



Balestra, Harr & Scherer, CPAs, Inc.

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

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SOUTH-WESTERN CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SINGLE AUDIT

For the Year Ended June 30, 2014
Fiscal Year Audited Under GAGAS: 2014



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the South-Western City School District, Franklin County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2013 through June 30, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

March 20, 2015

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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, 2014

| Federal Grantor/ Pass Through Grantor/ Program Title | Pass Through Entity Number | Federal CFDA Number | Receipts | Non-Cash Receipts | Disbursements | Non-Cash Disbursements |
|---|----------------------------------|---------------------------|--------------|----------------------|---------------|---------------------------|
| United States Department of Agriculture | | | | | | |
| <i>Passed through Ohio Department of Education</i> | | | | | | |
| <i>Child Nutrition Cluster:</i> | | | | | | |
| National School Lunch Program | 3L60 | 10.555 | \$ 4,802,953 | \$ 641,659 | \$ 4,802,953 | \$ 641,659 |
| School Breakfast Program | 3L70 | 10.553 | 1,252,439 | | 1,252,439 | - |
| Total Nutrition Cluster | | | 6,055,392 | 641,659 | 6,055,392 | 641,659 |
| Child and Adult Food Care Program | 3L80 | 10.558 | 176,103 | - | 176,103 | - |
| Total United States Department of Agriculture | | | 6,231,495 | 641,659 | 6,231,495 | 641,659 |
| United States Department of Education | | | | | | |
| <i>Passed through Ohio Department of Education</i> | | | | | | |
| <i>Title I, Part A Cluster:</i> | | | | | | |
| Title I Grants to Local Educational Agencies | 3M00 | 84.010 | 7,196,304 | - | 6,879,341 | - |
| Total Title I, Part A Cluster | | | 7,196,304 | - | 6,879,341 | - |
| <i>Special Education Cluster (IDEA):</i> | | | | | | |
| Special Education - Grants to States | 3M20 | 84.027 | 3,839,677 | - | 3,897,943 | - |
| Special Education - Preschool Grants | 3C50 | 84.173 | 41,077 | - | 41,083 | - |
| Total Special Education Cluster | | | 3,880,754 | - | 3,939,026 | - |
| Career and Technical Education - Basic Grants to States | 3L90 | 84.048 | 398,393 | | 400,688 | - |
| English Language Acquisition State Grants | 3Y70 | 84.365 | 649,979 | - | 692,648 | - |
| Improving Teacher Quality State Grants | 3Y60 | 84.367 | 713,403 | - | 765,290 | - |
| State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, ARRA | 3FD0 | 84.395 | 45,094 | - | 36,158 | - |
| <i>Total passed through Ohio Department of Education</i> | | | 12,883,927 | - | 12,713,151 | - |
| <i>Passed through the Goodman Guild Association</i> | | | | | | |
| Adult Education - Basic Grants to States | N/A | 84.002 | 198,919 | - | 192,956 | - |
| <i>Passed through the Ohio Board of Regents</i> | | | | | | |
| Adult Education - Basic Grants to States | N/A | 84.002 | 59,068 | - | 58,596 | - |
| | | | 257,987 | - | 251,552 | - |
| Total United States Department of Education | | | 13,141,914 | - | 12,964,703 | - |
| United States Department of Health and Human Services | | | | | | |
| <i>Passed through Columbus Urgan League (CUL)</i> | | | | | | |
| Head Start | N/A | 93.600 | 1,697,050 | - | 1,865,518 | - |
| <i>Passed through Ohio Department of Jobs and Family Services</i> | | | | | | |
| Refugee and Entrant Assistance - Discretionary Grants | N/A | 93.576 | 32,623 | - | 15,845 | - |
| Total United States Department of Health and Human Services | | | 1,729,673 | - | 1,881,363 | - |
| Total Federal Financial Assistance | | | \$21,103,082 | \$ 641,659 | \$ 21,077,561 | \$ 641,659 |

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

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

NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards receipts and expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – CHILD NUTRITION CLUSTER

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

NOTE C - FOOD DISTRIBUTIONS

Non monetary assistance is reported in the schedule at the entitlement value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2014, the District had no significant food commodities in inventory.



Balestra, Harr & Scherer, CPAs, Inc.

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

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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2014.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

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

Purpose of this Report

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

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
December 19, 2014



Balestra, Harr & Scherer, CPAs, Inc.

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

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

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

To the Board of Education:

Report on Compliance for Each Major Federal Program

We have audited the South-Western City School District's (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could directly and materially affect each of the South-Western City School District's major federal programs for the year ended June 30, 2014. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the South-Western City School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

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

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

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

We have also audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 19, 2014. We conducted our audit to opine on the District's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
December 19, 2014

South-Western City School District
 Franklin County, Ohio
 Schedule of Findings
 OMB CIRCULAR A-133 SECTION .505
 June 30, 2014

SUMMARY OF AUDITOR'S RESULTS

| | | |
|--------------|--|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unmodified |
| (d)(1)(ii) | Were there any material internal control weaknesses reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material internal control weaknesses reported for major federal programs? | No |
| (d)(1)(iv) | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unmodified |
| (d)(1)(vi) | Are there any reportable findings under Section .510(a)? | No |
| (d)(1)(vii) | Major Program(s) (list): | <i>Special Education Cluster:</i> Special Education – Grants to States, CFDA #84.027 Special Education – Preschool Grants, CFDA #84.173 English Language Acquisition State Grants, CFDA #84.365 Head Start, CFDA #93.600 |
| (d)(1)(viii) | Dollar Threshold: Type A/B Programs | Type A: > \$651,577 Type B: all others |
| (d)(1)(ix) | Low Risk Auditee? | Yes |

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

None.

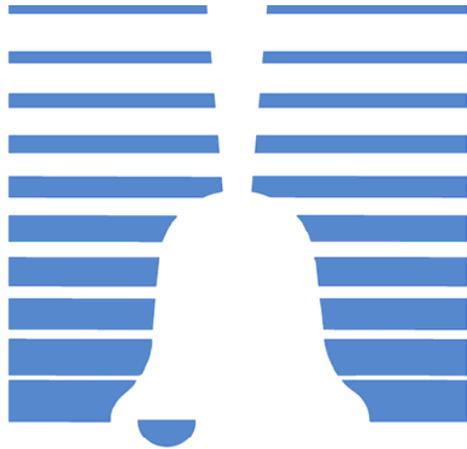
3. FINDINGS FOR FEDERAL AWARDS

None.

South-Western City School District
 Franklin County, Ohio
 Schedule of Prior Audit Findings
 OMB CIRCULAR A-133 SECTION .505
 June 30, 2014

| Finding Number | Finding Summary | Fully Corrected? | Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain: |
|-----------------------|--|-------------------------|--|
| 2013-001 | Significant Deficiency – Check on Demand | Yes | |

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**SOUTH
WESTERN
CITY SCHOOLS**

*Comprehensive Annual Financial Report
For the Year ended June 30, 2014*

South-Western City Schools
3805 Marlane Drive
Grove City, Ohio 43123
(614) 801-3047

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SOUTH-WESTERN CITY SCHOOL DISTRICT

Grove City, Ohio

***COMPREHENSIVE ANNUAL FINANCIAL
REPORT***

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Issued by the Treasurer's Office

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

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Introductory Section

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South-Western City School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2014

INTRODUCTORY SECTION

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District Service Center

3805 Marlane Drive
Grove City, Ohio 43133-3304
(614) 801-3000
Fax: (614) 875-1494

December 19, 2014

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

The twenty-fifth 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 2013-14 fiscal year. This report prepared by the Treasurer's office including the unmodified opinion of our independent auditors, Balestra, Harr & Scherer, CPA's, Inc. for the fiscal year ended June 30, 2014 is hereby submitted. Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

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

SCHOOL DISTRICT ORGANIZATION

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

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

THE REPORTING ENTITY AND SERVICES PROVIDED

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

THE REPORTING ENTITY AND SERVICES PROVIDED – (Continued)

The District maintains thirty-six instruction/support facilities staffed by 871 non-certificated employees, 1,438 certificated full-time teaching personnel and 100 administrative employees to provide services to 20,435 students.

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

The City of Grove City; Townships of Franklin, Jackson, Pleasant and Prairie; and the Southwest Public Library have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

ECONOMIC CONDITION AND OUTLOOK

The District is an independent political subdivision characterized as a “city school district” under Ohio Law, and provides educational services as mandated by state and/or federal agencies. The District is located primarily in Franklin County, Ohio southwest of, and included in parts of the City of Columbus, the State capital. Generally speaking, the Columbus area is noted for its attractive service-based economy, cultural and educational elements. The District shares these demographic components with the resultant quality of life. Unemployment in Franklin County, as listed by the Ohio Department of Job and Family Services, was 4.3 percent for the period ending September 2014. The seasonally adjusted rate of unemployment in Ohio was 5.6 percent and the national rate was 5.9 percent for the same period.

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

Economic Development Initiatives and Incentives within the City

In the City, opportunities for residential, commercial and industrial development have been enhanced by major expansions of the City's water distribution, sanitary sewer and street systems. On August 13, 2012, the reconstructed and expanded interchange located at Interstate 71 and State Route 665 opened. The I-71/SR 665 interchange can handle 41,600 vehicles a day, more than three times the previous capacity. By using the single-point urban interchange design, this project opens up hundreds of acres for development serving as a gateway to Rickenbacker International Airport ("Rickenbacker") located only minutes from the City. This interchange has significantly improved the safety and congestion on I-71 and SR 665 and serves as the western gateway to I-71 from Rickenbacker, thereby becoming an important expansion area for logistics companies capitalizing on the area's access to Rickenbacker's intermodal terminal.

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

ECONOMIC CONDITION AND OUTLOOK – (Continued)

The construction of the Rickenbacker Intermodal Connector (the "Intermodal Connector"), which is within two miles of the District nearby, but not within the territory of the City or the District, is a critical part of regional economic development effort. Formerly known as the East-West Connector, the Intermodal Connector has been designed in three phases. Phase I is anticipated to be complete in 2014 and is funded by a various funding sources including; the Ohio Department of Development, the Ohio Department of Transportation, and other public and private funding partners. Phase II is expected to begin in 2015. The Intermodal Connector, which is expected to cost \$25 million, will connect the Norfolk-Southern Intermodal Yard with U.S. Route 23 on the very northern edge of Pickaway County. The Columbus region has shaped itself as a logistics hub for the eastern United States, and the area around Rickenbacker Global Logistics Park has become the epicenter. Warehousing growth in the past ten years has been strong north of Rickenbacker. The completion of the connector is expected to increase activity and business growth in the I-71 Corridor of the District significantly.

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

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

The City is also embarking on a new venture by opening its first institution of higher education. Harrison College opened a 20,000 square foot facility on 3.8 acres with visibility from I-71 in September 2009. Harrison College currently operates 14 branch campuses, but the facility in the City is their first location outside of the state of Indiana. After an extensive search of 32 different sites in Central Ohio, the 5,000-student Harrison College chose the City because of its many amenities and location. The opening of Harrison College helps the City achieve its goal in securing continuing educational opportunities for its citizens.

To accommodate industrial and commercial growth, the City has cooperated with private investors in the development of seven business and industrial parks, including: (1) Grove City Industrial Park, a 100-acre park with 1 to 20 acre tracts near the intersection of I-71 and SR 665; (2) Southpark, a 500-acre park with 1 to 130 acre tracts near the intersection of I-71 and Interstate 270; (3) Capital Park South, a 150-acre park with 1 to 30 acre tracts at I-270 and State Route 62; (4) Southpointe, a 53-acre park with six major building sites under construction or development; (5) Gateway Business Park, 114- acre park with four major building sites under construction or development at I-71 and SR 665; (6) Gateway to the City Office Park, a

ECONOMIC CONDITION AND OUTLOOK – (Continued)

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

The City offers the following economic development incentive programs:

1. Community Reinvestment Area ("CRA"): The City has four CRAs, including one in the Town Center that has recently been expanded. Properties within a CRA are eligible to receive real property tax abatement for real property improvements.
2. Tax Increment Financing ("TIF"): There are five TIF Districts within the City. Payments derived from the increased assessed value of any improvement to real property are directed towards a separate fund to finance the construction of the public infrastructure defined within the legislation approving the respective TIFs.
3. Enterprise Zones ("EZ"): In early 2004, the City passed Ordinance C-133-03 designating the territory as an EZ, which provides certain tax exemptions to certain businesses located in the EZ.

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

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

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

The most significant development in the SWAC area is the Hollywood Casino Columbus (the "Casino"), which is located in Franklin Township and in the District. The Casino opened in October, 2012, with the final construction and development costs valued at approximately \$146.5 million. The project area encompasses 133 acres while the Casino floor is 180,000 square feet. The project employed approximately 3,500 construction workers and is expected to employ approximately 2,000 permanent workers for operations. The Casino features a steakhouse, a 10,000 square-foot banquet hall, cocktail lounge and sports bar. The District commenced the receipt of property-tax revenue in calendar year 2014 associated with the Casino's final building and land value. Additionally, thirty-three percent of funds from the Casino's taxes and license fees are required to go to school districts throughout the State and are distributed on a per pupil basis, in August and January each year.

ECONOMIC CONDITION AND OUTLOOK – (Continued)

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

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

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

The study identified the following areas for potential development:

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK – (Continued)

Economic Condition and Outlook of the District

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

The District maintained its promise to the community to make the property tax dollars received from the passage of the November 3, 2009, 7.4 mill operating levy last through calendar year 2013. In fact, the District's current five-year financial forecast projects a positive cash balance through fiscal year 2018-19.

MAJOR INITIATIVES

Strategic Planning

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

Phase I

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

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

Phase II

From these six dimensions, four themes emerged as follows:

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

Phase III

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

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

The District added metrics to measure the goals. During the 2013-14 school year, the District developed plans to achieve these goals. Data collection and systems alignment are significant parts of this process to fully meet the needs of the District's students.

MAJOR INITIATIVES – (Continued)

Capital Improvements

On March 6, 2012, the District passed a \$148,000,000 bond issue to secure its local share to participate in a classroom facilities assistance program with the Ohio School Facilities Commission with a total project cost of \$249,235,700. The project, co-funded by the State of Ohio, will replace thirteen of the District's sixteen elementary buildings and one high school building. Two of the remaining three elementary buildings will receive significant renovations, while the final elementary building will be subject to demolition. The thirteen replacement elementary buildings will be constructed in three phases. The first phase began in the spring of 2013 and resulted in the opening of four new elementary buildings in the fall of 2014. Five more elementary buildings are anticipated to open in the fall of 2015, with the remaining four anticipated to open in the fall of 2016. The replacement high school began construction in the spring of 2014. The two elementary renovations began in the summer of 2013 and were completed in the summer of 2014. The entire construction project is anticipated to be complete by the late summer of 2017.

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

FINANCIAL INFORMATION

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

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

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

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted by law no later than October 1 or once the County Auditor has completed the tax duplicate for the upcoming calendar year.

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

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. The Board of Education has established the legal level of control at the fund level, however, management controls budgets at the object level within a function and fund. All requisition requests must

FINANCIAL INFORMATION– (Continued)

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 utilized by the District are fully described in the notes to the basic financial statements. Additional information on the District’s budgetary accounts can also be found in the notes to the basic financial statements.

OTHER INFORMATION

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

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

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

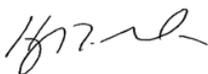
Award - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013.

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

A Certificate of Achievement is valid for a period of one year only. This was the twenty-fourth 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 2013-14 Comprehensive Annual Financial Report on a timely basis. Sincere thanks are also extended to various administrators and employees of the School District, the Franklin County Auditor’s office staff and other outside agencies whose efforts assisted us with the fair presentation of the statistical information. Additionally, appreciation is expressed to the South-Western City School District Board of Education for their support, commitment and leadership to which the preparation of this report would not be possible.

Respectfully submitted,



Hugh W. Garside Jr., Treasurer



William H. Wise, Ph.D., Superintendent

PRINCIPAL OFFICIALS

Board of Education

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

Central Office Administrative Staff

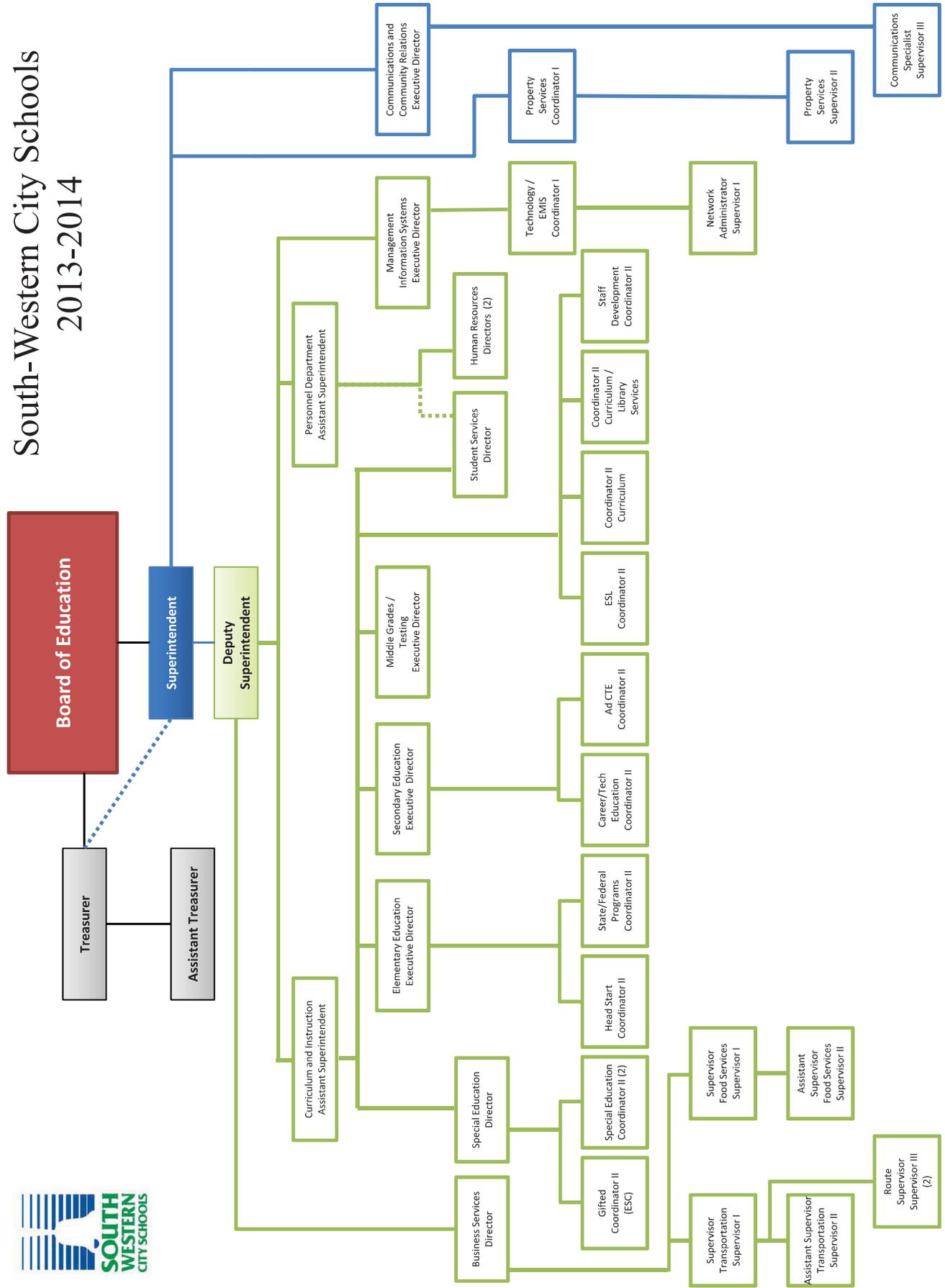
| | |
|------------------------|--|
| William H. Wise, Ph.D. | Superintendent |
| David J. Stewart | Deputy Superintendent |
| Hugh W. Garside Jr. | Treasurer |
| Karen K. New | Assistant Treasurer |
| Carl R. Metzger | Assistant Superintendent - Human Resources |
| J. Patrick Callaghan | Assistant Superintendent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

TREASURER'S DEPARTMENT STAFF

| | |
|----------------------|---------------------|
| Hugh W. Garside Jr. | Treasurer |
| Karen K. New | Assistant Treasurer |
| Todd A. Griffith | Payroll Supervisor |
| Debra L. Makarius | Payroll |
| Nanette F. Spears | Payroll |
| Terese M. Flautt | Accounts Receivable |
| Kathy D. Adams | Accounts Payable |
| Julie A. Babbert | Accounts Payable |
| Lisa L. Lee | Accounts Payable |
| Sue A. Mulford | Accounts Payable |
| Dawn M. Bowling | Employee Benefits |
| Nancie A. Bevilacqua | Accountant |
| Anita M. McCreary | Accountant |



South-Western City Schools 2013-2014





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**South-Western City School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Financial Section

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Balestra, Harr & Scherer, CPAs, Inc.

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

www.bhscpas.com

Independent Auditor's Report

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

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio, (the District) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2014, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
December 19, 2014

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

This section of the South-Western City District's (the District) annual financial report presents the discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2014. 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, Capital Improvements, Building and Classroom Facilities Funds with all other funds presented in one column as non-major funds. The District has an Internal Service Proprietary Fund which accounts for the District's health self insurance program. The remaining statement, the statement of fiduciary assets and liabilities, presents financial information about activities for which the District acts solely as an agent for the benefit of students and parents and also employee payroll administration.

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

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

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

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

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

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

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

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

Using this Annual Report – (Continued)

are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation.

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

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

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

The District as a Whole

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2014 and as of June 30, 2013 for comparison purposes:

| Table 1 | | |
|--|---|-------------------|
| | Governmental Activities (in thousands) | |
| | 2014 | 2013* |
| Assets | | |
| Current and other assets | \$ 476,701 | \$ 512,359 |
| Capital Assets | <u>196,775</u> | <u>138,791</u> |
| Total Assets | <u>673,476</u> | <u>651,150</u> |
| Liabilities | | |
| Current liabilities | 37,602 | 31,037 |
| Long-term liabilities | <u>219,721</u> | <u>226,699</u> |
| Total Liabilities | <u>257,323</u> | <u>257,736</u> |
| Deferred Inflows of Resources | | |
| Property Taxes not Levied to Finance Current Year Operations | <u>66,686</u> | <u>71,276</u> |
| Total Deferred Inflows of Resources | <u>66,686</u> | <u>71,276</u> |
| Net Position | | |
| Net Investment in Capital Assets | 101,583 | 73,225 |
| Restricted | 115,914 | 144,401 |
| Unrestricted | <u>131,970</u> | <u>104,512</u> |
| Total Net Position | <u>\$ 349,467</u> | <u>\$ 322,138</u> |

*Certain reclassifications were made to net position to conform to the 2014 presentation.
There was no effect on total net position.

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

The District as a Whole – (Continued)

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

The District's net position was \$349,467 thousand at June 30, 2014. Net investment in capital assets totaling \$101,583 thousand, compares the original cost, less depreciation of the District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net position are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use that net position for day-to-day operations.

The results of this year's operations for the District as a whole are reported in the statement of activities (Table 2), which shows the changes in net position as of June 30, 2014 and as of June 30, 2013, for comparison purposes.

| <i>Table 2</i> | | |
|--|---|-------------------|
| | Governmental Activities (in thousands) | |
| Revenue | 2014 | 2013 |
| Program revenue: | | |
| Charges for Services and Sales | \$ 4,240 | \$ 4,065 |
| Operating Grants, Contributions and Interest | 36,624 | 32,737 |
| General Revenue: | | |
| Property Taxes | 119,314 | 96,648 |
| Payment in Lieu of Taxes | 2,571 | 2,040 |
| Grants and Entitlements | 107,655 | 226,339 |
| Interest | 905 | 266 |
| Other Local Revenue | <u>8,689</u> | <u>10,206</u> |
| Total Revenue | <u>279,998</u> | <u>372,301</u> |
| Functions/Program Expenses | | |
| Instruction | 153,045 | 142,740 |
| Support Services | 77,150 | 82,467 |
| Food Services | 8,596 | 8,404 |
| Community Services | 1,464 | 1,621 |
| Extracurricular Activities | 4,216 | 4,605 |
| Shared Services | 303 | 102 |
| Interest and Fiscal Charges | <u>7,895</u> | <u>8,241</u> |
| Total Expenses | <u>252,669</u> | <u>248,180</u> |
| Change in Net Position | 27,329 | 124,121 |
| Net Position Beginning of Year | <u>322,138</u> | <u>198,017</u> |
| Net Position End of Year | <u>\$ 349,467</u> | <u>\$ 322,138</u> |

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

The District as a Whole – (Continued)

As reported in the statement of activities, the cost of all of the governmental activities this fiscal year is \$252,669 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$4,240 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$36,624 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$119,314 thousand in taxes, \$107,655 thousand in grants and entitlements, and with other revenues.

The District experienced an increase in net position of \$27,329 thousand. This increase was realized primarily due to the increase in Property Taxes and Grants and Entitlements not associated with the capital project initiative.

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

The District's Funds

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

As of June 30, 2014, the governmental funds reported a combined fund balance of \$279,041 thousand, which is an increase of \$3,512 thousand from previous fiscal year. Additional detail regarding the increase is provided by fund type as follows:

The General Fund balance increased \$20,473 thousand to \$121,215 thousand. The increase is attributed to an overall increase in revenues, with the most significant increase attributed to Intergovernmental-State revenue related.

The Debt Service Fund balance increased \$2,358 thousand to \$15,054 thousand. This increase is attributed to tax collections slightly exceeding the amount required for the retirement of debt. The Debt Service Fund balance, which is sufficient to meet future obligations, is reserved to pay debt service obligations of the District.

The Capital Improvement Fund balance increased \$1,894 thousand to \$10,687 thousand due to the reduced need for capital expenditures related to buildings being replaced through the capital project initiative.

The Building Fund and Classroom Facilities Fund balances decreased \$3,093 and \$19,250 thousand, respectively, to \$19,953 and \$107,056 thousand, respectively, due to the progress of capital project initiative. As of June 30, 2014, four of the thirteen replacement elementary buildings were substantially complete.

The Other Governmental Funds balance increased \$1,130 thousand to \$5,076 thousand. This increase is insignificant and can be attributed to the timing of state and federal grants.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted prior to June 30, 2014.

Revisions were made to the original General Fund budget for fiscal year 2014 based on current needs. Budgeted revenues and other financing sources increased by \$1,476 thousand while budgeted expenditures and other financing uses increased by \$178 thousand due to minor variations which are insignificant compared to the scope of the entire budget.

