

SOUTH-WESTERN CITY SCHOOL DISTRICT
FRANKLIN COUNTY
SINGLE AUDIT
JULY 1, 2008 - JUNE 30, 2009



Mary Taylor, CPA
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 Wilson, Shannon & Snow, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 28, 2009

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

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

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Federal Grantor/ Pass thru Grantor/ Program Title	Federal CFDA Number	Cash Receipts	Non-Cash Receipts	Cash Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
<i>Passed through Ohio Department of Education:</i>					
<i>Child Nutrition Cluster:</i>					
School Breakfast Program	10.553	\$ 845,284	\$ -	\$ 845,284	\$ -
National School Lunch Program	10.555	3,620,693	627,565	3,620,693	627,565
<i>Total Child Nutrition Cluster:</i>		<u>4,465,977</u>	<u>627,565</u>	<u>4,465,977</u>	<u>627,565</u>
Child and Adult Food Care Program	10.558	156,858	-	156,858	-
Total U.S. Department of Agriculture		<u>4,622,835</u>	<u>627,565</u>	<u>4,622,835</u>	<u>627,565</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
<i>Passed through Ohio Department of Education:</i>					
<i>Special Education Cluster:</i>					
Special Education-Grants to States	84.027	3,903,163	-	3,871,025	-
Special Education-Preschool Grants	84.173	61,838	-	61,209	-
<i>Total Special Education Cluster:</i>		<u>3,965,001</u>	<u>-</u>	<u>3,932,234</u>	<u>-</u>
Adult Education-State Grant Program	84.002	75,743	-	194,551	-
Title I Grants to Local Educational Agencies	84.010	5,327,063	-	5,238,682	-
Migrant Education-State Grant Program	84.011	4,674	-	3,387	-
Vocational Education-Basic Grants to States	84.048	395,299	-	372,608	-
Safe and Drug Free Schools and Communities-State Grants	84.186	89,650	-	90,317	-
State Grants for Innovative Programs	84.298	30,556	-	30,935	-
Education Technology State Grants	84.318	47,529	-	49,782	-
English Language Acquisition Grants	84.365	451,700	-	490,442	-
Improving Teacher Quality State Grants	84.367	664,812	-	677,537	-
<i>Total Passed through U.S. Department of Education:</i>		<u>11,052,027</u>	<u>-</u>	<u>11,080,475</u>	<u>-</u>
Total U. S Department of Education		<u>11,052,027</u>	<u>-</u>	<u>11,080,475</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
<i>Passed through Columbus Urgan League (CUL):</i>					
Head Start	93.600	1,945,841	-	1,960,570	-
<i>Passed through Ohio Department of Jobs and Family Services:</i>					
Refugee and Entrant Assistance-Discretionary Grants	93.576	32,446	-	44,544	-
Total U.S. Department of Health and Human Services		<u>1,978,287</u>	<u>-</u>	<u>2,005,114</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>					
<i>Passed through U.S. Department of Education:</i>					
Readiness and Emergency Management for Schools	84.184E	118,684	-	118,683	-
<i>Passed through Federal Emergency Management Agency</i>					
Disaster Grants - Public Assistance	97.036	35,108	-	35,108	-
Total U.S. Department of Homeland Security		<u>153,792</u>	<u>-</u>	<u>153,791</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE		<u>\$ 17,806,941</u>	<u>\$ 627,565</u>	<u>\$ 17,862,215</u>	<u>\$ 627,565</u>

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

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) 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

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D – TRANSFERS

During 2009, the Ohio Department of Education (ODE) authorized the District to transfer unneeded funds to other grants as well as carryover monies from the prior fiscal year to the current fiscal year. Authorized transfers and carryover monies are shown as a reduction of federal revenues in the program that the transfer was made from and increased federal revenue in the program that received the transfer or carryover. A detailed listing of the transfers/carryovers is as follows:

CFDA Number	Program Title	Transfers Out	Transfers In
84.298	Innovative Education	\$ -	\$ 41,327
84.367	Improving Teacher Quality State Grants	<u>41,327</u>	<u>-</u>
	Total	<u>\$ 41,327</u>	<u>\$ 41,327</u>



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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the District) as of and for the fiscal year ended June 30, 2009, and have issued our report thereon dated December 7, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies, resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

However, we did note certain matters that we reported to the District in a separate letter dated December 7, 2009.

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Compliance and Other Matters

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

However, we did note an instance of noncompliance or other matter that we have reported to the District's management in a separate letter dated December 7, 2009.

We intend this report solely for the information and use of management, Board of Education, the Auditor of State, federal awarding agencies and pass-through entities, and other members of the District. We intend it for no one other than these specified parties.



Newark, Ohio
December 7, 2009



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

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

Compliance

We have audited the compliance of the South-Western City School District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the fiscal year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the South-Western City School District, Franklin County, complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the fiscal year ended June 30, 2009.

Internal Control over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

Schedule of Federal Awards Receipts and Expenditures

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, (the District) as of and for the fiscal year ended June 30, 2009, and have issued our report dated December 7, 2009. Our audit was performed to form opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 7, 2009

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

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

JUNE 30, 2009

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(I)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(I)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(ii)</i>	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(I)(iv)</i>	Were there any material internal control weakness conditions reported for its major federal program?	No
<i>(d)(I)(iv)</i>	Were there any other significant deficiencies in its internal control for its major federal program?	No
<i>(d)(I)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(I)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(I)(vii)</i>	Major Programs (list):	Special Education Cluster: Special Education Grants to States \ CFDA #84.027 and Special Education Preschool Grant / #84.173; Head Start / CFDA #93.600
<i>(d)(I)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$554,693 Type B: all others
<i>(d)(I)(ix)</i>	Low Risk Auditee?	Yes

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

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

JUNE 30, 2009

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



Independent Auditors' Report on Applying Agreed-Upon Procedures

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

To the Board of Education:

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

1. We noted the Board adopted an anti-harassment policy at its meeting on April 14, 2008.
2. We read the policy, noting it included the following requirements from Ohio Revised Code Section 3313.666(B):
 - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Revised Code Section 3313.666;
 - (3) A procedure for reporting prohibited incidents;
 - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by Section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974”, 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;
 - (6) A procedure for documenting any prohibited incident that is report;
 - (7) A procedure for responding to and investigating any reported incident;

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- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment of the Constitution of the United States;
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its website, if the district has a website, to the extent permitted by Section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974", 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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 this specified party.

Wilson, Sherman & Sons, Inc.

Newark, Ohio
December 7, 2009

SOUTH-WESTERN CITY SCHOOL DISTRICT

Grove City, Ohio

***COMPREHENSIVE ANNUAL FINANCIAL
REPORT***

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Issued by the Treasurer's Office

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

South-Western City School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2009

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District Service Center

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December 7, 2009

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

The twentieth 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 2008-09 fiscal year. This report prepared by the Treasurer's office including the unqualified opinion of our independent auditors, Wilson, Shannon & Snow, Inc. for the fiscal year ended June 30, 2009 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, and Standard and Poor's Financial Rating Services, banks, and any other interested parties.

SCHOOL DISTRICT ORGANIZATION

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

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

THE REPORTING ENTITY AND SERVICES PROVIDED

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

The District operates thirty-six instruction/support facilities staffed by 937 non-certificated employees, 1,404 certificated full-time teaching personnel and 105 administrative employees to provide services to 20,751 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. The economic condition and outlook of the District has slowed in recent years. Historically, the District has experienced considerable growth in both residential and commercial tax bases from 1993 to 2005, nearly doubling its tax base over that period of time. 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 Area, as listed by the Ohio Department of Job and Family Services, was 8.2 percent for the period ending September 2009. The seasonally adjusted rate of unemployment in Ohio was 10.1 percent and the national rate was 9.8 percent for the same period. New residential construction is beginning to slow throughout the District. Based on the current economic condition of the area and the nation, residential and commercial growth is expected to slow until the current national economic down turn is over.

Although past residential and commercial tax base growth has had a positive effect on employment and the District’s tax base, the full tax revenue impact has not been realized due to the implementation of House Bill 920. This state law, enacted in 1976 provides that the assessed value of property will not be changed more than once every three years, and the property tax bill of the average homeowner for voted millage will not be increased as a result of reappraisal or readjustment. Enacted as a result of protests from citizens who were being served markedly higher tax bills following reappraisals, this legislation has had the effect of seriously eroding the growth in revenue from local property tax and does not allow for revenue increases caused by inflationary growth of real estate property values. For example, the 7.4 mill permanent operating levy that was approved in November 2009 and generates roughly \$18,500,000 each year will never generate more than that amount. As assessed value increases due to new homes and businesses; the 7.4 mills will decrease for each property owner until the amount generated from this voted levy equals \$18,500,000. The District must constantly recognize this built-in revenue limitation.

In conjunction with the slowing of growth in jobs and construction, there has been a recent decrease in student enrollment. This decrease has stabilized budget growth.

MAJOR INITIATIVES

Improving student academic achievement is the District's first and foremost concern. The District has implemented a program focusing on three key areas of student performance (graduation, attendance and proficiency on achievement tests). This district-wide effort, known as G.A.P., ensures students are prepared to reach their full potential both in school and following graduation. The effort is paying off, with graduation rates, student attendance rates and achievement improving year after year. On the 2008-09 State of Ohio Report Card, the District earned the rating of "Continuous Improvement," and was just short of attaining an "Effective" rating. The District's Performance Index, which measures a district's academic growth, was high enough for the District to achieve the "Effective" rating from the State of Ohio. However, the District not only has to meet the Performance Index standards, but must also meet standards for Adequate Yearly Progress (A.Y.P.). The District missed just seven out of forty-seven subgroups measured for A.Y.P. Three of the seven areas the District has missed are in the reading category. In an effort to strengthen and improve the District's reading scores, the District has instituted a program entitled "Literacy Collaborative". The literacy collaborative program promotes increased reading strategies through the use of coaches. The coaches are peer instructor's that teach improved reading techniques to classroom teachers. This is the method being used by the District to increase literacy in effort to reach an "Effective" rating or higher. The District is one of the largest districts in Ohio to achieve this level of performance.

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. Budgets are controlled at the object level within a function and fund. All requisition requests must be approved by the individual program managers and be certified by the Business Manager and the Treasurer; necessary funds are then encumbered and purchase orders are created and released to vendors.

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished 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 and account groups 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.

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

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

Risk Management – The District continues to protect its assets through a comprehensive insurance program. However, the District is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2009, the District contracted with Ohio School Plan for general liability, fleet and property insurance. General liability had a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate limit with no deductible. Fleet insurance requires \$1,000 deductibles for both comprehensive and collision. Property insurance deductibles range from \$25 to \$50,000 depending upon the type of property and loss.

The District participates in the State of Ohio Bureau of Workers' Compensation system, which is a premium-based program. The premium rate is calculated through an actuarial analysis based on account history and administrative cost. In 2009, the District enrolled in the Bureau's retrospective rating program. Under this program, the District purchases stop-loss coverage from the Bureau while paying claims on work related injuries from calendar year 2009. It is anticipated this change will save the District in excess of four-hundred thousand dollars annually.

The District has elected to provide employee medical, dental, vision and life insurance benefits. On January 1, 2008, the District switched from a fully insured to a self insured plan. The District set premium levels for a one-year period based on actuarial studies prepared by Aetna, Inc. that covers the period from January 1, 2008 through January 1, 2009. The Board pays one hundred percent of the medical premium for single coverage and sixty-five percent of the premium for family coverage. The District Insurance Committee determines coverage and plan design. This committee consists of representatives of all three bargaining units and the Board of Education. By negotiated agreement, this committee has the authority to modify district insurance programs and employee contributions. In October 2009, the committee made several changes to plan design to reduce costs. The committee increased deductibles to \$250 for an individual and \$500 for a family and increased co-pay amounts for office visits and prescription pharmaceuticals.

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

OTHER INFORMATION

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

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

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

Award - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008.

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 nineteenth 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 2008-09 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

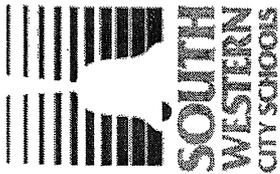
Cathy Johnson	President
William G. McCarty	Vice President
Amy Baker	Member
Mindy Garverick	Member
Randy Reisling	Member

Central Office Administrative Staff

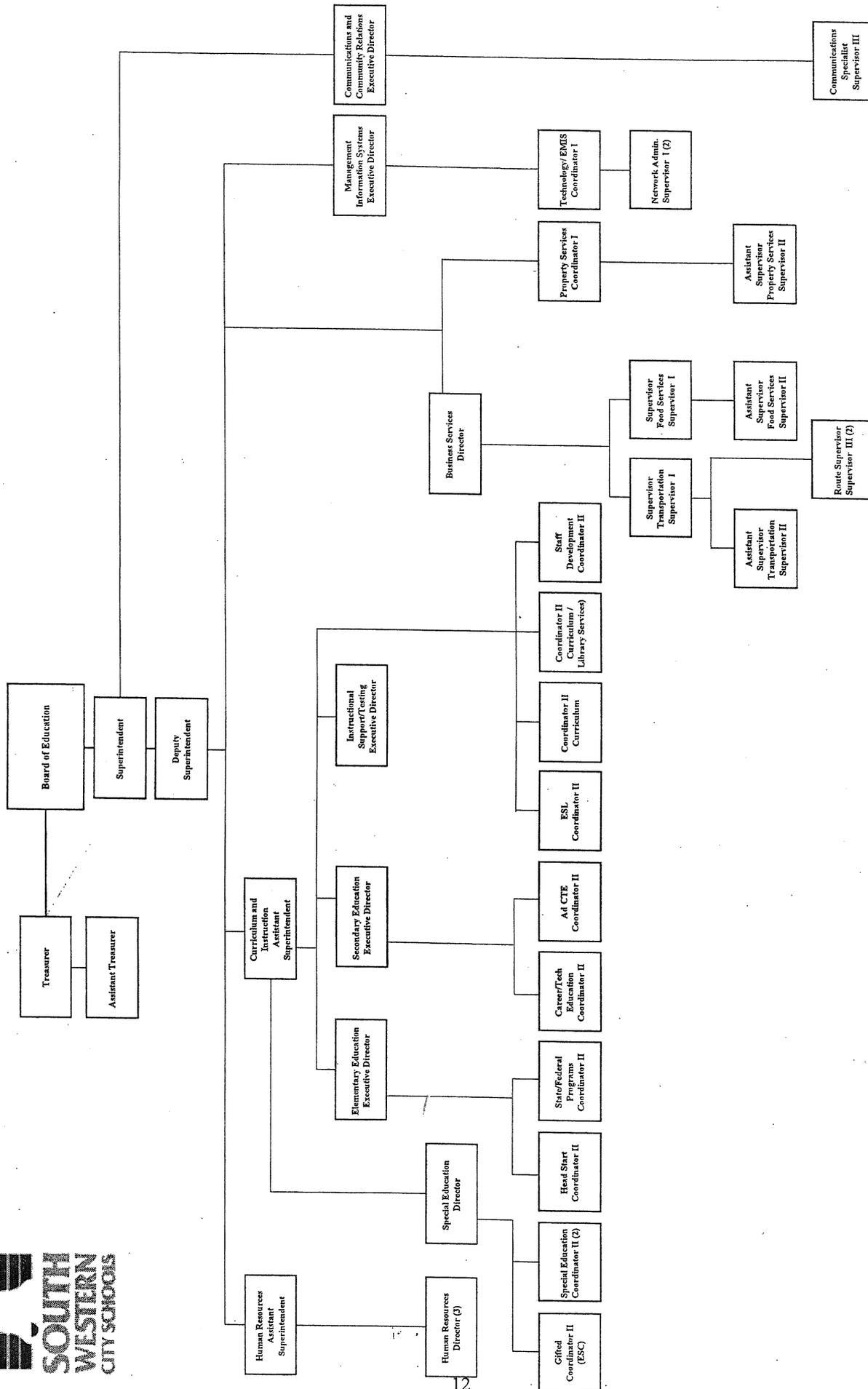
William H. Wise, Ph.D.	Superintendent
Philip E. Warner	Deputy Superintendent
Hugh W. Garside Jr.	Treasurer
Karen K. New	Assistant Treasurer
Gary D. Smetzer	Assistant Superintendent - Human Resources
Lois Rapp	Assistant Superintendent - Curriculum
Bryan Mulvany	Executive Director Data and Information Services
Sandra Nekoloff	Executive Director of Communications
Patrick Callaghan	Executive Director of Early Education
Roby Schottke	Executive Director of Teaching and Learning
Janice A. Collette	Personnel Director
Randy Banks	Personnel Director
James Grube	Personnel Director
Scott D. Deubner	Business Manager
Sherry P. Minton	Coordinator – Career and Technical Programs

TREASURER'S DEPARTMENT STAFF

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



South-Western City Schools Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

South-Western City
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

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



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enew", is written above the title.

Executive Director

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the District) as of and for the fiscal year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the General Fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2009, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

Wilson, Shannon & Snow, Inc.

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

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

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 7, 2009

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

This section of the South-Western City District's (the District) annual financial report presents the discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2009. Please read it in conjunction with the District's financial statements, which immediately follow this section.

Using this Annual Report

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

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

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

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

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

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

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

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

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 separate statements of fiduciary net assets. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

The District as a Whole

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets as of June 30, 2009 and as of June 30, 2008 for comparison purposes:

<i>Table 1</i>		
	Governmental Activities (in thousands)	
	2009	2008
Assets		
Current and other assets	\$ 148,824	\$ 151,470
Capital Assets	139,755	144,870
Total Assets	288,579	296,340
Liabilities		
Current liabilities	75,559	85,839
Long-term liabilities	116,173	130,539
Total Liabilities	191,732	216,378
Net Assets		
Invested in Capital Assets - Net of related debt	40,528	34,414
Restricted	23,493	22,761
Unrestricted	32,826	22,787
Total Net Assets	\$ 96,847	\$ 79,962

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

The District's net assets were \$96,847 thousand at June 30, 2009. Capital assets, net of related debt totaling \$40,528 thousand, compares the original cost, less depreciation of the District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those net assets for day-to-day operations.

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

The results of this year's operations for the District as a whole are reported in the statement of activities (Table 2), which shows the changes in net assets as of June 30, 2009 and as of June 30, 2008, for comparison purposes.

