food Service	135.18	134.93	134.92	142.26	138.74	134.00	139.98	145.23	
Community Services	17.30	17.80	17.82	18.21	19.75	22.50	20.90	21.40	
Extracurricular Activities	4.50	4.50	5.00	5.00	4.25	4.75	4.75	4.75	
Total	<u>2,400.74</u>	<u>2,397.19</u>	<u>2,394.19</u>	<u>2,434.61</u>	<u>2,445.83</u>	<u>2,433.55</u>	<u>2,463.23</u>	<u>2,676.37</u>	

Source: School District Records

(1) The District converted to State Software, different reports were available. Data may not be comparable.

(2) Staffing statistics are not readily reportable in this format for historical years.

Note: Staffing statistics by function were not available prior to 2006.

South-Western City School District
 Operating Expenditures Necessary to Educate - All Funds
 a District Student for Graduation in June, 2013
 (Actual Dollars Expended by Year)

	Grade	South-Western	State Average	Franklin County
	<u>Level</u>	<u>City School</u>	<u>for All</u>	<u>Average</u>
		<u>District</u>	<u>School Districts</u>	
2000-01	K	\$ 7,326	\$ 7,161	\$ 8,181
2001-02	1	7,533	7,679	8,779
2002-03	2	8,243	7,904	9,082
2003-04	3	8,515	8,287	9,384
2004-05	4	9,140	8,404	9,714
2005-06	5	10,170	8,727	10,275
2006-07	6	8,876	9,283	10,655
2007-08	7	9,336	9,388	11,079
2008-09	8	9,627	10,184	11,428
2009-10	9	9,893	10,512	11,908
2010-11	10	10,397	10,571	12,018
2011-12	11	10,273	10,508	11,998
2012-13 (1)	12	not available	not available	not available
Total		<u>\$ 109,329</u>	<u>\$ 108,608</u>	<u>\$ 124,501</u>

Source: District Financial Records
 Costs per Pupil-State of Ohio Department of Education (All Funds)

(1) Ohio Department of Education delayed the release of information.

South-Western City School District
 Operating Indicators by Function
 Last Nine Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Function-Governmental Activities					
Instruction and Support Services - Pupils					
Graduates	1,250	1,305	1,263	1,287	1,212
% of Students with IEP	14.5%	15.3%	14.5%	14.3%	14.4%
% of Limited English Proficient Students	16.0%	12.4%	10.9%	14.1%	12.4%
Student Attendance	94.1%	94.4%	94.3%	94.2%	93.9%
Fiscal					
Purchase Orders Processed	16,708	16,748	17,653	16,015	17,186
Nonpayroll Checks Issued	12,661	13,152	13,319	13,353	15,970
Operations and Maintenance					
Work Orders Completed	10,349	7,151	14,955	8,701	7,858
District Square Footage Maintained by Staff	2.8 million	2.8 million	2.8 million	2.8 million	2.8 million
District Acreage Maintained by Staff	669	610	610	610	610
Pupil Transportation					
Average Number of Students Transported Each Day	13,231	12,636	12,314	12,134	13,823
Average Daily Miles driven Each Day	13,756	13,033	12,602	12,886	12,958
Food Service					
Meals Served to Students:					
Breakfast	716,094	704,846	622,072	576,270	583,161
Lunch	2,128,765	2,235,348	2,175,309	2,181,936	2,263,668
Number of Free and Reduced Students	11,405	10,996	10,605	10,427	10,126
Extracurricular Activities					
High School Varsity Teams *	65	65	64	37	65

Note: Indicators by Function were not available prior to 2005. Indicators were not available for the following functions: Instructional Staff, Board of Education, Administration, Central, Community Services

* District Sports offered for Winter and Spring season only in Fiscal Year 2010

Source: School District Records and Ohio Department of Education Report Card Data

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
1,280	1,252	1,153	1,113
13.1%	14.0%	12.5%	11.9%
11.5%	9.5%	6.6%	6.0%
94.3%	94.3%	94.1%	94.0%
16,458	14,663	15,110	15,049
14,751	15,804	17,829	19,250
7,789	7,879	7,821	n/a
2.8 million	2.8 million	2.8 million	2.8 million
610	610	610	610
13,737	12,926	17,337	17,748
12,355	12,243	15,702	14,526
582,650	533,690	491,958	445,111
2,231,198	2,195,163	2,180,701	2,139,569
9,498	9,184	10,087	9,103
65	65	65	65