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

Capital Assets and Debt Administration

Capital Assets

At June 30, 2014, the District had \$196,775 thousand invested in a broad range of capital assets, including land, construction in progress, improvements to land, buildings, furniture and equipment, vehicles, and buses. This amount represents a net increase (including additions, deductions, and depreciation) of \$57,984 thousand, or 41.8 percent, from last year.

| <u>Description of Capital Asset</u> | <u>2014</u> | <u>2013</u> |
|-------------------------------------|-------------------|-------------------|
| Land | \$ 8,679 | \$ 8,679 |
| Improvements to Land | 1,867 | 1,882 |
| Buildings | 103,667 | 110,313 |
| Furniture and Equipment | 1,784 | 1,764 |
| Vehicles | 238 | 214 |
| Buses | 4,226 | 3,906 |
| Construction in Progress | <u>76,314</u> | <u>12,033</u> |
| Total Capital Assets | <u>\$ 196,775</u> | <u>\$ 138,791</u> |

This fiscal year's additions of \$65,959 thousand included costs associated construction in progress related to the construction project, and equipment and technology purchases. A more detailed explanation of the District's capital assets can be located in Note 6 to the basic financial statements.

Debt

At June 30, 2014, the District had \$206,820 thousand in bonds and notes outstanding versus \$213,588 thousand in the previous fiscal year, which is a decrease of 3.2 percent. Those bonds and notes consisted of the following: (in thousands)

| <u>Description of G.O. Bonds and Note</u> | <u>2014</u> | <u>2013</u> |
|---|-------------------|-------------------|
| 2002 Energy Conservation | 470 | 920 |
| 2000 Vocational Construction | 200 | 267 |
| 2003 Refunding School Facilities | - | 2,156 |
| 2006 Refunding School Facilities | 50,405 | 53,537 |
| 2006 Refunding Capital Appreciation Bonds | 1,531 | 1,319 |
| 2012 Qualified School Construction Bonds | 6,670 | 6,670 |
| 2012 School Facilities | <u>147,544</u> | <u>148,719</u> |
| Total Long -Term Bonds and Notes Payable | <u>\$ 206,820</u> | <u>\$ 213,588</u> |

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

Capital Assets and Debt Administration – (Continued)

The District's general obligation bond rating is periodically reviewed by two independent rating firms; Moody's Investors Service and Standard and Poor's. Moody's Investors Services reaffirmed the District's Aa2 credit rating on August 2, 2012. Standard and Poor's reaffirmed the District's AA- credit rating on August 6, 2012 due to the District's stable financial and academic position. The state limits the amount of general obligation debt that schools can issue to nine percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$195,455 thousand is below the \$219,377 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 11 to Basic Financial Statements.

Current Issues Affecting Financial Conditions

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

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

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

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

On June 30, 2013 the State biennial budget bill, Ohio House Bill 59, was signed into law. Ohio House Bill 59 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 52.0% of all General Fund revenues. Over the two year biennial budget period, the District is expected to receive increases in state funding of roughly 6.25% during the 2013-14 fiscal year, and an additional 10.5% increase in the 2014-15 fiscal year. The District's current five-year financial forecast projects a positive cash balance through fiscal year 2018-19.

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@swcsd.us

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

South-Western City School District
Statement of Net Position
June 30, 2014

| | Governmental <u>Activities</u> |
|--|-----------------------------------|
| <u>Assets</u> | |
| Equity in Pooled Cash and Cash Equivalents | \$ 200,958,846 |
| Investments | 74,313,549 |
| Restricted Cash and Cash Equivalents | 812,869 |
| Receivables: | |
| Taxes - Current | 114,105,353 |
| Taxes - Delinquent | 10,001,051 |
| Payment in Lieu of Taxes | 2,177,265 |
| Accounts | 18,673 |
| Interest | 52,807 |
| Intergovernmental | 73,707,097 |
| Materials and Supplies Inventory | 553,190 |
| Capital Assets: | |
| Land | 8,678,711 |
| Construction in Progress | 76,314,397 |
| Depreciable Capital Assets, Net of Accumulated Depreciation | <u>111,781,910</u> |
| Total Capital Assets, Net of Accumulated Depreciation | <u>196,775,018</u> |
| Total Assets | <u>\$ 673,475,718</u> |
| <u>Liabilities</u> | |
| Accounts Payable | \$ 2,635,450 |
| Contracts Payable | 11,992,428 |
| Restricted Assets: Contracts Payable Retainage | 914,144 |
| Claims Payable | 1,921,000 |
| Accrued Wages and Benefits | 19,500,757 |
| Accrued Interest Payable | 638,184 |
| Long-Term Liabilities: | |
| Due within One Year | 10,759,574 |
| Due in More than One Year | <u>208,960,990</u> |
| Total Liabilities | <u>\$ 257,322,527</u> |
| <u>Deferred Inflows of Resources</u> | |
| Property Taxes not Levied to Finance Current Year Operations | <u>66,686,456</u> |
| Total Deferred Inflows of Resources | <u>\$ 66,686,456</u> |
| <u>Net Position</u> | |
| Net Investment in Capital Assets | 101,583,123 |
| Restricted for: | |
| Debt Service | 16,089,688 |
| Capital Projects | 93,671,903 |
| District Managed Student Activities | 723,763 |
| State Grants | 393,357 |
| Federal Grants | 2,386,552 |
| Food Service | 2,305,087 |
| Other Purposes | 343,705 |
| Unrestricted | <u>131,969,557</u> |
| Total Net Position | <u>\$ 349,466,735</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, 2014

| | <u>Expenses</u> | <u>Program Revenues</u> | | <u>Net (Expense) Revenue and Changes in Net Position</u> |
|---|-----------------------|---|---|--|
| | | <u>Charges for Services and Sales</u> | <u>Operating Grants, Contributions and Interest</u> | <u>Governmental Activities</u> |
| Governmental Activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 107,731,469 | \$ 119,849 | \$ 514,650 | \$ (107,096,970) |
| Special | 38,522,065 | - | 19,101,179 | (19,420,886) |
| Vocational | 5,803,760 | 62,016 | 1,702,641 | (4,039,103) |
| Other | 988,572 | 16,642 | 175,672 | (796,258) |
| Support Services: | | | | |
| Pupil | 10,214,045 | - | 1,196,703 | (9,017,342) |
| Instructional Staff | 7,541,449 | - | 3,834,783 | (3,706,666) |
| Board of Education | 42,800 | - | - | (42,800) |
| Administration | 17,395,756 | - | 969,391 | (16,426,365) |
| Fiscal | 3,959,922 | - | 225,540 | (3,734,382) |
| Business | 947,722 | - | - | (947,722) |
| Operations and Maintenance | 15,507,439 | - | 239,594 | (15,267,845) |
| Pupil Transportation | 12,790,060 | 533,664 | 1,162,447 | (11,093,949) |
| Central | 8,751,099 | - | 57,600 | (8,693,499) |
| Food Service | 8,595,582 | 2,140,284 | 6,392,815 | (62,483) |
| Community Services | 1,463,694 | 14,238 | 1,050,669 | (398,787) |
| Extracurricular Activities | 4,216,439 | 1,050,317 | - | (3,166,122) |
| Shared Services | 303,374 | 303,374 | - | - |
| Interest and Fiscal Charges | 7,895,232 | - | - | (7,895,232) |
| Total Governmental Activities | \$ 252,670,479 | \$ 4,240,384 | \$ 36,623,684 | (211,806,411) |
| General Revenues: | | | | |
| Property Taxes Levied for: | | | | |
| General Purposes | | | | 100,918,408 |
| Debt Service | | | | 13,915,812 |
| Capital Projects | | | | 3,797,717 |
| Classroom Facility Maintenance | | | | 683,079 |
| Payment in Lieu of Taxes | | | | 2,571,069 |
| Grants and Entitlements not Restricted to Specific Programs | | | | 107,655,463 |
| Interest | | | | 904,617 |
| Other Local Revenues | | | | 8,689,146 |
| Total General Revenues | | | | 239,135,311 |
| Changes in Net Position | | | | 27,328,900 |
| Net Position Beginning of Year | | | | 322,137,835 |
| Net Position End of Year | | | | \$ 349,466,735 |

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, 2014

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Improvements</u> | <u>Building</u> | <u>Classroom Facilities</u> |
|--|-----------------------|-------------------------|---------------------------------|----------------------|---------------------------------|
| <u>Assets</u> | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 101,214,357 | \$ 9,378,000 | \$ 8,963,636 | \$ 6,230,366 | \$ 59,020,791 |
| Investments | - | - | - | 14,602,612 | 59,710,937 |
| Restricted Assets: | | | | | |
| Cash and Cash Equivalents with Fiscal Agent Receivable: | - | - | - | - | 812,869 |
| Taxes - Current | 96,592,488 | 13,643,601 | 3,186,185 | - | - |
| Taxes - Delinquent | 8,532,112 | 1,113,707 | 355,232 | - | - |
| Payment in Lieu of Taxes | 2,102,265 | - | 75,000 | - | - |
| Accounts | 17,278 | - | - | - | - |
| Interest | 5,174 | - | - | 9,360 | 38,273 |
| Intergovernmental | 351,067 | - | - | - | 68,090,620 |
| Interfund Loan Receivable | 755,575 | - | - | - | - |
| Materials and Supplies Inventory | 361,926 | - | - | - | - |
| Total Assets | <u>\$ 209,932,242</u> | <u>\$ 24,135,308</u> | <u>\$ 12,580,053</u> | <u>\$ 20,842,338</u> | <u>\$ 187,673,490</u> |
| | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | \$ 1,751,652 | \$ - | \$ 82,403 | \$ 388,820 | \$ 121,089 |
| Contracts Payable | - | - | - | 500,669 | 11,491,759 |
| Restricted Asset: | | | | | |
| Contracts Payable - Retainage | - | - | - | - | 914,144 |
| Accrued Wages and Benefits | 17,671,326 | - | - | - | - |
| Compensated Absences Payable | 1,737,360 | - | - | - | - |
| Interfund Loans Payable | - | - | - | - | - |
| Total Liabilities | <u>21,160,338</u> | <u>-</u> | <u>82,403</u> | <u>889,489</u> | <u>12,526,992</u> |
| | | | | | |
| Deferred Inflows of Resources: | | | | | |
| Property Taxes not Levied to Finance Current Year Operations | 56,655,677 | 7,967,462 | 1,380,238 | - | - |
| Delinquent Taxes | 8,532,112 | 1,113,707 | 355,232 | - | - |
| State and Federal Grant Revenue Not Received | 293,679 | - | - | - | 68,090,620 |
| Payment in Lieu of Taxes Not Received | 2,075,376 | - | 75,000 | - | - |
| Total Deferred Inflows of Resources | <u>67,556,844</u> | <u>9,081,169</u> | <u>1,810,470</u> | <u>-</u> | <u>68,090,620</u> |
| | | | | | |
| Fund Balance: | | | | | |
| Nonspendable | 361,926 | - | - | - | - |
| Restricted | - | 15,054,139 | 10,687,180 | 19,952,849 | 107,055,878 |
| Committed | 1,223,619 | - | - | - | - |
| Assigned | 1,533,580 | - | - | - | - |
| Unassigned | 118,095,935 | - | - | - | - |
| Total Fund Balances | <u>121,215,060</u> | <u>15,054,139</u> | <u>10,687,180</u> | <u>19,952,849</u> | <u>107,055,878</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balance | <u>\$ 209,932,242</u> | <u>\$ 24,135,308</u> | <u>\$ 12,580,053</u> | <u>\$ 20,842,338</u> | <u>\$ 187,673,490</u> |

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

South-Western City School District
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2014

| <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> | | |
|--|---|--|--|
| | | Total Governmental Fund Balances | \$ 279,041,183 |
| \$ 4,754,989 - - 683,079 - 1,395 - 5,265,410 - 191,264 <u>\$ 10,896,137</u> | \$ 189,562,139 74,313,549 812,869 114,105,353 10,001,051 2,177,265 18,673 52,807 73,707,097 755,575 553,190 <u>\$ 466,059,568</u> | Amounts reported for governmental activities in the statement of net position are different because: Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds: Delinquent Property Taxes State and Federal Grant Revenue Payment in Lieu of Taxes Unamortized premiums on bond and long-term note issuances are not recognized in the funds. An internal service fund is used by management to charge the cost of health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds: Interest Payable Compensated Absences Payable General Obligation Debt Energy Conservation Debt Vocational Construction Loan Capital Appreciation Accretion Net Position of Governmental Activities | 196,775,018 10,001,051 70,826,844 2,150,376 (9,634,176) 9,293,651 (638,184) (11,163,139) (188,314,989) (7,140,000) (199,998) (1,530,902) <u>\$ 349,466,735</u> |
| 109,430 - 1,829,431 - 755,575 <u>2,694,436</u> 683,079 - 2,442,545 - <u>3,125,624</u> 191,264 5,032,288 - - (147,475) <u>5,076,077</u> <u>\$ 10,896,137</u> | \$ 2,453,394 11,992,428 914,144 19,500,757 1,737,360 755,575 <u>37,353,658</u> 66,686,456 10,001,051 70,826,844 2,150,376 <u>149,664,727</u> 553,190 157,782,334 1,223,619 1,533,580 117,948,460 <u>279,041,183</u> <u>\$ 466,059,568</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, 2014

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Improvements</u> | <u>Building</u> | <u>Classroom Facilities</u> |
|---|-----------------------|-------------------------|---------------------------------|----------------------|---------------------------------|
| Revenues: | | | | | |
| Local: | | | | | |
| Taxes | \$ 100,969,995 | \$ 13,948,682 | \$ 3,798,787 | \$ - | \$ - |
| Tuition | 1,544,948 | - | - | - | - |
| Interest | 431,066 | 797 | - | 78,679 | 392,129 |
| Other Local Revenue | 3,144,311 | - | - | - | - |
| Payment in Lieu of Taxes | 2,219,221 | - | 75,000 | - | - |
| Intergovernmental - State | 118,482,461 | 2,010,249 | 789,361 | - | 41,837,849 |
| Intergovernmental - Federal | 314,743 | 325,581 | - | - | - |
| Total Revenues | 227,106,745 | 16,285,309 | 4,663,148 | 78,679 | 42,229,978 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 101,639,762 | - | 737,238 | 37,069 | - |
| Special | 31,136,991 | - | - | - | - |
| Vocational | 4,584,523 | - | - | - | - |
| Other | 784,110 | - | - | - | - |
| Support Services: | | | | | |
| Pupil | 9,079,015 | - | - | - | - |
| Instructional Staff | 3,518,366 | - | - | - | - |
| Board of Education | 42,800 | - | - | - | - |
| Administration | 16,100,755 | - | - | - | - |
| Fiscal | 3,378,488 | 245,665 | 78,120 | - | - |
| Business | 814,613 | - | 128,483 | - | - |
| Operations and Maintenance | 14,961,073 | - | - | - | - |
| Pupil Transportation | 12,066,999 | - | - | - | - |
| Central | 3,466,081 | - | 14,865 | - | - |
| Food Service | - | - | - | - | - |
| Community Services | 183,781 | - | - | - | - |
| Shared Services | 273,182 | - | - | - | - |
| Extracurricular Activities | 2,830,059 | - | - | - | - |
| Capital Outlay | 506,282 | - | 1,743,896 | 3,134,526 | 61,480,316 |
| Debt Services: | | | | | |
| Principal Retirement | - | 6,445,000 | 66,666 | - | - |
| Interest and Fiscal Charges | - | 8,183,116 | - | - | - |
| Total Expenditures | 205,366,880 | 14,873,781 | 2,769,268 | 3,171,595 | 61,480,316 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 21,739,865 | 1,411,528 | 1,893,880 | (3,092,916) | (19,250,338) |
| Other Financing Sources (Uses): | | | | | |
| Transfers - In | - | 947,090 | - | - | - |
| Transfers - Out | (1,291,140) | - | - | - | - |
| Proceeds from Sale of Capital Assets | 24,688 | - | - | - | - |
| Total Other Financing Sources (Uses) | (1,266,452) | 947,090 | - | - | - |
| Net Change in Fund Balances | 20,473,413 | 2,358,618 | 1,893,880 | (3,092,916) | (19,250,338) |
| Fund Balances at Beginning of Year | 100,741,647 | 12,695,521 | 8,793,300 | 23,045,765 | 126,306,216 |
| Fund Balances at End of Year | <u>\$ 121,215,060</u> | <u>\$ 15,054,139</u> | <u>\$ 10,687,180</u> | <u>\$ 19,952,849</u> | <u>\$ 107,055,878</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, 2014

| Other Governmental Funds | Total Governmental Funds | | |
|--------------------------------|--------------------------------|--|----------------------|
| | | Net Change in Fund Balances - Total Governmental Funds | \$ 3,512,490 |
| | | Amounts reported for governmental activities in the statement of activities are different because: | |
| \$ 683,079 | \$ 119,400,543 | 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. | |
| 8,162 | 1,553,110 | This is the amount by which capital outlay, which met the capitalization criteria (\$65,958,756) exceeds depreciation (\$7,160,281) in the current period. | 58,798,475 |
| 1,946 | 904,617 | In the statement of activities, only the gain and loss on the disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the assets disposed. | (814,457) |
| 3,992,254 | 7,136,565 | Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds: | |
| - | 2,294,221 | Tax Revenue | (85,527) |
| 1,529,327 | 164,649,247 | State and Federal Grant Revenue | (41,413,745) |
| 20,403,321 | 21,043,645 | Payment in Lieu of Tax Revenue | 276,848 |
| 26,618,089 | 316,981,948 | Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 6,511,666 |
| | | 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. | 468,372 |
| 279,537 | 102,693,606 | Accretion on capital appreciation bonds is an expenditures in the governmental funds but is allocated as an expense over the life of the bonds. | (212,425) |
| 7,125,990 | 38,262,981 | 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. | 31,937 |
| 506,045 | 5,090,568 | Some expenses reported in the statement of activities such as compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | (408,560) |
| 206,738 | 990,848 | 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. | 663,826 |
| 985,935 | 10,064,950 | Changes in Net Position of Governmental Activities | <u>\$ 27,328,900</u> |
| 4,131,293 | 7,649,659 | | |
| - | 42,800 | | |
| 975,577 | 17,076,332 | | |
| 238,496 | 3,940,769 | | |
| - | 943,096 | | |
| 335,381 | 15,296,454 | | |
| 11,156 | 12,078,155 | | |
| 57,600 | 3,538,546 | | |
| 8,569,909 | 8,569,909 | | |
| 1,050,148 | 1,233,929 | | |
| - | 273,182 | | |
| 1,179,205 | 4,009,264 | | |
| 179,296 | 67,044,316 | | |
| - | 6,511,666 | | |
| - | 8,183,116 | | |
| 25,832,306 | 313,494,146 | | |
| 785,783 | 3,487,802 | | |
| 344,050 | 1,291,140 | | |
| - | (1,291,140) | | |
| - | 24,688 | | |
| 344,050 | 24,688 | | |
| 1,129,833 | 3,512,490 | | |
| 3,946,244 | 275,528,693 | | |
| <u>\$ 5,076,077</u> | <u>\$ 279,041,183</u> | | |

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

South-Western City School District
Statement of Net Position
Internal Service Fund
June 30, 2014

Current Assets:

| | |
|---|----------------------|
| Equity in Pooled Cash and Cash Equivalents | \$ 11,396,707 |
| Total Current Assets | <u>\$ 11,396,707</u> |

Current Liabilities:

| | |
|---------------------------|------------------|
| Accounts Payable | \$ 182,056 |
| Claims Payable | 1,921,000 |
| Total Current Liabilities | <u>2,103,056</u> |

Net Position

| | |
|--------------------|---------------------|
| Unrestricted | <u>9,293,651</u> |
| Total Net Position | <u>\$ 9,293,651</u> |

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

South-Western City School District
Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2014

| | |
|--------------------------------|---------------------|
| Operating Revenues: | |
| Charges for Services | \$ 21,304,585 |
| Charges to Employees | <u>5,029,624</u> |
| Total Operating Revenues | <u>26,334,209</u> |
| Operating Expenses: | |
| Salaries and Wages | 473,289 |
| Fringe Benefits | 10,210 |
| Claims | 23,138,849 |
| Purchased Services | <u>2,048,035</u> |
| Total Operating Expenses | <u>25,670,383</u> |
| Operating Income | 663,826 |
| Net Position Beginning of Year | <u>8,629,825</u> |
| Net Position End of Year | <u>\$ 9,293,651</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, 2014

| | |
|---|----------------------|
| Cash Flows from Operating Activities: | |
| Cash Received from Customers | \$ 21,304,585 |
| Cash Received from Employees | 5,029,624 |
| Cash Payments for Claims | (23,102,849) |
| Cash Payments for Salaries and Fringe Benefits | (483,499) |
| Cash Payments to Suppliers for Goods and Services | <u>(1,865,979)</u> |
| Net Cash Provided by Operating Activities | <u>881,882</u> |
| | |
| Net Increase in Cash and Cash Equivalents | 881,882 |
| Cash and Cash Equivalents Beginning of Year | <u>10,514,825</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 11,396,707</u> |

Reconciliation of Operating Income to Net Cash

| | |
|--|-------------------|
| <u>Provided by Operating Activities:</u> | |
| Operating Income | \$ 663,826 |
| | |
| Adjustments to Reconcile Operating Income to Net | |
| Cash Provided by Operating Activities: | |
| Changes in Assets and Liabilities: | |
| Increase in Accounts Payable | 182,056 |
| Increase in Claims Payable | <u>36,000</u> |
| Net Cash Provided by Operating Activities | <u>\$ 881,882</u> |

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

South-Western City School District
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2014

| | |
|--|----------------------------|
| <u>Assets:</u> | |
| Equity in Pooled Cash and Cash Equivalents | \$ 4,058,127 |
| Receivables: | |
| Accounts | <u>167,536</u> |
| Total Assets | <u><u>\$ 4,225,663</u></u> |
| <u>Liabilities:</u> | |
| Accounts Payable | \$ 53,133 |
| Due to Other Governments | 863,135 |
| Undistributed Money | <u>3,309,395</u> |
| Total Liabilities | <u><u>\$ 4,225,663</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, 2014*

NOTE 1 - DESCRIPTION OF THE DISTRICT

The South-Western City School District (the “District”) operates under a locally elected five-member board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District’s thirty-six instructional/support facilities staffed by 871 non-certificated employees, 1,438 certificated full time teaching personnel and 100 administrative employees to provide approximately 20,435 students and other community members.

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

The District serves an area of approximately one hundred nineteen (119) square miles. It encompasses most of the southwestern quadrant of Franklin County, including a substantial portion of the southwestern quadrant of the City of Columbus, Ohio, the state capital, and five other cities and townships. In addition, a very small portion of Pickaway County is included within the District boundaries.

The District is the sixth largest in the state of Ohio (among 612 school districts) in terms of enrollment and the second largest (behind the Columbus City School District) in Franklin County. During fiscal year 2014 the District operated 16 elementary schools, five intermediate schools, five middle schools, four comprehensive high schools and one career academy high school.

Reporting Entity

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the South-Western City School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District’s significant accounting policies are described below.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

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

Government - Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Fund Accounting (continued)

Major Governmental Funds

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

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

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

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

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

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

Proprietary Fund

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

Internal Service Fund - The Health Self Insurance Internal Service fund is used to account for and report dental insurance claims and health insurance claims.

Fiduciary Funds

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

Agency Funds - Agency Funds are used to account for and report student activities and internal processing of employee health insurances and retirement.

C. Measurement Focus

Government-wide Financial Statements

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

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus (continued)

Fund Financial Statements

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

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

D. Basis of Accounting

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

Revenues – Exchange and Non-exchange Transactions

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

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues – Exchange and Non-exchange Transactions (continued)

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

Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures/expenses) until then. The District had no deferred outflows of resources in fiscal year 2014. The District reports a deferred inflow of resources which represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District these amounts consist of taxes and grants which are not collected in the available period. The difference between deferred inflows on the Statement of Net Position and the Balance Sheet is due to delinquent property taxes and grants not received during the available period.

Operating and Nonoperating Revenues and Expenses

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

Expenditures/Expenses

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

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

E. Budgetary Data

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

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

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgetary Data (continued)

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts set forth in the original and final Amended Certificate issued for fiscal year 2014, respectively.

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

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

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

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriation amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2014.

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

F. Cash and Cash Equivalents/Investments

The District maintains a cash and investment pool used by all funds except the Building Fund and the Classroom Facilities Fund, representing bond proceeds and Ohio Facility Construction Commission Grant proceeds. The cash and investment pool has the same characteristics as demand deposits. Each fund's interest in the pooled bank account is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2014, the District invested in a variety of instruments as allowed in the Ohio Revised Code. Except for investment contracts and money market investments that had a remaining maturity of three years or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during fiscal year 2014 amounted to \$431,066, which includes \$54,764 assigned from other District Funds.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Cash and Cash Equivalents/Investments (continued)

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

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

G. Inventory

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

H. Capital Assets and Depreciation

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

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

| | |
|-------------------------|----------------|
| Land Improvements | 10 to 20 years |
| Buildings | 5 to 45 years |
| Furniture and Equipment | 5 to 20 years |
| Vehicles | 8 to 10 years |
| Buses | 13 years |

I. Compensated Absences

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The District records a liability for accumulated unused sick leave for all employees after fifteen years of service. A bonus payment is available to employees who retire at their first retirement eligibility date, which is based on the number of years experience they have earned. A liability is recorded for those employees that have declared their retirement date as of June 30, 2014.

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, 2014, and reduced to the maximum payment allowed by labor contracts and/or statute, plus any additional salary related payments.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences (continued)

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

J. Accrued Liabilities and Long-Term Obligations

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

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

K. Interfund Transactions

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. These amounts are eliminated in the Statement in Activities.

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

L. Fund Balance

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

Nonspendable

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

Restricted

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

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Fund Balance (continued)

Committed

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

Assigned

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

Unassigned

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

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

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

M. Net Position

Net position represents the difference between assets and liabilities and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Any unspent borrowings used for the acquisition, construction or improvement of those assets do not reduce net investment in capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include activities for other grants and vocational rotary programs restricted to cash disbursements for specified purposes.

The District applies restricted resources first when an expense is incurred for purposes of which both restricted and unrestricted net position is available. The District did not have net position restricted by enabling legislation at June 30, 2014.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Parochial Schools

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

O. Estimates

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2014.