Table 2		
Governmental Activities (in thousands)		
	2009	2008
Revenue		
Program revenue:		
Charges for Services	\$ 4,822	\$ 4,658
Operating Grants	33,841	30,260
General Revenue:		
Property Taxes	102,486	95,549
Grants and Entitlements	101,901	91,936
Interest	974	2,011
Other Local Revenue	8,244	5,285
Total Revenue	252,268	229,699
Functions/Program Expenses		
Instruction	135,013	126,301
Support Services	81,386	74,015
Food Services	8,610	8,085
Community Services	1,803	1,317
Extracurricular Activities	3,879	3,898
Interest and Fiscal Charges	4,692	5,469
Total Expenses	235,383	219,085
Change in Net Assets	16,885	10,614
Net Assets Beginning of Year	79,962	69,348
Net Assets End of Year	\$ 96,847	\$ 79,962

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

As reported in the statement of activities, the cost of all of the governmental activities this fiscal year is \$235,383 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$4,822 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$33,841 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$102,486 thousand in taxes, \$101,901 thousand in grants and entitlements, and with other revenues.

The District experienced an increase in net assets of \$16,885 thousand. This increase was realized primarily due to \$8,631 thousand of principal being retired on the District's existing general obligation bonds and \$4,210 being retired on a tax anticipation note, which is now paid in full.

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

The District's Funds

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

As the District completed fiscal year 2008-09, the governmental funds reported a combined fund balance of \$53,100 thousand, which is an increase of \$7,542 thousand from previous fiscal year. The primary reason for the increase is due to the District using existing fund balances for capital improvement efforts during the fiscal year.

The General Fund balance increased \$9,228 thousand to \$33,227 thousand due to the stabilization of expenditures as a result of continued cost containment strategies.

The Debt Service Fund balance decreased \$1,559 thousand to \$13,069 thousand. This decrease is insignificant and can be attributed to fluctuating tax collections. 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 increased \$366 thousand to \$3,700 thousand due to management's efforts to create a contingency of one half of a year's collections for unforeseen events. Expenditures included, but are not limited to, roofing and paving upgrades at various District facilities, fifteen additional buses and technology equipment upgrades.

The Other Governmental Funds balance decreased \$493 thousand to \$3,103 thousand due to the reduction of federal grant funds. Other Governmental Funds primarily consist of special revenue funds.

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

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, 2009.

Revisions made to the original 2008-09 General Fund budget were insignificant in the scope of the entire budget. Budgeted revenues were increased \$719 thousand primarily due to increased intergovernmental revenue from the state as a result of an increase in community school students. Budgeted expenditures were decreased \$813 thousand to contain costs and protect the fund balance.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2009, the District had \$139,755 thousand invested in a broad range of capital assets, including land, improvements to land, buildings, furniture and equipment, vehicles, and buses. This amount represents a net decrease (including additions, deductions, and depreciation) of \$5,115 thousand, or 3.5 percent, from last year.

<u>Description of Capital Asset</u>	<u>2009</u>	<u>2008</u>
Land	\$ 6,752	\$ 6,752
Improvements to Land	1,322	1,036
Buildings	126,279	131,643
Furniture and Equipment	562	682
Vehicles	203	170
Buses	4,151	4,170
Construction in Progress	<u>486</u>	<u>417</u>
Total Capital Assets	<u>\$ 139,755</u>	<u>\$ 144,870</u>

This year's additions of \$3,135 thousand included costs associated with the improvements in roofing and paving projects at multiple District facilities, the addition of eleven school buses, and equipment and technology purchases. A more detailed explanation of the District's capital assets can be located in Note 6 to the basic financial statements.

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

Debt

At the end of this year, the District had \$102,135 thousand in bonds and notes outstanding versus \$115,210 thousand in the previous year, which is a decrease of 11.3 percent. Those bonds and notes consisted of the following: (in thousands)

<u>Description of G.O. Bonds and Note</u>	<u>2009</u>	<u>2008</u>
1999 School Facilities	\$10,035	\$10,610
2002 School Facilities	1,980	2,430
2002 Energy Conservation	2,550	2,920
2000 Vocational Construction	533	600
2003 Refunding School Facilities	13,120	15,610
2006 Refunding School Facilities	72,148	77,264
2006 Refunding Capital Appreciation Bonds	1,769	1,566
2006 Permanent Improvement TAN	<u>0</u>	<u>4,210</u>
Total Long -Term Bonds and Notes Payable	<u>\$ 102,135</u>	<u>\$ 115,210</u>

The District's general obligation bond rating was reviewed in November 2006 by two independent rating firms. Both firms confirmed no change to the District's rating. Moody's credit rating is A1 and Standard and Poor's credit rating is A+. The state limits the amount of general obligation debt that schools can issue to ten percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$102,135 thousand is significantly below the \$230,677 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 settled negotiations with its three bargaining units in the fall of 2007. 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 April 22, 2009, the Board and S.W.E.A. signed a one year contract extension effective July 1, 2009 through June 30, 2010. The Board and S.W.E.A. agreed to freeze base salaries for the term of the extension.

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

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 April 1, 2009, the Board and O.A.P.S.E. signed a one year contract extension effective July 1, 2009 through June 30, 2010. The Board and O.A.P.S.E. agreed to freeze base salaries for the term of the extension.

On April 22, 2009, the Board and S.W.A.A. signed a one year contract extension effective March 1, 2009 through June 30, 2010. The Board and S.W.A.A. agreed to freeze base salaries for the term of the extension.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..."

On July 17, 2009 the Ohio House Bill 1 was signed into law. Ohio House Bill 1 systematically changed the format of funding in Ohio from a per pupil funding model to an evidence based model. The evidence based model is based on the following principles:

- Ensure the success of all children regardless of their socio-economic situation;
- Align state resources to address disparities;
- Create a flexible and adaptable system that encourages innovation and creativity;
- Recognize that instructional quality is a central driver of educational attainment;
- Recognize that each student is different and allocate resources based on need;
- Retain the state-local partnership, but accurately account for local resources; and
- Use most recent data and information to recalibrate the model in future years.

Due to current economic conditions in the state, the revenue and expenditure aspects of the evidence based model have not been fully implemented. Currently, the State of Ohio has proposed phasing in the model over time. The District is hopeful that when the model will provide financial stability when it fully implemented.

On November 3, 2009 the District passed a 7.4 mill permanent operating levy that will provide an additional eighteen and a half million dollars annually starting January 1, 2009. The additional tax revenue will be used to reinstate programs previously eliminated and stabilize the District's finances in future years.

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

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 Assets
June 30, 2009

	Governmental <u>Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash	
Equivalents	\$ 36,204,861
Receivables:	
Taxes - Current	93,861,854
Taxes - Delinquent	10,837,876
Accounts	38,064
Interest	16,042
Intergovernmental	5,083,776
Materials and Supplies Inventory	387,445
Unamortized Debt Issuance Costs	2,394,251
Capital Assets:	
Land	6,751,905
Construction in Progress	486,124
Depreciable Capital Assets, Net of Accumulated Depreciation	132,516,587
Total Capital Assets, Net of Accumulated Depreciation	<u>139,754,616</u>
Total Assets	<u>\$ 288,578,785</u>
 <u>Liabilities</u>	
Accounts Payable	\$ 1,742,602
Contracts Payable	414,179
Payable from Restricted Assets:	
Contracts Payable Retainage	36,047
Claims Payable	2,251,132
Accrued Wages and Benefits	19,392,212
Accrued Interest Payable	336,046
Unearned Revenue	51,386,814
Long-Term Liabilities:	
Due within One Year	12,872,337
Due in More than One Year	103,300,344
Total Liabilities	<u>\$ 191,731,713</u>
 <u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	40,527,577
Restricted for:	
Debt Service	14,216,374
Capital Projects	4,216,638
Other Purposes	5,060,834
Unrestricted	32,825,649
Total Net Assets	<u>\$ 96,847,072</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, 2009

	Expenses	Program Revenues		Net (Expense) Revenue and
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Changes in Net Assets
				Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 99,472,506	\$ 165,213	\$ 2,906,262	\$ (96,401,031)
Special	26,318,268	-	11,356,894	(14,961,374)
Vocational	6,386,202	185,043	1,757,854	(4,443,305)
Other	2,835,918	24,165	2,275,667	(536,086)
Support Services:				
Pupil	9,255,581	-	1,861,727	(7,393,854)
Instructional Staff	14,963,463	-	5,510,772	(9,452,691)
Board of Education	53,816	-	-	(53,816)
Administration	15,407,715	140	899,251	(14,508,324)
Fiscal	3,460,086	-	179,416	(3,280,670)
Business	961,685	-	-	(961,685)
Operations and Maintenance	16,666,018	-	856,652	(15,809,366)
Pupil Transportation	11,894,384	432,111	14,002	(11,448,271)
Central	8,723,626	-	169,756	(8,553,870)
Food Service	8,609,997	3,242,294	4,820,240	(547,463)
Community Services	1,803,117	16,668	1,232,883	(553,566)
Extracurricular Activities	3,878,853	756,351	-	(3,122,502)
Interest and Fiscal Charges	4,692,127	-	-	(4,692,127)
Total Governmental Activities	\$ 235,383,362	\$ 4,821,985	\$ 33,841,376	(196,720,001)

General Revenues:

Property Taxes Levied for:	
General Purposes	85,257,556
Debt Service	12,884,620
Capital Projects	4,343,741
Grants and Entitlements not Restricted to Specific Programs	101,900,997
Interest	974,009
Other Local Revenues	8,243,804
Total General Revenues	213,604,727
Changes in Net Assets	16,884,726
Net Assets Beginning of Year	79,962,346
Net Assets End of Year	\$ 96,847,072

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, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash				
Equivalents	\$ 19,237,206	\$ 7,766,585	\$ 2,446,473	\$ 3,047,156
Receivable:				
Taxes - Current	77,376,105	12,314,961	4,170,788	-
Taxes - Delinquent	9,170,480	1,225,872	441,524	-
Accounts	17,996	-	-	20,068
Interest	16,042	-	-	-
Intergovernmental	412,806	-	-	4,670,970
Interfund Loan Receivable	543,355	-	-	-
Materials and Supplies Inventory	301,621	-	-	85,824
Total Assets	<u>\$ 107,075,611</u>	<u>\$ 21,307,418</u>	<u>\$ 7,058,785</u>	<u>\$ 7,824,018</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 1,396,640	\$ -	\$ 140,899	\$ 205,063
Contracts Payable	-	-	414,179	-
Payable from Restricted Assets:				
Contracts Payable Retainage	-	-	36,047	-
Accrued Wages and Benefits	17,377,446	-	-	2,014,766
Compensated Absences Payable	1,728,772	-	-	-
Interfund Loans Payable	-	-	-	543,355
Deferred Revenue	53,345,300	8,238,758	2,767,546	1,957,392
Total Liabilities	<u>73,848,158</u>	<u>8,238,758</u>	<u>3,358,671</u>	<u>4,720,576</u>
<u>Fund Balance:</u>				
Reserved for Encumbrances	1,165,472	-	1,002,147	253,802
Reserved for Future Appropriation	33,536,967	5,302,075	1,844,766	-
Reserved for Debt Service	-	7,766,585	-	-
Unreserved, reported in				
General Fund	(1,474,986)	-	-	-
Special Revenue Funds	-	-	-	2,849,640
Capital Project Fund	-	-	853,201	-
Total Fund Balances	<u>33,227,453</u>	<u>13,068,660</u>	<u>3,700,114</u>	<u>3,103,442</u>
Total Liabilities and Fund Balances	<u>\$ 107,075,611</u>	<u>\$ 21,307,418</u>	<u>\$ 7,058,785</u>	<u>\$ 7,824,018</u>

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

South-Western City School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
June 30, 2009

<u>Total Governmental Funds</u>		
	Total Governmental Fund Balances	\$ 53,099,669
\$ 32,497,420	Amounts reported for governmental activities in the statement of net assets are different because:	
93,861,854		
10,837,876	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	139,754,616
38,064		
16,042		
5,083,776	Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	14,922,182
543,355		
387,445		
<u>\$ 143,265,832</u>	Unamortized premiums on bond and long-term note issuances are not recognized in the funds.	(2,837,969)
\$ 1,742,602	Unamortized bond and long-term note issuance costs are not recognized in the funds.	2,394,251
414,179		
	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 assets.	1,456,309
36,047		
19,392,212		
1,728,772		
543,355		
66,308,996	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:	
<u>90,166,163</u>	Interest Payable	(336,046)
	Compensated Absences Payable	(12,308,968)
2,421,421	General Obligation Debt	(95,699,989)
40,683,808	Energy Conservation Debt	(2,550,000)
7,766,585	Vocational Construction Loan	(533,332)
	Deep Discount Accretion	(513,651)
(1,474,986)	Net Assets of Governmental Activities	<u>\$ 96,847,072</u>
2,849,640		
853,201		
<u>53,099,669</u>		
<u>\$ 143,265,832</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, 2009

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
Revenues:				
Local:				
Taxes	\$ 82,321,235	\$ 13,071,268	\$ 3,830,234	\$ -
Tuition	772,824	-	-	62,120
Interest	966,609	-	-	7,400
Other Local Revenue	3,734,391	54,008	75,000	6,173,835
Intergovernmental - State	105,988,974	2,390,743	313,952	7,700,190
Intergovernmental - Federal	1,035,938	-	-	17,925,207
Total Revenues	<u>194,819,971</u>	<u>15,516,019</u>	<u>4,219,186</u>	<u>31,868,752</u>
Expenditures:				
Current:				
Instruction:				
Regular	90,660,258	-	816,985	3,590,868
Special	21,032,279	-	-	5,117,745
Vocational	5,066,396	-	-	529,424
Other	281,620	-	-	2,503,906
Support Services:				
Pupil	7,707,001	-	-	1,504,088
Instructional Staff	9,335,244	-	-	5,662,070
Board of Education	53,816	-	-	-
Administration	13,745,688	-	-	1,397,620
Fiscal	3,029,687	212,854	36,039	179,706
Business	868,730	-	87,180	-
Operations and Maintenance	15,803,369	-	229	587,892
Pupil Transportation	10,497,654	-	-	14,002
Central	2,970,135	-	26,259	379,975
Food Service	-	-	-	8,572,735
Community Services	261,829	-	-	1,252,776
Extracurricular Activities	2,566,395	-	-	1,165,892
Capital Outlay	666,639	-	2,819,328	449,166
Debt Services:				
Principal Retirement	-	12,910,000	66,667	-
Interest and Fiscal Charges	74,138	4,435,492	-	-
Total Expenditures	<u>184,620,878</u>	<u>17,558,346</u>	<u>3,852,687</u>	<u>32,907,865</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,199,093	(2,042,327)	366,499	(1,039,113)
Other Financing Sources (Uses):				
Transfers - In	-	482,915	-	539,851
Transfers - Out	(1,022,766)	-	-	-
Sale of Capital Assets	51,855	-	-	5,953
Total Other Financing Sources (Uses)	<u>(970,911)</u>	<u>482,915</u>	<u>-</u>	<u>545,804</u>
Net Change in Fund Balances	9,228,182	(1,559,412)	366,499	(493,309)
Fund Balances at Beginning of Year	<u>23,999,271</u>	<u>14,628,072</u>	<u>3,333,615</u>	<u>3,596,751</u>
Fund Balances at End of Year	<u>\$ 33,227,453</u>	<u>\$ 13,068,660</u>	<u>\$ 3,700,114</u>	<u>\$ 3,103,442</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, 2009

<hr/>		
Total Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$ 7,541,960
	Amounts reported for governmental activities in the statement of activities are different because:	
\$ 99,222,737		
834,944	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. This is the amount by which depreciation (\$7,157,671) in the current period exceeds capital outlay, which met the capitalization criteria, (\$2,167,032).	(4,990,639)
974,009		
10,037,234		
116,393,859		
18,961,145		
<hr/>		
246,423,928		
	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 assets differs from the change in fund balances by the cost of the assets disposed.	(125,199)
95,068,111		
26,150,024	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	2,193,403
5,595,820		
2,785,526		
	Long-term debt proceeds provide current financial resource to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	12,976,667
9,211,089		
14,997,314		
53,816		
15,143,308		
3,458,286		
955,910	Debt Issuance costs reported in the statement of revenues, expenditures, and changes in fund balances that are reported as expenditures are not reported as expenses in the statement of activities.	(199,337)
16,391,490		
10,511,656		
3,376,369		
8,572,735	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.	301,118
1,514,605		
3,732,287		
3,935,133		
	Accretion on capital appreciation bonds is an expenditures in the governmental funds but is allocated as an expense over the life of the bonds.	(203,034)
12,976,667		
4,509,630		
<hr/>		
238,939,776	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.	(81,244)
7,484,152		
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	262,703
1,022,766		
(1,022,766)		
57,808		
<hr/>		
57,808		
	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.	(791,672)
7,541,960		
<hr/>		
45,557,709		
<hr/>		
\$ 53,099,669	Changes in Net Assets of Governmental Activities	<hr/> <hr/> \$ 16,884,726

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

South-Western City School District
Statement of Net Assets
Internal Service Fund
June 30, 2009

Current Assets:

Equity in Pooled Cash and Cash	
Equivalents	<u>\$ 3,707,441</u>
Total Current Assets	<u>\$ 3,707,441</u>

Current Liabilities:

Claims Payable	<u>\$ 2,251,132</u>
Total Current Liabilities	<u>2,251,132</u>

Net Assets

Unrestricted	<u>1,456,309</u>
Total Net Assets	<u>\$ 1,456,309</u>

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

South-Western City School District
Statement of Revenues, Expenses and
Changes in Fund Net Assets
Internal Service Fund
For the Fiscal Year Ended June 30, 2009

Operating Revenues:	
Charges for Services	\$ 19,535,452
Charges to Employees	<u>3,718,148</u>
Total Operating Revenues	<u>\$ 23,253,600</u>
Operating Expenses:	
Salaries and Wages	211,984
Fringe Benefits	5,221
Claims	22,341,513
Purchased Services	<u>1,486,554</u>
Total Operating Expenses	<u>24,045,272</u>
Operating Loss	(791,672)
Net Assets Beginning of Year	<u>2,247,981</u>
Net Assets End of Year	<u>\$ 1,456,309</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, 2009

Decrease in Cash and Cash Equivalents

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 19,535,452
Cash Received from Employees	3,718,148
Cash Payments for Claims	(21,672,548)
Cash Payments for Salaries and Fringe Benefits	(217,205)
Cash Payments to Suppliers for Goods and Services	<u>(1,486,554)</u>
Net Cash Used in Operating Activities	<u>(122,707)</u>
Net Decrease in Cash and Cash Equivalents	(122,707)
Cash and Cash Equivalents Beginning of Year	<u>3,830,148</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 3,707,441</u></u>

Reconciliation of Operating Loss to Net Cash

<u>Used in Operating Activities:</u>	
Operating Loss	\$ (791,672)
Adjustments to Reconcile Operating Loss to Net	
Cash Used in Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Claims Payable	<u>668,965</u>
Net Cash Used in Operating Activities	<u><u>\$ (122,707)</u></u>

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

South-Western City School District
Statement of Fiduciary Net Assets
Agency Fund
June 30, 2009

Assets:

Equity in Pooled Cash and Cash Equivalents	\$ 3,687,813
Accounts Receivable	<u>181,700</u>
Total Assets	<u><u>\$ 3,869,513</u></u>

Liabilities:

Accounts Payable	\$ 35,418
Due to Other Governments	2,771,835
Undistributed Money	<u>1,062,260</u>
Total Liabilities	<u><u>\$ 3,869,513</u></u>

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 1 - DESCRIPTION OF THE DISTRICT

The South-Western City School District (the "District") operates under a locally elected five-member board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District's thirty-six instructional/support facilities and one leased facility staffed by 937 non-certificated employees, 1,404 certificated full time teaching personnel and 105 administrative employees to provide services to approximately 20,751 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 eighteen (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 2009 the District operated 17 elementary schools, five intermediate schools, five middle schools, four comprehensive high schools and one career academy high school.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For 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 also applies Financial Accounting Standards Board (FASB) statements and Interpretations issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The District's significant accounting policies are described below.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government - Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. 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 overstatement 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 assets presents the financial condition of the governmental activities of the District at year-end. The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with service, program or department and therefore clearly identifiable to a particular function. 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 and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental Funds

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

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 all financial resources except those required to be accounted for in another fund.