South-Western City School District
 Capital Assets by Function/Program
 Last Nine Fiscal Years

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental Activities							
Instruction							
Land	\$ 6,720,965	\$ 4,794,159	\$ 4,794,159	\$ 4,794,159	\$ 4,794,159	\$ 4,794,159	\$ 4,794,159
Buildings	141,389,904	141,582,072	138,501,697	138,702,141	138,935,001	138,399,696	137,556,467
Improvements to Land	1,044,772	1,044,772	973,718	890,517	734,182	572,555	401,099
Furniture and Equipment	1,323,658	653,992	639,032	431,640	418,678	2,243,336	2,236,911
Vehicle	-	-	-	-	-	-	-
Special							
Land	-	-	-	-	-	-	-
Buildings	942,086	942,086	1,006,835	1,006,835	1,006,835	1,006,835	1,006,835
Improvements to Land	43,595	43,595	43,595	43,595	43,595	43,595	43,595
Furniture and Equipment	225,110	334,673	334,673	202,223	202,223	216,123	202,632
Vehicle	40,796	40,796	40,796	-	-	-	-
Vocational							
Land	994,583	994,583	994,583	994,583	994,583	994,583	994,583
Buildings	18,305,935	18,178,118	18,178,118	18,178,118	18,178,118	18,178,118	18,178,118
Improvements to Land	20,555	20,555	20,555	40,880	40,880	40,880	40,880
Furniture and Equipment	1,146,172	1,023,836	1,036,056	1,040,220	955,188	1,218,476	1,253,848
Vehicle	17,151	17,151	17,151	17,151	-	-	-
Other							
Furniture and Equipment	-	-	-	-	-	-	-
Support Services:							
Pupil							
Furniture and Equipment	7,410	7,410	7,410	7,410	13,215	13,215	13,215
Instructional Staff							
Furniture and Equipment	501,410	501,410	507,010	500,121	500,121	604,421	604,421
Administration							
Land	570,242	570,242	570,242	570,242	570,242	570,242	570,242
Buildings	5,180,148	5,180,148	5,147,081	5,147,081	5,147,081	5,147,081	5,147,081
Improvements to Land	491,320	491,320	491,320	491,320	491,320	491,320	491,320
Furniture and Equipment	614,947	654,217	612,743	609,851	603,856	725,345	703,513
Fiscal							
Furniture and Equipment	10,592	10,592	10,592	10,592	10,592	10,592	10,592
Business							
Furniture and Equipment	-	-	-	-	-	-	-
Operations and Maintenance							
Land	20,375	20,375	20,375	20,375	20,375	20,375	20,375
Buildings	96,598	96,598	96,598	96,598	96,598	96,598	96,598
Improvements to Land	13,759	13,759	13,759	13,759	13,759	13,759	13,759
Furniture and Equipment	867,563	885,257	844,261	841,709	803,073	904,913	884,183
Vehicle	1,243,976	1,210,896	1,219,242	1,352,865	1,265,116	1,236,471	1,146,201
Transportation							
Land	172,546	172,546	172,546	172,546	172,546	172,546	172,546
Buildings	1,135,561	1,135,561	1,135,561	1,135,561	1,135,561	1,135,561	1,135,561
Improvements to Land	661,648	661,648	661,648	661,648	639,097	474,185	474,185
Furniture and Equipment	134,476	120,013	97,677	97,677	97,677	107,990	107,990
Vehicle	150,967	150,967	150,967	120,721	120,721	120,721	120,721
Buses	12,950,298	12,009,460	11,181,380	11,686,091	11,806,858	11,569,581	10,568,323
Central							
Land	-	-	-	-	-	-	-
Buildings	31,315,742	31,315,742	31,245,335	31,144,487	31,090,861	31,090,861	31,034,110
Improvements to Land	3,096,369	3,228,911	3,292,065	3,430,085	3,504,947	3,504,946	3,504,946
Furniture and Equipment	666,865	620,561	554,812	496,264	442,531	385,726	375,069
Vehicle	68,173	68,173	68,173	68,173	68,173	68,172	68,172
Food Service							
Buildings	22,213	22,213	22,213	22,213	22,213	22,213	22,213
Improvements to Land	8,200	8,200	8,200	8,200	-	-	-
Furniture and Equipment	1,971,016	1,993,247	1,993,247	1,998,359	1,952,329	1,923,556	1,921,354
Vehicle	104,498	104,498	104,498	99,315	71,025	71,025	71,025
Community Services							
Land	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Buildings	7,502,648	7,368,561	7,368,561	7,368,561	7,368,561	7,342,908	7,342,908
Improvements to Land	235,066	235,066	235,066	235,066	243,266	243,266	243,266
Furniture and Equipment	267,923	272,933	272,933	272,933	272,933	340,649	328,173
Extracurricular Activities							
Buildings	3,046,988	3,120,319	3,115,239	3,108,519	3,108,519	3,108,519	3,108,519
Improvements to Land	943,847	412,688	476,762	465,764	465,764	429,927	429,927
Furniture and Equipment	341,380	331,186	319,052	275,562	275,516	275,516	275,516
Vehicle	-	-	-	-	-	-	-
Total	<u>\$ 246,830,046</u>	<u>\$ 242,865,105</u>	<u>\$ 238,797,536</u>	<u>\$ 239,071,730</u>	<u>\$ 238,897,888</u>	<u>\$ 240,130,556</u>	<u>\$ 237,915,151</u>