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

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

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

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

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

NOTE 3 – CASH AND CASH EQUIVALENTS/INVESTMENTS

Deposits

At fiscal year-end, the carrying amount of the District's deposits was \$156,958,893 and the bank balance was \$157,271,360. Of the bank balance, \$27,500,000 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.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 3 – CASH AND CASH EQUIVALENTS/INVESTMENTS (continued)

| Investment Type | Fair Value | Investment Maturities | | |
|------------------|-----------------------|-----------------------|----------------------|----------------------|
| | | Less than 1 year | 1-2 years | 2-3 Years |
| Municipal Bonds | 18,641,944 | 4,399,488 | 13,662,347 | 580,109 |
| Commercial Paper | 19,992,550 | 19,992,550 | - | - |
| FNMA | 10,008,450 | - | 5,005,450 | 5,003,000 |
| FFCB | 15,019,000 | - | 10,014,900 | 5,004,100 |
| FHLMC | 38,716,285 | 15,093,750 | 21,125,360 | 2,497,175 |
| FHLB | 19,993,400 | - | - | 19,993,400 |
| | <u>\$ 122,371,629</u> | <u>\$ 39,485,788</u> | <u>\$ 49,808,057</u> | <u>\$ 33,077,784</u> |

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

Credit Risk: Credit risk is the risk that an issue or other counterparty to an investment will not fulfill its obligations. The District's policy places limitations on the types of investments the District may invest in. The District's policy authorizes investment in allowable securities as outlined by Ohio Revised Code Section 135. The District's repurchase agreement is secured by underlying securities granted by the United States Government. The District's investments in FNMA, FFCB, FHLMC and FHLB were each rated AAA or Aaa by Standard & Poor's or Moody's Investor Services, respectively. The District's investment in municipal bonds were rated AA+ or AA and Aa1 or Aa2 by Standard & Poor's or Moody's Investor Services, respectively. The District's investments in commercial paper were each rated A1+ or P1 by Standard & Poor's or Moody's Investor Services, respectively.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2014:

| Investment Type | Fair Value | % of Total |
|------------------|-----------------------|----------------|
| Municipal Bonds | \$ 18,641,944 | 15.23% |
| Commercial Paper | 19,992,550 | 16.34% |
| FNMA | 10,008,450 | 8.18% |
| FFCB | 15,019,000 | 12.27% |
| FHLMC | 38,716,285 | 31.64% |
| FHLB | 19,993,400 | 16.34% |
| | <u>\$ 122,371,629</u> | <u>100.00%</u> |

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District has no deposit policy for custodial credit risk beyond the requirements of state statute. According to state law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State laws does not require security for public deposits and investments to be maintained in the District's name. During 2014, the District and public depositories complied with the provisions of these statutes.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 3 – CASH AND CASH EQUIVALENTS/INVESTMENTS (continued)

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

Reconciliation of Cash and Investment to the Statement of Net Position: The following is a reconciliation of cash and investments to the Statement of Net Position as of June 30, 2014:

| | |
|--|----------------|
| Investments (summarized above) | \$ 122,371,629 |
| Carrying Amount of District's Deposits | 156,958,893 |
| Agency Fund - Cash and Cash Equivalents | (4,058,127) |
| Total Governmental Activities - Cash and Cash Equivalents and Investments | \$ 275,272,395 |

NOTE 4 – PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility property, and tangible personal property (used in business) located in the District. Real property tax revenues received in calendar year 2014 represent the collection of calendar year 2013 taxes. Real property taxes received in calendar year 2014 were levied after April 1, 2013, on the assessed values as of January 1, 2013, 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 2014 represent the collection of calendar year 2013 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien on December 31, 2012, were levied after October 1, 2013, and are collected in 2014 with real property taxes. Public utility real property is assessed at twenty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

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

The District receives property taxes from Franklin County. The County Auditor periodically advances to the District its portion of the taxes collected. Second half real property tax payments collected by the County by June 30, 2014, are available to finance fiscal year 2014 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 4 – PROPERTY TAXES (continued)

Accrued property taxes receivable includes personal property and public utility taxes, which are measurable as of June 30, 2014 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property tax settlement were levied to finance current fiscal year operations.

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

The amount available as an advance at June 30 was \$39,936,811 in the General Fund, \$5,676,139 in the Debt Service Fund and \$1,805,947 in the Capital Improvements Fund, which is recognized as revenue. The assessed values upon which the fiscal year 2014 taxes were collected are:

| | 2013 Second Half Collection | | 2014 First Half Collection | |
|---|--------------------------------|----------------|-------------------------------|----------------|
| | <u>Amount</u> | <u>Percent</u> | <u>Amount</u> | <u>Percent</u> |
| Agricultural/Residential and Other Real Estate | \$ 2,291,139,940 | 96.24% | \$ 2,343,813,690 | 96.16% |
| Public Utility Real and Personal | 89,546,940 | 3.76% | 93,711,540 | 3.84% |
| Total Assessed Value | <u>\$ 2,380,686,880</u> | <u>100.00%</u> | <u>\$ 2,437,525,230</u> | <u>100.00%</u> |
| Tax rate per \$1,000 of Assessed Valuation | \$ | 73.25 | \$ | 73.25 |

NOTE 5 – RECEIVABLES

Receivables at June 30, 2014 consisted of taxes, payment in lieu of taxes, accounts (rent and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full in one year with the exception of the Ohio Facilities Construction Commission grant (OFCC) and property taxes. The OFCC Grant awarded in August 2012 for \$124,047,645 is being collected over the life of the construction of new facilities. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A summary of receivables reported on the statement of net position follows:

| | |
|-----------------------------|-----------------------|
| Governmental Activities: | |
| Property Taxes – Current | \$ 114,105,353 |
| Property Taxes – Delinquent | 10,001,051 |
| Payment in Lieu of Taxes | 2,177,265 |
| Accounts | 18,673 |
| Interest | 52,807 |
| Intergovernmental | 73,707,097 |
| Total | <u>\$ 200,062,246</u> |

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 6 – CAPITAL ASSETS

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

| | Balance <u>6/30/2013</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>6/30/2014</u> |
|--|-----------------------------|----------------------|---------------------|-----------------------------|
| Governmental Activities | | | | |
| Non-Depreciable: | | | | |
| Land | \$ 8,678,711 | \$ - | \$ - | \$ 8,678,711 |
| Construction in Progress | 12,033,260 | 64,281,137 | - | 76,314,397 |
| Total Non-Depreciable | <u>20,711,971</u> | <u>64,281,137</u> | <u>-</u> | <u>84,993,108</u> |
| Depreciable: | | | | |
| Improvements to Land | 6,559,131 | 121,978 | (154,524) | 6,526,585 |
| Buildings | 208,937,823 | 250,962 | (1,996,958) | 207,191,827 |
| Furniture and Equipment | 8,078,522 | 237,772 | (72,454) | 8,243,840 |
| Vehicles | 1,625,561 | 152,713 | (104,759) | 1,673,515 |
| Buses | 12,950,298 | 914,194 | (60,219) | 13,804,273 |
| Total Depreciable | <u>238,151,335</u> | <u>1,677,619</u> | <u>(2,388,914)</u> | <u>237,440,040</u> |
| Accumulated Depreciation: | | | | |
| Improvements to Land | (4,676,844) | (137,299) | 154,524 | (4,659,619) |
| Buildings | (98,625,147) | (6,094,614) | 1,195,396 | (103,524,365) |
| Furniture and Equipment | (6,314,385) | (205,379) | 59,559 | (6,460,205) |
| Vehicles | (1,411,978) | (128,118) | 104,759 | (1,435,337) |
| Buses | (9,043,952) | (594,871) | 60,219 | (9,578,604) |
| Total Accumulated Depreciation | <u>(120,072,306)</u> | <u>(7,160,281)</u> | <u>1,574,457</u> | <u>(125,658,130)</u> |
| Net Depreciable Capital Assets | <u>118,079,029</u> | <u>(5,482,662)</u> | <u>(814,457)</u> | <u>111,781,910</u> |
| Net Governmental Activities Capital Assets | <u>\$ 138,791,000</u> | <u>\$ 58,798,475</u> | <u>\$ (814,457)</u> | <u>\$ 196,775,018</u> |

Depreciation Expense was charged to governmental functions as follows:

| | |
|----------------------------|---------------------|
| Instruction: | |
| Regular | \$ 4,496,333 |
| Special | 37,816 |
| Vocational | 519,977 |
| Support Services: | |
| Instructional Staff | 2,666 |
| Administration | 229,308 |
| Operations and Maintenance | 129,649 |
| Transportation | 646,091 |
| Central | 760,261 |
| Food Service | 13,934 |
| Community Services | 147,063 |
| Extracurricular | 177,183 |
| Total Depreciation Expense | <u>\$ 7,160,281</u> |

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

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 2014, 13.05 percent and 0.05 percent of annual covered salary was the portion used to fund pension obligations and death benefits, respectively. The contribution requirements of plan members and employers are established and may be amended by the SERS's Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for members and employer contributions. The District's required contributions for pension obligations and death benefits to SERS for the fiscal years ended June 30, 2014, 2013, and 2012, were \$3,975,448, \$3,864,446, and \$3,663,149, respectively, 100 percent has been contributed for each fiscal year.

B. State Teachers Retirement System

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

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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 7 - DEFINED BENEFIT PENSION PLANS (continued)

B. State Teachers Retirement System (continued)

Funding Policy - For the fiscal year ended June 30, 2014, plan members were required to contribution 11 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 14 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, 2014, 2013, and 2012, were \$13,467,393, \$13,260,088, and \$13,000,170 respectively, 100 percent has been contributed for each fiscal year.

NOTE 8 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The South-Western City School District participates in two cost-sharing multiple employer postemployment benefit plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Section 3309.69 of the Ohio Revised Code. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2014 was \$104.90 for most participants, but could be as high as \$335.70 per month depending on their income. SERS' reimbursement to retirees was \$45.50. Benefits provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report, which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746. It is also posted on the SERS' Ohio website, www.ohsers.org, under "Employers/Audit Resources".

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For 2014, 0.14 percent of covered payroll was allocated to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the statewide SERS-covered payroll for the health care surcharge. For fiscal year 2014, the actuarially determined amount was \$20,250.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014*

NOTE 8 - POSTEMPLOYMENT BENEFITS (continued)

A. School Employees Retirement System (continued)

The District's contributions for health care, including the surcharge for the fiscal years ended June 30, 2014, 2013, and 2012, \$469,244, \$476,132, and \$585,131, respectively, with 100 percent contributed for each fiscal year.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2014 the actuarially required allocation was .76 percent. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2014, 2013, and 2012, were \$230,637, \$218,297, and \$216,328, 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 2014, 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, 2014, 2013, and 2012, were \$1,035,953, \$1,020,007, and \$1,000,013, respectively; with 100 percent contributed for each fiscal year.

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 three fiscal years.

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

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 9 - RISK MANAGEMENT (continued)

The claims liability is \$1,921,000 reported in the internal service fund at June 30, 2014 is based on actual claims paid and estimates provide by the third party administrators and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB statement No. 30. "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs related to incurred by not reported claims, be accrued at the estimated ultimate cost of settling the claims. The District anticipates paying these claims within one year. Changes in claims activity for the past two fiscal years are as follows:

| | Balance at July 1 | Current Year Claims | Claim Payments | Balance at June 30 |
|------------------|----------------------|------------------------|-------------------|-----------------------|
| Fiscal Year 2013 | \$ 1,618,011 | \$ 21,868,362 | \$ 21,601,373 | \$ 1,885,000 |
| Fiscal Year 2014 | 1,885,000 | 23,138,849 | 23,102,849 | 1,921,000 |

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.

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- LONG-TERM DEBT

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

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 11- LONG-TERM DEBT (continued)

The following is a description of the District's Bonds and Long-Term Note outstanding at June 30, 2014:

| <u>Issue</u> | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Original Amount</u> | <u>Retired/Accreted in 2014</u> | <u>Bonds Outstanding 6/30/2014</u> |
|---|----------------------|----------------------|------------------------|---------------------------------|------------------------------------|
| 2002 Energy Conservation | 3.86% | 12/1/2014 | 4,775,000 | (450,000) | 470,000 |
| 2000 Vocational Construction | 0% | 12/31/2016 | 1,000,000 | (66,666) | 199,998 |
| 2003 Refunding School Facilities | 4.24% | 12/1/2013 | 28,896,786 | (2,156,565) | - |
| 2006 Refunding School Facilities | 4.02% | 12/1/2027 | 77,988,782 | (3,131,400) | 50,405,483 |
| 2006 Refunding Capital Appreciation Bonds | 4.02% | 12/1/2016 | 1,254,989 | 212,425 | 1,530,902 |
| 2011 Qualified School Construction Bonds | 5.60% | 12/1/2025 | 6,670,000 | - | 6,670,000 |
| 2012 School Facilities | 4.00% | 12/1/2042 | 140,250,000 | (1,175,367) | 147,543,682 |
| Total Long-Term Bonds and Notes Payable | | | <u>\$ 260,835,557</u> | <u>\$ (6,767,573)</u> | <u>\$ 206,820,065</u> |

Amortization of premium on the 2003 Refunding School Facilities Bond for fiscal year 2014 was \$61,565. This bond matured in Fiscal Year 2014.

Amortization of premium on the 2006 Refunding School Facilities Bonds for fiscal year 2014 was \$116,440. The balance of unamortized premium on the bonds is \$1,455,494 and is included in the total bonds outstanding at June 30, 2014.

Amortization of premium on the 2012 School Facilities Bonds for fiscal year 2014 was \$290,367. The balance of unamortized premium on the bonds is \$8,178,682 and is included in the total bonds outstanding at June 30, 2014.

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

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|-----------------------|-----------------------|-----------------------|
| 2015 | \$ 7,556,666 | \$ 7,918,034 | \$ 15,474,700 |
| 2016 | 7,071,666 | 7,665,251 | 14,736,917 |
| 2017 | 5,311,655 | 9,612,088 | 14,923,743 |
| 2018 | 7,500,000 | 7,272,226 | 14,772,226 |
| 2019 | 8,000,000 | 6,962,226 | 14,962,226 |
| 2020-2024 | 34,520,000 | 30,236,030 | 64,756,030 |
| 2025-2029 | 38,420,000 | 21,572,572 | 59,992,572 |
| 2030-2034 | 25,810,000 | 15,505,687 | 41,315,687 |
| 2035-2039 | 31,980,000 | 9,201,513 | 41,181,513 |
| 2040-2043 | 29,485,000 | 2,354,900 | 31,839,900 |
| Total | <u>\$ 195,654,987</u> | <u>\$ 118,300,527</u> | <u>\$ 313,955,514</u> |

The above amortization schedule (principal payments) does not include the \$9,634,176 in unamortized premium on the 2006 and 2012 bond issues. The accretion of \$1,530,902 on the 2006 Refunding School Facilities Capital Appreciation Bonds is also not accounted for in this schedule.

The unexpended balance of the 2012 School Facilities Bond as of June 30, 2014 was \$113,911,014.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 11- LONG-TERM DEBT (continued)

The District's voted legal debt margin was \$23,922,282 with an unvoted debt margin of \$2,437,525 at June 30, 2014.

General obligation bonds will be paid from the debt service fund. Compensated absences will be paid from the fund from which the person is paid with the General Fund being the most significant fund.

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

| Issue | Balance at June 30, 2013 | Additions | Deductions | Balance at June 30, 2014 | Due within 1 year |
|--|-----------------------------|---------------------|---------------------|-----------------------------|----------------------|
| General Obligation Bonds | | | | | |
| Refunding Bond 2003 | | | | | |
| Serial Bonds 2.00% - 5.00% | \$ 2,095,000 | \$ - | \$ 2,095,000 | \$ - | \$ - |
| Serial Bonds Premium | 61,565 | - | 61,565 | - | - |
| Refunding Bonds 2006 | | | | | |
| Serial Bonds 4.00% - 4.75% | 36,355,000 | - | 3,015,000 | 33,340,000 | 3,260,000 |
| Term Bonds 4.25% | 14,355,000 | - | - | 14,355,000 | - |
| Serial/Term Bonds Premium | 1,571,934 | - | 116,440 | 1,455,494 | - |
| Capital Appreciation Bonds | | | | | |
| Refunding 2006 4.02% | 1,254,989 | - | - | 1,254,989 | - |
| Capital Appreciation Accretion | 1,318,477 | 212,425 | - | 1,530,902 | - |
| School Facilities 2012 | | | | | |
| Serial Bonds 3.00%-4.5% | 73,210,000 | - | 885,000 | 72,325,000 | 3,760,000 |
| Term Bonds 3.5% - 5.0% | 67,040,000 | - | - | 67,040,000 | - |
| Serial/Term Bonds Premium | 8,469,049 | - | 290,367 | 8,178,682 | - |
| Total General Obligation Bonds | <u>205,731,014</u> | <u>212,425</u> | <u>6,463,372</u> | <u>199,480,067</u> | <u>7,020,000</u> |
| Energy Conservation Bonds | | | | | |
| Energy Conservation 2002 3.00% - 4.45% | 920,000 | - | 450,000 | 470,000 | 470,000 |
| Qualified School Construction Bonds 2011 | | | | | |
| Serial Bonds 5.60% | 6,670,000 | - | - | 6,670,000 | - |
| Total Energy Conservation Bonds | <u>7,590,000</u> | <u>-</u> | <u>450,000</u> | <u>7,140,000</u> | <u>470,000</u> |
| Long-Term Notes Payable | | | | | |
| Technical Equipment Loan 2000 0% | 266,664 | - | 66,666 | 199,998 | 66,666 |
| Total Long-term Notes Payable | <u>266,664</u> | <u>-</u> | <u>66,666</u> | <u>199,998</u> | <u>66,666</u> |
| Compensated Absences | 13,111,079 | 1,982,288 | 2,192,868 | 12,900,499 | 3,202,908 |
| Total | <u>\$ 226,698,757</u> | <u>\$ 2,194,713</u> | <u>\$ 9,172,906</u> | <u>\$ 219,720,564</u> | <u>\$ 10,759,574</u> |

Compensated absences of \$3,202,908 include \$1,465,548 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, 2014*

NOTE 12 - INTERFUND TRANSACTIONS

Interfund Balances at June 30, 2014 consist of the following individual fund receivable and payables:

| <u>Interfund Receivable/Payable</u> | <u>Receivable</u> | <u>Payable</u> |
|-------------------------------------|-------------------|-------------------|
| Major Fund | | |
| General Fund | \$ 755,575 | \$ - |
| Non-Major Funds | | |
| State Grants | - | 150,816 |
| Federal Grants | - | 604,759 |
| Total | <u>\$ 755,575</u> | <u>\$ 755,575</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, 2014 are reported on the statement of net position.

Interfund transfers for the fiscal year ended June 30, 2014 consisted of the following, as reported on the fund statements:

| | Amount |
|--|------------|
| Transfers from general fund to debt service major fund: | \$ 947,090 |
| Transfers from general fund to nonmajor governmental funds: | 344,050 |

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 13 – FUND BALANCE

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

| | <u>General</u> | <u>Debt Service</u> | <u>Capital Improvements</u> | <u>Building</u> | <u>Classroom Facilities</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|------------------------------|----------------|-------------------------|---------------------------------|-----------------|---------------------------------|---|---|
| Fund Balance: | | | | | | | |
| Nonspendable | | | | | | | |
| Inventory | \$ 361,926 | \$ - | \$ - | \$ - | \$ - | \$ 191,264 | \$ 553,190 |
| Total Nonspendable | 361,926 | - | - | - | - | 191,264 | 553,190 |
| Restricted for: | | | | | | | |
| Debt Service | - | 15,054,139 | - | - | - | - | 15,054,139 |
| Capital Projects | - | - | 10,687,180 | 19,952,849 | 107,055,878 | - | 137,695,907 |
| Regular Instruction | - | - | - | - | - | 579,076 | 579,076 |
| Special Education | - | - | - | - | - | 196,999 | 196,999 |
| Vocational Education | - | - | - | - | - | 4,100 | 4,100 |
| Adult Basic Education | - | - | - | - | - | 29,295 | 29,295 |
| Targeted Academic Assistance | - | - | - | - | - | 19,074 | 19,074 |
| Extracurricular Activities | - | - | - | - | - | 711,310 | 711,310 |
| Maintenance of Buildings | - | - | - | - | - | 1,366,158 | 1,366,158 |
| Food Service | - | - | - | - | - | 2,126,276 | 2,126,276 |
| Total Restricted | - | 15,054,139 | 10,687,180 | 19,952,849 | 107,055,878 | 5,032,288 | 157,782,334 |
| Committed | | | | | | | |
| Public School Support | 1,223,619 | - | - | - | - | - | 1,223,619 |
| Total Committed | 1,223,619 | - | - | - | - | - | 1,223,619 |
| Assigned: | | | | | | | |
| Unpaid Obligations | 1,334,717 | - | - | - | - | - | 1,334,717 |
| Regular Instruction | 197,079 | - | - | - | - | - | 197,079 |
| Vocational Education | 1,784 | - | - | - | - | - | 1,784 |
| Total Assigned | 1,533,580 | - | - | - | - | - | 1,533,580 |
| Unassigned | 118,095,935 | - | - | - | - | (147,475) | 117,948,460 |
| Total Fund Balance | \$ 121,215,060 | \$ 15,054,139 | \$ 10,687,180 | \$ 19,952,849 | \$ 107,055,878 | \$ 5,076,077 | \$ 279,041,183 |

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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits should become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2014.

B. Litigation

There are currently several matters in litigation with the District as defendant. Based upon the facts and circumstances, as they currently exist, management believes that the remaining cases will have no material effect on the financial statements of the District.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 15 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

The District had significant contractual obligation as of June 30, 2014 which are listed below:

| <u>Contractor</u> | <u>Project</u> | <u>Amount</u> |
|--------------------------------|--|---------------|
| Smoot Construction Co. of Ohio | Construction of Franklin Heights High School | \$ 31,672,237 |
| Robertson Construction | Construction of JC Sommer Elementary | 12,330,198 |
| Barton Malow Company | Construction of Darbydale Elementary | 11,622,837 |
| Altman Company | Construction of Stiles Elementary | 11,545,787 |
| Barton Malow Company | Construction of Finland Elementary | 11,358,922 |
| Barton Malow Company | Construction of North Franklin Elementary | 10,613,900 |
| SHP | Architect Services for Entire OFCC Project | 2,547,021 |
| 2K General Company, Inc | Renovations at Buckeye Woods Elementary | 2,499,102 |
| 2K General Company, Inc | Renovations at Darby Woods Elementary | 2,491,323 |
| Ruscilli Construction Co. | Construction Management OFCC Projects | 2,393,735 |
| Robertson Construction | Construction of Harmon Elementary | 2,163,321 |
| Altman Company | Construction of Alton Hall Elementary | 2,075,823 |
| Robertson Construction | Construction of Monterey Elementary | 1,886,203 |
| Summit Construction Co. | Construction of Prairie Norton Elementary | 1,777,458 |
| CDW-Government, Inc | Technology for New Buildings | 663,768 |
| Heiberger Paving Inc. | Track and Tennis Court Improvements Grove City High School | 411,938 |
| Heiberger Paving Inc. | Track and Tennis Court Improvements Westland High School | 405,111 |
| Design-Build Solutions, Inc. | Roof replacement at Pleasant View Middle School | 255,196 |
| All American Tracks Corp. | Track Improvements Central Crossing High School | 170,150 |
| Heiberger Paving Inc. | Tennis Court Improvements Central Crossing High School | 114,284 |

NOTE 16 - SUBSTITUTE HOUSE BILL 412

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

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

| | <u>Capital</u> <u>Acquisition</u> |
|---|--------------------------------------|
| Set aside Cash Balance as of June 30, 2013 | \$ - |
| Current Year Set-aside Requirement | 3,399,220 |
| Qualifying Offset - Capital Improvements Fund | (3,527,671) |
| Qualifying Offset - Classroom Facilities Maintenance Fund | (683,079) |
| Qualifying Disbursements | <u>(2,353,908)</u> |
| Total | <u>\$ (3,165,438)</u> |

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014

NOTE 17 – 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 18 - OTHER COMMITMENTS

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

| Fund | Fiscal Year - End Encumbrances |
|--------------------------|-----------------------------------|
| General Fund | \$ 1,334,717 |
| Capital Improvement Fund | 115,667,385 |
| Other Governmental Funds | 271,689 |
| Total | \$ 117,273,791 |

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLES

For 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 66, “Technical Corrections – 2012 – An Amendment of GASB Statements No. 10 and No. 62,” GASB Statement No. 69, “Government Combinations and Disposals of Government Operations,” and GASB Statement No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees.”

Statement No. 66 resolves conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

This Statement amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity’s risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.

This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, Accounting for Operating Leases with Scheduled Rent Increases, and result in guidance that is consistent with the requirements in Statement No. 48, Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively.

***South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2014***

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLES (continued)

Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* include a variety of transactions referred to as mergers, and transfers of operations.

Statement No. 70 improves accounting and financial reporting by state and local governments that extend and receive non exchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

The implementation of GASB Statements No. 66, 69, and 70 had no effect on the financial statements.