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

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

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

Proprietary Fund

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

Internal Service Fund – The Health Self Insurance Internal Service fund is used to account for dental insurance claims and 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 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 and all liabilities associated with the operation of the District are included on the Statement of Net Assets.

Fund Financial Statements

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 revenue 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.

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.

Unearned Revenue

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

Property taxes (should not include delinquent) for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as unearned revenue.

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 2009, 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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Data (continued)

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 2009.

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. 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 2009, the District invested in a variety of instruments as allowed in the Ohio Revised Code. Except for investment contracts and money market investments that had a remaining maturity of two years or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2009.

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 2009 amounted to \$966,609, which includes \$385,627 assigned from other District Funds.

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

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

G. Inventory

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Capital Assets and Depreciation

Capital assets are reported in the government-wide statement of net assets but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$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, 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 are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The District records a liability for accumulated unused sick leave for all employees after fifteen years of service. A bonus payment is available to employees who retire at their first retirement eligibility date, which is based on the number of years experience they have earned. A liability is recorded for those employees that have declared their retirement date as of June 30, 2009.

During fiscal year 2006 the District offered an early separation incentive. Certificated and administrative employees with more than 10 years of service with the district that also earned more than \$55,000 per year were eligible for the program. Employees who met this eligibility standard and qualified to retire through State Teachers Retirement System (STRS) or School Employees Retirement System (SERS) were offered a \$50,000 bonus, in lieu of the bonus payment provided to those retiring in the first year they are eligible, and their sick leave benefit. The total will be paid into an annuity account in equal monthly payments over 5 years. Employees who did not qualify to retire but met the early separation incentive guidelines were offered \$50,000, which will be paid into an annuity in equal monthly payments over 8 years. The district is paying the total liability to a third party administrator over a 3-year period.

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, 2009, and reduced to the maximum payment allowed by labor contracts and/or statute, plus any additional salary related payments.

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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, compensated absences, special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

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.

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

L. Fund Balance Reserves

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

M. Net Assets

Net Assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Any unspent borrowings used for the acquisition, construction or improvement of those assets do not reduce net assets invested in capital assets, net of related debt. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include activities for food service operations, music and athletic programs, and state and federal grants 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 assets are available. The District did not have net assets restricted by enabling legislation at June 30, 2009.

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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2009.

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 recorded as deferred charges and amortized over the term of the related debt.

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 issuance costs, 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 debt services expenditures.

NOTE 3 - CASH AND CASH EQUIVALENTS/INVESTMENTS

Deposits

At year-end, the carrying amount of the District's deposits was \$33,269,253 and the bank balance was \$33,365,152. Of the bank balance, \$500,000 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 6 months or less
Repurchase Agreement	\$ 4,520,000	\$ 4,520,000
STAR Ohio	2,103,421	2,103,421
	\$ 6,623,421	\$ 6,623,421

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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 4 - PROPERTY TAXES (continued)

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 2009 represent the collection of calendar year 2008 taxes. Real property taxes received in calendar year 2009 were levied after April 1, 2008, on the assessed values as of January 1, 2008, 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 2009 represent the collection of calendar year 2008 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien on December 31, 2007, were levied after April 1, 2008, and are collected in 2009 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax revenue received in calendar 2009 (other than public utility property tax) represents the collection of calendar year 2009 taxes. Tangible personal property taxes received in calendar year 2009 were levied after April 1, 2008, on the value as of December 31, 2008. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessed percentage for all property including inventory was zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

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, 2009, are available to finance fiscal year 2009 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, and the late June personal property settlement, which are measurable as of June 30, 2009 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 deferred. 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, 2009*

NOTE 4 - PROPERTY TAXES (continued)

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which become measurable as of June 30, 2009. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue of the portion not intended to finance current year operations. The amount available as an advance at June 30 was \$33,536,967 in the General Fund, \$5,302,075 in the Debt Service Fund and \$1,844,766 in the Capital Improvement Fund, which is recognized as revenue. The assessed values upon which the fiscal year 2009 Taxes were collected are:

	<u>2008 Second Half Collection</u>		<u>2009 First Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 2,430,333,930	93.92%	\$ 2,486,685,210	97.02%
Public Utility Real and Personal	67,312,640	2.60%	71,769,930	2.80%
Tangible Personal Property	<u>89,991,185</u>	<u>3.48%</u>	<u>4,619,246</u>	<u>.18%</u>
Total Assessed Value	<u>\$ 2,587,637,755</u>	<u>100%</u>	<u>\$ 2,563,074,386</u>	<u>100%</u>
Tax rate per \$1,000 of Assessed Valuation	\$ 64.45		\$ 65.00	

NOTE 5 - RECEIVABLES

Receivables at June 30, 2009 consisted of taxes, accounts (rent and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of receivables reported on the statement of net assets follows:

Governmental Activities:	
Property Taxes – Current	\$ 93,861,854
Property Taxes – Delinquent	10,837,876
Accounts	38,064
Interest	16,042
Intergovernmental	<u>5,083,776</u>
Total	<u>\$ 109,837,612</u>

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 5 – RECEIVABLES (continued)

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

	<u>Deferred</u>	<u>Unearned</u>
Delinquent Property Taxes	\$ 10,837,876	\$ 51,386,814
Revenue received prior to meeting all eligibility requirements	4,084,306	-
	\$ 14,922,182	\$ 51,386,814

NOTE 6 – CAPITAL ASSETS

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

	<u>Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Balance</u>
	<u>6/30/2008</u>		<u>Additions</u>		<u>Deletions</u>		<u>6/30/2009</u>
Governmental Activities							
Non-Depreciable:							
Land	\$ 6,751,905	\$ -	-	-	-	-	\$ 6,751,905
Construction in Progress	416,807	1,037,486	(968,169)	-	486,124		486,124
Total Non-Depreciable	7,168,712	1,037,486	(968,169)	-	7,238,029		7,238,029
Depreciable:							
Improvements to Land	5,814,433	362,378	-	-	6,176,811		6,176,811
Buildings	205,528,390	560,958	-	-	206,089,348		206,089,348
Furniture and Equipment	8,969,858	223,031	(2,644,957)	-	6,547,932		6,547,932
Vehicles	1,496,389	86,598	(57,953)	-	1,525,034		1,525,034
Buses	11,569,581	864,750	(627,473)	-	11,806,858		11,806,858
Total Depreciable	233,378,651	2,097,715	(3,330,383)	-	232,145,983		232,145,983
Accumulated Depreciation:							
Improvements to Land	(4,778,244)	(76,618)	-	-	(4,854,862)		(4,854,862)
Buildings	(73,884,959)	(5,926,100)	-	-	(79,811,059)		(79,811,059)
Furniture and Equipment	(8,287,489)	(218,133)	2,519,758	-	(5,985,864)		(5,985,864)
Vehicles	(1,326,878)	(52,860)	57,953	-	(1,321,785)		(1,321,785)
Buses	(7,399,339)	(883,960)	627,473	-	(7,655,826)		(7,655,826)
Total Accumulated Depreciation	(95,676,909)	(7,157,671)	3,205,184	-	(99,629,396)		(99,629,396)
Net Depreciable Capital Assets	137,701,742	(5,059,956)	(125,199)	-	132,516,587		132,516,587
Net Governmental Activities Capital Assets	\$ 144,870,454	\$ (4,022,470)	\$ (1,093,368)	-	\$ 139,754,616		\$ 139,754,616

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 6 – CAPITAL ASSETS (continued)

Depreciation Expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 4,210,434
Special	34,059
Vocational	574,186

Support Services:

Instructional Staff	7,270
Administration	201,707
Operations and Maintenance	88,718
Transportation	941,389
Central	746,386
Food Service	29,759
Community Services	161,012
Extracurricular	162,751
Total Depreciation Expense	<u>\$ 7,157,671</u>

NOTE 7 - 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 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount 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 to SERS for the fiscal years ended June 30, 2009, 2008, and 2007 were \$7,220,597, \$6,970,326, and \$6,821,435; 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, 2009*

NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)

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.

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, 2009, 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. For fiscal year 2008, (the latest information available) the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions to pension obligations to the DB, DC and Combined Plans for the fiscal years ended June 30, 2009, 2008, and 2007, were \$23,858,339, \$22,963,152, and \$22,451,238, 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, 2009*

NOTE 8 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The South-Western City School District participates in two cost sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefits provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial report 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.

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 401h. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

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, 2009, 2008, and 2007, \$2,584,536, \$2,082,009 and \$2,129,549, respectively, with 100 percent contributed for each fiscal year.

The Retirement Board, with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare Part B Fund. For fiscal year 2009 the actuarially required allocation was .75%. For the fiscal years ended June 30, 2009, 2008 and 2007 the District's contributions to Medicare Part B were \$386,815, \$338,556 and \$331,324, 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.

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 2008, 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, 2009, 2008, and 2007 were \$994,097, \$956,798, and \$935,468, respectively; with 100 percent contributed for each fiscal year.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 9 - 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 four 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 \$2,251,132 reported in the internal service fund at June 30, 2009 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 fiscal years are as follows:

	Balance at July 1	Current Year Claims	Claim Payments	Balance at June 30
Fiscal Year 2008	\$ -	\$ 9,367,927	\$ 7,785,760	\$ 1,582,167
Fiscal Year 2009	1,582,167	22,341,513	21,672,548	2,251,132

NOTE 10 - 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.

During fiscal year 2006 the District offered an early separation incentive. Certificated and administrative employees with more than 10 years of service with the District that also earned more than \$55,000 per year were eligible for the program. Employees who met this eligibility standard and qualified to retire through State Teachers Retirement System (STRS) or School Employees Retirement System (SERS) were offered a \$50,000 bonus, in lieu of the bonus payment provided to those retiring in the first year they are eligible, and their sick leave benefit. The total will be paid into an annuity account in equal monthly payments over 5 years. Employees who did not qualify to retire but met the early separation incentive guidelines were offered \$50,000, which will be paid into an annuity in equal monthly payments over 8 years. The District is paying the total liability to a third party administrator over a 3-year period. The final payment will be made in August 2009.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 10 - COMPENSATED ABSENCES (continued)

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 11 – NOTES PAYABLE

The District issued a \$9,390,000 Tax Anticipation Note (TAN) in anticipation of the receipt of the 7.7 mill operating levy passed by the voters in May 2005. The TAN was issued to finance the general operating costs of the District and matured on December 1, 2008. The average coupon was 4.16%.

The table below reflects the activity during Fiscal Year 2009.

Issue	Balance at June 30, 2008	Additions	Deductions	Balance at June 30, 2009
General Fund Tax Anticipation Notes	\$ 3,295,000	\$ -	\$ 3,295,000	\$ -
Total Notes Payable	<u>\$ 3,295,000</u>	<u>\$ -</u>	<u>\$ 3,295,000</u>	<u>\$ -</u>

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. Notes and capital leases agreements are also general obligations of the District. Long-term obligations also include compensated absences.

The District issued no new general obligation bonds during fiscal year 2009.

The following is a description of the District’s Bonds and Long-Term Note outstanding at June 30, 2009:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired/Accrete d in 2009</u>	<u>Bonds Outstanding 6/30/2009</u>
1999 School Facilities	4.94%	12/1/2026	\$119,499,621	\$(575,000)	\$10,035,000
2002 School Facilities	3.86%	12/1/2012	4,690,000	(450,000)	1,980,000
2002 Energy Conservation	3.86%	12/1/2014	4,775,000	(370,000)	2,550,000
2000 Vocational Construction	0%	12/31/2016	1,000,000	(66,667)	533,332
2003 Refunding School Facilities	4.24%	12/1/2013	28,896,786	(2,489,678)	13,120,277
2006 Refunding School Facilities	4.02%	12/1/2027	77,988,782	(5,116,440)	72,147,692
2006 Refunding Capital Appreciation Bonds	4.02%	12/1/2016	1,254,989	203,034	1,768,640
2006 PI Tax Anticipation Note	4.00%	12/1/2008	12,000,000	(4,210,000)	-
Total Long-Term Bonds and Notes Payable			<u>\$ 250,105,178</u>	<u>\$ (13,074,751)</u>	<u>\$ 102,134,941</u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 12 - LONG-TERM DEBT (continued)

Amortization of premium on the 2003 Refunding School Facilities Bond for fiscal year 2009 was \$184,678. The balance of unamortized premium on the bonds is \$800,277 and is included in the total bonds outstanding at June 30, 2009.

Amortization of premium on the 2006 Refunding School Facilities Bonds for fiscal year 2009 was \$116,440. The balance of unamortized premium on the bonds is \$2,037,692 and is included in the total bonds outstanding at June 30, 2009.

Annual debt service requirements to maturity for the General Obligation Bonds and Energy Conservation Bonds are as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 9,811,667	\$ 3,971,678	\$ 13,783,345
2011	10,386,667	3,551,983	13,938,650
2012	11,081,666	3,090,577	14,172,243
2013	12,256,667	2,590,508	14,847,175
2014	5,626,667	2,209,728	7,836,395
2015-2019	15,229,987	11,179,085	26,409,072
2020-2024	20,035,000	5,501,114	25,536,114
2025-2027	14,355,000	932,344	15,287,344
Total	<u>\$ 98,783,321</u>	<u>\$ 33,027,017</u>	<u>\$ 131,810,338</u>

The above amortization schedule (principal payments) does not include the \$2,837,969 in unamortized premium on the 2003 and 2006 bond issues. The accretion of \$203,034 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 \$128,541,754 with an unvoted debt margin of \$2,563,074 at June 30, 2009.

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.

In 1994, the District defeased a General Obligation Construction Bond and an Energy Conservation Long-Term Note by placing enough money in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2009 the balance in the irrevocable trust account is \$623,625 and the principal_outstanding is \$600,000.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

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, 2008	Additions	Deductions	Balance at June 30, 2009	Due within 1 year
General Obligation Bonds					
School Facilities 1999					
Serial Bonds 3.00% - 4.70%	\$ 10,610,000	\$ -	\$ 575,000	\$ 10,035,000	\$ 3,205,000
School Facilities 2002					
Serial Bonds 3.00% - 4.20%	2,430,000	-	450,000	1,980,000	465,000
Refunding Bond 2003					
Serial Bonds 2.00% - 5.00%	14,625,000	-	2,305,000	12,320,000	2,390,000
Serial Bonds Premium	984,955	-	184,678	800,277	-
Refunding Bonds 2006					
Serial Bonds 4.00% - 4.75%	60,755,000	-	5,000,000	55,755,000	3,300,000
Term Bonds 4.25%	14,355,000	-	-	14,355,000	-
Serial/Term Bonds Premium	2,154,132	-	116,440	2,037,692	-
Capital Appreciation Bonds Refunding 2006 4.02%	1,254,989	-	-	1,254,989	-
Capital Appreciation Accretion	310,617	203,034	-	513,651	-
Total General Obligation Bonds	107,479,693	203,034	8,631,118	99,051,609	9,360,000
Energy Conservation Bonds					
Energy Conservation 2002 3.00% - 4.45%	2,920,000	-	370,000	2,550,000	385,000
Total Energy Conservation Bonds	2,920,000	-	370,000	2,550,000	385,000
Long-Term Notes Payable					
Technical Equipment Loan 2000 0%	599,999	-	66,667	533,332	66,667
Permanent Improvement Tax Anticipation Note 4.00%	4,210,000	-	4,210,000	-	-
Total Long-term Notes Payable	4,809,999	-	4,276,667	533,332	66,667
Compensated Absences	15,329,487	1,676,211	2,967,958	14,037,740	3,060,670
Total	\$ 130,539,179	\$ 1,879,245	\$ 16,245,743	\$ 116,172,681	\$ 12,872,337

Compensated absences of \$3,060,670 include \$1,331,898 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, 2009*

NOTE 13 - INTERFUND TRANSACTIONS

Interfund Balances at June 30, 2009 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 543,355	\$ -
Non-Major Funds:		
Public School Support	-	4,492
Other State Grants	-	47,030
Other Federal Grants	-	491,833
Total	<u>\$ 543,355</u>	<u>\$ 543,355</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, 2009 are reported on the statement of net assets.

Interfund transfers for the fiscal year ended June 30, 2009 consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to:	
debt service major fund	\$ 482,915
Transfers from general fund to:	
nonmajor governmental funds	539,851

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

NOTE 14 - CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits should become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2009.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 14 – CONTINGENCIES (continued)

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.

NOTE 15 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

The District had significant contractual obligation as of June 30, 2009 which are listed below:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Holland Roofing of Columbus	Roofing Projects using Capital Improvement Fund	\$298,424

NOTE 16 - SCHOOL FUNDING

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

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

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

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

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

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

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State’s school funding plan. The decision reaffirmed earlier decisions that Ohio’s current school-funding decision is unconstitutional and vacated its decision of September 6, 2001. The Supreme Court relinquished jurisdiction over the case and directed “...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient...”

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2009*

NOTE 16 - SCHOOL FUNDING (continued)

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

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

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 purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purpose in future years.

The District had qualifying disbursements and offsets during the fiscal year that further reduced the textbook and capital acquisition set-aside amounts below zero. The extra amounts in the textbooks set-aside may be used to reduce the set-aside requirements in future fiscal years. The District may not use the extra amount within the capital acquisition reserve in future fiscal years.

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Totals</u>
Set aside Cash Balance as of June 30, 2008	\$ (2,880,546)	\$ (2,026,027)	\$ (4,906,573)
Current Year Set-aside Requirement	3,386,920	3,386,920	6,773,840
Qualifying Offset	(1,072,135)	(1,257,991)	(2,330,126)
Qualifying Disbursements	<u>(2,569,053)</u>	<u>(1,108,675)</u>	<u>(3,677,728)</u>
Total	<u>\$ (3,134,814)</u>	<u>\$ (1,005,773)</u>	<u>\$ (4,140,587)</u>
Cash Balance Carried Forward to FY2010	<u>\$ (3,134,814)</u>	<u>\$ -</u>	<u>\$ (3,134,814)</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.