Source: District Capital Asset Records
 Information for Years prior to Fiscal Year 2005 are not readily available.
 Capitalization criteria changed from \$1,000 to \$5,000 July 1, 2007. Information to provide comparable Date in 2006 and 2005 is unavailable
 Capital Asset software changed July 1, 2008. Group assets no longer tracked in this database.

	<u>2006</u>	<u>2005</u>
\$	4,842,386	\$ 4,796,435
	137,839,860	137,589,568
	361,506	357,126
	7,050,728	6,780,004
	1,287	1,287
	7,417	7,417
	1,012,170	1,012,170
	45,775	45,775
	725,751	718,700
	-	-
	994,583	994,583
	18,182,809	18,182,809
	40,880	40,880
	2,986,434	3,211,734
	-	-
	3,090	1,791
	52,250	64,061
	1,360,235	1,303,720
	570,242	570,242
	5,152,951	5,152,951
	491,320	491,320
	2,205,930	2,151,479
	27,456	28,413
	3,846	3,846
	20,376	20,376
	108,584	108,584
	20,508	20,508
	1,300,089	1,327,302
	1,007,864	1,037,907
	172,546	172,546
	1,129,142	1,129,142
	477,504	477,504
	197,793	234,850
	120,721	120,721
	12,211,575	11,616,342
	6,635	6,635
	30,426,316	30,386,518
	3,596,310	3,596,310
	1,190,357	1,553,675
	68,173	68,173
	22,213	22,213
	1,800	1,800
	3,404,810	3,372,736
	182,712	182,712
	200,000	200,000
	7,345,236	7,142,280
	256,979	271,670
	443,474	460,408
	3,120,490	3,120,490
	453,502	453,502
	587,061	598,242
	2,075	11,537
	<u>\$ 252,033,751</u>	<u>\$ 251,220,994</u>

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>
<u>Elementary Schools</u>						
Alton Hall	Basic	1960	1961, 1964, 1996	36,958	9.09	500
	Portable	1977		1,718		
	Portable	1989		1,596		
	Portable	1995		1,596		
Bolton Crossing	Basic	Land Purchased FY13- Construction to begin FY14			43.38	
Buckeye Woods	Basic	1995		68,000	19.11	725
Darbydale	Basic	1958		31,143	7.12	249
	Portable (1)	1977		1,704		
Darby Woods	Basic	1995		68,000	8.80	725
East Franklin	Basic	1956	1963, 1997	36,638	6.28	450
Finland	Basic	1964	1995	36,636	8.60	475
Harmon	Basic	Traded in FY13 - Housing Students until 2016			11.29	500
	Portable (2)	2002		6,672		
	Basic		Under Construction		16.26	
Harrisburg	Basic	1939	1951	16,390	2.90	175
	Portable (1)	1967		793		
Highland Park	Basic	1969	1997	42,002	14.59	525
Monterey	Basic	1956	1995	36,636	10.11	475
	Portables (2)	1990		3,192		
North Franklin	Basic	1920	1938	38,387	2.00	425
Prairie Lincoln	Basic	1956	1961, 1962	43,058	19.41	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	10.44	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