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, 2014

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------|----------------------------|---------------------------|---------------------------|--------------------------|
| Revenues: | | | | |
| Local: | | | | |
| Taxes | \$ 93,527,600 | \$ 95,003,258 | \$ 95,003,258 | \$ - |
| Tuition | 1,304,500 | 1,304,500 | 1,539,700 | 235,200 |
| Interest | 300,000 | 300,000 | 321,911 | 21,911 |
| Other Local Revenue | 3,338,600 | 3,248,500 | 4,316,084 | 1,067,584 |
| Intergovernmental - State | 109,431,900 | 109,431,900 | 118,481,000 | 9,049,100 |
| Intergovernmental - Federal | 554,300 | 554,300 | 313,227 | (241,073) |
| Total Revenues | <u>208,456,900</u> | <u>209,842,458</u> | <u>219,975,180</u> | <u>10,132,722</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | | | | |
| Salaries and Wages | 63,476,370 | 64,222,289 | 63,546,808 | 675,481 |
| Fringe Benefits | 19,222,850 | 19,807,308 | 19,277,597 | 529,711 |
| Purchased Services | 16,816,701 | 17,589,850 | 17,564,737 | 25,113 |
| Supplies and Materials | 1,289,532 | 884,488 | 797,396 | 87,092 |
| Miscellaneous | 3,585 | - | - | - |
| Total Regular | <u>100,809,038</u> | <u>102,503,935</u> | <u>101,186,538</u> | <u>1,317,397</u> |
| Special | | | | |
| Salaries and Wages | 17,109,010 | 18,509,685 | 18,263,052 | 246,633 |
| Fringe Benefits | 5,536,670 | 6,554,316 | 6,044,434 | 509,882 |
| Purchased Services | 5,375,566 | 7,269,496 | 7,207,504 | 61,992 |
| Supplies and Materials | 104,773 | 103,732 | 89,495 | 14,237 |
| Miscellaneous | 100 | - | - | - |
| Total Special | <u>28,126,119</u> | <u>32,437,229</u> | <u>31,604,485</u> | <u>832,744</u> |
| Vocational | | | | |
| Salaries and Wages | 3,269,030 | 3,237,788 | 3,181,699 | 56,089 |
| Fringe Benefits | 986,780 | 1,012,621 | 945,797 | 66,824 |
| Purchased Services | 339,086 | 192,266 | 158,742 | 33,524 |
| Supplies and Materials | 740,601 | 626,681 | 551,908 | 74,773 |
| Miscellaneous | 5,750 | - | - | - |
| Total Vocational | <u>5,341,247</u> | <u>5,069,356</u> | <u>4,838,146</u> | <u>231,210</u> |
| Other | | | | |
| Salaries and Wages | 522,790 | 585,386 | 566,047 | 19,339 |
| Fringe Benefits | 156,440 | 176,626 | 170,260 | 6,366 |
| Purchased Services | 400 | - | - | - |
| Supplies and Materials | 16,300 | 16,184 | 16,113 | 71 |
| Total Other | <u>695,930</u> | <u>778,196</u> | <u>752,420</u> | <u>25,776</u> |
| Total Instruction | <u>134,972,334</u> | <u>140,788,716</u> | <u>138,381,589</u> | <u>2,407,127</u> |
| Support Services: | | | | |
| Pupil | | | | |
| Salaries and Wages | 6,405,330 | 6,275,819 | 6,201,153 | 74,666 |
| Fringe Benefits | 1,913,960 | 1,931,760 | 1,772,921 | 158,839 |
| Purchased Services | 1,285,067 | 1,229,885 | 1,200,610 | 29,275 |
| Supplies and Materials | 59,872 | 66,674 | 65,619 | 1,055 |
| Total Pupil | <u>9,664,229</u> | <u>9,504,138</u> | <u>9,240,303</u> | <u>263,835</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, 2014
(continued)

| | Original Budget | Final Budget | Actual | Variance |
|---|--------------------|-------------------|-------------------|----------------|
| Instructional Staff | | | | |
| Salaries and Wages | \$ 6,778,970 | \$ 2,244,965 | \$ 2,147,576 | \$ 97,389 |
| Fringe Benefits | 3,158,750 | 1,000,580 | 854,865 | 145,715 |
| Purchased Services | 444,943 | 63,132 | 53,459 | 9,673 |
| Supplies and Materials | 417,092 | 384,831 | 374,051 | 10,780 |
| Miscellaneous | 3,650 | 2,320 | 1,831 | 489 |
| Total Instructional Staff | 10,803,405 | 3,695,828 | 3,431,782 | 264,046 |
| Board of Education | | | | |
| Salaries and Wages | 15,000 | 16,285 | 16,285 | - |
| Fringe Benefits | 2,460 | 2,988 | 2,772 | 216 |
| Purchased Services | 6,500 | 6,500 | 3,840 | 2,660 |
| Supplies and Materials | 5,480 | 5,480 | 2,480 | 3,000 |
| Miscellaneous | 25,500 | 25,500 | 17,618 | 7,882 |
| Total Board of Education | 54,940 | 56,753 | 42,995 | 13,758 |
| Administration | | | | |
| Salaries and Wages | 9,391,170 | 10,395,027 | 10,112,257 | 282,770 |
| Fringe Benefits | 3,727,180 | 4,272,977 | 3,972,356 | 300,621 |
| Purchased Services | 836,369 | 940,348 | 876,161 | 64,187 |
| Supplies and Materials | 97,190 | 98,153 | 86,122 | 12,031 |
| Miscellaneous | 1,355,957 | 1,278,755 | 1,276,292 | 2,463 |
| Total Administration | 15,407,866 | 16,985,260 | 16,323,188 | 662,072 |
| Fiscal | | | | |
| Salaries and Wages | 802,330 | 871,353 | 849,059 | 22,294 |
| Fringe Benefits | 872,552 | 407,653 | 360,387 | 47,266 |
| Purchased Services | 262,427 | 310,755 | 308,560 | 2,195 |
| Supplies and Materials | 7,120 | 8,652 | 8,602 | 50 |
| Miscellaneous | 2,231,868 | 1,888,705 | 1,887,283 | 1,422 |
| Total Fiscal | 4,176,297 | 3,487,118 | 3,413,891 | 73,227 |
| Business | | | | |
| Salaries and Wages | 186,660 | 188,013 | 167,368 | 20,645 |
| Fringe Benefits | 77,170 | 77,447 | 72,943 | 4,504 |
| Purchased Services | 606,586 | 583,810 | 539,283 | 44,527 |
| Supplies and Materials | 76,854 | 76,854 | 58,305 | 18,549 |
| Miscellaneous | 74,600 | 74,600 | 69,207 | 5,393 |
| Total Business | 1,021,870 | 1,000,724 | 907,106 | 93,618 |
| Operations and Maintenance | | | | |
| Salaries and Wages | 7,064,950 | 7,102,636 | 6,915,259 | 187,377 |
| Fringe Benefits | 2,793,200 | 2,852,178 | 2,698,286 | 153,892 |
| Purchased Services | 5,180,737 | 5,220,545 | 5,076,461 | 144,084 |
| Supplies and Materials | 1,234,702 | 1,307,558 | 1,294,576 | 12,982 |
| Miscellaneous | 32,700 | 61,800 | 61,800 | - |
| Total Operations and Maintenance | 16,306,289 | 16,544,717 | 16,046,382 | 498,335 |
| Pupil Transportation | | | | |
| Salaries and Wages | 6,667,210 | 6,592,496 | 6,558,949 | 33,547 |
| Fringe Benefits | 3,205,490 | 2,882,614 | 2,822,380 | 60,234 |
| Purchased Services | 947,559 | 924,184 | 913,159 | 11,025 |
| Supplies and Materials | 1,837,562 | 2,005,842 | 1,961,923 | 43,919 |
| Miscellaneous | 11,210 | 11,210 | - | 11,210 |
| Total Pupil Transportation | 12,669,031 | 12,416,346 | 12,256,411 | 159,935 |

(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, 2014
(continued)

| | Original Budget | Final Budget | Actual | Variance |
|--|----------------------|----------------------|----------------------|----------------------|
| Central | | | | |
| Salaries and Wages | \$ 1,580,630 | \$ 1,519,330 | \$ 1,480,910 | \$ 38,420 |
| Fringe Benefits | 634,180 | 636,250 | 602,897 | 33,353 |
| Purchased Services | 1,456,948 | 1,452,429 | 1,410,571 | 41,858 |
| Supplies and Materials | 27,797 | 60,959 | 56,430 | 4,529 |
| Miscellaneous | 7,632 | 8,374 | 5,527 | 2,847 |
| Total Central | <u>3,707,187</u> | <u>3,677,342</u> | <u>3,556,335</u> | <u>121,007</u> |
| Total Support Services | <u>73,811,114</u> | <u>67,368,226</u> | <u>65,218,393</u> | <u>2,149,833</u> |
| Food Service | | | | |
| Purchased Services | 25,000 | - | - | - |
| Total Food Service | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Community Services | | | | |
| Salaries and Wages | 126,050 | 117,718 | 112,359 | 5,359 |
| Fringe Benefits | 22,660 | 24,451 | 19,446 | 5,005 |
| Purchased Services | 500 | - | - | - |
| Supplies and Materials | 3,700 | 4,437 | 2,324 | 2,113 |
| Total Community Services | <u>152,910</u> | <u>146,606</u> | <u>134,129</u> | <u>12,477</u> |
| Shared Services | | | | |
| Salaries and Wages | - | 222,365 | 222,362 | 3 |
| Fringe Benefits | - | 75,003 | 74,994 | 9 |
| Total Shared Services | <u>-</u> | <u>297,368</u> | <u>297,356</u> | <u>12</u> |
| Extracurricular Activities | | | | |
| Salaries and Wages | 1,957,200 | 2,134,343 | 1,945,396 | 188,947 |
| Fringe Benefits | 417,510 | 445,465 | 385,470 | 59,995 |
| Purchased Services | 83,765 | 438,078 | 427,797 | 10,281 |
| Supplies and Materials | - | 5,100 | 5,043 | 57 |
| Total Extracurricular Activities | <u>2,458,475</u> | <u>3,022,986</u> | <u>2,763,706</u> | <u>259,280</u> |
| Miscellaneous | - | 21,812 | 21,812 | - |
| Capital Outlay | 778,487 | 730,683 | 718,150 | 12,533 |
| Total Expenditures | <u>212,198,320</u> | <u>212,376,397</u> | <u>207,535,135</u> | <u>4,841,262</u> |
| Excess of Revenues Over (Under) Expenditures | (3,741,420) | (2,533,939) | 12,440,045 | 14,973,984 |
| Other Financing Sources (Uses): | | | | |
| Transfers - In | - | 90,100 | 87,385 | (2,715) |
| Transfers - Out | (2,054,110) | (2,054,110) | (1,851,872) | 202,238 |
| Advances - In | 1,566,700 | 1,566,700 | 1,566,676 | (24) |
| Advances - Out | (1,500,000) | (1,500,000) | (755,575) | 744,425 |
| Proceeds from the Sales of Capital Assets | - | - | 89,653 | 89,653 |
| Total Other Financing Sources (Uses) | <u>(1,987,410)</u> | <u>(1,897,310)</u> | <u>(863,733)</u> | <u>1,033,577</u> |
| Net Change in Fund Balances | (5,728,830) | (4,431,249) | 11,576,312 | 16,007,561 |
| Fund Balance at Beginning of Year | 82,959,823 | 82,959,823 | 82,959,823 | - |
| Prior Year Encumbrances Appropriated | 2,777,439 | 2,777,439 | 2,777,439 | - |
| Fund Balance at End of Year | <u>\$ 80,008,432</u> | <u>\$ 81,306,013</u> | <u>\$ 97,313,574</u> | <u>\$ 16,007,561</u> |

*South-Western City School District, Ohio
Required Supplemental Information
For the Fiscal Year Ended June 30, 2014*

BUDGETARY BASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Due to the implementation of GASB 54, the Public School Support Fund was reclassified to the General Fund. This fund is not required to be included in the General Fund Budgetary Schedule. Therefore, the activity from this fund is excluded with an adjustment for the change in fund balance.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis for the General Fund:

| | | <u>General</u> |
|--------------------------------------|----|----------------|
| GAAP Basis | \$ | 20,473,413 |
| Adjustments: | | |
| Revenue Accruals | | (6,066,869) |
| Expenditure Accruals | | (6,005,124) |
| Encumbrances | | 2,658,320 |
| Activity of Fund Reclassified for | | |
| GAAP Reporting Purposes | | (82,789) |
| Operating Transfers | | (276,705) |
| Advances | | 811,101 |
| Proceeds from Sale of Capital Assets | | 64,965 |
| Budget Basis | \$ | 11,576,312 |

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, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|-------------------------|---------------------|------------------|
| Revenues: | | | |
| Local: | | | |
| Taxes | \$ 13,226,699 | \$ 13,226,699 | \$ - |
| Interest | 1,500 | 797 | (703) |
| Intergovernmental - State | 2,005,900 | 2,010,249 | 4,349 |
| Intergovernmental - Federal | 320,000 | 325,581 | 5,581 |
| Total Revenues | <u>15,554,099</u> | <u>15,563,326</u> | <u>9,227</u> |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Fiscal | | | |
| Miscellaneous | 285,000 | 245,665 | 39,335 |
| Total Fiscal | <u>285,000</u> | <u>245,665</u> | <u>39,335</u> |
| Total Support Services | <u>285,000</u> | <u>245,665</u> | <u>39,335</u> |
| Debt Service: | | | |
| Principal Retirement | 6,445,000 | 6,445,000 | - |
| Interest and Fiscal Charges | 8,183,120 | 8,183,116 | 4 |
| Total Expenditures | <u>14,913,120</u> | <u>14,873,781</u> | <u>39,339</u> |
| Excess of Revenues Over Expenditures | 640,979 | 689,545 | 48,566 |
| Other Financing Sources: | | | |
| Transfers - In | 947,100 | 947,090 | (10) |
| Total Other Financing Sources | <u>947,100</u> | <u>947,090</u> | <u>(10)</u> |
| Net Change in Fund Balances | 1,588,079 | 1,636,635 | 48,556 |
| Fund Balance at Beginning of Year | 7,741,365 | 7,741,365 | - |
| Fund Balance at End of Year | <u>\$ 9,329,444</u> | <u>\$ 9,378,000</u> | <u>\$ 48,556</u> |

CAPITAL IMPROVEMENTS FUNDS

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

Capital Improvements

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

Building Fund

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

Classroom Facilities

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

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Capital Improvements Fund
 For the Fiscal Year Ended June 30, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|-------------------------|---------------------|-------------------|
| Revenues: | | | |
| Local: | | | |
| Taxes | \$ 3,527,671 | \$ 3,527,671 | \$ - |
| Other Local Revenue | 75,000 | 75,000 | - |
| Intergovernmental - State | 774,800 | 789,361 | 14,561 |
| Total Revenues | <u>4,377,471</u> | <u>4,392,032</u> | <u>14,561</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | | | |
| Supplies and Materials | <u>1,260,279</u> | <u>1,254,117</u> | <u>6,162</u> |
| Total Regular | <u>1,260,279</u> | <u>1,254,117</u> | <u>6,162</u> |
| Vocational | | | |
| Purchased Services | <u>66,666</u> | <u>66,666</u> | <u>-</u> |
| Total Vocational | <u>66,666</u> | <u>66,666</u> | <u>-</u> |
| Total Instruction | <u>1,326,945</u> | <u>1,320,783</u> | <u>6,162</u> |
| Support Services: | | | |
| Fiscal | | | |
| Miscellaneous | <u>78,120</u> | <u>78,120</u> | <u>-</u> |
| Total Fiscal | <u>78,120</u> | <u>78,120</u> | <u>-</u> |
| Business | | | |
| Purchased Services | <u>150,550</u> | <u>137,145</u> | <u>13,405</u> |
| Total Business | <u>150,550</u> | <u>137,145</u> | <u>13,405</u> |
| Central | | | |
| Supplies and Materials | <u>28,000</u> | <u>27,976</u> | <u>24</u> |
| Total Central | <u>28,000</u> | <u>27,976</u> | <u>24</u> |
| Total Support Services | <u>256,670</u> | <u>243,241</u> | <u>13,429</u> |
| Capital Outlay | <u>3,112,028</u> | <u>2,660,152</u> | <u>451,876</u> |
| Total Expenditures | <u>4,695,643</u> | <u>4,224,176</u> | <u>471,467</u> |
| Net Change in Fund Balances | (318,172) | 167,856 | 486,028 |
| Fund Balance at Beginning of Year | 6,446,807 | 6,446,807 | - |
| Prior Year Encumbrances Appropriated | <u>1,309,492</u> | <u>1,309,492</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 7,438,127</u> | <u>\$ 7,924,155</u> | <u>\$ 486,028</u> |

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Building Fund
 For the Fiscal Year Ended June 30, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|-------------------------|---------------------|-----------------|
| Revenues: | | | |
| Local: | | | |
| Interest | \$ 80,000 | \$ 64,148 | \$ (15,852) |
| Other Local Revenue | - | 36 | 36 |
| Total Revenues | <u>80,000</u> | <u>64,184</u> | <u>(15,816)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | | | |
| Supplies and Materials | <u>702,649</u> | <u>700,837</u> | <u>1,812</u> |
| Total Regular | <u>702,649</u> | <u>700,837</u> | <u>1,812</u> |
| Total Instruction | <u>702,649</u> | <u>700,837</u> | <u>1,812</u> |
| Capital Outlay | <u>18,702,998</u> | <u>18,689,888</u> | <u>13,110</u> |
| Total Expenditures | <u>19,405,647</u> | <u>19,390,725</u> | <u>14,922</u> |
| Net Change in Fund Balances | (19,325,647) | (19,326,541) | (894) |
| Fund Balance at Beginning of Year | 22,893,637 | 22,893,637 | - |
| Prior Year Encumbrances Appropriated | <u>175,540</u> | <u>175,540</u> | - |
| Fund Balance at End of Year | <u>\$ 3,743,530</u> | <u>\$ 3,742,636</u> | <u>\$ (894)</u> |

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Classroom Facilities Fund
 For the Fiscal Year Ended June 30, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|---------------------|------------------------|
| Revenues: | | | |
| Local: | | | |
| Interest | \$ 456,000 | \$ 312,043 | \$ (143,957) |
| Intergovernmental - State | <u>140,843,902</u> | <u>48,183,079</u> | <u>(92,660,823)</u> |
| Total Revenues | <u>141,299,902</u> | <u>48,495,122</u> | <u>(92,804,780)</u> |
| Expenditures: | | | |
| Capital Outlay | <u>241,704,345</u> | <u>165,574,097</u> | <u>76,130,248</u> |
| Total Expenditures | <u>241,704,345</u> | <u>165,574,097</u> | <u>76,130,248</u> |
| Net Change in Fund Balances | (100,404,443) | (117,078,975) | (16,674,532) |
| Fund Balance at Beginning of Year (Restated) | 66,795,398 | 66,795,398 | - |
| Prior Year Encumbrances Appropriated | <u>58,854,987</u> | <u>58,854,987</u> | - |
| Fund Balance at End of Year | <u>\$ 25,245,942</u> | <u>\$ 8,571,410</u> | <u>\$ (16,674,532)</u> |

**NONMAJOR
SPECIAL REVENUE FUNDS**

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

Public School Support

To account for specific local revenue sources, other than taxes or expendable trusts, (i.e. profits from vending machines, sale of pictures, etc.), that are restricted to expenditures of specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases. These funds have been established at each school and at certain administrative centers for the purposes described above. For GAAP reporting purposes, this fund is reported as part of the General Fund in accordance with GASB Statement No. 54; however, for budgetary reporting purposes this fund is included with the Special Revenue Funds.

Other Grants

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

District Managed Student Activities

To account for those student activity programs which have student participation in the activity, but do not have student management of the programs. This fund would usually include athletic programs but could also include the band, cheerleaders and other similar types of activities.

All State Grants

To account for all state grant programs which include Auxiliary Services, Early Childhood Education, Alternative Education and Straight A.

Federal Grants

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

Food Service

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

Classroom Facilities Maintenance

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

South-Western City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

| | <u>Other Grants</u> | <u>District Managed Student Activities</u> | <u>All State Grants</u> |
|---|-------------------------|--|-----------------------------|
| <u>Assets</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 349,238 | \$ 721,836 | \$ 460,870 |
| Receivable: | | | |
| Taxes - Current | - | - | - |
| Accounts | - | - | - |
| Intergovernmental | - | - | 173,652 |
| Materials and Supplies Inventory | - | 12,453 | - |
| Total Assets | <u>\$ 349,238</u> | <u>\$ 734,289</u> | <u>\$ 634,522</u> |
| <u>Liabilities and Fund Balances</u> | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 4,272 | \$ 10,526 | \$ 16,332 |
| Accrued Wages and Benefits | 1,261 | - | 74,017 |
| Interfund Loans Payable | - | - | 150,816 |
| Total Liabilities | <u>5,533</u> | <u>10,526</u> | <u>241,165</u> |
| Deferred Inflows of Resources: | | | |
| Property Taxes not Levied to Finance Current Year Operations | - | - | - |
| State and Federal Grant Revenue Not Received | - | - | 154,944 |
| Total Deferred Inflows of Resources | <u>-</u> | <u>-</u> | <u>154,944</u> |
| Fund Balance: | | | |
| Nonspendable | - | 12,453 | - |
| Restricted | 343,705 | 711,310 | 238,413 |
| Unassigned (Deficit) | - | - | - |
| Total Fund Balances | <u>343,705</u> | <u>723,763</u> | <u>238,413</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 349,238</u> | <u>\$ 734,289</u> | <u>\$ 634,522</u> |

| <u>Federal Grants</u> | <u>Food Service</u> | <u>Classroom Facilities Maintenance</u> | <u>Total Nonmajor Funds</u> |
|-----------------------|---------------------|---|-----------------------------|
| \$ 115,941 | \$ 1,740,946 | \$ 1,366,158 | \$ 4,754,989 |
| - | - | 683,079 | 683,079 |
| - | 1,395 | - | 1,395 |
| 4,345,633 | 746,125 | - | 5,265,410 |
| - | 178,811 | - | 191,264 |
| <u>\$ 4,461,574</u> | <u>\$ 2,667,277</u> | <u>\$ 2,049,237</u> | <u>\$ 10,896,137</u> |
| | | | |
| \$ 61,859 | \$ 16,441 | \$ - | \$ 109,430 |
| 1,408,404 | 345,749 | - | 1,829,431 |
| 604,759 | - | - | 755,575 |
| <u>2,075,022</u> | <u>362,190</u> | <u>-</u> | <u>2,694,436</u> |
| | | | |
| - | - | 683,079 | 683,079 |
| 2,287,601 | - | - | 2,442,545 |
| <u>2,287,601</u> | <u>-</u> | <u>683,079</u> | <u>3,125,624</u> |
| | | | |
| - | 178,811 | - | 191,264 |
| 246,426 | 2,126,276 | 1,366,158 | 5,032,288 |
| (147,475) | - | - | (147,475) |
| <u>98,951</u> | <u>2,305,087</u> | <u>1,366,158</u> | <u>5,076,077</u> |
| | | | |
| <u>\$ 4,461,574</u> | <u>\$ 2,667,277</u> | <u>\$ 2,049,237</u> | <u>\$ 10,896,137</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, 2014

| | <u>Other Grants</u> | <u>District Managed Student Activities</u> | <u>All State Grants</u> |
|--|-------------------------|--|-----------------------------|
| Revenues: | | | |
| Local: | | | |
| Taxes | \$ - | \$ - | \$ - |
| Tuition | 8,162 | - | - |
| Interest | - | - | 336 |
| Other Local Revenue | 57,711 | 1,153,838 | - |
| Intergovernmental - State | - | - | 1,394,744 |
| Intergovernmental - Federal | - | - | - |
| Total Revenues | <u>65,873</u> | <u>1,153,838</u> | <u>1,395,080</u> |
| Current: | | | |
| Instruction: | | | |
| Regular | 77,208 | 805 | 182,746 |
| Special | 11,852 | - | 96,316 |
| Vocational | - | 495 | - |
| Other | 35,811 | - | - |
| Support Services: | | | |
| Pupil | 48,408 | - | 20,015 |
| Instructional Staff | 152,691 | 26,589 | 7,983 |
| Administration | 149 | 1,064 | 6,239 |
| Fiscal | - | - | 85,661 |
| Operations and Maintenance | - | - | 248 |
| Pupil Transportation | - | - | - |
| Central | - | - | 57,600 |
| Food Service | - | - | - |
| Community Services | 299 | - | 823,348 |
| Extracurricular Activities | 16,393 | 1,162,812 | - |
| Capital Outlay | 14,663 | 38,198 | 53,131 |
| Total Expenditures | <u>357,474</u> | <u>1,229,963</u> | <u>1,333,287</u> |
| Excess of Revenues Over (Under) Expenditures | (291,601) | (76,125) | 61,793 |
| Other Financing Sources: | | | |
| Transfers - In | 325,000 | 19,050 | - |
| Total Other Financing Sources | <u>325,000</u> | <u>19,050</u> | <u>-</u> |
| Net Change in Fund Balance | 33,399 | (57,075) | 61,793 |
| Fund Balances at Beginning of Year | 310,306 | 780,838 | 176,620 |
| Fund Balances at End of Year | <u>\$ 343,705</u> | <u>\$ 723,763</u> | <u>\$ 238,413</u> |

| <u>Federal Grants</u> | <u>Food Service</u> | <u>Classroom Facilities Maintenance</u> | <u>Total Nonmajor Funds</u> |
|-----------------------|---------------------|---|-----------------------------|
| \$ - | \$ - | \$ 683,079 | \$ 683,079 |
| - | - | - | 8,162 |
| - | 1,610 | - | 1,946 |
| - | 2,780,705 | - | 3,992,254 |
| - | 134,583 | - | 1,529,327 |
| <u>14,145,089</u> | <u>6,258,232</u> | <u>-</u> | <u>20,403,321</u> |
| <u>14,145,089</u> | <u>9,175,130</u> | <u>683,079</u> | <u>26,618,089</u> |
| 18,778 | - | - | 279,537 |
| 7,017,822 | - | - | 7,125,990 |
| 505,550 | - | - | 506,045 |
| 170,927 | - | - | 206,738 |
| 917,512 | - | - | 985,935 |
| 3,944,030 | - | - | 4,131,293 |
| 965,703 | 2,422 | - | 975,577 |
| 152,835 | - | - | 238,496 |
| 177,168 | 157,965 | - | 335,381 |
| 11,156 | - | - | 11,156 |
| - | - | - | 57,600 |
| - | 8,569,909 | - | 8,569,909 |
| 226,501 | - | - | 1,050,148 |
| - | - | - | 1,179,205 |
| <u>38,208</u> | <u>35,096</u> | <u>-</u> | <u>179,296</u> |
| <u>14,146,190</u> | <u>8,765,392</u> | <u>-</u> | <u>25,832,306</u> |
| (1,101) | 409,738 | 683,079 | 785,783 |
| - | - | - | 344,050 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>344,050</u> |
| (1,101) | 409,738 | 683,079 | 1,129,833 |
| <u>100,052</u> | <u>1,895,349</u> | <u>683,079</u> | <u>3,946,244</u> |
| <u>\$ 98,951</u> | <u>\$ 2,305,087</u> | <u>\$ 1,366,158</u> | <u>\$ 5,076,077</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, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------|-------------------------|------------------|-----------------|
| Revenues: | | | |
| Local: | | | |
| Tuition | \$ 51,100 | \$ 6,060 | \$ (45,040) |
| Other Local Revenue | 988,992 | 1,041,623 | 52,631 |
| Intergovernmental - State | 15,300 | 14,685 | (615) |
| Total Revenues | <u>1,055,392</u> | <u>1,062,368</u> | <u>6,976</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | | | |
| Salaries and Wages | 15,580 | 10,900 | 4,680 |
| Fringe Benefits | 3,562 | 1,766 | 1,796 |
| Purchased Services | 131,002 | 114,712 | 16,290 |
| Supplies and Materials | 928,171 | 553,065 | 375,106 |
| Total Regular | <u>1,078,315</u> | <u>680,443</u> | <u>397,872</u> |
| Special | | | |
| Purchased Services | 1,510 | 157 | 1,353 |
| Supplies and Materials | 161,454 | 43,736 | 117,718 |
| Miscellaneous | 172 | 122 | 50 |
| Total Special | <u>163,136</u> | <u>44,015</u> | <u>119,121</u> |
| Vocational | | | |
| Salaries and Wages | 1,096 | 170 | 926 |
| Fringe Benefits | 184 | 28 | 156 |
| Purchased Services | 3,077 | 1,310 | 1,767 |
| Supplies and Materials | 20,732 | 12,057 | 8,675 |
| Total Vocational | <u>25,089</u> | <u>13,565</u> | <u>11,524</u> |
| Other | | | |
| Salaries and Wages | 10,105 | 8,171 | 1,934 |
| Fringe Benefits | 1,800 | 1,330 | 470 |
| Supplies and Materials | 12,029 | 841 | 11,188 |
| Total Other | <u>23,934</u> | <u>10,342</u> | <u>13,592</u> |
| Total Instruction | <u>1,290,474</u> | <u>748,365</u> | <u>542,109</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, 2014
(continued)