NOTE 19 - FUND DEFICITS

The All State Grants special revenue fund had a deficit fund balance of \$95,887 at June 30, 2009.

The deficit fund balance in the other governmental special revenue fund is the result of the recognition of payables in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

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, 2009

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local:				
Taxes	\$ 79,376,909	\$ 78,156,659	\$ 78,162,678	\$ 6,019
Tuition	330,300	332,305	773,274	440,969
Interest	2,000,000	924,121	981,943	57,822
Other Local Revenue	3,665,971	3,264,145	3,802,022	537,877
Intergovernmental - State	102,729,180	105,922,947	105,988,974	66,027
Intergovernmental - Federal	350,000	571,673	956,913	385,240
Total Revenues	<u>188,452,360</u>	<u>189,171,850</u>	<u>190,665,804</u>	<u>1,493,954</u>
Expenditures:				
Current:				
Instruction:				
Regular				
Salaries and Wages	62,319,575	60,157,626	59,971,999	185,627
Fringe Benefits	18,091,557	17,656,341	17,617,341	39,000
Purchased Services	11,043,188	13,123,092	13,007,657	115,435
Supplies and Materials	1,220,663	1,231,190	1,050,496	180,694
Miscellaneous	7,388	2,044	214	1,830
Total Regular	<u>92,682,371</u>	<u>92,170,293</u>	<u>91,647,707</u>	<u>522,586</u>
Special				
Salaries and Wages	13,667,930	14,187,469	13,251,604	935,865
Fringe Benefits	4,162,210	4,260,641	4,234,935	25,706
Purchased Services	3,738,863	3,286,173	3,144,441	141,732
Supplies and Materials	93,238	88,596	82,033	6,563
Miscellaneous	125	99	99	-
Total Special	<u>21,662,366</u>	<u>21,822,978</u>	<u>20,713,112</u>	<u>1,109,866</u>
Vocational				
Salaries and Wages	3,197,500	3,190,861	3,188,296	2,565
Fringe Benefits	920,190	933,215	915,900	17,315
Purchased Services	374,199	397,321	394,942	2,379
Supplies and Materials	1,259,040	1,185,491	1,137,444	48,047
Miscellaneous	3,495	1,855	-	1,855
Total Vocational	<u>5,754,424</u>	<u>5,708,743</u>	<u>5,636,582</u>	<u>72,161</u>
Other				
Salaries and Wages	160,490	161,541	161,301	240
Fringe Benefits	50,670	54,026	53,758	268
Supplies and Materials	19,961	19,510	17,357	2,153
Total Other	<u>231,121</u>	<u>235,077</u>	<u>232,416</u>	<u>2,661</u>
Total Instruction	<u>120,330,282</u>	<u>119,937,091</u>	<u>118,229,817</u>	<u>1,707,274</u>
Support Services:				
Pupil				
Salaries and Wages	6,007,130	5,900,728	5,890,026	10,702
Fringe Benefits	1,640,090	1,711,162	1,683,428	27,734
Purchased Services	45,836	44,702	28,825	15,877
Supplies and Materials	42,547	43,952	43,155	797
Total Pupil	<u>7,735,603</u>	<u>7,700,544</u>	<u>7,645,434</u>	<u>55,110</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, 2009
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff				
Salaries and Wages	\$ 6,588,266	\$ 6,181,120	\$ 5,893,163	\$ 287,957
Fringe Benefits	2,731,538	2,576,595	2,521,719	54,876
Purchased Services	144,617	162,873	116,102	46,771
Supplies and Materials	344,843	284,270	260,193	24,077
Miscellaneous	6,284	8,149	7,612	537
Total Instructional Staff	<u>9,815,548</u>	<u>9,213,007</u>	<u>8,798,789</u>	<u>414,218</u>
Board of Education				
Salaries and Wages	24,295	21,350	21,350	-
Fringe Benefits	4,380	4,380	3,531	849
Purchased Services	8,669	7,200	3,678	3,522
Supplies and Materials	800	800	-	800
Miscellaneous	28,000	28,000	26,158	1,842
Total Board of Education	<u>66,144</u>	<u>61,730</u>	<u>54,717</u>	<u>7,013</u>
Administration				
Salaries and Wages	8,613,070	8,764,016	8,763,398	618
Fringe Benefits	2,890,820	3,415,487	3,388,966	26,521
Purchased Services	1,494,251	1,122,289	918,662	203,627
Supplies and Materials	77,603	81,432	60,004	21,428
Miscellaneous	1,083,161	1,078,787	1,061,211	17,576
Total Administration	<u>14,158,905</u>	<u>14,462,011</u>	<u>14,192,241</u>	<u>269,770</u>
Fiscal				
Salaries and Wages	771,610	981,809	981,800	9
Fringe Benefits	314,526	318,982	301,294	17,688
Purchased Services	507,283	474,660	358,250	116,410
Supplies and Materials	9,411	8,296	5,933	2,363
Miscellaneous	2,430,717	1,600,957	1,463,786	137,171
Total Fiscal	<u>4,033,547</u>	<u>3,384,704</u>	<u>3,111,063</u>	<u>273,641</u>
Business				
Salaries and Wages	182,720	190,963	190,961	2
Fringe Benefits	70,410	70,784	68,626	2,158
Purchased Services	598,248	594,838	504,208	90,630
Supplies and Materials	100,422	99,392	52,910	46,482
Miscellaneous	97,000	97,000	59,692	37,308
Total Business	<u>1,048,800</u>	<u>1,052,977</u>	<u>876,397</u>	<u>176,580</u>
Operations and Maintenance				
Salaries and Wages	7,130,890	7,051,687	7,006,975	44,712
Fringe Benefits	2,653,828	2,585,043	2,567,735	17,308
Purchased Services	6,474,077	6,054,970	5,972,223	82,747
Supplies and Materials	1,191,037	1,247,781	1,242,206	5,575
Miscellaneous	4,000	4,000	3,930	70
Total Operations and Maintenance	<u>17,453,832</u>	<u>16,943,481</u>	<u>16,793,069</u>	<u>150,412</u>
Pupil Transportation				
Salaries and Wages	6,321,200	6,126,842	6,120,360	6,482
Fringe Benefits	2,742,590	2,659,430	2,640,001	19,429
Purchased Services	832,759	619,501	571,820	47,681
Supplies and Materials	2,245,854	1,527,357	1,304,570	222,787
Total Pupil Transportation	<u>12,142,403</u>	<u>10,933,130</u>	<u>10,636,751</u>	<u>296,379</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, 2009
(continued)

	Original Budget	Final Budget	Actual	Variance
Central				
Salaries and Wages	\$ 1,488,090	\$ 1,546,461	\$ 1,546,437	\$ 24
Fringe Benefits	556,520	578,807	557,037	21,770
Purchased Services	1,120,117	1,163,787	865,267	298,520
Supplies and Materials	54,323	53,674	32,742	20,932
Miscellaneous	10,175	10,895	7,296	3,599
Total Central	<u>3,229,225</u>	<u>3,353,624</u>	<u>3,008,779</u>	<u>344,845</u>
Total Support Services	<u>69,684,007</u>	<u>67,105,208</u>	<u>65,117,240</u>	<u>1,987,968</u>
Community Services				
Salaries and Wages	250,710	203,707	200,923	2,784
Fringe Benefits	48,220	48,620	46,654	1,966
Purchased Services	26,711	26,631	3,618	23,013
Supplies and Materials	4,000	4,000	2,116	1,884
Miscellaneous	700	700	-	700
Total Community Services	<u>330,341</u>	<u>283,658</u>	<u>253,311</u>	<u>30,347</u>
Extracurricular Activities				
Salaries and Wages	261,210	1,934,882	1,917,345	17,537
Fringe Benefits	375,380	379,963	341,314	38,649
Purchased Services	7,200	274,704	273,331	1,373
Total Extracurricular Activities	<u>643,790</u>	<u>2,589,549</u>	<u>2,531,990</u>	<u>57,559</u>
Capital Outlay	1,065,673	1,324,942	1,296,458	28,484
Debt Service:				
Principal Retirement	3,295,000	3,295,000	3,295,000	-
Interest and Fiscal Charges	74,138	74,138	74,138	-
Total Expenditures	<u>195,423,231</u>	<u>194,609,586</u>	<u>190,797,954</u>	<u>3,811,632</u>
Excess of Revenues Over (Under) Expenditures	(6,970,871)	(5,437,736)	(132,150)	5,305,586
Other Financing Sources (Uses):				
Operating Transfers - In	-	24,575	66,057	41,482
Operating Transfers - Out	(500,000)	(1,846,500)	(1,846,494)	6
Advances - In	-	1,844,701	1,844,701	-
Advances - Out	(1,700,000)	(1,159,500)	(1,159,103)	397
Sale of Capital Assets	150,000	34,735	55,855	21,120
Total Other Financing Sources (Uses)	<u>(2,050,000)</u>	<u>(1,101,989)</u>	<u>(1,038,984)</u>	<u>63,005</u>
Net Change in Fund Balances	(9,020,871)	(6,539,725)	(1,171,134)	5,368,591
Fund Balance at Beginning of Year	13,992,267	13,992,267	13,992,267	-
Prior Year Encumbrances Appropriated	3,819,259	3,819,259	3,819,259	-
Fund Balance at End of Year	<u>\$ 8,790,655</u>	<u>\$ 11,271,801</u>	<u>\$ 16,640,392</u>	<u>\$ 5,368,591</u>

*South-Western City School District, Ohio
Required Supplemental Information
For the Fiscal Year Ended June 30, 2009*

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 each major governmental fund to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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

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

		<u>General</u>
GAAP Basis	\$	9,228,182
Adjustments:		
Revenue Accruals		(4,154,167)
Expenditure Accruals		(8,687,832)
Encumbrances		2,510,756
Operating Transfers		(757,671)
Advances		685,598
Sale of Capital Assets		4,000
Budget Basis	\$	<u>(1,171,134)</u>

OTHER SUPPLEMENTAL INFORMATION

DEBT SERVICE FUND

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

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 13,831,746	\$ 13,831,746	\$ -
Other Local Revenue	14,740	54,008	39,268
Intergovernmental - State	<u>2,175,133</u>	<u>2,390,743</u>	<u>215,610</u>
Total Revenues	<u>16,021,619</u>	<u>16,276,497</u>	<u>254,878</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	<u>236,990</u>	<u>212,854</u>	<u>24,136</u>
Total Fiscal	<u>236,990</u>	<u>212,854</u>	<u>24,136</u>
Total Support Services	<u>236,990</u>	<u>212,854</u>	<u>24,136</u>
Debt Service:			
Principal Retirement	12,910,000	12,910,000	-
Interest and Fiscal Charges	<u>7,868,863</u>	<u>4,435,492</u>	<u>3,433,371</u>
Total Expenditures	<u>21,015,853</u>	<u>17,558,346</u>	<u>3,457,507</u>
Excess of Revenues Over (Under) Expenditures	(4,994,234)	(1,281,849)	3,712,385
Other Financing Sources:			
Operating Transfers - In	<u>482,915</u>	<u>482,915</u>	<u>-</u>
Total Other Financing Sources:	<u>482,915</u>	<u>482,915</u>	<u>-</u>
Net Change in Fund Balances	(4,511,319)	(798,934)	3,712,385
Fund Balance at Beginning of Year	<u>8,565,519</u>	<u>8,565,519</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,054,200</u>	<u>\$ 7,766,585</u>	<u>\$ 3,712,385</u>

CAPITAL IMPROVEMENTS FUND

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

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Capital Improvements Fund
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 2,002,198	\$ 2,002,198	\$ -
Other Local Revenue	75,000	75,000	-
Intergovernmental - State	<u>290,903</u>	<u>313,952</u>	<u>23,049</u>
Total Revenues	<u>2,368,101</u>	<u>2,391,150</u>	<u>23,049</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	<u>1,819,114</u>	<u>1,341,952</u>	<u>477,162</u>
Total Regular	<u>1,819,114</u>	<u>1,341,952</u>	<u>477,162</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>1,885,781</u>	<u>1,408,619</u>	<u>477,162</u>
Support Services:			
Fiscal			
Miscellaneous	<u>36,039</u>	<u>36,039</u>	<u>-</u>
Total Fiscal	<u>36,039</u>	<u>36,039</u>	<u>-</u>
Business			
Purchased Services	<u>88,954</u>	<u>88,954</u>	<u>-</u>
Total Business	<u>88,954</u>	<u>88,954</u>	<u>-</u>
Operations and Maintenance			
Purchased Services	<u>1,032</u>	<u>229</u>	<u>803</u>
Total Operations and Maintenance	<u>1,032</u>	<u>229</u>	<u>803</u>
Central			
Supplies and Materials	<u>59,786</u>	<u>59,280</u>	<u>506</u>
Total Central	<u>59,786</u>	<u>59,280</u>	<u>506</u>
Total Support Services	<u>185,811</u>	<u>184,502</u>	<u>1,309</u>
Capital Outlay	<u>4,330,006</u>	<u>4,050,408</u>	<u>279,598</u>
Total Expenditures	<u>6,401,598</u>	<u>5,643,529</u>	<u>758,069</u>

(continued)

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, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Net Change in Fund Balances	\$ (4,033,497)	\$ (3,252,379)	\$ 781,118
Fund Balance at Beginning of Year	1,458,916	1,458,916	-
Prior Year Encumbrances Appropriated	<u>2,650,563</u>	<u>2,650,563</u>	-
Fund Balance at End of Year	<u>\$ 75,982</u>	<u>\$ 857,100</u>	<u>\$ 781,118</u>

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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.

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, EMIS, Public School Preschool, Entry Year, Alternative Education, Poverty Based Assistance, Data Communication, and SchoolNet Training.

All Federal Grants

To account for all federal grant programs which include: Adult Basic Education, Title I, Title II, Title III, Title IV, Title V, IDEA B, ESCE, Perkins, Head Start, and Refugee Children.

Food Service

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

Vocational Rotary

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

South-Western City School District
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2009

	<u>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Student Activities</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 1,009,254	\$ 283,054	\$ 820,864
Receivable:			
Accounts	20,068	-	-
Intergovernmental	-	-	-
Materials and Supplies Inventory	-	-	14,883
Total Assets	<u>\$ 1,029,322</u>	<u>\$ 283,054</u>	<u>\$ 835,747</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 37,288	\$ 4,068	\$ 10,926
Accrued Wages and Benefits	-	341	-
Interfund Loans Payable	4,492	-	-
Deferred Revenue	-	-	-
Total Liabilities	<u>41,780</u>	<u>4,409</u>	<u>10,926</u>
<u>Fund Balance:</u>			
Reserved for Encumbrances	30,290	9,573	26,025
Unreserved, reported in			
Special Revenue Funds	<u>957,252</u>	<u>269,072</u>	<u>798,796</u>
Total Fund Balances	<u>987,542</u>	<u>278,645</u>	<u>824,821</u>
Total Liabilities and Fund Balances	<u>\$ 1,029,322</u>	<u>\$ 283,054</u>	<u>\$ 835,747</u>

<u>All State Grants</u>	<u>All Federal Grants</u>	<u>Food Service</u>	<u>Vocational Rotary</u>	<u>Total Nonmajor Funds</u>
\$ 299,384	\$ 217,342	\$ 405,630	\$ 11,628	\$ 3,047,156
-	-	-	-	20,068
102,011	3,956,665	612,294	-	4,670,970
-	-	65,580	5,361	85,824
<u>\$ 401,395</u>	<u>\$ 4,174,007</u>	<u>\$ 1,083,504</u>	<u>\$ 16,989</u>	<u>\$ 7,824,018</u>
\$ 61,373	\$ 82,622	\$ 8,754	\$ 32	\$ 205,063
384,130	1,246,933	383,362	-	2,014,766
47,030	491,833	-	-	543,355
4,749	1,952,643	-	-	1,957,392
<u>497,282</u>	<u>3,774,031</u>	<u>392,116</u>	<u>32</u>	<u>4,720,576</u>
64,540	105,237	17,032	1,105	253,802
(160,427)	294,739	674,356	15,852	2,849,640
(95,887)	399,976	691,388	16,957	3,103,442
<u>\$ 401,395</u>	<u>\$ 4,174,007</u>	<u>\$ 1,083,504</u>	<u>\$ 16,989</u>	<u>\$ 7,824,018</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, 2009

	<u>Public School Support</u>	<u>Other Grants</u>	<u>District Managed Student Activities</u>
Revenues:			
Local:			
Tuition	\$ 51,472	\$ 10,648	\$ -
Interest	-	-	-
Other Local Revenue	1,109,745	25,489	1,229,031
Intergovernmental - State	14,085	-	-
Intergovernmental - Federal	-	-	-
Total Revenues	<u>1,175,302</u>	<u>36,137</u>	<u>1,229,031</u>
Current:			
Instruction:			
Regular	556,938	159,443	36,443
Special	1,346	4,079	-
Vocational	17,856	5,150	1,354
Other	15,942	48,774	-
Support Services:			
Pupil	3,774	65,769	-
Instructional Staff	75,443	77,598	37,976
Administration	488,406	410	8,378
Fiscal	-	-	-
Operations and Maintenance	326	5,757	-
Pupil Transportation	-	-	-
Central	9,962	-	-
Food Service	-	-	-
Community Services	1,489	1,263	-
Extracurricular Activities	35,763	9,789	1,120,301
Capital Outlay	72,259	24,963	37,817
Total Expenditures	<u>1,279,504</u>	<u>402,995</u>	<u>1,242,269</u>
Excess of Revenues Over (Under) Expenditures	(104,202)	(366,858)	(13,238)
Other Financing Sources:			
Transfers - In	47,720	325,000	167,131
Sale of Capital Assets	5,953	-	-
Total Other Financing Sources	<u>53,673</u>	<u>325,000</u>	<u>167,131</u>
Net Change in Fund Balance	(50,529)	(41,858)	153,893
Fund Balances at Beginning of Year	<u>1,038,071</u>	<u>320,503</u>	<u>670,928</u>
Fund Balances at End of Year	<u>\$ 987,542</u>	<u>\$ 278,645</u>	<u>\$ 824,821</u>