Intermediate Schools

Franklin Woods	Basic	2000		87,981	21.45	800
Galloway Ridge	Basic	2000		87,981	6.51	800
Holt Crossing	Basic	2000		87,981	20.70	800
Park Street	Basic	2000		87,981	12.71	800
Hayes	Basic	1966	1981,1982,1986, 2003	58,677	10.85	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>
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Middle Schools

Brookpark	Basic	1953	1997	82,422	14.93	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	39.88	924

High Schools

Central Crossing	Basic	2002		260,716	63.81	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	52.30	1,843
Westland	Basic	1970	1971,1976, 1982 1985, 2000	197,154	51.79	1,861

Additional Schools

Kingston	Basic	1949		13,180	2.00	70
Preschool Center	Basic	1950	2004	10,000	0.75	60
South-Western Career Academy	Basic	2002		130,156	22.10	750

Recreation Centers

Falcons Nest		1986		37,507		
Grove City		1986		37,507		
Cougar Community		1986		37,507		

Miscellaneous

						<u>Occupancy</u>
District Service Center	Basic	1981	1989, 1995, 2002	70,000	3.30	350
Darbydale Distribution		1930-1940		4,170	1.63	5
Transportation		1986		16,594	13.00	109
2 Houses - offices		1960 est		5,000	1.00	8
Norton Road Head Start		1975		4,300	0.70	46
Stiles Family Center		1994		4,510	1.20	206
Tech Services - Garage		1960 est		2,000	0.50	3
Bostic Center - Head Start	Basic	1973	2003	13,105	1.61	115

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

Percentage of Students Passing:	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
<u>3rd Grade</u>					
Mathematics	74.1%	78.2%	79.8%	70.5%	75.2%
Reading	72.6%	74.3%	75.2%	70.1%	70.5%
<u>4th Grade</u>					
Mathematics	78.7%	79.9%	78.3%	73.3%	77.1%
Reading	85.0%	79.3%	80.9%	74.7%	75.2%
Writing	N/A	N/A	N/A	N/A	79.8%
<u>5th Grade</u>					
Mathematics	64.9%	67.4%	66.2%	68.1%	60.4%
Reading	69.2%	73.1%	71.1%	69.1%	67.2%
Science	60.5%	65.3%	65.5%	63.6%	66.8%
Social Studies	N/A	N/A	N/A	N/A	54.1%
<u>6th Grade</u>					
Mathematics	76.1%	83.0%	82.2%	79.6%	77.0%
Reading	81.8%	85.4%	85.1%	85.1%	78.5%
<u>7th Grade</u>					
Mathematics	74.5%	75.5%	75.1%	68.3%	71.2%
Reading	77.0%	78.2%	75.4%	75.6%	72.7%
Writing	N/A	N/A	N/A	N/A	76.5%
<u>8th Grade</u>					
Mathematics	78.4%	77.7%	73.8%	66.1%	70.1%
Reading	85.7%	82.6%	83.0%	76.9%	66.6%
Science	65.1%	71.8%	67.1%	62.8%	59.5%
Social Studies	N/A	N/A	N/A	N/A	49.1%
<u>10th Grade</u>					
Mathematics	83.4%	81.5%	81.3%	81.0%	80.6%
Reading	86.2%	83.9%	84.4%	81.8%	80.8%
Science	76.0%	76.7%	68.5%	69.5%	72.5%
Social Studies	80.3%	82.3%	76.3%	78.7%	78.9%
Writing	82.9%	86.0%	86.8%	82.8%	89.5%
<u>Student Attendance Rate</u>	94.1%	94.4%	94.3%	94.2%	93.9%

Source: State of Ohio School District Report Card.

Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
74.9%	81.1%	71.7%	63.4%	N/A
69.7%	72.4%	68.0%	70.2%	73.0%
72.1%	70.1%	76.1%	65.3%	58.5%
76.4%	75.9%	73.3%	70.8%	65.2%
82.0%	79.7%	84.4%	77.9%	69.2%
59.2%	59.5%	64.1%	N/A	N/A
68.4%	78.9%	72.5%	72.1%	N/A
58.3%	62.4%	N/A	N/A	N/A
57.2%	51.4%	N/A	N/A	N/A
77.7%	77.0%	68.6%	57.2%	62.2%
78.1%	75.1%	82.1%	67.4%	61.9%
67.4%	66.2%	60.4%	59.2%	N/A
73.1%	73.6%	78.6%	N/A	N/A
80.6%	73.5%	N/A	N/A	N/A
70.5%	70.6%	68.7%	63.3%	N/A
75.9%	77.1%	77.1%	74.8%	N/A
59.2%	59.7%	N/A	N/A	N/A
51.2%	49.1%	N/A	N/A	N/A
80.3%	80.8%	84.7%	79.6%	N/A
83.6%	85.0%	89.0%	91.1%	N/A
69.9%	68.9%	69.1%	71.8%	N/A
76.2%	73.4%	77.8%	77.5%	N/A
83.8%	89.5%	88.3%	82.9%	N/A
94.3%	94.3%	94.1%	94.0%	94.4%

South-Western City School District
Attendance Data
Last Ten Fiscal Years

<u>School Year End</u>	<u>Number Of Graduates</u>	<u>Elementary Schools Enrollment</u>	<u>Intermediate Schools Enrollment</u>	<u>Middle Schools Enrollment</u>	<u>High Schools Enrollment</u>	<u>Total Enrollment</u>
2013	1,250	7,480	3,155	3,212	6,368	20,215
2012	1,305	7,396	3,172	3,202	6,306	20,076
2011	1,263	7,328	3,113	3,224	6,229	19,894
2010	1,287	7,431	3,212	3,212	6,085	19,940
2009	1,212	7,728	3,292	3,220	6,511	20,751
2008	1,280	7,977	3,229	3,240	6,539	20,985
2007	1,252	7,955	3,157	3,370	6,511	20,993
2006	1,153	8,065	3,197	3,322	6,376	20,960
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

Source: Education Management Information System
and District Student Data Base

South-Western City School District
 Demographics
 Last Ten Fiscal Years

<u>Year</u>	(1) <u>Estimated Population</u>	(2) <u>Average Daily Membership</u>	(3) <u>Average Federal Adjusted Gross Income</u>	(3) <u>Total Federal Adjusted Gross Income</u>	(4) <u>Unemployment Rate</u>
2013	133,539	20,215	not available	not available	6.10%
2012	133,335	20,076	not available	not available	5.80%
2011	133,116	19,894	\$ 44,836	\$ 2,649,287,890	7.60%
2010	132,899	19,940	44,239	2,546,177,056	8.30%
2009	132,781	20,751	43,933	2,492,962,534	8.20%
2008	132,696	20,985	44,344	2,555,402,593	6.10%
2007	132,189	20,993	43,914	2,563,777,406	5.00%
2006	129,680	20,960	42,904	2,421,867,177	5.40%
2005	128,318	20,863	41,309	2,432,012,063	5.70%
2004	126,296	20,536	39,987	2,343,506,651	5.80%

Sources:

- (1) Ohio Municipal Advisory Council and Mid Ohio Regional Planning Commission
2011 Population information is based on 2010 Census Data
- (2) Per District records - October Count
- (3) Ohio Department of Taxation
- (4) September or October Data of Ohio Bureau of Employment Services or Ohio Department of Jobs and Family Services. Specific employment figures for the School District are not available. Unemployment percentages presented are for Franklin County.

South-Western City School District
 Principal Employers - City of Grove City
 Calendar Year 2012 and 2006