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------------------------|-------------------------|----------------|-----------------|
| Support Services: | | | |
| Pupil | | | |
| Salaries and Wages | \$ 400 | \$ 400 | \$ - |
| Fringe Benefits | 66 | 64 | 2 |
| Purchased Services | 7,817 | 6,857 | 960 |
| Supplies and Materials | 151,202 | 125,067 | 26,135 |
| Total Pupil | <u>159,485</u> | <u>132,388</u> | <u>27,097</u> |
| Instructional Staff | | | |
| Salaries and Wages | 37,318 | 27,576 | 9,742 |
| Fringe Benefits | 7,187 | 4,462 | 2,725 |
| Purchased Services | 36,452 | 8,437 | 28,015 |
| Supplies and Materials | 37,661 | 26,337 | 11,324 |
| Total Instructional Staff | <u>118,618</u> | <u>66,812</u> | <u>51,806</u> |
| Administration | | | |
| Salaries and Wages | 3,610 | 595 | 3,015 |
| Fringe Benefits | 670 | 96 | 574 |
| Purchased Services | 66,761 | 38,492 | 28,269 |
| Supplies and Materials | 167,674 | 86,372 | 81,302 |
| Miscellaneous | 4,860 | 3,080 | 1,780 |
| Total Administration | <u>243,575</u> | <u>128,635</u> | <u>114,940</u> |
| Operations and Maintenance | | | |
| Salaries and Wages | 220 | 220 | - |
| Fringe Benefits | 36 | 35 | 1 |
| Purchased Services | 900 | 880 | 20 |
| Total Operations and Maintenance | <u>1,156</u> | <u>1,135</u> | <u>21</u> |
| Total Support Services | <u>522,834</u> | <u>328,970</u> | <u>193,864</u> |
| Community Services | | | |
| Supplies and Materials | 613 | 13 | 600 |
| Total Community Services | <u>613</u> | <u>13</u> | <u>600</u> |
| Extracurricular Activities | | | |
| Salaries and Wages | 17,185 | 16,282 | 903 |
| Fringe Benefits | 2,902 | 2,635 | 267 |
| Purchased Services | 33,664 | 17,137 | 16,527 |
| Supplies and Materials | 40,941 | 29,651 | 11,290 |
| Miscellaneous | 1,200 | - | 1,200 |
| Total Extracurricular Activities | <u>95,892</u> | <u>65,705</u> | <u>30,187</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, 2014
 (continued)

| | Final <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|-------------------|
| Miscellaneous | \$ 3,380 | \$ 3,380 | \$ - |
| Capital Outlay | 131,239 | 79,547 | 51,692 |
| Total Expenditures | <u>2,044,432</u> | <u>1,225,980</u> | <u>818,452</u> |
| Excess of Revenues Over (Under) Expenditures | (989,040) | (163,612) | 825,428 |
| Other Financing Sources: | | | |
| Transfers - In | <u>211,000</u> | <u>196,642</u> | <u>(14,358)</u> |
| Total Other Financing Sources | <u>211,000</u> | <u>196,642</u> | <u>(14,358)</u> |
| Net Change in Fund Balance | (778,040) | 33,030 | 811,070 |
| Fund Balance at Beginning of Year | 1,115,746 | 1,115,746 | - |
| Prior Year Encumbrances Appropriated | <u>66,006</u> | <u>66,006</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 403,712</u> | <u>\$ 1,214,782</u> | <u>\$ 811,070</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, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|------------------------|-------------------------|----------------|-----------------|
| Revenues: | | | |
| Local: | | | |
| Tuition | \$ 8,162 | \$ 8,162 | \$ - |
| Other Local Revenue | 87,915 | 54,870 | (33,045) |
| Total Revenues | <u>96,077</u> | <u>63,032</u> | <u>(33,045)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | | | |
| Purchased Services | 39,847 | 15,029 | 24,818 |
| Supplies and Materials | 157,900 | 74,205 | 83,695 |
| Total Regular | <u>197,747</u> | <u>89,234</u> | <u>108,513</u> |
| Special | | | |
| Salaries and Wages | 11,303 | 7,789 | 3,514 |
| Fringe Benefits | 3,907 | 2,560 | 1,347 |
| Supplies and Materials | 17,672 | 4,340 | 13,332 |
| Total Special | <u>32,882</u> | <u>14,689</u> | <u>18,193</u> |
| Vocational | | | |
| Supplies and Materials | 1,198 | - | 1,198 |
| Total Vocational | <u>1,198</u> | <u>-</u> | <u>1,198</u> |
| Other | | | |
| Salaries and Wages | 49,758 | 31,103 | 18,655 |
| Fringe Benefits | 10,796 | 5,020 | 5,776 |
| Total Other | <u>60,554</u> | <u>36,123</u> | <u>24,431</u> |
| Total Instruction | <u>292,381</u> | <u>140,046</u> | <u>152,335</u> |
| Support Services: | | | |
| Pupil | | | |
| Salaries and Wages | 43,281 | 27,461 | 15,820 |
| Fringe Benefits | 8,144 | 4,433 | 3,711 |
| Purchased Services | 2,727 | 1,826 | 901 |
| Supplies and Materials | 33,064 | 16,539 | 16,525 |
| Total Pupil | <u>87,216</u> | <u>50,259</u> | <u>36,957</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, 2014
(continued)

| | Final <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|-------------------|-------------------|
| Instructional Staff | | | |
| Salaries and Wages | \$ 174,240 | \$ 119,013 | \$ 55,227 |
| Fringe Benefits | 28,643 | 19,247 | 9,396 |
| Purchased Services | 34,332 | 17,569 | 16,763 |
| Supplies and Materials | 3,884 | 1,381 | 2,503 |
| Total Instructional Staff | <u>241,099</u> | <u>157,210</u> | <u>83,889</u> |
| Administration | | | |
| Salaries and Wages | 128 | 128 | - |
| Fringe Benefits | 21 | 21 | - |
| Total Administration | <u>149</u> | <u>149</u> | <u>-</u> |
| Total Support Services | <u>328,464</u> | <u>207,618</u> | <u>120,846</u> |
| Community Services | | | |
| Purchased Services | 4,000 | - | 4,000 |
| Supplies and Materials | 8,500 | - | 8,500 |
| Total Community Services | <u>12,500</u> | <u>-</u> | <u>12,500</u> |
| Extracurricular Activities | | | |
| Salaries and Wages | 11,149 | 5,437 | 5,712 |
| Fringe Benefits | 1,833 | 878 | 955 |
| Supplies and Materials | 23,725 | 10,078 | 13,647 |
| Total Extracurricular Activities | <u>36,707</u> | <u>16,393</u> | <u>20,314</u> |
| Capital Outlay | <u>35,815</u> | <u>15,646</u> | <u>20,169</u> |
| Total Expenditures | <u>705,867</u> | <u>379,703</u> | <u>326,164</u> |
| Excess of Revenues Over (Under) Expenditures | (609,790) | (316,671) | 293,119 |
| Other Financing Sources: | | | |
| Transfer - In | <u>325,000</u> | <u>325,000</u> | <u>-</u> |
| Total Other Financing Sources | <u>325,000</u> | <u>325,000</u> | <u>-</u> |
| Net Change in Fund Balance | (284,790) | 8,329 | 293,119 |
| Fund Balance at Beginning of Year | 304,751 | 304,751 | - |
| Prior Year Encumbrances Appropriated | 13,631 | 13,631 | - |
| Fund Balance at End of Year | <u>\$ 33,592</u> | <u>\$ 326,711</u> | <u>\$ 293,119</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, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------------------------|-------------------------|------------------|-----------------|
| Revenues: | | | |
| Local: | | | |
| Other Local Revenue | \$ 1,200,000 | \$ 1,148,914 | \$ (51,086) |
| Total Revenues | <u>1,200,000</u> | <u>1,148,914</u> | <u>(51,086)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | | | |
| Purchased Services | 500 | 176 | 324 |
| Supplies and Materials | 726 | 629 | 97 |
| Total Regular | <u>1,226</u> | <u>805</u> | <u>421</u> |
| Vocational | | | |
| Supplies and Materials | 752 | 495 | 257 |
| Total Vocational | <u>752</u> | <u>495</u> | <u>257</u> |
| Total Instruction | <u>1,978</u> | <u>1,300</u> | <u>678</u> |
| Support Services: | | | |
| Instructional Staff | | | |
| Purchased Services | 500 | - | 500 |
| Supplies and Materials | 38,719 | 28,038 | 10,681 |
| Total Instructional Staff | <u>39,219</u> | <u>28,038</u> | <u>11,181</u> |
| Administration | | | |
| Purchased Services | 1,104 | 1,058 | 46 |
| Total Administration | <u>1,104</u> | <u>1,058</u> | <u>46</u> |
| Total Support Services | <u>40,323</u> | <u>29,096</u> | <u>11,227</u> |
| Extracurricular Activities | | | |
| Salaries and Wages | 52,281 | 50,347 | 1,934 |
| Fringe Benefits | 8,956 | 8,149 | 807 |
| Purchased Services | 416,179 | 356,955 | 59,224 |
| Supplies and Materials | 1,007,052 | 791,926 | 215,126 |
| Miscellaneous | 6,864 | 3,260 | 3,604 |
| Total Extracurricular Activities | <u>1,491,332</u> | <u>1,210,637</u> | <u>280,695</u> |
| Miscellaneous | 351 | 351 | - |
| Capital Outlay | 176,030 | 45,846 | 130,184 |
| Total Expenditures | <u>1,710,014</u> | <u>1,287,230</u> | <u>422,784</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, 2014
 (continued)

| | Final <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|-------------------|-------------------|
| Excess of Revenues Over (Under) Expenditures | \$ (510,014) | \$ (138,316) | \$ 371,698 |
| Other Financing Sources: | | | |
| Transfers - In | <u>19,400</u> | <u>19,050</u> | <u>(350)</u> |
| Total Other Financing Sources | <u>19,400</u> | <u>19,050</u> | <u>(350)</u> |
| Net Change in Fund Balances | (490,614) | (119,266) | 371,348 |
| Fund Balance at Beginning of Year | 755,477 | 755,477 | - |
| Prior Year Encumbrances Appropriated | <u>37,464</u> | <u>37,464</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 302,327</u> | <u>\$ 673,675</u> | <u>\$ 371,348</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, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------|-------------------------|------------------|-----------------|
| Revenues: | | | |
| Local: | | | |
| Interest | \$ 336 | \$ 336 | - |
| Intergovernmental - State | 1,550,363 | 1,526,411 | (23,952) |
| Total Revenues | <u>1,550,699</u> | <u>1,526,747</u> | <u>(23,952)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | | | |
| Purchased Services | 187,968 | 187,967 | 1 |
| Total Regular | <u>187,968</u> | <u>187,967</u> | <u>1</u> |
| Special | | | |
| Salaries and Wages | 79,158 | 66,714 | 12,444 |
| Fringe Benefits | 32,098 | 27,019 | 5,079 |
| Purchased Services | 199 | 199 | - |
| Supplies and Materials | 1,813 | 1,791 | 22 |
| Total Special | <u>113,268</u> | <u>95,723</u> | <u>17,545</u> |
| Total Instruction | <u>301,236</u> | <u>283,690</u> | <u>17,546</u> |
| Support Services: | | | |
| Pupil | | | |
| Salaries and Wages | 12,470 | 12,394 | 76 |
| Fringe Benefits | 8,283 | 5,960 | 2,323 |
| Supplies and Materials | 564 | 490 | 74 |
| Total Pupil | <u>21,317</u> | <u>18,844</u> | <u>2,473</u> |
| Instructional Staff | | | |
| Salaries and Wages | 7,177 | 5,674 | 1,503 |
| Fringe Benefits | 2,664 | 2,103 | 561 |
| Purchased Services | 210 | 209 | 1 |
| Total Instructional Staff | <u>10,051</u> | <u>7,986</u> | <u>2,065</u> |
| Administration | | | |
| Salaries and Wages | 3,887 | 3,331 | 556 |
| Fringe Benefits | 1,519 | 1,336 | 183 |
| Purchased Services | 518 | 518 | - |
| Supplies and Materials | 1,132 | 1,122 | 10 |
| Total Administration | <u>7,056</u> | <u>6,307</u> | <u>749</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, 2014
(continued)

| | Final <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|-------------------|-------------------|
| Fiscal | | | |
| Miscellaneous | \$ 88,134 | \$ 85,661 | \$ 2,473 |
| Total Fiscal | <u>88,134</u> | <u>85,661</u> | <u>2,473</u> |
| Operations and Maintenance | | | |
| Salaries and Wages | 640 | 640 | - |
| Fringe Benefits | 295 | 295 | - |
| Purchased Services | 65 | 59 | 6 |
| Total Operations and Maintenance | <u>1,000</u> | <u>994</u> | <u>6</u> |
| Central | | | |
| Purchased Services | <u>57,600</u> | <u>57,600</u> | <u>-</u> |
| Total Central | <u>57,600</u> | <u>57,600</u> | <u>-</u> |
| Total Support Services | <u>185,158</u> | <u>177,392</u> | <u>7,766</u> |
| Community Services | | | |
| Salaries and Wages | 450,872 | 382,620 | 68,252 |
| Fringe Benefits | 105,837 | 92,076 | 13,761 |
| Purchased Services | 99,147 | 95,144 | 4,003 |
| Supplies and Materials | 479,127 | 303,603 | 175,524 |
| Total Community Services | <u>1,134,983</u> | <u>873,443</u> | <u>261,540</u> |
| Miscellaneous | 114,309 | 114,309 | - |
| Capital Outlay | <u>117,508</u> | <u>99,698</u> | <u>17,810</u> |
| Total Expenditures | <u>1,853,194</u> | <u>1,548,532</u> | <u>304,662</u> |
| Excess of Revenues Over (Under) Expenditures | (302,495) | (21,785) | 280,710 |
| Other Financing Sources (Uses): | | | |
| Advances - In | - | 1,116 | 1,116 |
| Advances - Out | <u>-</u> | <u>(15,316)</u> | <u>(15,316)</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(14,200)</u> | <u>(14,200)</u> |
| Net Change in Fund Balances | (302,495) | (35,985) | 266,510 |
| Fund Balance at Beginning of Year | 212,814 | 212,814 | - |
| Prior Year Encumbrances Appropriated | <u>104,994</u> | <u>104,994</u> | <u>-</u> |
| Fund Balance at End of Year | <u>\$ 15,313</u> | <u>\$ 281,823</u> | <u>\$ 266,510</u> |

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Federal Grants Fund
 For the Fiscal Year Ended June 30, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------|-------------------------|-------------------|--------------------|
| Revenues: | | | |
| Local: | | | |
| Other Local Revenue | \$ 6,199 | \$ 6,199 | \$ - |
| Intergovernmental - Federal | 18,872,461 | 14,893,279 | (3,979,182) |
| Total Revenues | <u>18,878,660</u> | <u>14,899,478</u> | <u>(3,979,182)</u> |
| Expenditures: | | | |
| Current: | | | |
| Instruction: | | | |
| Regular | | | |
| Salaries and Wages | 3,078 | 3,078 | - |
| Fringe Benefits | 509 | 509 | - |
| Purchased Services | 1,139 | 1,139 | - |
| Supplies and Materials | 14,052 | 14,052 | - |
| Total Regular | <u>18,778</u> | <u>18,778</u> | <u>-</u> |
| Special | | | |
| Salaries and Wages | 5,864,934 | 5,103,821 | 761,113 |
| Fringe Benefits | 2,085,076 | 1,798,429 | 286,647 |
| Purchased Services | 4,680 | 3,180 | 1,500 |
| Supplies and Materials | 220,542 | 211,128 | 9,414 |
| Total Special | <u>8,175,232</u> | <u>7,116,558</u> | <u>1,058,674</u> |
| Vocational | | | |
| Salaries and Wages | 331,577 | 289,486 | 42,091 |
| Fringe Benefits | 92,169 | 79,752 | 12,417 |
| Purchased Services | 69,284 | 69,203 | 81 |
| Supplies and Materials | 66,767 | 66,767 | - |
| Total Vocational | <u>559,797</u> | <u>505,208</u> | <u>54,589</u> |
| Other | | | |
| Salaries and Wages | 153,687 | 140,300 | 13,387 |
| Fringe Benefits | 24,904 | 22,737 | 2,167 |
| Supplies and Materials | 52,237 | 33,332 | 18,905 |
| Total Other | <u>230,828</u> | <u>196,369</u> | <u>34,459</u> |
| Total Instruction | <u>8,984,635</u> | <u>7,836,913</u> | <u>1,147,722</u> |

(continued)

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Federal Grants Fund
 For the Fiscal Year Ended June 30, 2014
 (continued)

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|----------------------------------|-------------------------|------------------|------------------|
| Support Services: | | | |
| Pupil | | | |
| Salaries and Wages | \$ 548,871 | \$ 434,671 | \$ 114,200 |
| Fringe Benefits | 211,196 | 157,889 | 53,307 |
| Purchased Services | 348,525 | 320,207 | 28,318 |
| Supplies and Materials | 96,613 | 85,535 | 11,078 |
| Total Pupil | <u>1,205,205</u> | <u>998,302</u> | <u>206,903</u> |
| Instructional Staff | | | |
| Salaries and Wages | 4,054,376 | 2,754,493 | 1,299,883 |
| Fringe Benefits | 1,067,687 | 786,430 | 281,257 |
| Purchased Services | 374,728 | 303,927 | 70,801 |
| Supplies and Materials | 113,231 | 103,034 | 10,197 |
| Miscellaneous | 4,930 | 2,224 | 2,706 |
| Total Instructional Staff | <u>5,614,952</u> | <u>3,950,108</u> | <u>1,664,844</u> |
| Administration | | | |
| Salaries and Wages | 727,723 | 675,071 | 52,652 |
| Fringe Benefits | 293,433 | 270,064 | 23,369 |
| Purchased Services | 10,602 | 8,389 | 2,213 |
| Supplies and Materials | 7,447 | 6,302 | 1,145 |
| Miscellaneous | 3,665 | - | 3,665 |
| Total Administration | <u>1,042,870</u> | <u>959,826</u> | <u>83,044</u> |
| Fiscal | | | |
| Miscellaneous | <u>288,090</u> | <u>152,835</u> | <u>135,255</u> |
| Total Fiscal | <u>288,090</u> | <u>152,835</u> | <u>135,255</u> |
| Operations and Maintenance | | | |
| Salaries and Wages | 118,800 | 113,943 | 4,857 |
| Fringe Benefits | 42,557 | 38,792 | 3,765 |
| Purchased Services | 28,832 | 27,249 | 1,583 |
| Supplies and Materials | 252 | 252 | - |
| Total Operations and Maintenance | <u>190,441</u> | <u>180,236</u> | <u>10,205</u> |
| Pupil Transportation | | | |
| Purchased Services | <u>17,383</u> | <u>17,383</u> | <u>-</u> |
| Total Pupil Transportation | <u>17,383</u> | <u>17,383</u> | <u>-</u> |
| Total Support Services | <u>8,358,941</u> | <u>6,258,690</u> | <u>2,100,251</u> |

(continued)

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Federal Grants Funds
 For the Fiscal Year Ended June 30, 2014
 (continued)

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|-------------------|-----------------------|
| Community Services | | | |
| Salaries and Wages | \$ 123,614 | \$ 103,693 | \$ 19,921 |
| Fringe Benefits | 34,070 | 29,244 | 4,826 |
| Purchased Services | 147,729 | 45,768 | 101,961 |
| Supplies and Materials | 53,450 | 51,833 | 1,617 |
| Total Community Services | <u>358,863</u> | <u>230,538</u> | <u>128,325</u> |
| Capital Outlay | <u>552,008</u> | <u>551,136</u> | <u>872</u> |
| Total Expenditures | <u>18,254,447</u> | <u>14,877,277</u> | <u>3,377,170</u> |
| Excess of Revenues Over (Under) Expenditures | 624,213 | 22,201 | (602,012) |
| Other Financing Sources (Uses): | | | |
| Advances - In | - | 604,759 | 604,759 |
| Advances - Out | - | (1,551,360) | (1,551,360) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(946,601)</u> | <u>(946,601)</u> |
| Net Change in Fund Balances | 624,213 | (924,400) | (1,548,613) |
| Fund Balance at Beginning of Year | 59,281 | 59,281 | - |
| Prior Year Encumbrances Appropriated | 867,863 | 867,863 | - |
| Fund Balance at End of Year | <u>\$ 1,551,357</u> | <u>\$ 2,744</u> | <u>\$ (1,548,613)</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, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|-------------------------|---------------------|-------------------|
| Revenues: | | | |
| Local: | | | |
| Interest | \$ 1,500 | \$ 1,610 | \$ 110 |
| Other Local Revenue | 2,250,400 | 2,168,399 | (82,001) |
| Intergovernmental - State | 133,500 | 134,583 | 1,083 |
| Intergovernmental - Federal | 6,014,800 | 6,231,495 | 216,695 |
| Total Revenues | <u>8,400,200</u> | <u>8,536,087</u> | <u>135,887</u> |
| Expenditures: | | | |
| Current: | | | |
| Support Services: | | | |
| Administration | | | |
| Purchased Services | 3,533 | 3,200 | 333 |
| Total Administration | <u>3,533</u> | <u>3,200</u> | <u>333</u> |
| Operations and Maintenance | | | |
| Purchased Services | 165,545 | 157,965 | 7,580 |
| Total Operations and Maintenance | <u>165,545</u> | <u>157,965</u> | <u>7,580</u> |
| Total Support Services | <u>169,078</u> | <u>161,165</u> | <u>7,913</u> |
| Community Services | | | |
| Salaries and Wages | 3,281,626 | 3,231,851 | 49,775 |
| Fringe Benefits | 1,412,699 | 1,383,068 | 29,631 |
| Purchased Services | 228,763 | 196,812 | 31,951 |
| Supplies and Materials | 3,781,000 | 3,255,498 | 525,502 |
| Miscellaneous | 600 | 375 | 225 |
| Total Community Services | <u>8,704,688</u> | <u>8,067,604</u> | <u>637,084</u> |
| Capital Outlay | 53,000 | 36,596 | 16,404 |
| Total Expenditures | <u>8,926,766</u> | <u>8,265,365</u> | <u>661,401</u> |
| Net Change in Fund Balances | (526,566) | 270,722 | 797,288 |
| Fund Balance at Beginning of Year | 1,408,583 | 1,408,583 | - |
| Prior Year Encumbrances Appropriated | 33,096 | 33,096 | - |
| Fund Balance at End of Year | <u>\$ 915,113</u> | <u>\$ 1,712,401</u> | <u>\$ 797,288</u> |

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Classroom Facilities Maintenance Fund
 For the Fiscal Year Ended June 30, 2014

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|----------------------------|----------------------------|--------------------|
| Revenues: | | | |
| Local: | | | |
| Taxes | \$ 683,079 | \$ 683,079 | \$ - |
| Total Revenues | <u>683,079</u> | <u>683,079</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | 683,079 | 683,079 | - |
| Fund Balance at Beginning of Year | <u>683,079</u> | <u>683,079</u> | <u>-</u> |
| Fund Balance at End of Year | <u><u>\$ 1,366,158</u></u> | <u><u>\$ 1,366,158</u></u> | <u><u>\$ -</u></u> |

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INTERNAL SERVICE FUND

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

Health Self Insurance

To account for monies received from other funds as payment for providing health and dental insurance. This fund reimburses for service provided to employees, for reimbursements to employees who have paid providers, to third party administrators for claims payment or administration, for stop-loss coverage, or any other reinsurance or other similar purposes.

South-Western City School District
 Schedule of Revenues, Expenses and
 Changes in Fund Net Position - Budget (Non-GAAP) and Actual
 Health Self Insurance Fund
 For the Fiscal Year Ended June 30, 2014

| | <u>Final Budget</u> | <u>Actual</u> | Variance |
|--------------------------------------|-------------------------|----------------------|------------------|
| Revenues: | | | |
| Charges for Services | \$ 21,627,000 | \$ 21,304,585 | \$ (322,415) |
| Charges for Employees | 5,073,000 | 5,029,624 | (43,376) |
| Total Revenues | <u>26,700,000</u> | <u>26,334,209</u> | <u>(365,791)</u> |
| Expenses: | | | |
| Salaries and Wages | 580,000 | 473,289 | 106,711 |
| Fringe Benefits | 14,000 | 10,210 | 3,790 |
| Purchased Services | 25,816,427 | 25,525,589 | 290,838 |
| Total Expenses | <u>26,410,427</u> | <u>26,009,088</u> | <u>401,339</u> |
| Changes in Net Position | 289,573 | 325,121 | 35,548 |
| Net Position at Beginning of Year | 10,402,730 | 10,402,730 | - |
| Prior Year Encumbrances Appropriated | 558,064 | 558,064 | - |
| Net Position at End of Year | <u>\$ 11,250,367</u> | <u>\$ 11,285,915</u> | <u>\$ 35,548</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, 2014

| | <u>Student Activity</u> | <u>District Agency</u> | <u>Total</u> |
|--|-----------------------------|----------------------------|---------------------|
| <u>Assets:</u> | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 291,906 | \$ 3,766,221 | \$ 4,058,127 |
| Receivables: | | | |
| Accounts | - | 167,536 | 167,536 |
| Total Assets | <u>\$ 291,906</u> | <u>\$ 3,933,757</u> | <u>\$ 4,225,663</u> |
| <u>Liabilities:</u> | | | |
| Accounts Payable | \$ 29,126 | \$ 24,007 | \$ 53,133 |
| Due to Other Governments | - | 863,135 | 863,135 |
| Undistributed Money | 262,780 | 3,046,615 | 3,309,395 |
| Total Liabilities | <u>\$ 291,906</u> | <u>\$ 3,933,757</u> | <u>\$ 4,225,663</u> |

South-Western City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2014

| | Beginning Balance <u>June 30, 2013</u> | <u>Additions</u> | <u>Deductions</u> | Ending Balance <u>June 30, 2014</u> |
|---|--|----------------------|----------------------|---|
| <u>Student Activity:</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 269,786 | \$ 375,605 | \$ 353,485 | \$ 291,906 |
| Receivable: | | | | |
| Accounts | 1,431 | - | 1,431 | - |
| Total Assets | <u>\$ 271,217</u> | <u>\$ 375,605</u> | <u>\$ 354,916</u> | <u>\$ 291,906</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 7,511 | \$ 29,126 | \$ 7,511 | \$ 29,126 |
| Undistributed Money | 263,706 | 346,479 | 347,405 | 262,780 |
| Total Liabilities | <u>\$ 271,217</u> | <u>\$ 375,605</u> | <u>\$ 354,916</u> | <u>\$ 291,906</u> |
| <u>District Agency</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 3,450,195 | \$ 16,904,782 | \$ 16,588,756 | \$ 3,766,221 |
| Receivable: | | | | |
| Accounts | 177,988 | 167,536 | 177,988 | 167,536 |
| Intergovernmental | 380,801 | - | 380,801 | - |
| Total Assets | <u>\$ 4,008,984</u> | <u>\$ 17,072,318</u> | <u>\$ 17,147,545</u> | <u>\$ 3,933,757</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 5,014 | \$ 24,007 | \$ 5,014 | \$ 24,007 |
| Due to Other Governments | 925,553 | 863,135 | 925,553 | 863,135 |
| Undistributed Money | 3,078,417 | 16,185,176 | 16,216,978 | 3,046,615 |
| Total Liabilities | <u>\$ 4,008,984</u> | <u>\$ 17,072,318</u> | <u>\$ 17,147,545</u> | <u>\$ 3,933,757</u> |
| <u>All Agency Funds</u> | | | | |
| Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$ 3,719,981 | \$ 17,280,387 | \$ 16,942,241 | \$ 4,058,127 |
| Receivable: | | | | |
| Accounts | 179,419 | 167,536 | 179,419 | 167,536 |
| Intergovernmental | 380,801 | - | 380,801 | - |
| Total Assets | <u>\$ 4,280,201</u> | <u>\$ 17,447,923</u> | <u>\$ 17,502,461</u> | <u>\$ 4,225,663</u> |
| Liabilities: | | | | |
| Accounts Payable | \$ 12,525 | \$ 53,133 | \$ 12,525 | \$ 53,133 |
| Due to Other Governments | 925,553 | 863,135 | 925,553 | 863,135 |
| Undistributed Money | 3,342,123 | 16,531,655 | 16,564,383 | 3,309,395 |
| Total Liabilities | <u>\$ 4,280,201</u> | <u>\$ 17,447,923</u> | <u>\$ 17,502,461</u> | <u>\$ 4,225,663</u> |

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Statistical Section

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STATISTICAL SECTION

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

Contents

Page

Financial Trends

100

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

Revenue Capacity

110

These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.