<u>All State Grants</u>	<u>All Federal Grants</u>	<u>Food Service</u>	<u>Vocational Rotary</u>	<u>Total Nonmajor Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 62,120
-	-	7,400	-	7,400
-	-	3,751,507	58,063	6,173,835
7,545,693	-	140,412	-	7,700,190
-	13,252,779	4,672,428	-	17,925,207
<u>7,545,693</u>	<u>13,252,779</u>	<u>8,571,747</u>	<u>58,063</u>	<u>31,868,752</u>
1,528,435	1,309,609	-	-	3,590,868
666,109	4,446,211	-	-	5,117,745
-	448,354	-	56,710	529,424
2,312,652	126,538	-	-	2,503,906
336,715	1,097,830	-	-	1,504,088
1,278,212	4,192,841	-	-	5,662,070
15,616	883,635	1,035	140	1,397,620
107	179,599	-	-	179,706
227,117	354,692	-	-	587,892
-	14,002	-	-	14,002
370,013	-	-	-	379,975
-	-	8,572,735	-	8,572,735
1,126,536	123,488	-	-	1,252,776
-	-	-	39	1,165,892
202,039	75,922	36,166	-	449,166
<u>8,063,551</u>	<u>13,252,721</u>	<u>8,609,936</u>	<u>56,889</u>	<u>32,907,865</u>
(517,858)	58	(38,189)	1,174	(1,039,113)
-	-	-	-	539,851
-	-	-	-	5,953
-	-	-	-	545,804
(517,858)	58	(38,189)	1,174	(493,309)
421,971	399,918	729,577	15,783	3,596,751
<u>\$ (95,887)</u>	<u>\$ 399,976</u>	<u>\$ 691,388</u>	<u>\$ 16,957</u>	<u>\$ 3,103,442</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Public School Support Fund
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 32,000	\$ 51,472	\$ 19,472
Other Local Revenue	1,018,747	1,111,652	92,905
Intergovernmental - State	-	14,085	14,085
Intergovernmental - Federal	<u>7,235</u>	<u>-</u>	<u>(7,235)</u>
Total Revenues	<u>1,057,982</u>	<u>1,177,209</u>	<u>119,227</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	23,971	13,422	10,549
Fringe Benefits	3,934	2,219	1,715
Purchased Services	73,431	41,864	31,567
Supplies and Materials	702,340	523,382	178,958
Miscellaneous	<u>300</u>	<u>-</u>	<u>300</u>
Total Regular	<u>803,976</u>	<u>580,887</u>	<u>223,089</u>
Special			
Purchased Services	507	507	-
Supplies and Materials	<u>3,182</u>	<u>952</u>	<u>2,230</u>
Total Special	<u>3,689</u>	<u>1,459</u>	<u>2,230</u>
Vocational			
Salaries and Wages	802	477	325
Fringe Benefits	146	79	67
Purchased Services	5,473	4,187	1,286
Supplies and Materials	<u>15,863</u>	<u>13,108</u>	<u>2,755</u>
Total Vocational	<u>22,284</u>	<u>17,851</u>	<u>4,433</u>
Other			
Salaries and Wages	17,442	10,149	7,293
Fringe Benefits	3,084	1,677	1,407
Purchased Services	900	-	900
Supplies and Materials	<u>9,675</u>	<u>4,116</u>	<u>5,559</u>
Total Other	<u>31,101</u>	<u>15,942</u>	<u>15,159</u>
Total Instruction	<u>861,050</u>	<u>616,139</u>	<u>244,911</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, 2009
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Salaries and Wages	\$ 1,180	\$ 1,180	\$ -
Fringe Benefits	189	189	-
Purchased Services	250	250	-
Supplies and Materials	2,160	2,155	5
Total Pupil	<u>3,779</u>	<u>3,774</u>	<u>5</u>
Instructional Staff			
Salaries and Wages	39,595	26,269	13,326
Fringe Benefits	5,464	4,312	1,152
Purchased Services	46,170	15,166	31,004
Supplies and Materials	33,209	27,976	5,233
Total Instructional Staff	<u>124,438</u>	<u>73,723</u>	<u>50,715</u>
Administration			
Salaries and Wages	1,550	740	810
Fringe Benefits	156	122	34
Purchased Services	107,639	76,138	31,501
Supplies and Materials	585,965	444,328	141,637
Miscellaneous	6,897	4,851	2,046
Total Administration	<u>702,207</u>	<u>526,179</u>	<u>176,028</u>
Operations and Maintenance			
Salaries and Wages	234	234	-
Fringe Benefits	39	39	-
Purchased Services	53	53	-
Total Operations and Maintenance	<u>326</u>	<u>326</u>	<u>-</u>
Central			
Fringe Benefits	320	320	-
Purchased Services	89,168	42,080	47,088
Total Central	<u>89,488</u>	<u>42,400</u>	<u>47,088</u>
Total Support Services	<u>920,238</u>	<u>646,402</u>	<u>273,836</u>
Community Services			
Salaries and Wages	600	600	-
Fringe Benefits	100	99	1
Supplies and Materials	797	790	7
Total Community Services	<u>1,497</u>	<u>1,489</u>	<u>8</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, 2009
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Extracurricular Activities			
Salaries and Wages	\$ 3,667	\$ 332	\$ 3,335
Fringe Benefits	1,074	54	1,020
Purchased Services	23,972	4,451	19,521
Supplies and Materials	37,549	27,710	9,839
Miscellaneous	7,400	3,500	3,900
Total Extracurricular Activities	<u>73,662</u>	<u>36,047</u>	<u>37,615</u>
Miscellaneous	12,968	12,684	284
Capital Outlay	133,868	73,669	60,199
Total Expenditures	<u>2,003,283</u>	<u>1,386,430</u>	<u>616,853</u>
Excess of Revenues Over (Under) Expenditures	(945,301)	(209,221)	736,080
Other Financing Sources (Uses):			
Operating Transfers - In	-	47,720	47,720
Operating Transfers - Out	(75,000)	-	75,000
Advances - In	-	4,492	4,492
Sales of Capital Asset	1,498	5,953	4,455
Total Other Financing Sources (Uses)	<u>(73,502)</u>	<u>58,165</u>	<u>131,667</u>
Net Change in Fund Balances	(1,018,803)	(151,056)	867,747
Fund Balance at Beginning of Year	964,967	964,967	-
Prior Year Encumbrances Appropriated	129,867	129,867	-
Fund Balance at End of Year	<u>\$ 76,031</u>	<u>\$ 943,778</u>	<u>\$ 867,747</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, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 5,000	\$ 10,648	\$ 5,648
Other Local Revenue	26,385	25,489	(896)
Total Revenues	<u>31,385</u>	<u>36,137</u>	<u>4,752</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	44,089	23,370	20,719
Fringe Benefits	7,777	3,861	3,916
Purchased Services	28,066	22,434	5,632
Supplies and Materials	209,225	124,069	85,156
Total Regular	<u>289,157</u>	<u>173,734</u>	<u>115,423</u>
Special			
Salaries and Wages	3,500	3,500	-
Fringe Benefits	579	579	-
Supplies and Materials	16,492	-	16,492
Total Special	<u>20,571</u>	<u>4,079</u>	<u>16,492</u>
Vocational			
Supplies and Materials	6,856	5,150	1,706
Total Vocational	<u>6,856</u>	<u>5,150</u>	<u>1,706</u>
Other			
Salaries and Wages	60,267	41,900	18,367
Fringe Benefits	10,072	6,874	3,198
Total Other	<u>70,339</u>	<u>48,774</u>	<u>21,565</u>
Total Instruction	<u>386,923</u>	<u>231,737</u>	<u>155,186</u>
Support Services:			
Pupil			
Salaries and Wages	76,215	58,298	17,917
Fringe Benefits	12,925	9,509	3,416
Total Pupil	<u>89,140</u>	<u>67,807</u>	<u>21,333</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, 2009
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	\$ 70,691	\$ 51,140	\$ 19,551
Fringe Benefits	11,816	8,298	3,518
Purchased Services	25,745	16,922	8,823
Supplies and Materials	4,326	2,657	1,669
Total Instructional Staff	<u>112,578</u>	<u>79,017</u>	<u>33,561</u>
Administration			
Supplies and Materials	660	410	250
Total Administration	<u>660</u>	<u>410</u>	<u>250</u>
Operations and Maintenance			
Salaries and Wages	5,267	4,940	327
Fringe Benefits	871	817	54
Purchased Services	135	-	135
Total Operations and Maintenance	<u>6,273</u>	<u>5,757</u>	<u>516</u>
Total Support Services	<u>208,651</u>	<u>152,991</u>	<u>55,660</u>
Community Services			
Salaries and Wages	400	-	400
Fringe Benefits	66	-	66
Supplies and Materials	1,804	1,263	541
Total Community Services	<u>2,270</u>	<u>1,263</u>	<u>1,007</u>
Extracurricular Activities			
Salaries and Wages	12,463	8,405	4,058
Fringe Benefits	2,073	1,384	689
Total Extracurricular Activities	<u>14,536</u>	<u>9,789</u>	<u>4,747</u>
Capital Outlay	59,280	35,660	23,620
Total Expenditures	<u>671,660</u>	<u>431,440</u>	<u>240,220</u>
Excess of Revenues Over (Under) Expenditures	(640,275)	(395,303)	244,972 (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, 2009
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Operating Transfers - In	\$ 325,000	\$ 325,000	\$ -
Advances - Out	(2,060)	(2,060)	-
Total Other Financing Sources (Uses)	<u>322,940</u>	<u>322,940</u>	<u>-</u>
 Net Change in Fund Balances	 (317,335)	 (72,363)	 244,972
 Fund Balance at Beginning of Year	 302,223	 302,223	 -
Prior Year Encumbrances Appropriated	39,931	39,931	-
Fund Balance at End of Year	<u>\$ 24,819</u>	<u>\$ 269,791</u>	<u>\$ 244,972</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, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 1,223,599	\$ 1,250,422	\$ 26,823
Total Revenues	<u>1,223,599</u>	<u>1,250,422</u>	<u>26,823</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	46,903	28,902	18,001
Supplies and Materials	<u>21,022</u>	<u>7,541</u>	<u>13,481</u>
Total Regular	<u>67,925</u>	<u>36,443</u>	<u>31,482</u>
Vocational			
Supplies and Materials	<u>1,354</u>	<u>1,354</u>	<u>-</u>
Total Vocational	<u>1,354</u>	<u>1,354</u>	<u>-</u>
Total Instruction	<u>69,279</u>	<u>37,797</u>	<u>31,482</u>
Support Services:			
Instructional Staff			
Purchased Services	4,850	4,798	52
Supplies and Materials	<u>39,118</u>	<u>33,070</u>	<u>6,048</u>
Total Instructional Staff	<u>43,968</u>	<u>37,868</u>	<u>6,100</u>
Administration			
Purchased Services	4,424	4,414	10
Supplies and Materials	<u>4,612</u>	<u>4,526</u>	<u>86</u>
Total Administration	<u>9,036</u>	<u>8,940</u>	<u>96</u>
Total Support Services	<u>53,004</u>	<u>46,808</u>	<u>6,196</u>
Extracurricular Activities			
Salaries and Wages	45,138	29,455	15,683
Fringe Benefits	6,821	4,860	1,961
Purchased Services	438,994	338,549	100,445
Supplies and Materials	1,115,123	785,196	329,927
Miscellaneous	<u>1,578</u>	<u>1,167</u>	<u>411</u>
Total Extracurricular Activities	<u>1,607,654</u>	<u>1,159,227</u>	<u>448,427</u>
Miscellaneous	19,853	19,853	-
Capital Outlay	<u>114,962</u>	<u>41,011</u>	<u>73,951</u>
Total Expenditures	<u>1,864,752</u>	<u>1,304,696</u>	<u>560,056</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, 2009
(continued)

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	\$ (641,153)	\$ (54,274)	\$ 586,879
Other Financing Sources (Uses):			
Operating Transfers - In	19,000	167,131	148,131
Advances - Out	<u>(125,564)</u>	<u>(125,564)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(106,564)</u>	<u>41,567</u>	<u>148,131</u>
Net Change in Fund Balances	(747,717)	(12,707)	735,010
Fund Balance at Beginning of Year	739,270	739,270	-
Prior Year Encumbrances Appropriated	<u>57,653</u>	<u>57,653</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ 49,206</u></u>	<u><u>\$ 784,216</u></u>	<u><u>\$ 735,010</u></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, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental - State	\$ 7,674,705	\$ 7,560,770	\$ (113,935)
Total Revenues	<u>7,674,705</u>	<u>7,560,770</u>	<u>(113,935)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	201,907	185,427	16,480
Fringe Benefits	55,226	52,309	2,917
Purchased Services	1,250,890	1,250,720	170
Supplies and Materials	57,698	57,698	-
Total Regular	<u>1,565,721</u>	<u>1,546,154</u>	<u>19,567</u>
Special			
Salaries and Wages	469,215	454,571	14,644
Fringe Benefits	214,183	207,415	6,768
Purchased Services	157	157	-
Supplies and Materials	9,509	9,260	249
Total Special	<u>693,064</u>	<u>671,403</u>	<u>21,661</u>
Other			
Salaries and Wages	1,679,954	1,679,954	-
Fringe Benefits	497,079	497,079	-
Purchased Services	685	685	-
Supplies and Materials	507	507	-
Total Other	<u>2,178,225</u>	<u>2,178,225</u>	<u>-</u>
Total Instruction	<u>4,437,010</u>	<u>4,395,782</u>	<u>41,228</u>
Support Services:			
Pupil			
Salaries and Wages	154,395	152,863	1,532
Fringe Benefits	72,964	72,041	923
Purchased Services	110,403	102,601	7,802
Supplies and Materials	7,945	1,081	6,864
Total Pupil	<u>345,707</u>	<u>328,586</u>	<u>17,121</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, 2009
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	\$ 804,268	\$ 801,323	\$ 2,945
Fringe Benefits	364,489	363,084	1,405
Purchased Services	13,612	13,447	165
Supplies and Materials	298	298	-
Total Instructional Staff	<u>1,182,667</u>	<u>1,178,152</u>	<u>4,515</u>
Administration			
Salaries and Wages	13,611	11,337	2,274
Fringe Benefits	4,140	3,575	565
Purchased Services	595	557	38
Supplies and Materials	150	141	9
Total Administration	<u>18,496</u>	<u>15,610</u>	<u>2,886</u>
Fiscal			
Miscellaneous	43,032	107	42,925
Total Fiscal	<u>43,032</u>	<u>107</u>	<u>42,925</u>
Operations and Maintenance			
Salaries and Wages	183,502	182,936	566
Fringe Benefits	35,092	34,631	461
Purchased Services	212	212	-
Total Operations and Maintenance	<u>218,806</u>	<u>217,779</u>	<u>1,027</u>
Central			
Salaries and Wages	30,726	30,726	-
Fringe Benefits	10,205	10,205	-
Purchased Services	329,386	329,386	-
Total Central	<u>370,317</u>	<u>370,317</u>	<u>-</u>
Total Support Services	<u>2,179,025</u>	<u>2,110,551</u>	<u>68,474</u>
Community Services			
Salaries and Wages	487,194	408,385	78,809
Fringe Benefits	127,908	101,103	26,805
Purchased Services	68,340	63,157	5,183
Supplies and Materials	596,651	577,780	18,871
Miscellaneous	1,000	-	1,000
Total Community Services	<u>1,281,093</u>	<u>1,150,425</u>	<u>130,668</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, 2009
 (continued)

	Final Budget	Actual	Variance
Capital Outlay	\$ 237,840	\$ 237,533	\$ 307
Total Expenditures	<u>8,134,968</u>	<u>7,894,291</u>	<u>240,677</u>
Excess of Revenues Over (Under) Expenditures	(460,263)	(333,521)	126,742
Other Financing Sources (Uses):			
Advances - In	-	47,030	47,030
Advances - Out	<u>(98,711)</u>	<u>(98,711)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(98,711)</u>	<u>(51,681)</u>	<u>47,030</u>
Net Change in Fund Balances	(558,974)	(385,202)	173,772
Fund Balance at Beginning of Year	422,459	422,459	-
Prior Year Encumbrances Appropriated	<u>136,515</u>	<u>136,515</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 173,772</u>	<u>\$ 173,772</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
All Federal Grants Fund
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental - Federal	\$ 17,311,340	\$ 13,335,466	\$ (3,975,874)
Total Revenues	<u>17,311,340</u>	<u>13,335,466</u>	<u>(3,975,874)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	955,480	695,614	259,866
Fringe Benefits	392,067	282,814	109,253
Purchased Services	1,793	1,793	-
Supplies and Materials	347,455	334,030	13,425
Total Regular	<u>1,696,795</u>	<u>1,314,251</u>	<u>382,544</u>
Special			
Salaries and Wages	3,950,205	3,185,916	764,289
Fringe Benefits	1,147,630	939,939	207,691
Purchased Services	98,483	67,342	31,141
Supplies and Materials	426,535	293,944	132,591
Total Special	<u>5,622,853</u>	<u>4,487,141</u>	<u>1,135,712</u>
Vocational			
Salaries and Wages	289,250	248,044	41,206
Fringe Benefits	85,231	72,121	13,110
Purchased Services	68,180	64,835	3,345
Supplies and Materials	75,461	75,436	25
Total Vocational	<u>518,122</u>	<u>460,436</u>	<u>57,686</u>
Other			
Salaries and Wages	99,779	93,805	5,974
Fringe Benefits	16,503	15,516	987
Supplies and Materials	18,516	17,480	1,036
Total Other	<u>134,798</u>	<u>126,801</u>	<u>7,997</u>
Total Instruction	<u>7,972,568</u>	<u>6,388,629</u>	<u>1,583,939</u>

(continued)

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
All Federal Grants Fund
For the Fiscal Year Ended June 30, 2009
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Salaries and Wages	\$ 602,434	\$ 485,344	\$ 117,090
Fringe Benefits	216,400	168,589	47,811
Purchased Services	577,984	468,458	109,526
Supplies and Materials	6,984	5,899	1,085
Total Pupil	<u>1,403,802</u>	<u>1,128,290</u>	<u>275,512</u>
Instructional Staff			
Salaries and Wages	3,100,052	2,514,823	585,229
Fringe Benefits	1,093,412	878,452	214,960
Purchased Services	580,252	494,238	86,014
Supplies and Materials	362,869	306,914	55,955
Miscellaneous	720	105	615
Total Instructional Staff	<u>5,137,305</u>	<u>4,194,532</u>	<u>942,773</u>
Administration			
Salaries and Wages	746,544	632,579	113,965
Fringe Benefits	279,188	233,630	45,558
Purchased Services	12,178	9,988	2,190
Supplies and Materials	8,283	5,607	2,676
Miscellaneous	1,320	1,320	-
Total Administration	<u>1,047,513</u>	<u>883,124</u>	<u>164,389</u>
Fiscal			
Miscellaneous	342,298	179,599	162,699
Total Fiscal	<u>342,298</u>	<u>179,599</u>	<u>162,699</u>
Operations and Maintenance			
Salaries and Wages	238,450	176,047	62,403
Fringe Benefits	92,238	70,953	21,285
Purchased Services	163,647	154,614	9,033
Supplies and Materials	40,194	19,398	20,796
Total Operations and Maintenance	<u>534,529</u>	<u>421,012</u>	<u>113,517</u>
Pupil Transportation			
Salaries and Wages	11,265	11,265	-
Fringe Benefits	4,319	4,319	-
Purchased Services	4,376	4,376	-
Total Pupil Transportation	<u>19,960</u>	<u>19,960</u>	<u>-</u>
Total Support Services	<u>8,485,407</u>	<u>6,826,517</u>	<u>1,658,890</u>