<u>Employer</u>	<u>2012</u>			<u>Employer</u>	<u>2006</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
South-Western City School District	1,905	1	8.25%	South-Western City School District	1,800	1	9.61%
Wal-Mart Associates, Inc	1,195	2	5.18%	Wal-Mart Associates, Inc	1,050	2	5.60%
FedEx Ground Package Systems, Inc.	997	3	4.32%	FedEx Ground Package Systems, Inc.	850	3	4.54%
The Gap, Inc.	574	4	2.49%	The Gap, Inc.	600	4	3.20%
FedEx Smart Post	513	5	2.22%	Manheim Remarketing, Inc.	480	5	2.56%
Wal-Mart Super Center	329	6	1.42%	Wal-Mart Super Center	450	7	2.40%
Manheim Remarketing, Inc.	310	7	1.34%	Nationwide Mutual Insurance Co.	450	6	2.40%
Tigerpoly Manufacturing, Inc.	303	8	1.31%	Tosoh SMD, Inc.	325	10	1.73%
Tosoh SMD, Inc.	283	9	1.23%	Tigerpoly Manufacturing, Inc.	446	8	2.38%
Halcore Group, Inc.	258	10	1.12%	Halcore Group, Inc.	380	9	2.03%
Total Employees from Top Ten Employers	<u>6,667</u>		<u>28.88%</u>	Total Employees from Top Ten Employers	<u>6,831</u>		<u>36.46%</u>
All Other Employers	<u>16,422</u>		<u>71.12%</u>	All Other Employers	<u>11,907</u>		<u>63.54%</u>
Total Employees	<u><u>23,089</u></u>		<u><u>100.00%</u></u>	Total Employees	<u><u>18,738</u></u>		<u><u>100.00%</u></u>

Source: City of Grove City Comprehensive Annual Financial Report

Information 10 year prior is not available

South-Western City School District is located in the southwest quadrant of Franklin County which encompasses the City of Grove City, portions of the City of Columbus and multiple townships.

South-Western City School District
Principal Employers - Greater Columbus Area
Calendar Year 2012

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Ohio State University	27,404	1	2.90%
State of Ohio	24,748	2	2.62%
JP Morgan Chase & Co.	19,200	3	2.03%
Ohio Health	14,025	4	1.49%
Nationwide Mutual Insurance Co.	11,316	5	1.20%
Kroger Co.	10,031	6	1.06%
Columbus City Schools	9,753	7	1.03%
City of Columbus	8,455	8	0.90%
Mount Carmel Health System	7,961	9	0.84%
Limited Brands, Inc.	7,800	10	0.83%
McDonald's Corp.	7,622	11	0.81%
Nationwide Children's Hospital	7,472	12	0.79%
Honda of America Mfg.,Inc.	7,000	13	0.74%
Franklin County	6,689	14	0.71%
Huntington Bancshares, Inc.	5,094	15	0.54%
Cardinal Health Inc.	4,468	16	0.47%
Giant Eagle Inc.	4,260	17	0.45%
American Electric Power Company, Inc.	3,361	18	0.36%
DLA Land and Maritime	3,200	19	0.34%
Columbus State Community College	2,843	20	0.30%
Abercrombie & Fitch Co.	2,725	21	0.29%
South-Western City Schools	2,477	22	0.26%
Alliance Data Systems Corp.	2,434	23	0.26%
Battelle	2,417	24	0.26%
State Farm Insurance	2,000	25	0.21%

Source: City of Columbus Comprehensive Annual Financial Report

South-Western City School District is located in the southwest quadrant of Franklin County which encompasses the City of Grove City, portions of the City of Columbus and multiple townships.

South-Western City School District
 Principal Employers - Greater Columbus Area
 Calendar Year 2003

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
State of Ohio	25,787	1	N/A
Ohio State University	17,361	2	N/A
Federal Government/United States Postal Services	13,300	3	N/A
Columbus Public Schools	12,092	4	N/A
Nationwide	10,815	5	N/A
Bank One Corp.	8,873	6	N/A
Ohio Health	8,304	7	N/A
City of Columbus	8,067	8	N/A
Limited Brands	7,200	9	N/A
Franklin County	7,161	10	N/A
Honda of America Mfg., Inc.	6,600	11	N/A
Mount Carmel	4,983	12	N/A
Kroger Co.	4,632	13	N/A
Wendy's International, Inc	4,500	14	N/A
Wal-Mart Stores, Inc.	4,444	15	N/A
American Electric Power	3,795	16	N/A
Huntington Bancshares, Inc.	3,521	17	N/A
SBC Ohio	3,000	18	N/A
Chase Home Finance	2,861	19	N/A
Medco Health Solutions, Inc.	2,528	20	N/A
Children's Hospital, Inc.	2,505	21	N/A
Discover Financial Services	2,496	22	N/A
South-Western City Schools	2,440	23	N/A
Ross Products, Division Abbott Laboratories	2,392	24	N/A
Battelle	2,184	25	N/A

Source: City of Columbus Comprehensive Annual Financial Report

Percentage of Total Employment data for 2003 not available.

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Dave Yost • Auditor of State

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
MAY 13, 2014**