Debt Capacity

118

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.

Operating Information

124

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.

Demographic and Economic Information

135

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

| | Fiscal 2014 | Fiscal 2013* | Fiscal 2012 | Fiscal 2011 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities | | | | |
| Net Investment in Capital Assets | \$ 101,583,123 | \$ 73,224,817 | \$ 59,024,319 | \$ 50,483,110 |
| Restricted | 115,914,055 | 144,401,093 | 38,270,638 | 45,063,166 |
| Unrestricted | 131,969,557 | 104,511,925 | 102,607,157 | 72,890,740 |
| Total Governmental Activities Net Position | <u>\$ 349,466,735</u> | <u>\$ 322,137,835</u> | <u>\$ 199,902,114</u> | <u>\$ 168,437,016</u> |

Source: School District Comprehensive Annual Financial Report

* Reclassified to conform to 2014 presentation.

| <u>Fiscal 2010</u> | <u>Fiscal 2009</u> | <u>Fiscal 2008</u> | <u>Fiscal 2007</u> | <u>Fiscal 2006</u> | <u>Fiscal 2005</u> |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| \$ 44,612,781 | \$ 40,527,577 | \$ 34,413,508 | \$ 27,802,364 | \$ 29,644,575 | \$ 33,551,196 |
| 28,128,813 | 23,493,846 | 22,761,533 | 17,692,309 | 12,886,527 | 9,068,727 |
| 57,067,078 | 32,825,649 | 22,787,305 | 23,853,095 | (8,326,148) | 1,229,883 |
| <u>\$ 129,808,672</u> | <u>\$ 96,847,072</u> | <u>\$ 79,962,346</u> | <u>\$ 69,347,768</u> | <u>\$ 34,204,954</u> | <u>\$ 43,849,806</u> |

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

| | Fiscal 2014 | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities: | | | | |
| Instruction: | | | | |
| Regular | \$ 107,731,469 | \$ 102,766,386 | \$ 101,677,915 | \$ 98,991,909 |
| Special | 38,522,065 | 32,721,653 | 31,207,794 | 30,607,426 |
| Vocational | 5,803,760 | 6,268,512 | 6,069,817 | 6,508,952 |
| Other | 988,572 | 983,567 | 917,499 | 997,663 |
| Support Services: | | | | |
| Pupil | 10,214,045 | 10,582,567 | 10,258,396 | 10,440,174 |
| Instructional Staff | 7,541,449 | 14,851,375 | 15,611,841 | 16,956,180 |
| Board of Education | 42,800 | 38,433 | 35,875 | 36,274 |
| Administration | 17,395,756 | 15,025,637 | 15,677,734 | 16,031,146 |
| Fiscal | 3,959,922 | 3,970,157 | 3,634,551 | 3,505,319 |
| Business | 947,722 | 820,483 | 883,314 | 862,888 |
| Operations and Maintenance | 15,507,439 | 16,488,459 | 16,496,886 | 16,023,962 |
| Pupil Transportation | 12,790,060 | 12,706,181 | 12,371,791 | 11,832,057 |
| Central | 8,751,099 | 7,983,879 | 6,659,541 | 4,584,027 |
| Food Service | 8,595,582 | 8,404,080 | 8,388,222 | 8,395,557 |
| Community Services | 1,463,694 | 1,620,950 | 1,520,689 | 1,842,104 |
| Extracurricular Activities | 4,216,439 | 4,604,650 | 4,052,430 | 4,331,911 |
| Shared Services | 303,374 | 101,502 | - | - |
| Interest and Fiscal Charges | 7,895,232 | 8,241,288 | 3,568,207 | 3,601,621 |
| Total Governmental Activities Expenses | <u>\$ 252,670,479</u> | <u>\$ 248,179,759</u> | <u>\$ 239,032,502</u> | <u>\$ 235,549,170</u> |

Source: School District Comprehensive Annual Financial Report

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

| Fiscal 2010 | Fiscal 2009 | Fiscal 2008 | Fiscal 2007 | (Restated) (1) Fiscal 2006 | Fiscal 2005 |
|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------------|-----------------------|
| \$ 99,541,915 | \$ 99,472,506 | \$ 92,884,468 | \$ 91,155,349 | \$ 96,226,789 | \$ 89,164,246 |
| 28,566,712 | 26,318,268 | 24,665,611 | 25,337,011 | 23,014,050 | 22,254,484 |
| 6,387,286 | 6,386,202 | 6,229,106 | 6,283,046 | 7,170,672 | 6,544,444 |
| 971,222 | 2,835,918 | 2,521,547 | 1,054,636 | 1,058,537 | 393,079 |
| 10,157,786 | 9,255,581 | 8,423,846 | 8,011,862 | 8,057,563 | 8,184,349 |
| 17,532,453 | 14,963,463 | 14,006,287 | 13,972,865 | 19,252,242 | 18,230,029 |
| 43,974 | 53,816 | 59,840 | 51,971 | 268,724 | 364,457 |
| 15,717,538 | 15,407,715 | 15,895,145 | 15,618,324 | 15,667,633 | 14,662,677 |
| 3,498,071 | 3,460,086 | 3,326,319 | 3,626,102 | 3,321,790 | 2,684,904 |
| 861,465 | 961,685 | 920,806 | 666,937 | 1,203,141 | 1,020,572 |
| 17,219,782 | 16,666,018 | 15,983,374 | 14,711,400 | 16,144,129 | 15,922,071 |
| 11,466,296 | 11,894,384 | 11,398,807 | 10,908,037 | 12,957,996 | 11,993,324 |
| 6,094,728 | 8,723,626 | 4,002,153 | 3,517,936 | 4,364,987 | 4,386,542 |
| 8,340,945 | 8,609,997 | 8,084,601 | 7,769,587 | 8,143,737 | 7,860,418 |
| 1,498,385 | 1,803,117 | 1,316,649 | 1,926,744 | 1,445,270 | 1,649,082 |
| 2,376,629 | 3,878,853 | 3,897,530 | 3,996,761 | 3,826,852 | 3,661,136 |
| - | - | - | - | - | - |
| 4,032,517 | 4,692,127 | 5,468,524 | 5,486,093 | 7,271,315 | 7,907,100 |
| <u>\$ 234,307,704</u> | <u>\$ 235,383,362</u> | <u>\$ 219,084,613</u> | <u>\$ 214,094,661</u> | <u>\$ 229,395,427</u> | <u>\$ 216,882,914</u> |

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

| | Fiscal 2014 | Fiscal 2013 | Fiscal 2012 |
|---|-------------------------|-------------------------|-------------------------|
| Program Revenue: | | | |
| Governmental Activities: | | | |
| Charges for Services and Sales | | | |
| Instruction: | | | |
| Regular | \$ 119,849 | \$ 127,137 | \$ 161,894 |
| Special | - | - | - |
| Vocational | 62,016 | 77,472 | 114,619 |
| Other | 16,642 | 19,098 | 17,457 |
| Support Services: | | | |
| Instructional Staff | - | - | - |
| Administration | - | 953 | 958 |
| Operations and Maintenance | - | 157,119 | 165,620 |
| Pupil Transportation | 533,664 | 566,411 | 414,153 |
| Food Service | 2,140,284 | 2,160,948 | 2,468,329 |
| Community Services | 14,238 | 16,907 | 15,808 |
| Extracurricular Activities | 1,050,317 | 939,040 | 904,857 |
| Shared Services | 303,374 | - | - |
| Operating Grants, Contributions and Interest | 36,623,684 | 32,737,457 | 33,141,879 |
| Total Governmental Activities Program Revenues | <u>\$ 40,864,068</u> | <u>\$ 36,802,542</u> | <u>\$ 37,405,574</u> |
| Net (Expenses)/Revenue | | | |
| Governmental Activities | <u>\$ (211,806,411)</u> | <u>\$ (211,377,217)</u> | <u>\$ (201,626,928)</u> |
| General Revenues and Other Changes in Net Position | | | |
| General Revenues: | | | |
| Property Taxes Levied for: | | | |
| General Purposes | 100,918,408 | 81,312,729 | 95,303,398 |
| Debt Service | 13,915,812 | 11,717,816 | 13,722,961 |
| Capital Improvement | 3,797,717 | 3,155,717 | 4,177,603 |
| Classroom Facilities | 683,079 | 461,791 | - |
| Payments in Lieu of Taxes | 2,571,069 | 2,039,592 | 1,021,635 |
| Ohio Facility Construction Commission Grant | - | 124,047,645 | - |
| Grants and Entitlements not Restricted to Specific Programs | 107,655,463 | 102,290,500 | 109,682,717 |
| Interest | 904,617 | 266,483 | 287,852 |
| Other Local Revenues | 8,689,146 | 10,206,218 | 8,895,860 |
| Total Governmental Activities | <u>239,135,311</u> | <u>335,498,491</u> | <u>233,092,026</u> |
| Changes in Net Position | <u>\$ 27,328,900</u> | <u>\$ 124,121,274</u> | <u>\$ 31,465,098</u> |

Source: School District Comprehensive Annual Financial Report

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

| Fiscal 2011 | Fiscal 2010 | Fiscal 2009 | Fiscal 2008 | Fiscal 2007 | (Restated) (1) Fiscal 2006 | Fiscal 2005 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|----------------------------------|-------------------------|
| \$ 165,561 | \$ 137,446 | \$ 165,213 | \$ 134,405 | \$ 111,180 | \$ 102,094 | \$ 296,625 |
| - | - | - | - | - | - | - |
| 116,529 | 91,031 | 185,043 | 149,010 | 133,119 | 119,795 | 105,895 |
| 17,486 | 23,880 | 24,165 | - | - | - | - |
| - | - | - | - | 467 | 200 | - |
| 1,037 | - | 140 | - | - | - | - |
| 163,785 | - | - | - | - | - | - |
| 435,277 | 252,500 | 432,111 | 365,920 | 326,268 | 151,725 | 111,106 |
| 2,914,191 | 3,070,970 | 3,242,294 | 3,256,780 | 3,425,763 | 3,868,230 | 3,489,028 |
| 15,317 | 12,245 | 16,668 | 13,573 | 10,484 | 8,163 | 5,806 |
| 1,115,825 | 606,324 | 756,351 | 738,167 | 743,352 | 719,363 | 646,568 |
| - | - | - | - | - | - | - |
| 36,908,180 | 35,369,286 | 33,841,376 | 30,260,222 | 28,441,279 | 26,766,874 | 23,919,727 |
| <u>\$ 41,853,188</u> | <u>\$ 39,563,682</u> | <u>\$ 38,663,361</u> | <u>\$ 34,918,077</u> | <u>\$ 33,191,912</u> | <u>\$ 31,736,444</u> | <u>\$ 28,574,755</u> |
| <u>\$ (193,695,982)</u> | <u>\$ (194,744,022)</u> | <u>\$ (196,720,001)</u> | <u>\$ (184,166,536)</u> | <u>\$ (180,902,749)</u> | <u>\$ (197,658,983)</u> | <u>\$ (188,308,159)</u> |
| 95,084,630 | 92,055,343 | 85,257,556 | 80,492,369 | 100,123,160 | 79,877,444 | 69,546,730 |
| 12,143,490 | 13,130,296 | 12,884,620 | 14,888,794 | 19,774,851 | 12,848,845 | 12,649,989 |
| 3,954,430 | 4,207,501 | 4,343,741 | 168,056 | - | 1,787,078 | - |
| - | - | - | - | - | - | - |
| 2,446,398 | 1,360,937 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 111,373,088 | 109,993,005 | 101,900,997 | 91,935,545 | 91,398,564 | 85,381,816 | 85,291,437 |
| 344,720 | 335,983 | 974,009 | 2,011,085 | 3,135,902 | 1,787,222 | 683,103 |
| 6,977,570 | 6,622,557 | 8,243,804 | 5,285,265 | 3,819,982 | 4,124,726 | 3,770,228 |
| <u>232,324,326</u> | <u>227,705,622</u> | <u>213,604,727</u> | <u>194,781,114</u> | <u>218,252,459</u> | <u>185,807,131</u> | <u>171,941,487</u> |
| <u>\$ 38,628,344</u> | <u>\$ 32,961,600</u> | <u>\$ 16,884,726</u> | <u>\$ 10,614,578</u> | <u>\$ 37,349,710</u> | <u>\$ (11,851,852)</u> | <u>\$ (16,366,672)</u> |

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

| | Fiscal 2014 | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 |
|---|------------------------------|------------------------------|------------------------------|-----------------------------|
| General Fund | | | | |
| Nonspendable | \$ 361,926 | \$ 309,149 | \$ 328,594 | \$ 321,417 |
| Committed | 1,223,619 | 1,121,869 | - | - |
| Assigned | 1,533,580 | 1,045,417 | 2,740,409 | 1,849,870 |
| Unassigned | 118,095,935 | 98,265,212 | 98,023,668 | 77,917,544 |
| Reserved | - | - | - | - |
| Unreserved | - | - | - | - |
| Total General Fund | <u>\$ 121,215,060</u> | <u>\$ 100,741,647</u> | <u>\$ 101,092,671</u> | <u>\$ 80,088,831</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | \$ 191,264 | \$ 132,074 | \$ 89,877 | \$ 181,384 |
| Restricted | 157,782,334 | 174,866,472 | 29,426,667 | 32,856,497 |
| Committed | - | - | 1,022,557 | 1,038,265 |
| Unassigned (Deficit) | (147,475) | (211,500) | (58,696) | (1,077) |
| Reserved | - | - | - | - |
| Unreserved, reported in: | | | | |
| Special Revenue Funds | - | - | - | - |
| Capital Projects Fund | - | - | - | - |
| Total All Other Governmental Funds | <u>\$ 157,826,123</u> | <u>\$ 174,787,046</u> | <u>\$ 30,480,405</u> | <u>\$ 34,075,069</u> |

Source: School District Comprehensive Annual Financial Report

Note: The School District Implemented GASB 54 in 2011.

| Fiscal 2010 | Fiscal 2009 | Fiscal 2008 | Fiscal 2007 | Fiscal 2006 | Fiscal 2005 |
|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 43,789,311 | 34,702,439 | 31,646,062 | 34,795,213 | 23,115,605 | 18,652,243 |
| 11,527,828 | (1,474,986) | (7,646,791) | (12,754,310) | (26,952,311) | (17,786,525) |
| <u>\$ 55,317,139</u> | <u>\$ 33,227,453</u> | <u>\$ 23,999,271</u> | <u>\$ 22,040,903</u> | <u>\$ (3,836,706)</u> | <u>\$ 865,718</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 18,140,962 | 16,169,375 | 16,783,696 | 16,762,052 | 10,589,657 | 8,883,326 |
| 2,913,891 | 2,849,640 | 3,315,826 | 2,895,628 | 2,293,939 | 2,045,128 |
| 3,947,443 | 853,201 | 1,458,916 | 6,146,880 | 10,189,703 | 5,255 |
| <u>\$ 25,002,296</u> | <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> |

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

| | Fiscal 2014 | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 | Fiscal 2010 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues: | | | | | |
| Local: | | | | | |
| Taxes | \$ 119,400,543 | \$ 100,740,561 | \$ 111,448,896 | \$ 110,043,274 | \$ 108,946,272 |
| Tuition | 1,553,110 | 1,603,675 | 1,193,855 | 860,270 | 974,692 |
| Interest | 904,617 | 266,483 | 289,075 | 344,720 | 336,732 |
| Other Local Revenue | 7,136,565 | 7,854,701 | 7,546,155 | 7,312,531 | 6,080,996 |
| Payments in Lieu of Taxes | 2,294,221 | 655,252 | 2,631,269 | 1,821,006 | 1,678,739 |
| Intergovernmental - State | 164,649,247 | 128,467,786 | 116,429,306 | 114,911,159 | 114,173,138 |
| Intergovernmental - Federal | 21,043,645 | 21,542,648 | 26,234,348 | 33,103,360 | 30,732,525 |
| Total Revenues | \$ 316,981,948 | \$ 261,131,106 | \$ 265,772,904 | \$ 268,396,320 | \$ 262,923,094 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction: | | | | | |
| Regular | 102,693,606 | 98,271,137 | 96,470,472 | 94,405,014 | 95,546,496 |
| Special | 38,262,981 | 32,808,231 | 31,076,201 | 30,555,128 | 28,489,938 |
| Vocational | 5,090,568 | 5,372,204 | 5,356,704 | 5,516,509 | 5,562,747 |
| Other | 990,848 | 988,051 | 889,683 | 982,579 | 955,483 |
| Support Services: | | | | | |
| Pupil | 10,064,950 | 10,595,108 | 10,298,499 | 10,525,586 | 10,108,635 |
| Instructional Staff | 7,649,659 | 14,990,657 | 15,628,160 | 16,577,081 | 17,492,815 |
| Board of Education | 42,800 | 38,433 | 35,875 | 36,274 | 43,974 |
| Administration | 17,076,332 | 14,968,530 | 15,348,771 | 15,833,157 | 15,632,272 |
| Fiscal | 3,940,769 | 3,969,374 | 3,625,358 | 3,497,286 | 3,385,646 |
| Business | 943,096 | 865,860 | 881,525 | 861,320 | 860,177 |
| Operations and Maintenance | 15,296,454 | 14,877,670 | 15,911,738 | 15,625,581 | 16,239,398 |
| Pupil Transportation | 12,078,155 | 11,733,590 | 11,476,850 | 10,780,268 | 10,690,064 |
| Central | 3,538,546 | 3,583,087 | 3,196,388 | 3,085,766 | 3,048,648 |
| Food Service | 8,569,909 | 8,365,996 | 8,383,343 | 8,356,991 | 8,161,209 |
| Community Services | 1,233,929 | 1,298,989 | 1,198,527 | 1,250,783 | 1,247,088 |
| Shared Services | 273,182 | 68,734 | - | - | - |
| Extracurricular Activities | 4,009,264 | 4,394,019 | 3,829,207 | 4,077,017 | 2,362,556 |
| Capital Outlay | 67,044,316 | 18,589,048 | 10,216,416 | 5,321,337 | 2,195,183 |
| Pass Through Grants | - | - | - | - | - |
| Debt Services: | | | | | |
| Principal Retirement | 6,511,666 | 12,256,667 | 11,081,667 | 13,876,667 | 9,811,667 |
| Interest and Fiscal Charges | 8,183,116 | 7,205,069 | 3,458,344 | 3,679,030 | 3,971,678 |
| Issuance Costs for Bonds and Notes | - | 367,123 | - | - | - |
| Underwriter's Discount on Bonds | - | 593,899 | - | - | - |
| Total Expenditures | 313,494,146 | 266,201,476 | 248,363,728 | 244,843,374 | 235,805,674 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,487,802 | (5,070,370) | 17,409,176 | 23,552,946 | 27,117,420 |
| Other Financing Sources (Uses): | | | | | |
| Transfers - In | 1,291,140 | 1,290,220 | 1,462,976 | 1,003,065 | 1,069,376 |
| Transfers - Out | (1,291,140) | (1,290,220) | (1,462,976) | (1,003,065) | (1,069,376) |
| Issuance of Refunding Bonds | - | - | - | 3,490,000 | - |
| Issuance of Qualifying School Construction Bonds | - | - | - | 6,670,000 | - |
| Issuance of General Obligation Bonds | - | 140,250,000 | - | - | - |
| Issuance of Tax Anticipation Notes | - | - | - | - | - |
| Premium on the Sale of Refunding Bonds | - | - | - | 32,666 | - |
| Premium on the Sale of Tax Anticipation Notes | - | - | - | - | - |
| Premium on the Sale of General Obligation Bonds | - | 8,711,022 | - | - | - |
| Principal Payment to Refunding Bonds Escrow Agent | - | - | - | - | - |
| Sale of Capital Assets | 24,688 | 64,965 | - | 98,853 | 12,346 |
| Total Other Financing Sources (Uses) | 24,688 | 149,025,987 | - | 10,291,519 | 12,346 |
| Net Change in Fund Balances | \$ 3,512,490 | \$ 143,955,617 | \$ 17,409,176 | \$ 33,844,465 | \$ 27,129,766 |
| Debt Service as a Percentage of Noncapital Expenditures | 5.94% | 7.77% | 6.05% | 7.24% | 5.88% |

Source: School District Comprehensive Annual Financial Report

| Fiscal 2009 | Fiscal 2008 | Fiscal 2007 | Fiscal 2006 | Fiscal 2005 |
|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| \$ 99,222,737 | \$ 94,345,111 | \$ 117,228,444 | \$ 97,704,539 | \$ 82,535,286 |
| 834,944 | 450,502 | 475,386 | 375,050 | 368,660 |
| 974,009 | 2,011,085 | 3,135,902 | 2,131,626 | 677,084 |
| 10,037,234 | 7,627,835 | 8,422,523 | 8,880,015 | 8,629,817 |
| - | - | - | - | - |
| 116,393,859 | 104,587,960 | 102,073,298 | 95,177,226 | 93,309,641 |
| 18,961,145 | 17,351,176 | 17,269,242 | 16,911,352 | 15,360,857 |
| <u>\$ 246,423,928</u> | <u>\$ 226,373,669</u> | <u>\$ 248,604,795</u> | <u>\$ 221,179,808</u> | <u>\$ 200,881,345</u> |
| 95,068,111 | 89,832,529 | 85,663,533 | 88,155,340 | 83,740,124 |
| 26,150,024 | 24,670,704 | 25,026,764 | 22,841,563 | 22,031,826 |
| 5,595,820 | 5,331,116 | 5,137,585 | 5,822,910 | 5,354,160 |
| 2,785,526 | 2,511,183 | 1,058,821 | 1,051,457 | 392,127 |
| 9,211,089 | 8,382,856 | 8,199,528 | 8,105,144 | 8,159,650 |
| 14,997,314 | 13,875,612 | 14,269,451 | 19,131,625 | 18,004,035 |
| 53,816 | 59,840 | 51,971 | 268,724 | 364,457 |
| 15,143,308 | 15,720,663 | 15,192,285 | 15,092,352 | 14,049,517 |
| 3,458,286 | 3,324,289 | 3,624,585 | 3,309,531 | 2,674,852 |
| 955,910 | 875,530 | 657,063 | 1,272,174 | 990,089 |
| 16,391,490 | 15,784,267 | 14,367,705 | 15,867,057 | 15,505,621 |
| 10,511,656 | 9,906,398 | 10,006,531 | 11,439,383 | 10,473,546 |
| 3,376,369 | 3,210,341 | 2,569,236 | 3,135,113 | 3,291,104 |
| 8,572,735 | 8,005,503 | 7,490,713 | 7,658,325 | 7,318,639 |
| 1,514,605 | 974,602 | 1,523,184 | 1,073,496 | 1,303,382 |
| - | - | - | - | - |
| 3,732,287 | 3,726,269 | 3,624,996 | 3,562,468 | 3,424,234 |
| 3,935,133 | 4,647,056 | 3,541,384 | 3,995,595 | 4,201,895 |
| - | - | 325,000 | 325,000 | 325,000 |
| 12,976,667 | 12,401,628 | 11,926,667 | 6,160,009 | 7,358,661 |
| 4,509,630 | 5,465,493 | 5,742,967 | 7,735,902 | 8,189,624 |
| - | - | 2,324,738 | 137,015 | 183,191 |
| - | - | - | - | - |
| <u>238,939,776</u> | <u>228,705,879</u> | <u>222,324,707</u> | <u>226,140,183</u> | <u>217,335,734</u> |
| 7,484,152 | (2,332,210) | 26,280,088 | (4,960,375) | (16,454,389) |
| 1,022,766 | 866,306 | 828,359 | 1,160,563 | 809,380 |
| (1,022,766) | (866,306) | (828,359) | (1,160,563) | (809,380) |
| - | - | 76,914,989 | - | 2,499,961 |
| - | - | - | - | - |
| - | - | - | 12,000,000 | - |
| - | - | 2,328,792 | - | 183,230 |
| - | - | - | 341,741 | - |
| - | - | - | - | - |
| - | - | (76,914,999) | - | (2,500,000) |
| 57,808 | 44,456 | - | 55,800 | 24,209 |
| <u>57,808</u> | <u>44,456</u> | <u>2,328,782</u> | <u>12,397,541</u> | <u>207,400</u> |
| <u>\$ 7,541,960</u> | <u>\$ (2,287,754)</u> | <u>\$ 28,608,870</u> | <u>\$ 7,437,166</u> | <u>\$ (16,246,989)</u> |
| 7.39% | 7.91% | 7.97% | 6.24% | 7.51% |

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) | |
|-----------------|-------------------|------------------------|--------------------------------|------------------------|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |
| 2014 | \$ 2,343,813,690 | \$ 6,696,610,543 | \$ - | \$ - |
| 2013 | 2,291,139,940 | 6,546,114,114 | - | - |
| 2012 | 2,290,295,740 | 6,543,702,114 | - | - |
| 2011 | 2,506,723,390 | 7,162,066,829 | 13,600 | - |
| 2010 | 2,498,607,010 | 7,138,877,171 | 2,276,634 | - |
| 2009 | 2,486,984,970 | 7,105,671,343 | 4,619,246 | 73,907,936 |
| 2008 | 2,430,613,730 | 6,944,610,657 | 89,991,185 | 1,439,858,960 |
| 2007 | 2,404,642,590 | 6,870,407,400 | 169,030,582 | 1,352,244,656 |
| 2006 | 2,356,536,630 | 6,732,961,800 | 211,762,887 | 1,129,402,064 |
| 2005 | 2,058,332,580 | 5,880,950,229 | 294,803,262 | 1,179,213,048 |

Source: Franklin County Auditor

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (2) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased by 6.25% to 18.75% in 2006 and by an additional 6.25% to 12.5% in 2007. The rate continued to decrease by 6.25% in 2008 and was 0% in 2009.
- (3) Assumes public utilities are assessed at true value, which is 35% of estimated actual value.
- (4) Tax rates are per \$1,000 of assessed value. The rate represents the weighted average of all the effective (assessed) rates applied by property type.