(continued)

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
All Federal Grants Funds
For the Fiscal Year Ended June 30, 2009
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Community Services			
Salaries and Wages	\$ 58,387	\$ 30,608	\$ 27,779
Fringe Benefits	12,600	5,296	7,304
Purchased Services	152,449	44,843	107,606
Supplies and Materials	106,771	60,899	45,872
Total Community Services	<u>330,207</u>	<u>141,646</u>	<u>188,561</u>
Capital Outlay	<u>155,125</u>	<u>87,161</u>	<u>67,964</u>
Total Expenditures	<u>16,943,307</u>	<u>13,443,953</u>	<u>3,499,354</u>
Excess of Revenues Over (Under) Expenditures	368,033	(108,487)	(476,520)
Other Financing Sources (Uses):			
Advances - In	-	491,833	491,833
Advances - Out	(564,827)	(564,827)	-
Total Other Financing Sources (Uses)	<u>(564,827)</u>	<u>(72,994)</u>	<u>491,833</u>
Net Change in Fund Balances	(196,794)	(181,481)	15,313
Fund Balance at Beginning of Year	17,573	17,573	-
Prior Year Encumbrances Appropriated	179,221	179,221	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 15,313</u>	<u>\$ 15,313</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, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 18,000	\$ 7,400	\$ (10,600)
Other Local Revenue	3,884,852	3,290,950	(593,902)
Intergovernmental - State	154,000	136,154	(17,846)
Intergovernmental - Federal	<u>4,332,654</u>	<u>4,622,834</u>	<u>290,180</u>
Total Revenues	<u>8,389,506</u>	<u>8,057,338</u>	<u>(332,168)</u>
Expenditures:			
Current:			
Support Services:			
Administration			
Purchased Services	<u>1,354</u>	<u>1,354</u>	<u>-</u>
Total Administration	<u>1,354</u>	<u>1,354</u>	<u>-</u>
Total Support Services	<u>1,354</u>	<u>1,354</u>	<u>-</u>
Community Services			
Salaries and Wages	3,206,857	3,135,950	70,907
Fringe Benefits	1,312,867	1,262,724	50,143
Purchased Services	284,341	239,034	45,307
Supplies and Materials	3,582,867	3,506,526	76,341
Miscellaneous	<u>4,264</u>	<u>362</u>	<u>3,902</u>
Total Community Services	<u>8,391,196</u>	<u>8,144,596</u>	<u>246,600</u>
Capital Outlay	<u>42,000</u>	<u>36,166</u>	<u>5,834</u>
Total Expenditures	<u>8,434,550</u>	<u>8,182,116</u>	<u>252,434</u>
Net Change in Fund Balances	(45,044)	(124,778)	(79,734)
Fund Balance at Beginning of Year	452,840	452,840	-
Prior Year Encumbrances Appropriated	<u>51,850</u>	<u>51,850</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 459,646</u>	<u>\$ 379,912</u>	<u>\$ (79,734)</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Vocational Rotary Fund
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 58,988	\$ 57,946	\$ (1,042)
Total Revenues	<u>58,988</u>	<u>57,946</u>	<u>(1,042)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	46	-	46
Total Regular	<u>46</u>	<u>-</u>	<u>46</u>
Vocational			
Supplies and Materials	68,642	58,647	9,995
Total Vocational	<u>68,642</u>	<u>58,647</u>	<u>9,995</u>
Total Instruction	<u>68,688</u>	<u>58,647</u>	<u>10,041</u>
Support Services:			
Instructional Staff			
Supplies and Materials	3	-	3
Total Instructional Staff	<u>3</u>	<u>-</u>	<u>3</u>
Administration			
Purchased Services	140	140	-
Total Administration	<u>140</u>	<u>140</u>	<u>-</u>
Total Support Services	<u>143</u>	<u>140</u>	<u>3</u>
Extracurricular Activities			
Supplies and Materials	500	39	461
Total Extracurricular Activities	<u>500</u>	<u>39</u>	<u>461</u>
Total Expenditures	<u>69,331</u>	<u>58,826</u>	<u>10,505</u>
Net Change in Fund Balances	(10,343)	(880)	9,463
Fund Balance at Beginning of Year	10,013	10,013	-
Prior Year Encumbrances Appropriated	1,241	1,241	-
Fund Balance at End of Year	<u>\$ 911</u>	<u>\$ 10,374</u>	<u>\$ 9,463</u>

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 Assets - Budget (Non-GAAP) and Actual
Health Self Insurance Fund
For the Fiscal Year Ended June 30, 2009

	<u>Final Budget</u>	<u>Actual</u>	Variance
Revenues:			
Charges for Services	\$ 19,781,378	\$ 19,535,452	\$ (245,926)
Charges for Employees	3,767,882	3,718,148	(49,734)
Total Revenues	<u>23,549,260</u>	<u>23,253,600</u>	<u>(295,660)</u>
Expenses:			
Salaries and Wages	225,000	211,984	13,016
Fringe Benefits	7,800	5,221	2,579
Purchased Services	24,047,746	23,239,479	808,267
Total Expenses	<u>24,280,546</u>	<u>23,456,684</u>	<u>823,862</u>
Changes in Net Assets	(731,286)	(203,084)	528,202
Net Assets at Beginning of Year	3,793,236	3,793,236	-
Prior Year Encumbrances Appropriated	150,000	150,000	-
Net Assets at End of Year	<u>\$ 3,211,950</u>	<u>\$ 3,740,152</u>	<u>\$ 528,202</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, 2009

	<u>Student Activity</u>	<u>District Agency</u>	<u>Total</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 292,872	\$ 3,394,941	\$ 3,687,813
Accounts Receivable	-	181,700	181,700
Total Assets	<u>\$ 292,872</u>	<u>\$ 3,576,641</u>	<u>\$ 3,869,513</u>
<u>Liabilities:</u>			
Accounts Payable	\$ 14,430	\$ 20,988	\$ 35,418
Due to Other Governments	-	2,771,835	2,771,835
Undistributed Money	278,442	783,818	1,062,260
Total Liabilities	<u>\$ 292,872</u>	<u>\$ 3,576,641</u>	<u>\$ 3,869,513</u>

South-Western City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2009

	Beginning Balance <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2009</u>
<u>Student Activity:</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 318,161	\$ 449,183	\$ 474,472	\$ 292,872
Total Assets	<u>\$ 318,161</u>	<u>\$ 449,183</u>	<u>\$ 474,472</u>	<u>\$ 292,872</u>
Liabilities:				
Accounts Payable	\$ 20,640	\$ 14,430	\$ 20,640	\$ 14,430
Undistributed Money	297,521	434,753	453,832	278,442
Total Liabilities	<u>\$ 318,161</u>	<u>\$ 449,183</u>	<u>\$ 474,472</u>	<u>\$ 292,872</u>
<u>District Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 2,677,892	\$ 21,226,061	\$ 20,509,012	\$ 3,394,941
Accounts Receivable	175,083	181,700	175,083	181,700
Total Assets	<u>\$ 2,852,975</u>	<u>\$ 21,407,761</u>	<u>\$ 20,684,095</u>	<u>\$ 3,576,641</u>
Liabilities:				
Accounts Payable	\$ 22,759	\$ 20,988	\$ 22,759	\$ 20,988
Due to Other Governments	1,894,165	2,771,835	1,894,165	2,771,835
Undistributed Money	936,051	18,614,938	18,767,171	783,818
Total Liabilities	<u>\$ 2,852,975</u>	<u>\$ 21,407,761</u>	<u>\$ 20,684,095</u>	<u>\$ 3,576,641</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 2,996,053	\$ 21,675,244	\$ 20,983,484	\$ 3,687,813
Receivable:				
Accounts	175,083	181,700	175,083	181,700
Total Assets	<u>\$ 3,171,136</u>	<u>\$ 21,856,944</u>	<u>\$ 21,158,567</u>	<u>\$ 3,869,513</u>
Liabilities:				
Accounts Payable	\$ 43,399	\$ 35,418	\$ 43,399	\$ 35,418
Due to Other Governments	1,894,165	2,771,835	1,894,165	2,771,835
Undistributed Money	1,233,572	19,049,691	19,221,003	1,062,260
Total Liabilities	<u>\$ 3,171,136</u>	<u>\$ 21,856,944</u>	<u>\$ 21,158,567</u>	<u>\$ 3,869,513</u>

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.	98
<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.	108
<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.	116
<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.	122
<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.	133

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
 Changes in Invested in Capital Assets, Net of Related Debt
 Last Eight Fiscal Years
 (accrual basis of accounting)

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Governmental Activities				
Invested in Capital Assets, Net of Unrelated Debt	\$ 40,527,577	\$ 34,413,508	\$ 27,802,364	\$ 29,644,575
Restricted	23,493,846	22,761,533	17,692,309	12,886,527
Unrestricted	32,825,649	22,787,305	23,853,095	(8,326,148)
Total Governmental Activities Net Assets	<u>\$ 96,847,072</u>	<u>\$ 79,962,346</u>	<u>\$ 69,347,768</u>	<u>\$ 34,204,954</u>

Source: School District Comprehensive Annual Financial Report

<u>Fiscal 2005</u>	<u>Fiscal 2004</u>	<u>Fiscal 2003</u>	<u>Fiscal 2002</u>
\$ 33,551,196	\$ 32,771,331	\$ 31,575,953	\$ 24,303,347
9,068,727	9,670,710	7,609,961	12,880,214
1,229,883	17,774,437	20,582,500	34,208,485
<u>\$ 43,849,806</u>	<u>\$ 60,216,478</u>	<u>\$ 59,768,414</u>	<u>\$ 71,392,046</u>

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

	Fiscal 2009	Fiscal 2008	Fiscal 2007	(Restated) (1) Fiscal 2006
Governmental Activities:				
Instruction:				
Regular	\$ 99,472,506	\$ 92,884,468	\$ 91,155,349	\$ 96,226,789
Special	26,318,268	24,665,611	25,337,011	23,014,050
Vocational	6,386,202	6,229,106	6,283,046	7,170,672
Other	2,835,918	2,521,547	1,054,636	1,058,537
Support Services:				
Pupil	9,255,581	8,423,846	8,011,862	8,057,563
Instructional Staff	14,963,463	14,006,287	13,972,865	19,252,242
Board of Education	53,816	59,840	51,971	268,724
Administration	15,407,715	15,895,145	15,618,324	15,667,633
Fiscal	3,460,086	3,326,319	3,626,102	3,321,790
Business	961,685	920,806	666,937	1,203,141
Operations and Maintenance	16,666,018	15,983,374	14,711,400	16,144,129
Pupil Transportation	11,894,384	11,398,807	10,908,037	12,957,996
Central	8,723,626	4,002,153	3,517,936	4,364,987
Food Service	8,609,997	8,084,601	7,769,587	8,143,737
Community Services	1,803,117	1,316,649	1,926,744	1,445,270
Extracurricular Activities	3,878,853	3,897,530	3,996,761	3,826,852
Interest and Fiscal Charges	4,692,127	5,468,524	5,486,093	7,271,315
Total Governmental Activities Expenses	<u>\$ 235,383,362</u>	<u>\$ 219,084,613</u>	<u>\$ 214,094,661</u>	<u>\$ 229,395,427</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

<u>Fiscal 2005</u>	<u>Fiscal 2004</u>	<u>Fiscal 2003</u>	<u>Fiscal 2002</u>
\$ 89,164,246	\$ 82,081,703	\$ 74,732,291	\$ 67,162,034
22,254,484	20,041,211	17,426,432	14,219,025
6,544,444	6,665,313	5,621,047	5,358,669
393,079	394,006	400,389	386,970
8,184,349	7,326,436	7,336,804	6,140,323
18,230,029	16,854,642	15,114,537	12,920,806
364,457	401,151	479,880	224,840
14,662,677	13,688,663	13,370,445	12,052,299
2,684,904	3,030,493	2,605,574	2,776,595
1,020,572	1,122,396	983,121	1,121,398
15,922,071	15,802,554	14,399,188	13,064,806
11,993,324	10,786,583	9,493,708	9,188,997
4,386,542	4,837,026	4,850,405	3,994,815
7,860,418	7,311,356	6,911,601	6,084,887
1,649,082	1,399,643	1,602,684	1,574,075
3,661,136	3,648,003	3,534,018	3,336,233
7,907,100	8,309,541	9,208,077	7,480,589
<u>\$ 216,882,914</u>	<u>\$ 203,700,720</u>	<u>\$ 188,070,201</u>	<u>\$ 167,087,361</u>

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

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Program Revenue:			
Governmental Activities:			
Charges for Services and Sales			
Instruction:			
Regular	\$ 165,213	\$ 134,405	\$ 111,180
Special	-	-	-
Vocational	185,043	149,010	133,119
Other	24,165	-	-
Support Services:			
Instructional Staff	-	-	467
Administration	140	-	-
Pupil Transportation	432,111	365,920	326,268
Food Service	3,242,294	3,256,780	3,425,763
Community Services	16,668	13,573	10,484
Extracurricular Activities	756,351	738,167	743,352
Operating Grants, Contributions and Interest	33,841,376	30,260,222	28,441,279
Total Governmental Activities Program Revenues	<u>\$ 38,663,361</u>	<u>\$ 34,918,077</u>	<u>\$ 33,191,912</u>
Net (Expenses)/Revenue			
Governmental Activities	<u>\$ (196,720,001)</u>	<u>\$ (184,166,536)</u>	<u>\$ (180,902,749)</u>
General Revenues and Other Changes in Net Assets			
General Revenues:			
Property Taxes Levied for:			
General Purposes	85,257,556	80,492,369	100,123,160
Debt Service	12,884,620	14,888,794	19,774,851
Capital Improvement	4,343,741	168,056	-
Grants and Entitlements not Restricted to Specific Programs	101,900,997	91,935,545	91,398,564
Interest	974,009	2,011,085	3,135,902
Gain (Loss) on Sale of Capital Assets	-	-	-
Other Local Revenues	8,243,804	5,285,265	3,819,982
Extraordinary Item - Loss on Demolition of a Middle School	-	-	-
Total Governmental Activities	<u>213,604,727</u>	<u>194,781,114</u>	<u>218,252,459</u>
Changes in Net Assets	<u>\$ 16,884,726</u>	<u>\$ 10,614,578</u>	<u>\$ 37,349,710</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	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
2006	2005	2004	2003	2002	2002
\$ 102,094	\$ 296,625	\$ 99,520	\$ 90,991	\$ 53,915	
-	-	218	-	-	
119,795	105,895	117,860	104,890	66,637	
-	-	-	-	-	
200	-	-	1,645	-	
-	-	-	-	-	
151,725	111,106	110,668	86,725	269,782	
3,868,230	3,489,028	3,696,360	3,660,907	3,579,946	
8,163	5,806	11,093	12,908	11,884	
719,363	646,568	602,334	516,805	647,287	
26,766,874	23,919,727	21,174,742	19,187,788	14,875,976	
<u>\$ 31,736,444</u>	<u>\$ 28,574,755</u>	<u>\$ 25,812,795</u>	<u>\$ 23,662,659</u>	<u>\$ 19,505,427</u>	
<u>\$ (197,658,983)</u>	<u>\$ (188,308,159)</u>	<u>\$ (177,887,925)</u>	<u>\$ (164,407,542)</u>	<u>\$ (147,581,934)</u>	
79,877,444	69,546,730	77,869,586	63,347,264	60,805,216	
12,848,845	12,649,989	16,216,513	12,656,333	11,778,244	
1,787,078	-	-	-	-	
85,381,816	85,291,437	79,733,241	71,897,461	69,158,685	
1,787,222	683,103	557,566	1,325,709	3,013,344	
-	-	-	(249,682)	31,094	
4,124,726	3,770,228	3,959,083	3,806,825	3,763,736	
-	-	-	-	(911,297)	
<u>185,807,131</u>	<u>171,941,487</u>	<u>178,335,989</u>	<u>152,783,910</u>	<u>147,639,022</u>	
<u>\$ (11,851,852)</u>	<u>\$ (16,366,672)</u>	<u>\$ 448,064</u>	<u>\$ (11,623,632)</u>	<u>\$ 57,088</u>	

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

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
General Fund					
Reserved	\$ 34,702,439	\$ 31,646,062	\$ 34,795,213	\$ 23,115,605	\$ 18,652,243
Unreserved	(1,474,986)	(7,646,791)	(12,754,310)	(26,952,311)	(17,786,525)
Total General Fund	<u>\$ 33,227,453</u>	<u>\$ 23,999,271</u>	<u>\$ 22,040,903</u>	<u>\$ (3,836,706)</u>	<u>\$ 865,718</u>
All Other Governmental Funds					
Reserved	16,169,375	16,783,696	16,762,052	10,589,657	8,883,326
Unreserved, reported in:					
Special Revenue Funds	2,849,640	3,315,826	2,895,628	2,293,939	2,045,128
Capital Projects Fund	853,201	1,458,916	6,146,880	10,189,703	5,255
Total All Other Governmental Funds	<u>\$ 19,872,216</u>	<u>\$ 21,558,438</u>	<u>\$ 25,804,560</u>	<u>\$ 23,073,299</u>	<u>\$ 10,933,709</u>

Source: School District Comprehensive Annual Financial Report

Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
\$ 18,110,925	\$ 10,959,764	\$ 12,502,248	\$ 21,146,387	\$ 23,271,000
(1,819,297)	11,258,623	19,661,008	13,348,022	7,564,619
<u>\$ 16,291,628</u>	<u>\$ 22,218,387</u>	<u>\$ 32,163,256</u>	<u>\$ 34,494,409</u>	<u>\$ 30,835,619</u>
9,095,092	7,610,736	20,319,970	34,839,905	34,986,377
2,982,529	3,132,737	5,394,642	3,392,478	3,502,759
(322,833)	186,114	452,626	10,270,441	48,603,993
<u>\$ 11,754,788</u>	<u>\$ 10,929,587</u>	<u>\$ 26,167,238</u>	<u>\$ 48,502,824</u>	<u>\$ 87,093,129</u>

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

	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
Revenues:				
Local:				
Taxes	\$ 99,222,737	\$ 94,345,111	\$ 117,228,444	\$ 97,704,539
Tuition	834,944	450,502	475,386	375,050
Interest	974,009	2,011,085	3,135,902	2,131,626
Other Local Revenue	10,037,234	7,627,835	8,422,523	8,880,015
Intergovernmental - State	116,393,859	104,587,960	102,073,298	95,177,226
Intergovernmental - Federal	18,961,145	17,351,176	17,269,242	16,911,352
Total Revenues	\$ 246,423,928	\$ 226,373,669	\$ 248,604,795	\$ 221,179,808
Expenditures:				
Current:				
Instruction:				
Regular	95,068,111	89,832,529	85,663,533	88,155,340
Special	26,150,024	24,670,704	25,026,764	22,841,563
Vocational	5,595,820	5,331,116	5,137,585	5,822,910
Other	2,785,526	2,511,183	1,058,821	1,051,457
Support Services:				
Pupil	9,211,089	8,382,856	8,199,528	8,105,144
Instructional Staff	14,997,314	13,875,612	14,269,451	19,131,625
Board of Education	53,816	59,840	51,971	268,724
Administration	15,143,308	15,720,663	15,192,285	15,092,352
Fiscal	3,458,286	3,324,289	3,624,585	3,309,531
Business	955,910	875,530	657,063	1,272,174
Operations and Maintenance	16,391,490	15,784,267	14,367,705	15,867,057
Pupil Transportation	10,511,656	9,906,398	10,006,531	11,439,383
Central	3,376,369	3,210,341	2,569,236	3,135,113
Food Service	8,572,735	8,005,503	7,490,713	7,658,325
Community Services	1,514,605	974,602	1,523,184	1,073,496
Extracurricular Activities	3,732,287	3,726,269	3,624,996	3,562,468
Capital Outlay	3,935,133	4,647,056	3,541,384	3,995,595
Pass Through Grants	-	-	325,000	325,000
Debt Services:				
Principal Retirement	12,976,667	12,401,628	11,926,667	6,160,009
Interest and Fiscal Charges	4,509,630	5,465,493	5,742,967	7,735,902
Issuance Costs for Bonds and Notes	-	-	2,324,738	137,015
Total Expenditures	238,939,776	228,705,879	222,324,707	226,140,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,484,152	(2,332,210)	26,280,088	(4,960,375)
Other Financing Sources (Uses):				
Transfers - In	1,022,766	866,306	828,359	1,160,563
Transfers - Out	(1,022,766)	(866,306)	(828,359)	(1,160,563)
Issuance of Refunding Bonds	-	-	76,914,989	-
Issuance of Vocational Construction Note	-	-	-	-
Issuance of General Obligation Bonds	-	-	-	-
Issuance of Tax Anticipation Notes	-	-	-	12,000,000
Premium on the Sale of Refunding Bonds	-	-	2,328,792	-
Premium on the Sale of Bond Anticipation Notes	-	-	-	-
Premium on the Sale of Tax Anticipation Notes	-	-	-	341,741
Principal Payment to Refunding Bonds Escrow Agent	-	-	(76,914,999)	-
Inception of Capital Lease	-	-	-	-
Sale of Capital Assets	57,808	44,456	-	55,800
Total Other Financing Sources (Uses)	57,808	44,456	2,328,782	12,397,541
Net Change in Fund Balances	\$ 7,541,960	\$ (2,287,754)	\$ 28,608,870	\$ 7,437,166
Debt Service as a Percentage of Noncapital Expenditures	7.39%	7.91%	9.02%	6.30%

Source: School District Comprehensive Annual Financial Report

Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
\$ 82,535,286	\$ 90,760,617	\$ 77,155,165	\$ 69,962,989	\$ 77,291,353	\$ 82,099,746
368,660	654,619	447,352	568,600	488,073	308,146
677,084	552,865	1,235,857	3,446,592	9,268,000	8,554,298
8,629,817	8,563,461	8,069,568	7,877,264	3,895,680	3,105,480
93,309,641	86,857,635	79,435,912	72,388,325	61,726,476	55,468,100
15,360,857	14,052,036	11,760,295	10,904,582	7,767,903	6,627,609
<u>\$ 200,881,345</u>	<u>\$ 201,441,233</u>	<u>\$ 178,104,149</u>	<u>\$ 165,148,352</u>	<u>\$ 160,437,485</u>	<u>\$ 156,163,379</u>

83,740,124	76,676,200	70,347,045	62,311,817	57,803,942	52,493,256
22,031,826	19,686,644	17,278,494	14,055,510	12,840,347	11,315,354
5,354,160	5,482,555	5,056,922	4,287,337	4,028,273	3,969,895
392,127	393,589	400,116	386,941	561,260	507,178
8,159,650	7,407,498	7,298,688	6,089,388	5,939,439	5,671,070
18,004,035	16,616,241	14,651,432	12,453,610	11,670,981	10,535,219
364,457	401,151	479,880	224,840	220,905	198,957
14,049,517	13,129,600	13,079,993	11,566,312	10,649,009	9,782,392
2,674,852	3,025,920	2,585,782	2,761,547	2,789,050	2,406,035
990,089	1,088,251	974,415	892,459	819,113	727,262
15,505,621	15,397,113	14,081,200	12,397,397	11,879,176	12,328,989
10,473,546	9,392,675	8,436,396	7,139,082	6,565,782	5,437,269
3,291,104	3,722,217	3,788,910	2,640,109	2,727,683	2,779,049
7,318,639	6,787,151	6,468,178	5,995,382	-	-
1,303,382	1,033,799	1,280,030	923,273	1,243,808	929,697
3,424,234	3,388,247	3,288,580	2,946,151	2,483,023	2,374,572
4,201,895	6,891,967	18,802,710	39,364,423	50,001,642	47,071,386
325,000	325,000	325,000	325,000	325,000	300,000
7,358,661	7,547,704	6,199,702	7,077,359	6,061,399	6,149,786
8,189,624	8,367,908	8,871,883	7,179,549	8,078,330	8,112,731
183,191	831,005	-	-	-	-
<u>217,335,734</u>	<u>207,592,435</u>	<u>203,695,356</u>	<u>201,017,486</u>	<u>196,688,162</u>	<u>183,090,097</u>

(16,454,389) (6,151,202) (25,591,207) (35,869,134) (36,250,677) (26,926,718)

809,380	1,026,395	954,278	19,843,222	17,673,067	17,093,000
(809,380)	(1,026,395)	(954,278)	(19,843,222)	(17,665,778)	(17,327,680)
2,499,961	27,050,000	-	-	-	-
-	-	-	-	1,000,000	-
-	-	-	9,465,000	-	-
-	-	-	-	-	-
183,230	1,846,786	-	-	-	-
-	-	-	-	4,700	1,915
-	-	-	-	-	-
(2,500,000)	(27,860,001)	-	-	-	-
-	-	408,687	-	19,860	105,750
24,209	12,859	-	69,153	40,412	58,225
<u>207,400</u>	<u>1,049,644</u>	<u>408,687</u>	<u>9,534,153</u>	<u>1,072,261</u>	<u>(68,790)</u>
<u>\$ (16,246,989)</u>	<u>\$ (5,101,558)</u>	<u>\$ (25,182,520)</u>	<u>\$ (26,334,981)</u>	<u>\$ (35,178,416)</u>	<u>\$ (26,995,508)</u>

7.60%

8.48%

8.12%

8.56%

10.16%

10.49%

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

Collection Year	Real Property (1)		Tangible Personal Property (2)		Public Utility (3)	
	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated
	Value	Actual Value	Value	Actual Value	Value	Actual Value
2009	\$ 2,486,685,210	\$ 7,104,814,886	\$ 4,619,246	\$ 73,907,936	\$ 71,769,930	\$ 205,056,943
2008	2,430,333,930	6,943,811,229	89,991,185	1,439,858,960	67,312,640	192,321,829
2007	2,404,408,410	6,869,738,314	169,030,582	1,352,244,656	74,180,020	211,942,914
2006	2,356,337,430	6,732,392,657	211,762,887	1,129,402,064	85,769,830	245,056,657
2005	2,058,122,350	5,880,349,571	294,803,262	1,179,213,048	87,646,630	250,418,943
2004	1,995,790,380	5,702,258,229	285,817,957	1,143,271,828	85,692,690	244,836,257
2003	1,944,520,110	5,555,771,743	327,412,336	1,309,649,344	80,654,260	230,440,743
2002	1,740,984,660	4,974,241,886	312,181,478	1,248,725,912	77,011,450	220,032,714
2001	1,686,914,280	4,819,755,086	320,534,386	1,282,137,544	94,580,280	270,229,371
2000	1,602,009,470	4,577,169,914	290,640,778	1,162,563,112	95,575,700	273,073,429

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 is 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.

Total		
Assessed Value	Estimated Actual Value	Tax Rate (4)
\$ 2,563,074,386	\$ 7,383,779,765	35.44
2,587,637,755	8,575,992,018	33.73
2,647,619,012	8,433,925,884	37.02
2,653,870,147	8,106,851,378	37.79
2,440,572,242	7,309,981,562	32.87
2,367,301,027	7,090,366,314	34.16
2,352,586,706	7,095,861,830	34.73
2,130,177,588	6,443,000,512	36.87
2,102,028,946	6,372,122,001	37.71
1,988,225,948	6,012,806,455	37.80

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2007/2008 (1)	\$ 105,669,991	\$ 9,207,010	\$ 114,877,001	\$ 95,876,685	90.73%
2006/2007 (1)	108,335,893	9,820,143	118,156,036	102,369,887	94.49%
2005/2006 (1)	111,827,574	7,460,906	119,288,480	105,497,851	94.34%
2004/2005 (1)	87,226,531	7,222,650	94,449,181	82,722,065	94.84%
2003/2004 (1)	88,953,867	9,929,033	98,882,900	84,340,638	94.81%
2002/2003 (1)	86,458,902	7,337,196	93,796,098	81,512,004	94.28%
2001/2002 (1)	85,132,756	8,745,197	93,877,953	82,014,581	96.34%
2000/2001 (1)	84,797,133	6,383,257	91,180,390	82,882,592	97.74%
1999/2000 (1)	89,837,034	5,482,545	95,319,579	79,192,486	88.15%
1998/1999 (1)	75,816,300	4,890,024	80,706,324	74,698,742	98.53%

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 2008/2009 Tax Year/Collection Year was not available from the Franklin County Auditor

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

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

<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>
\$ 4,127,145	\$ 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
4,380,375	86,394,956	92.03%	8,305,224	2001/2002
3,924,217	86,806,809	95.20%	5,684,753	2000/2001
3,147,122	82,339,608	86.38%	5,431,851	1999/2000
2,824,094	77,522,836	96.06%	5,514,324	1998/1999

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			South-Western City School District			Unvoted General Fund
	Franklin County	City of Columbus	City of Grove City	General Fund	Voted Bond Fund	Permanent Improvement	
2008/2009	18.02 (15.31) (16.52)	3.14 (3.14) (3.14)	3.50 (3.50) (3.50)	53.80 (23.71) (36.40)	5.35 (5.35) (5.35)	2.00 (1.74) (1.83)	3.85 (3.85) (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
2002/2003	17.64	3.14	4.30	46.10	6.44	0.00	3.90
2001/2002	17.64	3.14	4.40	46.10	6.61	0.00	3.90
2000/2001	17.64	3.14	4.50	46.10	6.97	0.00	3.90
1999/2000	17.64	3.14	4.60	46.10	6.97	0.00	3.90

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 New Rome</u>	<u>Village of Urbancrest</u>	<u>Franklin Township</u>	<u>Jackson Township</u>	<u>Pleasant Township</u>	<u>Harrisburg-Pleasant Township</u>	<u>Prairie Township</u>
1.00	0.00	0.60	25.20	20.20	18.70	18.30	18.20
(1.00)	0.00	(0.60)	(18.84)	(8.30)	(10.22)	(9.82)	(12.90)
(1.00)	0.00	(0.60)	(24.61)	(8.46)	(10.71)	(10.31)	(15.17)
1.00	0.00	0.60	21.31	20.20	18.70	18.30	18.20
1.00	0.00	0.60	21.31	20.20	18.70	18.30	18.20
1.00	0.00	0.60	18.05	20.20	18.70	18.30	18.20
1.00	0.00	0.60	18.05	20.20	18.70	18.30	14.50
1.00	0.00	0.60	13.05	20.20	18.70	18.30	14.20
1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20
1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20
1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20
1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20

South-Western City School District
Principal Taxpayers
December 31, 2008 and December 31, 1999

	<u>December 31, 2008</u>	
	<u>Total</u> <u>Assessed</u> <u>Valuation</u>	<u>% of Total</u> <u>Assessed</u> <u>Valuation</u>
<u>Public Utilities</u>		
Columbus Southern Power Company	\$ 62,442,240	2.44%
Columbia Gas of Ohio Inc.	5,934,850	0.23%
<u>Real Estate</u>		
Wingates LLC	\$ 12,351,550	0.48%
Big Lots Stores Inc.	11,860,000	0.46%
Wal Mart Stores Inc	11,704,280	0.46%
Distribution Funding III	8,888,090	0.35%
Dispatch Printing Co.	8,750,000	0.34%
PCCP IRG Columbus LLC	7,700,010	0.30%
Matrix Harvest Glen LLC	5,688,180	0.22%
Sun Life Assurance	5,425,010	0.21%
Avalon Oaks LLC	4,866,940	0.19%
Feder Road Associates	4,725,000	0.18%
All Others	<u>2,412,738,236</u>	<u>94.13%</u>
Total Assessed Valuation	<u>\$ 2,563,074,386</u>	<u>100.00%</u>
<u>Tangible Personal Property</u>		
Medco Health Solutions Inc	\$ 6,858,620	
Wal Mart Stores East LP	4,605,930	
Big Lots Stores Inc.	4,301,660	
Masterfoods USA Inc.	3,752,400	
Ohio Bell Telephone Company	3,738,370	
Ohio Machinery Co.	2,749,000	
Tosoh S M D Inc.	2,361,440	
Dispatch Printing Company	2,279,120	
Citicorp Credit Services, Inc.	1,812,950	
IBM Credit, LLC	1,659,090	

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

Note: The personal property values reported above are Tax Year 2008/Calendar Year 2008 as reported by the taxpayers. These figures are for reference purposes only due to the phase out of the personal property tax.

	<u>December 31, 1999</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	\$ 46,574,710	2.69%
Ohio Bell Telephone Co.	22,510,970	1.30%
Columbia Gas of Ohio Inc.	13,680,760	0.79%
 <u>Real Estate</u>		
Dispatch Printing Co.	\$ 11,350,380	0.66%
Port West Associates LP	9,523,100	0.55%
Columbus West Joint Venture	8,644,320	0.50%
Meridian Ind Trust	8,290,640	0.48%
Security Capital Ind Trust	7,363,320	0.43%
Distribution Fulfillment Services Inc.	7,017,710	0.41%
General Motors Corp	6,887,710	0.40%
Consolidated Stores International Corp	5,950,000	0.34%
Advantis	4,476,490	0.26%
Kal Kan Foods Inc.	4,473,170	0.26%
 <u>Tangible Personal Property</u>		
IBM Credit Corporation	\$ 21,227,543	1.23%
Merck Medco RX Services of Ohio	16,363,860	0.95%
Consolidated Stores	11,543,320	0.67%
Sears Roebuck & Company	10,787,300	0.62%
Dispatch Printing Company	10,652,470	0.62%
General Motors Corp.	10,450,680	0.60%
Wal Mart Stores	10,367,490	0.60%
Kal Kan Foods Inc.	9,570,540	0.55%
Tosoh S M D Inc.	7,304,520	0.42%
Decisionone Corporation	5,938,810	0.34%
All Others	<u>1,458,009,710</u>	<u>84.33%</u>
Total Assessed Valuation	<u>\$ 1,728,959,523</u>	<u>100.00%</u>

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

Year	(1) Net Bonded Debt	(1) Tax Anticipation Notes	(1) Bond Anticipation Notes	Total Primary Government	(2) Percentage of Personal Income	(3) Per Capita	(4) Per ADM
2009	\$ 102,134,941	\$ -	\$ -	\$ 102,134,941	not available	\$ 769.20	\$ 4,921.93
2008	102,434,173	7,505,000	-	109,939,173	not available	828.50	5,238.94
2007	111,693,098	14,838,913	-	126,532,011	4.94%	957.21	6,027.34
2006	120,268,390	21,617,827	-	141,886,217	5.86%	1,094.13	6,769.38
2005	127,504,793	-	-	127,504,793	5.24%	993.66	6,111.53
2004	133,506,128	-	-	133,506,128	5.70%	1,057.09	6,501.08
2003	140,578,720	-	-	140,578,720	6.23%	1,119.99	6,941.82
2002	147,398,554	-	-	147,398,554	7.27%	1,186.90	7,473.81
2001	144,018,852	-	6,500,000	150,518,852	7.41%	1,248.41	7,892.97
2000	151,126,004	-	6,500,000	157,626,004	7.96%	1,648.26	8,477.25

Sources:

(1) Per District records

(2) Personal Income provided by Ohio Department of Taxation

(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
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
2009	\$2,563,074,386	\$ 102,134,941	\$ 7,766,585	\$ 94,368,356	3.68%	\$ 710.71	\$ 4,547.65
2008	2,587,637,755	110,999,692	8,565,519	102,434,173	3.96%	771.95	4,881.30
2007	2,647,619,012	119,542,494	7,849,396	111,693,098	4.22%	844.95	5,320.49
2006	2,653,870,147	125,553,305	5,284,375	120,268,930	4.53%	927.43	5,738.02
2005	2,440,572,242	131,773,677	4,268,884	127,504,793	5.22%	993.66	6,111.53
2004	2,367,301,027	138,112,279	4,606,151	133,506,128	5.64%	1,057.09	6,501.08
2003	2,352,586,706	144,480,176	3,901,456	140,578,720	5.98%	1,119.99	6,941.82
2002	2,130,177,588	150,412,305	3,013,751	147,398,554	6.92%	1,186.90	7,473.81
2001	2,102,028,946	147,692,665	3,673,813	144,018,852	6.85%	1,194.50	7,552.12
2000	1,988,225,948	153,444,448	2,318,444	151,126,004	7.60%	1,580.29	8,127.68

Sources:

(1) Franklin County Auditor

(2) Per District records

(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 General Obligation Bonded Debt
 June 30, 2009

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
South-Western City School District	\$ 102,134,941	100.00%	\$ 110,999,692
Franklin County	198,210,850	9.15%	18,136,293
City of Columbus	1,508,091,051	39.09%	589,512,792
City of Grove City	16,663,750	100.00%	16,663,750
Total Direct and Overlapping Debt	<u>\$ 1,825,100,592</u>		<u>\$ 735,312,527</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 2008 collection year

Source: Franklin County Auditor

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

Assessed Valuation	\$ 2,563,074,386
Bonded Debt Limit - 9% of Assessed Value	\$ 230,676,695
Amount of Debt Applicable to 9% Debt Limit:	<u>102,134,941</u>
9% Voted Debt Margin	<u><u>\$128,541,754</u></u>
Bonded Debt Limit - .10% of Assessed Value	\$ 2,563,074
Amount of Debt Applicable to .10% Debt Limit	<u>-</u>
.10% Unvoted Debt Margin	<u><u>\$ 2,563,074</u></u>

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 230,676,695	\$232,887,398	\$ 238,285,711	\$238,848,313
Total Net Debt Applicable to Limit	<u>102,134,941</u>	<u>110,999,692</u>	<u>119,542,494</u>	<u>125,553,305</u>
Legal Debt Margin	<u><u>\$ 128,541,754</u></u>	<u><u>\$121,887,706</u></u>	<u><u>\$ 118,743,217</u></u>	<u><u>\$113,295,008</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	44.28%	47.66%	50.17%	52.57%

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.