| Public Utility (3) | | Total | | Tax Rate (4) |
|--------------------|------------------------|------------------|------------------------|--------------|
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | |
| \$ 93,711,540 | \$ 267,747,257 | \$ 2,437,525,230 | \$ 6,964,357,800 | 43.30 |
| 89,546,940 | 255,848,400 | 2,380,686,880 | 6,801,962,514 | 43.27 |
| 92,684,960 | 264,814,171 | 2,382,980,700 | 6,808,516,285 | 43.31 |
| 82,904,850 | 236,871,000 | 2,589,641,840 | 7,398,937,829 | 43.10 |
| 75,388,180 | 215,394,800 | 2,576,271,824 | 7,354,271,971 | 42.98 |
| 71,470,170 | 204,200,486 | 2,563,074,386 | 7,383,779,765 | 35.43 |
| 67,032,840 | 191,522,400 | 2,587,637,755 | 8,575,992,017 | 33.73 |
| 73,945,840 | 211,273,829 | 2,647,619,012 | 8,433,925,885 | 37.01 |
| 85,570,630 | 244,487,514 | 2,653,870,147 | 8,106,851,378 | 37.79 |
| 87,436,400 | 249,818,286 | 2,440,572,242 | 7,309,981,562 | 32.87 |

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 |
|---------------------------------|-----------------|--------------------|----------------|-----------------------|---|
| 2012/2013 | \$ 127,062,231 | \$ 11,872,872 | \$ 138,935,103 | \$ 114,648,769 | 90.23% |
| 2011/2012 | 126,982,574 | 12,882,209 | 139,864,783 | 113,461,457 | 89.35% |
| 2010/2011 | 125,930,322 | 12,918,261 | 138,848,583 | 114,860,051 | 91.21% |
| 2009/2010 | 123,678,758 | 11,178,512 | 134,857,270 | 113,950,085 | 92.13% |
| 2008/2009 | 103,732,433 | 11,099,246 | 114,831,679 | 93,169,566 | 89.82% |
| 2007/2008 | 105,669,991 | 9,207,010 | 114,877,001 | 95,876,685 | 90.73% |
| 2006/2007 | 108,335,893 | 9,820,143 | 118,156,036 | 102,369,887 | 94.49% |
| 2005/2006 | 111,827,574 | 7,460,906 | 119,288,480 | 105,497,851 | 94.34% |
| 2004/2005 | 87,226,531 | 7,222,650 | 94,449,181 | 82,722,065 | 94.84% |
| 2003/2004 | 88,953,867 | 9,929,033 | 98,882,900 | 84,340,638 | 94.81% |

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 2013/2014 Tax Year/Collection Year was not available from the Franklin County Auditor

| <u>Delinquent Collection</u> | <u>Total Collection</u> | <u>Total Collection As a Percent of Total Levy</u> | <u>Delinquent Taxes Receivable</u> | <u>Tax Year/ Collection Year</u> |
|----------------------------------|-----------------------------|--|--|--|
| \$ 5,979,574 | \$ 120,628,343 | 86.82% | \$ 10,001,052 | 2012/2013 |
| 4,482,500 | 117,943,957 | 84.33% | 13,436,877 | 2011/2012 |
| 3,646,269 | 118,506,320 | 85.35% | 14,179,086 | 2010/2011 |
| 4,045,044 | 117,995,129 | 87.50% | 12,424,020 | 2009/2010 |
| 4,646,962 | 97,816,528 | 85.18% | 11,284,744 | 2008/2009 |
| 4,127,145 | 100,003,830 | 87.05% | 10,837,876 | 2007/2008 |
| 4,876,462 | 107,246,349 | 90.77% | 9,618,966 | 2006/2007 |
| 6,114,565 | 111,612,416 | 93.57% | 6,949,399 | 2005/2006 |
| 3,819,146 | 86,541,211 | 91.63% | 10,140,571 | 2004/2005 |
| 6,254,525 | 90,595,163 | 91.62% | 10,479,138 | 2003/2004 |

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

| Tax Year/ Collection Year | CITIES | | | SCHOOL DISTRICT | | | | LIBRARY |
|---------------------------------|-----------------------------|--------------------------|--------------------------|------------------------------------|--------------------------|--------------------------|--------------------------|-----------------------------|
| | Franklin County | City of Columbus | City of Grove City | South-Western City School District | | | General Fund | Southwest Public Library |
| | | | | General Fund | Bond Fund | Permanent Improvement | | |
| 2013/2014 | 18.47 (18.28) (18.45) | 3.14 (3.14) (3.14) | 3.50 (3.50) (3.50) | 61.20 (34.22) (47.42) | 6.20 (6.20) (6.20) | 2.00 (1.97) (2.00) | 3.85 (3.85) (3.85) | 1.00 (1.00) (1.00) |
| 2012/2013 | 18.47 | 3.14 | 3.50 | 61.20 | 6.20 | 2.00 | 3.85 | 1.00 |
| 2011/2012 | 18.07 | 3.14 | 3.50 | 61.20 | 6.50 | 2.00 | 3.85 | 1.00 |
| 2010/2011 | 18.07 | 3.14 | 3.50 | 61.20 | 5.50 | 2.00 | 3.85 | 1.00 |
| 2009/2010 | 18.07 | 3.14 | 3.50 | 61.20 | 5.40 | 2.00 | 3.85 | - |
| 2008/2009 | 18.02 | 3.14 | 3.50 | 53.80 | 5.35 | 2.00 | 3.85 | - |
| 2007/2008 | 18.49 | 3.14 | 3.50 | 53.80 | 4.80 | 2.00 | 3.85 | - |
| 2006/2007 | 18.44 | 3.14 | 3.70 | 53.80 | 4.90 | 2.00 | 3.85 | - |
| 2005/2006 | 18.44 | 3.14 | 4.20 | 53.80 | 5.02 | 2.00 | 3.85 | - |
| 2004/2005 | 18.44 | 3.14 | 4.20 | 46.10 | 5.28 | 0.00 | 3.85 | - |

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 | | | | |
|--------------------------|--------------------------|----------------------|---------------------|----------------------|-------------------------------------|---------------------|
| Village of Harrisburg | Village of Urbancrest | Franklin Township | Jackson Township | Pleasant Township | Harrisburg- Pleasant Township | Prairie Township |
| 1.00 | 0.60 | 25.20 | 20.20 | 21.20 | 20.80 | 18.20 |
| (1.00) | (0.60) | (20.46) | (9.26) | (13.03) | (12.63) | (17.18) |
| (1.00) | (0.60) | (25.20) | (8.69) | (12.85) | (12.45) | (17.28) |
| 1.00 | 0.60 | 25.20 | 20.20 | 21.20 | 20.80 | 18.20 |
| 1.00 | 0.60 | 25.20 | 20.20 | 21.20 | 20.80 | 18.20 |
| 1.00 | 0.60 | 25.20 | 20.20 | 21.20 | 20.80 | 18.20 |
| 1.00 | 0.60 | 25.20 | 20.20 | 21.20 | 20.80 | 18.20 |
| 1.00 | 0.60 | 25.20 | 20.20 | 18.70 | 18.30 | 18.20 |
| 1.00 | 0.60 | 21.31 | 20.20 | 18.70 | 18.30 | 18.20 |
| 1.00 | 0.60 | 21.31 | 20.20 | 18.70 | 18.30 | 18.20 |
| 1.00 | 0.60 | 18.05 | 20.20 | 18.70 | 18.30 | 18.20 |
| 1.00 | 0.60 | 18.05 | 20.20 | 18.70 | 18.30 | 14.50 |

South-Western City School District
Principal Taxpayers
December 31, 2013 and December 31, 2004

| | <u>December 31, 2013</u> | |
|---------------------------|---------------------------------------|--|
| | Total Assessed <u>Valuation</u> | % of Total Assessed <u>Valuation</u> |
| <u>Public Utilities</u> | | |
| Ohio Power Company | \$ 80,759,660 | 3.31% |
| Columbia Gas of Ohio Inc. | 8,842,870 | 0.36% |
| | | |
| <u>Real Estate</u> | | |
| CD Gaming Ventures | \$ 47,775,000 | 1.96% |
| Security Capital | 11,110,540 | 0.46% |
| Wal Mart Stores Inc | 10,964,350 | 0.45% |
| Big Lots Stores Inc. | 9,861,370 | 0.40% |
| Parkway Centre East LLC | 8,670,450 | 0.36% |
| Distribution Funding III | 8,444,600 | 0.35% |
| CD Gaming Parking LLC | 7,572,250 | 0.31% |
| Dugan Realty LLC | 7,367,510 | 0.30% |
| Showgates LLC | 6,739,830 | 0.28% |
| Crossroads Ohio LLC | 5,947,210 | 0.24% |
| All Others | <u>2,223,469,590</u> | <u>91.22%</u> |
| Total Assessed Valuation | <u><u>\$ 2,437,525,230</u></u> | <u><u>100.00%</u></u> |

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

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

| | <u>December 31, 2004</u> | |
|--|---------------------------------------|--|
| | Total Assessed <u>Valuation</u> | % of Total Assessed <u>Valuation</u> |
| <u>Public Utilities</u> | | |
| Columbus Southern Power Company | \$ 51,729,820 | 2.12% |
| Ohio Bell Telephone Co. | 15,245,780 | 0.62% |
| Columbia Gas of Ohio Inc. | 4,959,050 | 0.20% |
| | | |
| <u>Real Estate</u> | | |
| Consolidated Stores International Corp | \$ 14,759,500 | 0.60% |
| PCCP IRG Columbus LLC | 12,914,340 | 0.53% |
| Dispatch Printing Co. | 11,014,610 | 0.45% |
| Wingates LLC | 9,782,500 | 0.40% |
| Distribution Funding III | 8,928,400 | 0.37% |
| Realty Associates Fund V | 5,761,350 | 0.24% |
| Security Capital | 5,635,110 | 0.23% |
| Advantis | 4,644,470 | 0.19% |
| Avoh LLC | 4,537,340 | 0.19% |
| DDR Derby Square LLC | 4,531,470 | 0.19% |
| | | |
| <u>Tangible Personal Property</u> | | |
| Medco Health Solutions of Cols West Ltd. | \$ 24,946,810 | 1.02% |
| Masterfoods USA | 16,467,670 | 0.67% |
| Big Lots Stores Inc. | 15,466,110 | 0.63% |
| Wal Mart Stores | 14,048,770 | 0.58% |
| Dispatch Printing Company | 11,295,560 | 0.46% |
| Sears Roebuck & Company | 10,067,620 | 0.41% |
| Delphi Automotive Systems LLC | 9,661,830 | 0.40% |
| Ohio Machinery Co. | 8,321,010 | 0.34% |
| Sally Distribution of Ohio | 7,742,920 | 0.32% |
| Tosoh S M D Inc. | 6,307,730 | 0.26% |
| | | |
| All Others | <u>2,161,802,472</u> | <u>88.58%</u> |
| Total Assessed Valuation | <u>\$ 2,440,572,242</u> | <u>100.00%</u> |

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

| Year | (1) Net General Obligation Bonds | (1) Tax Anticipation Notes | (1) Energy Conservation Bonds | (1) Technical Equipment Loan | Total Primary Government | (2) Percentage of Personal Income | (3) Per Capita | (4) Per ADM |
|------|---|-------------------------------------|--|---------------------------------------|--------------------------------|--|----------------------|-------------------|
| 2014 | \$ 199,480,067 | \$ - | \$ 7,140,000 | \$ 199,998 | \$ 206,820,065 | not available | \$ 1,544.94 | \$ 10,120.87 |
| 2013 | 205,731,014 | - | 7,590,000 | 266,664 | 213,587,678 | not available | 1,599.44 | 10,565.80 |
| 2012 | 68,865,329 | - | 8,020,000 | 333,331 | 77,218,660 | 2.81% | 579.13 | 3,846.32 |
| 2011 | 79,586,502 | - | 8,435,000 | 399,998 | 88,421,500 | 3.34% | 664.24 | 4,444.63 |
| 2010 | 89,585,321 | - | 2,165,000 | 466,665 | 92,216,986 | 3.62% | 693.89 | 4,624.72 |
| 2009 | 99,051,609 | - | 2,550,000 | 533,332 | 102,134,941 | 4.10% | 769.20 | 4,921.93 |
| 2008 | 107,479,693 | 7,505,000 | 2,920,000 | 599,999 | 118,504,692 | 4.64% | 893.05 | 5,647.11 |
| 2007 | 115,600,828 | 14,838,913 | 3,275,000 | 666,666 | 134,381,407 | 5.24% | 1,016.59 | 6,401.25 |
| 2006 | 121,199,972 | 21,617,827 | 3,620,000 | 733,333 | 147,171,132 | 6.08% | 1,134.88 | 7,021.52 |
| 2005 | 127,018,677 | - | 3,955,000 | 800,000 | 131,773,677 | 5.42% | 1,026.93 | 6,316.14 |

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 |
|------|--------------------------|-----------------------------|-----------------------------------|--------------------|---|---|--------------------------------------|
| 2014 | \$ 2,437,525,230 | \$ 206,620,067 | \$ 15,054,139 | \$ 191,565,928 | 7.86% | \$ 1,431.00 | \$ 9,374.40 |
| 2013 | 2,380,686,880 | 213,321,014 | 12,695,521 | 200,625,493 | 8.43% | 1,502.37 | 9,924.59 |
| 2012 | 2,382,980,700 | 76,885,329 | 17,057,485 | 59,827,844 | 2.51% | 448.70 | 2,980.07 |
| 2011 | 2,589,641,840 | 88,021,502 | 15,035,563 | 72,985,939 | 2.82% | 548.29 | 3,668.74 |
| 2010 | 2,576,271,824 | 91,750,321 | 8,506,596 | 83,243,725 | 3.23% | 626.37 | 4,174.71 |
| 2009 | 2,563,074,386 | 101,601,609 | 7,766,585 | 93,835,024 | 3.66% | 706.69 | 4,521.95 |
| 2008 | 2,587,637,755 | 110,399,693 | 8,565,519 | 101,834,174 | 3.94% | 767.42 | 4,852.71 |
| 2007 | 2,647,619,012 | 118,875,828 | 7,849,396 | 111,026,432 | 4.19% | 839.91 | 5,288.74 |
| 2006 | 2,653,870,147 | 124,819,972 | 5,284,375 | 119,535,597 | 4.50% | 921.77 | 5,703.03 |
| 2005 | 2,440,572,242 | 130,973,677 | 4,268,884 | 126,704,793 | 5.19% | 987.43 | 6,073.18 |

Sources:

(1) Franklin County Auditor

(2) Per District records - Includes Energy Conservation Bonds

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

(4) ADM per District records

South-Western City School District
 Computation of Direct and Overlapping Governmental Activities Debt
 June 30, 2014

| <u>Governmental Unit</u> | <u>Gross Debt Outstanding</u> | <u>Percent Applicable to School District</u> | <u>Amount Applicable to School District</u> |
|------------------------------------|-----------------------------------|--|---|
| Direct: | | | |
| South-Western City School District | \$ 206,620,067 | 100.00% | \$ 206,620,067 |
| Indirect: | | | |
| Franklin County | \$ 361,618,494 | 9.11% | \$ 32,943,445 |
| City of Columbus | 2,820,280,344 | 38.18% | 1,076,783,035 |
| Total Overlapping Debt | <u>\$ 3,181,898,838</u> | | <u>\$ 1,109,726,480</u> |
| Total Direct and Overlapping Debt | <u>\$ 3,388,518,905</u> | | <u>\$ 1,316,346,547</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 2013 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 | \$ 2,437,525,230 |
| Bonded Debt Limit - 9% of Assessed Value | \$ 219,377,271 |
| Amount of Debt Applicable to 9% Debt Limit: | <u>195,454,989</u> |
| 9% Voted Debt Margin | <u>\$ 23,922,282</u> |
| Bonded Debt Limit - .10% of Assessed Value | \$ 2,437,525 |
| Amount of Debt Applicable to .10% Debt Limit | <u>-</u> |
| .10% Unvoted Debt Margin | <u>\$ 2,437,525</u> |

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|----------------------|--------------------|-----------------------|-----------------------|
| Debt Limit | \$ 219,377,271 | \$ 214,261,819 | \$ 214,468,263 | \$ 233,067,766 |
| Total Net Debt Applicable to Limit | <u>195,454,989</u> | <u>213,587,678</u> | <u>77,218,660</u> | <u>88,421,500</u> |
| Legal Debt Margin | <u>\$ 23,922,282</u> | <u>\$ 674,141</u> | <u>\$ 137,249,603</u> | <u>\$ 144,646,266</u> |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 89.10% | 99.69% | 36.00% | 37.94% |

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.

| <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| \$ 231,864,464 | \$ 230,676,695 | \$ 232,887,398 | \$ 238,285,711 | \$ 238,848,313 | \$ 219,651,502 |
| 92,216,986 | 102,134,941 | 110,999,692 | 119,542,494 | 125,553,305 | 126,483,677 |
| <u>\$ 139,647,478</u> | <u>\$ 128,541,754</u> | <u>\$ 121,887,706</u> | <u>\$ 118,743,217</u> | <u>\$ 113,295,008</u> | <u>\$ 93,167,825</u> |
| 39.77% | 44.28% | 47.66% | 50.17% | 52.57% | 57.58% |

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

| | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 (1) | 2007 | 2006 | 2005 (2) |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Teaching Staff | | | | | | | | | | |
| Regular Education | 921.99 | 914.21 | 915.18 | 909.78 | 926.33 | 934.04 | 936.68 | 956.42 | 1,034.20 | 1,041.50 |
| Special Education | 305.50 | 294.30 | 284.30 | 283.25 | 270.75 | 254.75 | 253.19 | 239.25 | 238.83 | 230.00 |
| Vocational Education | 55.50 | 55.00 | 55.50 | 56.50 | 59.00 | 59.50 | 60.00 | 62.00 | 81.20 | 72.00 |
| Tutors | 56.50 | 56.50 | 56.40 | 56.40 | 65.75 | 56.00 | 70.23 | 73.10 | 64.00 | 59.41 |
| Administrators | | | | | | | | | | |
| Buildings/Departments | 100.00 | 100.00 | 100.50 | 100.50 | 100.00 | 105.00 | 105.00 | 104.00 | 119.00 | 120.00 |
| Other Positions | | | | | | | | | | |
| Psychologists | 12.80 | 12.30 | 12.30 | 11.30 | 12.80 | 12.80 | 12.80 | 12.50 | 12.50 | 12.50 |
| Nurses | 9.40 | 8.95 | 8.95 | 8.95 | 8.90 | 9.40 | 9.40 | 9.40 | 9.40 | 9.40 |
| Speech | 19.10 | 17.60 | 19.60 | 19.20 | 19.70 | 18.80 | 18.80 | 18.00 | 18.00 | 18.00 |
| OT/PT | 12.80 | 12.00 | 11.10 | 11.70 | 10.40 | 10.30 | 8.20 | 7.90 | 5.80 | 4.20 |
| Adapted Physical Education Therapist | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Sign Interpreter | 1.00 | 2.00 | 3.00 | 3.00 | 3.00 | 4.00 | 3.00 | 2.00 | 1.00 | 2.00 |
| Social Worker | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | - | 0.80 | 2.80 |
| Counselors | 25.00 | 25.00 | 25.00 | 25.00 | 25.00 | 24.50 | 24.00 | 24.00 | 29.00 | 29.00 |
| Library Media Specialists | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Other Professionals | 11.00 | 11.00 | 11.00 | 14.00 | 13.00 | 12.50 | 12.50 | 10.20 | 10.20 | 10.20 |
| Support Staff | | | | | | | | | | |
| Technology | 10.00 | 10.00 | 10.00 | 10.00 | 11.00 | 13.00 | 13.00 | 13.00 | 13.00 | 13.00 |
| Aides | 275.50 | 281.03 | 279.08 | 286.28 | 288.16 | 290.50 | 275.75 | 285.99 | 329.63 | 334.53 |
| Accounting | 9.00 | 9.00 | 9.00 | 9.00 | 8.00 | 8.00 | 8.00 | 8.00 | 9.00 | 9.00 |
| Clerical | 108.00 | 108.00 | 109.00 | 108.00 | 108.00 | 115.00 | 117.00 | 115.00 | 126.00 | 127.50 |
| Custodial | 102.00 | 105.00 | 102.00 | 103.00 | 116.00 | 116.50 | 116.50 | 122.76 | 141.50 | 140.00 |
| Printer | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Maintenance | 29.00 | 29.00 | 29.00 | 29.00 | 30.00 | 31.00 | 31.00 | 31.00 | 31.00 | 33.00 |
| Mechanics | 7.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.00 | 9.00 | 9.00 | 10.00 | 10.00 |
| Bus Drivers | 150.00 | 155.00 | 153.00 | 148.00 | 152.00 | 160.00 | 154.00 | 156.00 | 181.00 | 176.00 |
| Food Service Transporters | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Cooks | 129.76 | 127.93 | 128.18 | 128.17 | 134.76 | 132.74 | 128.00 | 134.99 | 138.81 | 136.64 |
| Hall Monitors | 34.89 | 33.42 | 41.10 | 39.16 | 38.56 | 43.00 | 39.00 | 42.22 | 45.50 | 45.00 |
| Recreation Center | 11.50 | 13.50 | 14.00 | 14.00 | 13.50 | 14.00 | 16.00 | 14.50 | 15.00 | 15.00 |
| Athletic Trainer | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Total | 2,409.24 | 2,400.74 | 2,397.19 | 2,394.19 | 2,434.61 | 2,445.83 | 2,433.55 | 2,463.23 | 2,676.37 | 2,662.68 |
| Function | | | | | | | | | | |
| Instructional | | | | | | | | | | |
| Regular and Special | 1,506.49 | 1,317.69 | 1,310.73 | 1,304.93 | 1,320.08 | 1,322.54 | 1,314.30 | 1,334.25 | 1,410.76 | |
| Support Services | | | | | | | | | | |
| Pupil | 116.82 | 114.50 | 119.91 | 117.50 | 116.76 | 124.47 | 120.00 | 115.61 | 124.05 | |
| Instructional Staff | 84.00 | 259.88 | 259.21 | 270.93 | 270.31 | 253.35 | 258.00 | 257.99 | 343.93 | |
| Administration | 154.20 | 153.70 | 154.92 | 154.40 | 154.35 | 161.15 | 162.00 | 162.75 | 156.50 | |
| Fiscal | 13.00 | 13.00 | 13.00 | 13.00 | 12.00 | 12.00 | 12.00 | 12.00 | 12.00 | |
| Business | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 3.00 | 3.00 | 3.00 | 4.00 | |
| Operation and Maintenance | 154.22 | 156.99 | 157.69 | 158.19 | 171.64 | 177.08 | 179.00 | 179.00 | 202.75 | |
| Pupil Transportation | 201.00 | 206.00 | 202.50 | 195.50 | 201.00 | 208.00 | 201.00 | 206.00 | 225.00 | |
| Central | 20.00 | 20.00 | 20.00 | 20.00 | 21.00 | 21.50 | 23.00 | 27.00 | 26.00 | |
| Food Service | 137.01 | 135.18 | 134.93 | 134.92 | 142.26 | 138.74 | 134.00 | 139.98 | 145.23 | |
| Community Services | 16.00 | 17.30 | 17.80 | 17.82 | 18.21 | 19.75 | 22.50 | 20.90 | 21.40 | |
| Extracurricular Activities | 4.50 | 4.50 | 4.50 | 5.00 | 5.00 | 4.25 | 4.75 | 4.75 | 4.75 | |
| Total | 2,409.24 | 2,400.74 | 2,397.19 | 2,394.19 | 2,434.61 | 2,445.83 | 2,433.55 | 2,463.23 | 2,676.37 | |

Source: School District Records

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

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

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

South-Western City School District
 Operating Expenditures Necessary to Educate
 a District Student for Graduation in June, 2014
 (Actual Dollars Expended by Year)

| | Grade Level | South-Western City School District | State Average for All School Districts | Franklin County Average |
|---------|----------------|--|--|----------------------------|
| 2001-02 | K | \$ 7,533 | \$ 7,679 | \$ 8,779 |
| 2002-03 | 1 | 8,243 | 7,904 | 9,082 |
| 2003-04 | 2 | 8,515 | 8,287 | 9,384 |
| 2004-05 | 3 | 9,140 | 8,404 | 9,714 |
| 2005-06 | 4 | 10,170 | 8,727 | 10,275 |
| 2006-07 | 5 | 8,876 | 9,283 | 10,655 |
| 2007-08 | 6 | 9,336 | 9,388 | 11,079 |
| 2008-09 | 7 | 9,627 | 10,184 | 11,428 |
| 2009-10 | 8 | 9,893 | 10,512 | 11,908 |
| 2010-11 | 9 | 10,397 | 10,571 | 12,018 |
| 2011-12 | 10 | 10,273 | 10,508 | 11,998 |
| 2012-13 | 11 | 10,388 | 10,526 | 11,684 |
| 2013-14 | 12 | not available | not available | not available |
| Total | | <u>\$ 112,391</u> | <u>\$ 111,973</u> | <u>\$ 128,004</u> |

Source: District Financial Records and the Ohio Department of Education

- (1) Costs per Pupil-State of Ohio Department of Education (All Funds)
- (2) Ohio Department of Education delayed the release of information.