2005	2004	2003	2002	2001	2000
<u>\$219,651,502</u>	<u>\$213,057,092</u>	<u>\$211,732,804</u>	<u>\$191,715,983</u>	<u>\$189,182,605</u>	<u>\$178,940,335</u>
<u>126,483,677</u>	<u>133,042,279</u>	<u>138,550,175</u>	<u>143,797,304</u>	<u>151,862,665</u>	<u>157,146,448</u>
<u>\$ 93,167,825</u>	<u>\$ 80,014,813</u>	<u>\$ 73,182,629</u>	<u>\$ 47,918,679</u>	<u>\$ 37,319,940</u>	<u>\$ 21,793,887</u>
57.58%	62.44%	65.44%	75.01%	80.27%	87.82%

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

	<u>2009</u>	<u>2008 (1)</u>	<u>2007</u>	<u>2006</u>	<u>2005 (2)</u>
Teaching Staff					
Regular Education	937.04	939.68	956.42	1034.2	1041.5
Special Education	257.75	256.19	239.25	238.83	230
Vocational Education	62.5	63	62	81.2	72
Tutors	56	70.23	73.1	64	59.41
Administrators					
Buildings/Departments	105.00	105.00	104.00	119.00	120.00
Other Positions					
Psychologists	12.80	12.80	12.50	12.50	12.50
Nurses	9.40	9.40	9.40	9.40	9.40
Speech	18.80	18.80	18.00	18.00	18.00
OT/PT	10.30	8.20	7.90	5.80	4.20
Adapted Physical Education Therapist	3.00	3.00	3.00	3.00	3.00
Sign Interpreter	4.00	3.00	2.00	1.00	2.00
Social Worker	0.50	0.50	-	0.80	2.80
Counselors	24.50	24.00	24.00	29.00	29.00
Library Media Specialists	4.00	4.00	4.00	4.00	4.00
Other Professionals	3.50	3.50	10.20	10.20	10.20
Support Staff					
Technology	13.00	13.00	13.00	13.00	13.00
Aides	290.50	275.75	285.99	329.63	334.53
Accounting	8.00	8.00	8.00	9.00	9.00
Clerical	115.00	117.00	115.00	126.00	127.50
Custodial	116.50	116.50	122.76	141.50	140.00
Printer	1.00	1.00	1.00	1.00	1.00
Maintenance	31.00	31.00	31.00	31.00	33.00
Mechanics	8.00	9.00	9.00	10.00	10.00
Bus Drivers	160.00	154.00	156.00	181.00	176.00
Food Service Transporters	3.00	3.00	3.00	3.00	3.00
Cooks	132.74	128.00	134.99	138.81	136.64
Hall Monitors	43.00	39.00	42.22	45.50	45.00
Recreation Center	14.00	16.00	14.50	15.00	15.00
Athletic Trainer	1.00	1.00	1.00	1.00	1.00
Total	<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	1,322.54	1,314.30	1,334.25	1,410.76	
Support Services					
Pupil	124.47	120.00	115.61	124.05	
Instructional Staff	253.35	258.00	257.99	343.93	
Administration	161.15	162.00	162.75	156.50	
Fiscal	12.00	12.00	12.00	12.00	
Business	3.00	3.00	3.00	4.00	
Operation and Maintenance	177.08	179.00	179.00	202.75	
Pupil Transportation	208.00	201.00	206.00	225.00	
Central	21.50	23.00	27.00	26.00	
Food Service	138.74	134.00	139.98	145.23	
Community Services	19.75	22.50	20.90	21.40	
Extracurricular Activities	4.25	4.75	4.75	4.75	
Total	<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 Indicators by Function
 Last Five Fiscal Years

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Function-Governmental Activities					
Instruction and Support Services - Pupils					
Graduates	1,212	1,280	1,252	1,153	1,113
% of Students with IEP	14.4%	13.1%	14.0%	12.5%	11.9%
% of Limited English Proficient Students	12.4%	11.5%	9.5%	6.6%	6.0%
Student Attendance	93.9%	94.3%	94.3%	94.1%	94.0%
Fiscal					
Purchase Orders Processed	17,186	16,458	14,663	15,110	15,049
Nonpayroll Checks Issued	15,970	14,751	15,804	17,829	19,250
Operations and Maintenance					
Work Orders Completed	7,858	7,789	7,879	7,821	n/a
District Square Footage Maintained by Staff	2.8 million				
District Acreage Maintained by Staff	610	610	610	610	610
Pupil Transportation					
Average Number of Students Transported Each Day	13,823	13,737	12,926	17,337	17,748
Average Daily Miles driven Each Day	12,958	12,355	12,243	15,702	14,526
Food Service					
Meals Served to Students:					
Breakfast	583,161	582,650	533,690	491,958	445,111
Lunch	2,263,668	2,231,198	2,195,163	2,180,701	2,139,569
Number of Free and Reduced Students	10,126	9,498	9,184	10,087	9,103
Extracurricular Activities					
High School Varsity Teams	65	65	65	65	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

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

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

<u>Year</u>	<u>State Basic Aid Per Pupil (1)</u>	<u>Percentage Change</u>	<u>Actual State Basic Aid Per Pupil Received</u>	<u>Percentage Change</u>	<u>South-Western Cost Per Pupil in ADM (2)</u>	<u>Percentage Increase</u>
2008/2009	\$ 5,732	3.0%	\$ 3,728	3.9%	\$ 9,627	2.79%
2007/2008	5,565	3.0%	3,587	-1.8%	9,366	5.52%
2006/2007	5,403	2.3%	3,654	1.4%	8,876	-12.72%
2005/2006	5,283	2.2%	3,604	0.4%	10,170	11.28%
2004/2005	5,169	2.2%	3,591	5.1%	9,140	7.33%
2003/2004	5,058	2.2%	3,415	5.0%	8,515	3.30%
2002/2003	4,949	2.8%	3,253	10.2%	8,243	9.43%
2001/2002	4,814	12.1%	2,952	16.9%	7,533	2.43%
2000/2001	4,294	6.0%	2,525	14.5%	7,354	6.73%
1999/2000	4,052	5.2%	2,206	2.8%	6,890	5.26%
1998/1999	3,851	n/a	2,145	n/a	6,546	n/a

Source: School District Financial Records.
 Ohio Department of Education

(1) Actual state revenue increase percent is less than reflected. This chart shows statewide per student allotment which is then adjusted for individual school district characteristics.

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

South-Western City School District
 General Fund - Operating Expenditures Necessary to Educate
 a District Student for Graduation in June, 2009
 (Actual Dollars Expended by Year)

	Grade	South-Western	State Average	Franklin County
	Level	City School	for All	Average
		District	School Districts	
1996-97	K	5,087	5,113	5,635
1997-98	1	5,275	5,369	6,046
1998-99 (1)	2	6,546	6,642	7,167
1999-00 (1)	3	6,890	7,057	7,636
2000-01 (1)	4	7,326	7,161	8,181
2001-02 (1)	5	7,533	7,679	8,779
2002-03 (1)	6	8,243	7,904	9,082
2003-04 (1)	7	8,515	8,287	9,384
2004-05 (1)	8	9,140	8,404	9,714
2005-06 (1)	9	10,170	8,727	10,275
2006-07 (1)	10	8,876	9,283	10,655
2007-08 (1)	11	9,336	9,388	11,079
2008-09 (1)	12	9,627	10,184	11,428
Total		<u>\$ 102,564</u>	<u>\$ 101,198</u>	<u>\$ 115,061</u>

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

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

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Governmental Activities					
Instruction					
Land	\$ 4,794,159	\$ 4,794,159	\$ 4,794,159	\$ 4,842,386	\$ 4,796,435
Buildings	138,935,001	138,399,696	137,556,467	137,839,860	137,589,568
Improvements to Land	734,182	572,555	401,099	361,506	357,126
Furniture and Equipment	418,678	2,243,336	2,236,911	7,050,728	6,780,004
Vehicle	-	-	-	1,287	1,287
Special					
Land	-	-	-	7,417	7,417
Buildings	1,006,835	1,006,835	1,006,835	1,012,170	1,012,170
Improvements to Land	43,595	43,595	43,595	45,775	45,775
Furniture and Equipment	202,223	216,123	202,632	725,751	718,700
Vocational					
Land	994,583	994,583	994,583	994,583	994,583
Buildings	18,178,118	18,178,118	18,178,118	18,182,809	18,182,809
Improvements to Land	40,880	40,880	40,880	40,880	40,880
Furniture and Equipment	955,188	1,218,476	1,253,848	2,986,434	3,211,734
Other					
Furniture and Equipment	-	-	-	3,090	1,791
Support Services:					
Pupil					
Furniture and Equipment	13,215	13,215	13,215	52,250	64,061
Instructional Staff					
Furniture and Equipment	500,121	604,421	604,421	1,360,235	1,303,720
Administration					
Land	570,242	570,242	570,242	570,242	570,242
Buildings	5,147,081	5,147,081	5,147,081	5,152,951	5,152,951
Improvements to Land	491,320	491,320	491,320	491,320	491,320
Furniture and Equipment	603,856	725,345	703,513	2,205,930	2,151,479
Fiscal					
Furniture and Equipment	10,592	10,592	10,592	27,456	28,413
Business					
Furniture and Equipment	-	-	-	3,846	3,846
Operations and Maintenance					
Land	20,375	20,375	20,375	20,376	20,376
Buildings	96,598	96,598	96,598	108,584	108,584
Improvements to Land	13,759	13,759	13,759	20,508	20,508
Furniture and Equipment	803,073	904,913	884,183	1,300,089	1,327,302
Vehicle	1,265,116	1,236,471	1,146,201	1,007,864	1,037,907
Transportation					
Land	172,546	172,546	172,546	172,546	172,546
Buildings	1,135,561	1,135,561	1,135,561	1,129,142	1,129,142
Improvements to Land	639,097	474,185	474,185	477,504	477,504
Furniture and Equipment	97,677	107,990	107,990	197,793	234,850
Vehicle	120,721	120,721	120,721	120,721	120,721
Buses	11,806,858	11,569,581	10,568,323	12,211,575	11,616,342
Central					
Land	-	-	-	6,635	6,635
Buildings	31,090,861	31,090,861	31,034,110	30,426,316	30,386,518
Improvements to Land	3,504,947	3,504,946	3,504,946	3,596,310	3,596,310
Furniture and Equipment	442,531	385,726	375,069	1,190,357	1,553,675
Vehicle	68,173	68,172	68,172	68,173	68,173
Food Service					
Buildings	22,213	22,213	22,213	22,213	22,213
Improvements to Land	-	-	-	1,800	1,800
Furniture and Equipment	1,952,329	1,923,556	1,921,354	3,404,810	3,372,736
Vehicle	71,025	71,025	71,025	182,712	182,712
Community Services					
Land	200,000	200,000	200,000	200,000	200,000
Buildings	7,368,561	7,342,908	7,342,908	7,345,236	7,142,280
Improvements to Land	243,266	243,266	243,266	256,979	271,670
Furniture and Equipment	272,933	340,649	328,173	443,474	460,408
Extracurricular Activities					
Buildings	3,108,519	3,108,519	3,108,519	3,120,490	3,120,490
Improvements to Land	465,764	429,927	429,927	453,502	453,502
Furniture and Equipment	275,516	275,516	275,516	587,061	598,242
Vehicle	-	-	-	2,075	11,537
Total	<u>\$ 238,897,888</u>	<u>\$ 240,130,556</u>	<u>\$ 237,915,151</u>	<u>\$ 252,033,751</u>	<u>\$ 251,220,994</u>

Source: District Capital Asset Records

Information for Years prior to Fiscal Year 2004 are not readily available.

Capitalization criteria changed from \$1,000 to \$5,000 July 1, 2007. Information to provide comparable data in 2006 and 2005 is unavailable.

Capital Asset software changed July 1, 2008. Group assets no longer tracked in this database.

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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		
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	1950	1997	43,362	11.29	500
	Portable (1)	1953		3,336		
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
<u>Intermediate Schools</u>						
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>
<u>Middle Schools</u>						
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
<u>High Schools</u>						
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
<u>Additional Schools</u>						
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
<u>Recreation Centers</u>						
Falcons Nest		1986		37,507		
Grove City		1986		37,507		
Cougar Community		1986		37,507		
<u>Miscellaneous</u>						
District Service Center	Basic	1981	1989, 1995, 2002	70,000	3.30	<u>Occupancy</u> 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 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006	Fiscal 2005
<u>3rd Grade</u>					
Reading	70.5%	69.7%	72.4%	68.0%	70.2%
Mathematics	75.2%	74.9%	81.1%	71.7%	63.4%
<u>4th Grade</u>					
Citizenship	N/A	N/A	N/A	N/A	59.2%
Reading	75.2%	76.4%	75.9%	73.3%	70.8%
Mathematics	77.1%	72.1%	70.1%	76.1%	65.3%
Writing	79.8%	82.0%	79.7%	84.4%	77.9%
Science	N/A	N/A	N/A	N/A	50.0%
<u>5th Grade</u>					
Reading	67.2%	68.4%	78.9%	72.5%	72.1%
Mathematics	60.4%	59.2%	59.5%	64.1%	N/A
Science	66.8%	58.3%	62.4%	N/A	N/A
Social Studies	54.1%	57.2%	51.4%	N/A	N/A
<u>6th Grade</u>					
Citizenship	N/A	N/A	N/A	N/A	76.3%
Reading	78.5%	78.1%	75.1%	82.1%	67.4%
Mathematics	77.0%	77.7%	77.0%	68.6%	57.2%
Writing	N/A	N/A	N/A	N/A	84.9%
Science	N/A	N/A	N/A	N/A	65.8%
<u>7th Grade</u>					
Reading	72.7%	73.1%	73.6%	78.6%	N/A
Mathematics	71.2%	67.4%	66.2%	60.4%	59.2%
Writing	76.5%	80.6%	73.5%	N/A	N/A
<u>8th Grade</u>					
Reading	66.6%	75.9%	77.1%	77.1%	74.8%
Mathematics	70.1%	70.5%	70.6%	68.7%	63.3%
Science	59.5%	59.2%	59.7%	N/A	N/A
Social Studies	49.1%	51.2%	49.1%	N/A	N/A
<u>9th Grade</u>					
Citizenship	N/A	N/A	N/A	N/A	N/A
Reading	N/A	N/A	N/A	N/A	N/A
Mathematics	N/A	N/A	N/A	N/A	N/A
Writing	N/A	N/A	N/A	N/A	N/A
Science	N/A	N/A	N/A	N/A	N/A
<u>10th Grade</u>					
Reading	80.8%	83.6%	85.0%	89.0%	91.1%
Mathematics	80.6%	80.3%	80.8%	84.7%	79.6%
Writing	89.5%	83.8%	89.5%	88.3%	82.9%
Science	72.5%	69.9%	68.9%	69.1%	71.8%
Social Studies	78.9%	76.2%	73.4%	77.8%	77.5%
<u>Student Attendance Rate</u>	93.9%	94.3%	94.3%	94.1%	94.0%

Source: State of Ohio School District Report Card.

Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000
73.0%	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
46.3%	51.3%	60.9%	54.8%	49.0%
65.2%	65.2%	63.2%	49.6%	48.6%
58.5%	53.3%	58.3%	56.3%	42.1%
69.2%	75.9%	78.1%	76.5%	75.1%
50.3%	48.0%	52.6%	43.5%	33.8%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
69.7%	66.7%	68.4%	69.1%	61.5%
61.9%	59.7%	48.9%	55.6%	40.8%
62.2%	46.6%	52.8%	59.9%	39.0%
89.4%	85.8%	85.4%	84.6%	75.1%
56.5%	60.3%	52.7%	56.9%	39.8%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
94.2%	80.7%	78.1%	80.6%	77.5%
96.6%	87.2%	86.6%	89.2%	86.7%
87.2%	70.1%	67.3%	69.7%	64.9%
96.8%	88.5%	85.6%	90.1%	90.0%
89.8%	74.2%	71.1%	77.3%	72.5%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
94.4%	94.1%	93.0%	93.0%	93.9%

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

School Year End	Number Of Graduates	Elementary Schools Enrollment	(1)	Middle Schools Enrollment	High Schools Enrollment	Total Enrollment
			Intermediate Schools Enrollment			
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
2003	1,090	7,895	3,231	3,403	5,722	20,251
2002	978	7,731	3,157	3,173	5,661	19,722
2001	856	7,619	3,118	2,985	5,348	19,070
2000	996	9,064	N/A	4,273	5,257	18,594

Source: Education Management Information System

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

South-Western City School District
 Demographics
 Last Ten Fiscal Years

	(1)	(2)	(3)	(3)	(4)
<u>Year</u>	<u>Estimated Population</u>	<u>Average Daily Membership</u>	<u>Average Federal Adjusted Gross Income</u>	<u>Total Federal Adjusted Gross Income</u>	<u>Unemployment Rate</u>
2009	132,781	20,751	not available	not available	8.20%
2008	132,696	20,985	not available	not available	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%
2003	125,518	20,251	39,414	2,254,819,336	5.50%
2002	124,188	19,722	40,001	2,027,779,253	4.80%
2001	120,568	19,070	39,470	2,032,526,629	3.00%
2000	95,632	18,594	39,069	1,980,153,523	2.80%

Sources:

- (1) Ohio Municipal Advisory Council and Mid Ohio Regional Planning Commission
- (2) Per District records - October Count
- (3) Ohio Department of Taxation
- (4) September 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
January 2005

<u>Employer</u>	<u>Employees</u>	<u>Type of Business</u>
South-Western City School District	2,700	Education
Big Lots	1,800	Warehouse
Medco Health Solutions Inc.	1,300	Mail Order Pharmacy
Wal-Mart	1,200	Warehouse
Delphi	1,000	Manufacturing
Roadway Package Systems	900	Package Delivery
Doctors OhioHealth Corp	900	Health Care
Distribution Fulfillment Services	600	Warehouse
Swift Transportation Company	600	Package Delivery
Palmetto GBA	500	Insurance Claims Processing
Meijer	500	Retail

Source: Mid Ohio Regional Planning Commission - most recent information available



Mary Taylor, CPA
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
JANUARY 12, 2010**