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

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Function-Governmental Activities | | | | | |
| Instruction and Support Services - Pupils | | | | | |
| Graduates | 1,281 | 1,250 | 1,305 | 1,263 | 1,287 |
| % of Students with IEP | 14.6% | 14.5% | 15.3% | 14.5% | 14.3% |
| % of Limited English Proficient Students | 15.6% | 16.0% | 12.4% | 10.9% | 14.1% |
| Student Attendance | 94.3% | 94.1% | 94.4% | 94.3% | 94.2% |
| Fiscal | | | | | |
| Purchase Orders Processed | 15,703 | 16,708 | 16,748 | 17,653 | 16,015 |
| Nonpayroll Checks Issued | 11,815 | 12,661 | 13,152 | 13,319 | 13,353 |
| Operations and Maintenance | | | | | |
| Work Orders Completed | 9,850 | 10,349 | 7,151 | 14,955 | 8,701 |
| District Square Footage Maintained by Staff (in thousands) | 2,800 | 2,800 | 2,800 | 2,800 | 2,800 |
| District Acreage Maintained by Staff | 669 | 669 | 610 | 610 | 610 |
| Pupil Transportation | | | | | |
| Average Number of Students Transported Each Day | 13,568 | 13,231 | 12,636 | 12,314 | 12,134 |
| Average Daily Miles driven Each Day | 14,745 | 13,756 | 13,033 | 12,602 | 12,886 |
| Food Service | | | | | |
| Meals Served to Students: | | | | | |
| Breakfast | 729,398 | 716,094 | 704,846 | 622,072 | 576,270 |
| Lunch | 2,086,810 | 2,128,765 | 2,235,348 | 2,175,309 | 2,181,936 |
| Number of Free and Reduced Students | 11,638 | 11,405 | 10,996 | 10,605 | 10,427 |
| Extracurricular Activities | | | | | |
| High School Varsity Teams * | 66 | 65 | 65 | 64 | 37 |

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

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

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

| <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> |
|-------------|-------------|-------------|-------------|-------------|
| 1,212 | 1,280 | 1,252 | 1,153 | 1,113 |
| 14.4% | 13.1% | 14.0% | 12.5% | 11.9% |
| 12.4% | 11.5% | 9.5% | 6.6% | 6.0% |
| 93.9% | 94.3% | 94.3% | 94.1% | 94.0% |
| 17,186 | 16,458 | 14,663 | 15,110 | 15,049 |
| 15,970 | 14,751 | 15,804 | 17,829 | 19,250 |
| 7,858 | 7,789 | 7,879 | 7,821 | n/a |
| 2,800 | 2,800 | 2,800 | 2,800 | 2,800 |
| 610 | 610 | 610 | 610 | 610 |
| 13,823 | 13,737 | 12,926 | 17,337 | 17,748 |
| 12,958 | 12,355 | 12,243 | 15,702 | 14,526 |
| 583,161 | 582,650 | 533,690 | 491,958 | 445,111 |
| 2,263,668 | 2,231,198 | 2,195,163 | 2,180,701 | 2,139,569 |
| 10,126 | 9,498 | 9,184 | 10,087 | 9,103 |
| 65 | 65 | 65 | 65 | 65 |

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

| | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Governmental Activities | | | | | | | |
| Instruction | | | | | | | |
| Land | \$ 6,720,965 | \$ 6,720,965 | \$ 4,794,159 | \$ 4,794,159 | \$ 4,794,159 | \$ 4,794,159 | \$ 4,794,159 |
| Buildings | 139,654,408 | 141,389,904 | 141,582,072 | 138,501,697 | 138,702,141 | 138,935,001 | 138,399,696 |
| Improvements to Land | 1,115,928 | 1,044,772 | 1,044,772 | 973,718 | 890,517 | 734,182 | 572,555 |
| Furniture and Equipment | 1,315,351 | 1,323,658 | 653,992 | 639,032 | 431,640 | 418,678 | 2,243,336 |
| Vehicle | - | - | - | - | - | - | - |
| Special | | | | | | | |
| Land | - | - | - | - | - | - | - |
| Buildings | 942,086 | 942,086 | 942,086 | 1,006,835 | 1,006,835 | 1,006,835 | 1,006,835 |
| Improvements to Land | 43,595 | 43,595 | 43,595 | 43,595 | 43,595 | 43,595 | 43,595 |
| Furniture and Equipment | 236,434 | 225,110 | 334,673 | 334,673 | 202,223 | 202,223 | 216,123 |
| Vehicle | 40,796 | 40,796 | 40,796 | 40,796 | - | - | - |
| Vocational | | | | | | | |
| Land | 994,583 | 994,583 | 994,583 | 994,583 | 994,583 | 994,583 | 994,583 |
| Buildings | 18,305,935 | 18,305,935 | 18,178,118 | 18,178,118 | 18,178,118 | 18,178,118 | 18,178,118 |
| Improvements to Land | 20,555 | 20,555 | 20,555 | 20,555 | 40,880 | 40,880 | 40,880 |
| Furniture and Equipment | 1,246,452 | 1,146,172 | 1,023,836 | 1,036,056 | 1,040,220 | 955,188 | 1,218,476 |
| Vehicle | 17,151 | 17,151 | 17,151 | 17,151 | 17,151 | - | - |
| Other | | | | | | | |
| Furniture and Equipment | - | - | - | - | - | - | - |
| Support Services: | | | | | | | |
| Pupil | | | | | | | |
| Furniture and Equipment | 7,410 | 7,410 | 7,410 | 7,410 | 7,410 | 13,215 | 13,215 |
| Instructional Staff | | | | | | | |
| Furniture and Equipment | 495,351 | 501,410 | 501,410 | 507,010 | 500,121 | 500,121 | 604,421 |
| Administration | | | | | | | |
| Land | 570,242 | 570,242 | 570,242 | 570,242 | 570,242 | 570,242 | 570,242 |
| Buildings | 5,180,148 | 5,180,148 | 5,180,148 | 5,147,081 | 5,147,081 | 5,147,081 | 5,147,081 |
| Improvements to Land | 491,320 | 491,320 | 491,320 | 491,320 | 491,320 | 491,320 | 491,320 |
| Furniture and Equipment | 602,632 | 614,947 | 654,217 | 612,743 | 609,851 | 603,856 | 725,345 |
| Fiscal | | | | | | | |
| Furniture and Equipment | 10,592 | 10,592 | 10,592 | 10,592 | 10,592 | 10,592 | 10,592 |
| Business | | | | | | | |
| Furniture and Equipment | - | - | - | - | - | - | - |
| Operations and Maintenance | | | | | | | |
| Land | 20,375 | 20,375 | 20,375 | 20,375 | 20,375 | 20,375 | 20,375 |
| Buildings | 96,598 | 96,598 | 96,598 | 96,598 | 96,598 | 96,598 | 96,598 |
| Improvements to Land | 13,759 | 13,759 | 13,759 | 13,759 | 13,759 | 13,759 | 13,759 |
| Furniture and Equipment | 944,510 | 867,563 | 885,257 | 844,261 | 841,709 | 803,073 | 904,913 |
| Vehicle | 1,345,598 | 1,243,976 | 1,210,896 | 1,219,242 | 1,352,865 | 1,265,116 | 1,236,471 |
| Transportation | | | | | | | |
| Land | 172,546 | 172,546 | 172,546 | 172,546 | 172,546 | 172,546 | 172,546 |
| Buildings | 1,135,561 | 1,135,561 | 1,135,561 | 1,135,561 | 1,135,561 | 1,135,561 | 1,135,561 |
| Improvements to Land | 712,469 | 661,648 | 661,648 | 661,648 | 661,648 | 639,097 | 474,185 |
| Furniture and Equipment | 120,013 | 134,476 | 120,013 | 97,677 | 97,677 | 97,677 | 107,990 |
| Vehicle | 97,300 | 150,967 | 150,967 | 150,967 | 120,721 | 120,721 | 120,721 |
| Buses | 13,804,273 | 12,950,298 | 12,009,460 | 11,181,380 | 11,686,091 | 11,806,858 | 11,569,581 |
| Central | | | | | | | |
| Land | - | - | - | - | - | - | - |
| Buildings | 31,305,242 | 31,315,742 | 31,315,742 | 31,245,335 | 31,144,487 | 31,090,861 | 31,090,861 |
| Improvements to Land | 2,941,846 | 3,096,369 | 3,228,911 | 3,292,065 | 3,430,085 | 3,504,947 | 3,504,946 |
| Furniture and Equipment | 677,573 | 666,865 | 620,561 | 554,812 | 496,264 | 442,531 | 385,726 |
| Vehicle | 68,173 | 68,173 | 68,173 | 68,173 | 68,173 | 68,173 | 68,172 |
| Food Service | | | | | | | |
| Buildings | 22,213 | 22,213 | 22,213 | 22,213 | 22,213 | 22,213 | 22,213 |
| Improvements to Land | 8,200 | 8,200 | 8,200 | 8,200 | 8,200 | - | - |
| Furniture and Equipment | 1,978,218 | 1,971,016 | 1,993,247 | 1,993,247 | 1,998,359 | 1,952,329 | 1,923,556 |
| Vehicle | 104,498 | 104,498 | 104,498 | 104,498 | 99,315 | 71,025 | 71,025 |
| Community Services | | | | | | | |
| Land | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |
| Buildings | 7,502,648 | 7,502,648 | 7,368,561 | 7,368,561 | 7,368,561 | 7,368,561 | 7,342,908 |
| Improvements to Land | 235,066 | 235,066 | 235,066 | 235,066 | 235,066 | 243,266 | 243,266 |
| Furniture and Equipment | 267,923 | 267,923 | 272,933 | 272,933 | 272,933 | 272,933 | 340,649 |
| Extracurricular Activities | | | | | | | |
| Buildings | 3,046,988 | 3,046,988 | 3,120,319 | 3,115,239 | 3,108,519 | 3,108,519 | 3,108,519 |
| Improvements to Land | 943,847 | 943,847 | 412,688 | 476,762 | 465,764 | 465,764 | 429,927 |
| Furniture and Equipment | 341,380 | 341,380 | 331,186 | 319,052 | 275,562 | 275,516 | 275,516 |
| Vehicle | - | - | - | - | - | - | - |
| Total | \$ 246,118,751 | \$ 246,830,046 | \$ 242,865,105 | \$ 238,797,536 | \$ 239,071,730 | \$ 238,897,888 | \$ 240,130,556 |

Source: District Capital Asset Records

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.

| <u>2007</u> | <u>2006</u> | <u>2005</u> |
|-----------------------|-----------------------|-----------------------|
| \$ 4,794,159 | \$ 4,842,386 | \$ 4,796,435 |
| 137,556,467 | 137,839,860 | 137,589,568 |
| 401,099 | 361,506 | 357,126 |
| 2,236,911 | 7,050,728 | 6,780,004 |
| - | 1,287 | 1,287 |
| - | 7,417 | 7,417 |
| 1,006,835 | 1,012,170 | 1,012,170 |
| 43,595 | 45,775 | 45,775 |
| 202,632 | 725,751 | 718,700 |
| - | - | - |
| 994,583 | 994,583 | 994,583 |
| 18,178,118 | 18,182,809 | 18,182,809 |
| 40,880 | 40,880 | 40,880 |
| 1,253,848 | 2,986,434 | 3,211,734 |
| - | - | - |
| - | 3,090 | 1,791 |
| 13,215 | 52,250 | 64,061 |
| 604,421 | 1,360,235 | 1,303,720 |
| 570,242 | 570,242 | 570,242 |
| 5,147,081 | 5,152,951 | 5,152,951 |
| 491,320 | 491,320 | 491,320 |
| 703,513 | 2,205,930 | 2,151,479 |
| 10,592 | 27,456 | 28,413 |
| - | 3,846 | 3,846 |
| 20,375 | 20,376 | 20,376 |
| 96,598 | 108,584 | 108,584 |
| 13,759 | 20,508 | 20,508 |
| 884,183 | 1,300,089 | 1,327,302 |
| 1,146,201 | 1,007,864 | 1,037,907 |
| 172,546 | 172,546 | 172,546 |
| 1,135,561 | 1,129,142 | 1,129,142 |
| 474,185 | 477,504 | 477,504 |
| 107,990 | 197,793 | 234,850 |
| 120,721 | 120,721 | 120,721 |
| 10,568,323 | 12,211,575 | 11,616,342 |
| - | 6,635 | 6,635 |
| 31,034,110 | 30,426,316 | 30,386,518 |
| 3,504,946 | 3,596,310 | 3,596,310 |
| 375,069 | 1,190,357 | 1,553,675 |
| 68,172 | 68,173 | 68,173 |
| 22,213 | 22,213 | 22,213 |
| - | 1,800 | 1,800 |
| 1,921,354 | 3,404,810 | 3,372,736 |
| 71,025 | 182,712 | 182,712 |
| 200,000 | 200,000 | 200,000 |
| 7,342,908 | 7,345,236 | 7,142,280 |
| 243,266 | 256,979 | 271,670 |
| 328,173 | 443,474 | 460,408 |
| 3,108,519 | 3,120,490 | 3,120,490 |
| 429,927 | 453,502 | 453,502 |
| 275,516 | 587,061 | 598,242 |
| - | 2,075 | 11,537 |
| <u>\$ 237,915,151</u> | <u>\$ 252,033,751</u> | <u>\$ 251,220,994</u> |

South-Western City School District
Facility Inventory

| | | <u>Original Construction</u> | <u>Addition (s) Date (s)</u> | <u>Building Area (Sq. Ft.)</u> | <u>Acreage</u> | <u>Student Capacity</u> |
|----------------------------------|---------------|--|------------------------------|--------------------------------|----------------|-------------------------|
| <u>Elementary Schools</u> | | | | | | |
| Alton Hall | Basic | Under Construction - August 2014 Completion | | | 9.09 | 500 |
| Bolton Crossing | Basic | Under Construction - August 2015 Completion | | | 43.38 | |
| Buckeye Woods | Basic | 1995 | | 68,000 | 19.11 | 725 |
| Darbydale | Basic | 1958 | | 31,143 | 7.12 | 249 |
| | Portable (1) | 1977 | | 1,704 | | |
| | Basic | Under Construction - August 2015 Completion | | | | |
| 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 |
| | Basic | Under Construction - August 2015 Completion | | | | |
| Harmon | Basic | Traded in FY13 - Housing Students until 2016 | | | 11.29 | 500 |
| | Portable (2) | 2002 | | 6,672 | | |
| | Basic | Under Construction - August 2014 Completion | | | | |
| 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 | | |
| | Basic | Under Construction - August 2014 Completion | | | | |
| 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 | | |
| | Basic | Under Construction - August 2014 Completion | | | | |
| 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 | | |
| | Basic | Under Construction - August 2015 Completion | | | | |
| Stiles | Basic | 1963 | 1995 | 36,636 | 10.77 | 475 |
| | Portable (2) | 1988 | | 3,192 | | |
| | Basic | Under Construction - August 2015 Completion | | | | |
| West Franklin | Basic | 1955 | 1997 | 47,813 | 9.70 | 575 |

| | | <u>Original Construction</u> | <u>Addition (s) Date (s)</u> | <u>Building Area (Sq. Ft.)</u> | <u>Acreage</u> | <u>Student Capacity</u> |
|------------------------------------|--------------|----------------------------------|--|------------------------------------|----------------|-----------------------------|
| <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>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 2014 | Fiscal 2013 | Fiscal 2012 | Fiscal 2011 | Fiscal 2010 |
|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| <u>3rd Grade</u> | | | | | |
| Mathematics | 79.7% | 74.1% | 78.2% | 79.8% | 70.5% |
| Reading | 78.2% | 72.6% | 74.3% | 75.2% | 70.1% |
| <u>4th Grade</u> | | | | | |
| Mathematics | 75.1% | 78.7% | 79.9% | 78.3% | 73.3% |
| Reading | 80.7% | 85.0% | 79.3% | 80.9% | 74.7% |
| Writing | N/A | N/A | N/A | N/A | N/A |
| <u>5th Grade</u> | | | | | |
| Mathematics | 68.1% | 64.9% | 67.4% | 66.2% | 68.1% |
| Reading | 66.5% | 69.2% | 73.1% | 71.1% | 69.1% |
| Science | 58.3% | 60.5% | 65.3% | 65.5% | 63.6% |
| Social Studies | N/A | N/A | N/A | N/A | N/A |
| <u>6th Grade</u> | | | | | |
| Mathematics | 79.7% | 76.1% | 83.0% | 82.2% | 79.6% |
| Reading | 83.3% | 81.8% | 85.4% | 85.1% | 85.1% |
| <u>7th Grade</u> | | | | | |
| Mathematics | 73.5% | 74.5% | 75.5% | 75.1% | 68.3% |
| Reading | 83.0% | 77.0% | 78.2% | 75.4% | 75.6% |
| Writing | N/A | N/A | N/A | N/A | N/A |
| <u>8th Grade</u> | | | | | |
| Mathematics | 81.3% | 78.4% | 77.7% | 73.8% | 66.1% |
| Reading | 87.5% | 85.7% | 82.6% | 83.0% | 76.9% |
| Science | 66.3% | 65.1% | 71.8% | 67.1% | 62.8% |
| Social Studies | N/A | N/A | N/A | N/A | N/A |
| <u>10th Grade</u> | | | | | |
| Mathematics | 81.2% | 83.4% | 81.5% | 81.3% | 81.0% |
| Reading | 87.5% | 86.2% | 83.9% | 84.4% | 81.8% |
| Science | 77.1% | 76.0% | 76.7% | 68.5% | 69.5% |
| Social Studies | 82.7% | 80.3% | 82.3% | 76.3% | 78.7% |
| Writing | 88.9% | 82.9% | 86.0% | 86.8% | 82.8% |
| <u>Student Attendance Rate</u> | 94.3% | 94.1% | 94.4% | 94.3% | 94.2% |

Source: State of Ohio School District Report Card.

| Fiscal 2009 | Fiscal 2008 | Fiscal 2007 | Fiscal 2006 | Fiscal 2005 |
|----------------|----------------|----------------|----------------|----------------|
| 75.2% | 74.9% | 81.1% | 71.7% | 63.4% |
| 70.5% | 69.7% | 72.4% | 68.0% | 70.2% |
| 77.1% | 72.1% | 70.1% | 76.1% | 65.3% |
| 75.2% | 76.4% | 75.9% | 73.3% | 70.8% |
| 79.8% | 82.0% | 79.7% | 84.4% | 77.9% |
| 60.4% | 59.2% | 59.5% | 64.1% | N/A |
| 67.2% | 68.4% | 78.9% | 72.5% | 72.1% |
| 66.8% | 58.3% | 62.4% | N/A | N/A |
| 54.1% | 57.2% | 51.4% | N/A | N/A |
| 77.0% | 77.7% | 77.0% | 68.6% | 57.2% |
| 78.5% | 78.1% | 75.1% | 82.1% | 67.4% |
| 71.2% | 67.4% | 66.2% | 60.4% | 59.2% |
| 72.7% | 73.1% | 73.6% | 78.6% | N/A |
| 76.5% | 80.6% | 73.5% | N/A | N/A |
| 70.1% | 70.5% | 70.6% | 68.7% | 63.3% |
| 66.6% | 75.9% | 77.1% | 77.1% | 74.8% |
| 59.5% | 59.2% | 59.7% | N/A | N/A |
| 49.1% | 51.2% | 49.1% | N/A | N/A |
| 80.6% | 80.3% | 80.8% | 84.7% | 79.6% |
| 80.8% | 83.6% | 85.0% | 89.0% | 91.1% |
| 72.5% | 69.9% | 68.9% | 69.1% | 71.8% |
| 78.9% | 76.2% | 73.4% | 77.8% | 77.5% |
| 89.5% | 83.8% | 89.5% | 88.3% | 82.9% |
| 93.9% | 94.3% | 94.3% | 94.1% | 94.0% |

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

| <u>School Year End</u> | <u>Number Of Graduates</u> | <u>Elementary Schools Enrollment</u> | <u>Intermediate Schools Enrollment</u> | <u>Middle Schools Enrollment</u> | <u>High Schools Enrollment</u> | <u>Total Enrollment</u> |
|--------------------------------|------------------------------------|--|--|--|--|-----------------------------|
| 2014 | 1,281 | 7,709 | 3,131 | 3,270 | 6,325 | 20,435 |
| 2013 | 1,250 | 7,480 | 3,155 | 3,212 | 6,368 | 20,215 |
| 2012 | 1,305 | 7,396 | 3,172 | 3,202 | 6,306 | 20,076 |
| 2011 | 1,263 | 7,328 | 3,113 | 3,224 | 6,229 | 19,894 |
| 2010 | 1,287 | 7,431 | 3,212 | 3,212 | 6,085 | 19,940 |
| 2009 | 1,212 | 7,728 | 3,292 | 3,220 | 6,511 | 20,751 |
| 2008 | 1,280 | 7,977 | 3,229 | 3,240 | 6,539 | 20,985 |
| 2007 | 1,252 | 7,955 | 3,157 | 3,370 | 6,511 | 20,993 |
| 2006 | 1,153 | 8,065 | 3,197 | 3,322 | 6,376 | 20,960 |
| 2005 | 1,113 | 8,035 | 3,308 | 3,339 | 6,181 | 20,863 |

Source: Education Management Information System
and District Student Data Base

South-Western City School District
Demographics
Last Ten Fiscal Years

| Year | (1) Estimated Population | (2) Average Daily Membership | (3) Average Federal Adjusted Gross Income | (3) Total Federal Adjusted Gross Income | (4) Unemployment Rate |
|------|--------------------------------|---------------------------------------|--|--|-----------------------------|
| 2014 | 133,869 | 20,435 | not available | not available | 4.30% |
| 2013 | 133,539 | 20,215 | not available | not available | 6.10% |
| 2012 | 133,335 | 20,076 | \$ 46,196 | \$ 2,751,824,091 | 5.80% |
| 2011 | 133,116 | 19,894 | 44,836 | 2,649,287,890 | 7.60% |
| 2010 | 132,899 | 19,940 | 44,239 | 2,546,177,056 | 8.30% |
| 2009 | 132,781 | 20,751 | 43,933 | 2,492,962,534 | 8.20% |
| 2008 | 132,696 | 20,985 | 44,344 | 2,555,402,593 | 6.10% |
| 2007 | 132,189 | 20,993 | 43,914 | 2,563,777,406 | 5.00% |
| 2006 | 129,680 | 20,960 | 42,904 | 2,421,867,177 | 5.40% |
| 2005 | 128,318 | 20,863 | 41,309 | 2,432,012,063 | 5.70% |

Sources:

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

South-Western City School District
Principal Employers - City of Grove City
Calendar Year 2013 and 2006

| <u>Employer</u> | <u>2013</u> | | | <u>Employer</u> | <u>2006</u> | | |
|--|----------------------------|-------------|---------------------------------------|--|----------------------------|-------------|---------------------------------------|
| | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> | | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> |
| South-Western City School District | 2,537 | 1 | 10.43% | South-Western City School District | 1,800 | 1 | 9.61% |
| Wal-Mart Associates, Inc | 1,199 | 2 | 4.93% | Wal-Mart Associates, Inc | 1,050 | 2 | 5.60% |
| FedEx Ground Package Systems, Inc. | 850 | 3 | 3.49% | FedEx Ground Package Systems, Inc. | 850 | 3 | 4.54% |
| The Gap, Inc. | 522 | 4 | 2.15% | The Gap, Inc. | 600 | 4 | 3.20% |
| FedEx Smart Post | 515 | 5 | 2.12% | Manheim Remarketing, Inc. | 480 | 5 | 2.56% |
| Manheim Remarketing, Inc. | 420 | 6 | 1.73% | Wal-Mart Super Center | 450 | 6 | 2.40% |
| Wal-Mart Super Center | 346 | 7 | 1.42% | Nationwide Mutual Insurance Co. | 450 | 7 | 2.40% |
| Halcore Group, Inc. | 330 | 8 | 1.36% | Tigerpoly Manufacturing, Inc. | 446 | 8 | 2.38% |
| Tigerpoly Manufacturing, Inc. | 300 | 9 | 1.23% | Halcore Group, Inc. | 380 | 9 | 2.03% |
| Tosoh SMD, Inc. | 274 | 10 | 1.13% | Tosoh SMD, Inc. | 325 | 10 | 1.74% |
| Total Employees from Top Ten Employers | 7,293 | | 29.99% | Total Employees from Top Ten Employers | 6,831 | | 36.46% |
| All Other Employers | 17,032 | | 70.01% | All Other Employers | 11,907 | | 63.54% |
| Total Employees | 24,325 | | 100.00% | Total Employees | 18,738 | | 100.00% |

Source: City of Grove City Comprehensive Annual Financial Report

Information 10 year prior is not available

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

South-Western City School District
Principal Employers - Greater Columbus Area
Calendar Year 2013

| <u>Employer</u> | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> |
|---------------------------------------|--------------------------------|-------------|---|
| Ohio State University | 27,656 | 1 | 2.89% |
| State of Ohio | 23,677 | 2 | 2.47% |
| JP Morgan Chase & Co. | 19,200 | 3 | 2.00% |
| Ohio Health | 19,182 | 4 | 2.00% |
| Kroger Co. | 17,397 | 5 | 1.81% |
| Nationwide Mutual Insurance Co. | 11,300 | 6 | 1.18% |
| Mount Carmel Health System | 8,410 | 7 | 0.88% |
| City of Columbus | 8,385 | 8 | 0.87% |
| Columbus City Schools | 8,293 | 9 | 0.87% |
| Nationwide Children's Hospital | 7,822 | 10 | 0.82% |
| Limited Brands, Inc. | 7,800 | 11 | 0.81% |
| McDonald's Corp. | 7,622 | 12 | 0.80% |
| Honda of America Mfg., Inc. | 7,300 | 13 | 0.76% |
| Franklin County | 6,130 | 14 | 0.64% |
| Huntington Bancshares, Inc. | 5,330 | 15 | 0.56% |
| Giant Eagle Inc. | 4,260 | 16 | 0.44% |
| Cardinal Health Inc. | 4,165 | 17 | 0.43% |
| Bob Evans Farms Inc. | 3,571 | 18 | 0.37% |
| DLA Land and Maritime | 3,400 | 19 | 0.35% |
| American Electric Power Company, Inc. | 3,383 | 20 | 0.35% |
| Excel Inc. | 2,875 | 21 | 0.30% |
| Abercrombie & Fitch Co. | 2,725 | 22 | 0.28% |
| Group Management Services Inc. | 2,592 | 23 | 0.27% |
| South-Western City Schools | 2,471 | 24 | 0.26% |
| Alliance Data Systems Corp. | 2,434 | 25 | 0.25% |

Source: City of Columbus Comprehensive Annual Financial Report

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

South-Western City School District
Principal Employers - Greater Columbus Area
Calendar Year 2004

| <u>Employer</u> | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total Employment</u> |
|--|--------------------------------|-------------|---|
| State of Ohio | 26,037 | 1 | N/A |
| Federal Government/United States Postal Services | 17,656 | 2 | N/A |
| Ohio State University | 17,361 | 3 | N/A |
| JPMorgan Chase & Co. | 12,130 | 4 | N/A |
| Nationwide | 11,293 | 5 | N/A |
| Ohio Health | 8,398 | 6 | N/A |
| Columbus Public Schools | 8,024 | 7 | N/A |
| City of Columbus | 7,919 | 8 | N/A |
| Limited Brands | 7,200 | 9 | N/A |
| Honda of America Mfg., Inc. | 6,350 | 10 | N/A |
| Franklin County | 6,218 | 11 | N/A |
| Wal-Mart Stores, Inc. | 6,100 | 12 | N/A |
| Mount Carmel | 5,558 | 13 | N/A |
| Kroger Co. | 4,502 | 14 | N/A |
| Wendy's International, Inc | 4,500 | 15 | N/A |
| American Electric Power | 3,900 | 16 | N/A |
| Huntington Bancshares, Inc. | 3,500 | 17 | N/A |
| SBC Ohio | 3,000 | 18 | N/A |
| Ross Products, Division Abbott Laboratories | 2,800 | 19 | N/A |
| Children's Hospital, Inc. | 2,706 | 20 | N/A |
| Medco Health Solutions, Inc. | 2,528 | 21 | N/A |
| South-Western City Schools | 2,516 | 22 | N/A |
| Battelle | 2,368 | 23 | N/A |
| Retail Ventures Inc. | 2,170 | 24 | N/A |
| Big Lots, Inc. | 2,100 | 25A | N/A |
| Discover Financial Services | 2,100 | 25B | N/A |

Source: City of Columbus Comprehensive Annual Financial Report

Percentage of Total Employment data for 2004 not available.

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

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Dave Yost • Auditor of State

SOUTHWESTERN 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
APRIL 2, 2015**