

**SOUTH-WESTERN CITY SCHOOL DISTRICT  
FRANKLIN COUNTY  
SINGLE AUDIT  
JULY 1, 2015 - JUNE 30, 2016**







# 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 Wilson, Shannon & Snow Inc., for the audit period July 1, 2015 through June 30, 2016. 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

February 27, 2017

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

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SOUTH-WESTERN CITY SCHOOL DISTRICT  
FRANKLIN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

FEDERAL GRANTOR\ <i>Pass Through Grantor</i> \ Program/Cluster Title	Pass Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures	Non-Cash Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed through Ohio Department of Education:</i>				
<i>Child Nutrition Cluster:</i>				
School Breakfast Program	NA	10.553	\$ 1,634,635	\$ -
National School Lunch Program	NA	10.555	5,604,348	700,619
<i>Total Child Nutrition Cluster:</i>			<u>7,238,983</u>	<u>700,619</u>
Child and Adult Food Care Program	NA	10.558	128,691	-
<b>Total U.S. Department of Agriculture</b>			<u>7,367,674</u>	<u>700,619</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	NA	84.010	6,635,916	-
<i>Special Education Cluster:</i>				
Special Education-Grants to States	NA	84.027	3,990,571	-
Special Education-Preschool Grants	NA	84.173	40,619	-
<i>Total Special Education Cluster</i>			<u>4,031,190</u>	<u>-</u>
Vocational Education-Basic Grants to States	NA	84.048	408,874	-
English Language Acquisition Grants	NA	84.365	530,381	-
Improving Teacher Quality State Grants	NA	84.367	676,140	-
<i>Total Passed through Ohio Department of Education</i>			<u>12,282,501</u>	<u>-</u>
<i>Passed through the Ohio Board of Regents:</i>				
Adult Education-State Grant Program	AB-S1	84.002	141,774	-
<b>Total U. S Department of Education</b>			<u>12,424,275</u>	<u>-</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed through The YMCA of Central Ohio:</i>				
Head Start	N/A	93.600	1,332,652	-
<i>Passed through Ohio Department of Jobs and Family Services:</i>				
Refugee and Entrant Assistance-Discretionary Grants	NA	93.576	63,109	-
<b>Total U.S. Department of Health and Human Services</b>			<u>1,395,761</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 21,187,710</u>	<u>\$ 700,619</u>

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

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the South-Western City School District, Franklin County (the District's) under programs of the federal government for the fiscal year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE C - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.

**NOTE D – FOOD DONATION PROGRAM**

The District reports commodities consumed on the Schedule at the fair value. The District allocated donated food commodities to the respective programs that benefitted from the use of those donated food commodities.



**INDEPENDENT AUDITOR'S 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, (the District) as of and for the fiscal year ended June 30, 2016, 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 26, 2016.

***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.

*Wilson, Shannon & Snow, Inc.*

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



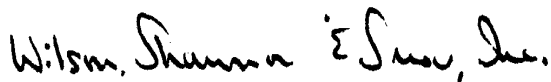
South-Western City School District  
Franklin County  
Independent Auditor's Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
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***Compliance and Other Matters***

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, 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.



Newark, Ohio  
December 26, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY UNIFORM GUIDANCE**

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

To the Board of Education:

***Report on Compliance for the 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) *Compliance Supplement* that could directly and materially affect the South-Western City School District's major federal program for the fiscal year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal program.

***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance 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 program. However, our audit does not provide a legal determination of the District's compliance.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**

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***Opinion on the Major Federal Program***

In our opinion, the South-Western City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the fiscal year ended June 30, 2016.

***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 the Uniform Guidance, 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 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 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 over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

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 (the District) as of and for the fiscal year ended June 30, 2016, 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 26, 2016. We conducted our audit to opine on the District's' basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance 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, and other additional procedures 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.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
December 26, 2016

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

**SCHEDULE OF FINDINGS  
2 CFR § 200.515**

**JUNE 30, 2016**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unmodified
<i>(d)(1)(ii)</i>	<b>Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material weaknesses in internal control reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	No
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under 2 CFR § 200.516(a)?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	<b>Nutrition Cluster:</b> National School Breakfast Program\CFDA #10.553; National School Lunch Program\CFDA #10.555
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee under 2 CFR §200.520?</b>	Yes

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

**SCHEDULE OF FINDINGS  
2 CFR § 200.515**

**JUNE 30, 2016**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.



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*Comprehensive Annual Financial Report  
For the Year ended June 30, 2016*

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

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

***Grove City, Ohio***

***COMPREHENSIVE ANNUAL FINANCIAL  
REPORT***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2016***

Issued by the Treasurer's Office

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



South-Western City School District  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2016

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## District Service Center

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3805 Marlane Drive  
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December 26, 2016

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

The twenty-seventh 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 2015-16 fiscal year. This report prepared by the Treasurer's office including the unmodified opinion of our independent auditors, Wilson, Shannon & Snow, Inc. Certified Public Accountants for the fiscal year ended June 30, 2016 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 900 non-certificated employees, 1,505 certificated full-time teaching personnel and 99 administrative employees to provide services to 21,246 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 3.9 percent for the period ending October 2016. The seasonally adjusted rate of unemployment in Ohio was 4.9 percent and the national rate was 4.9 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 was completed 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 began 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 will include new library, new streetscapes, improved pedestrian circulation, and a new parking structure. The library is 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 plan for the Old Lumberyard Site provides for 120 one and two bedroom residential units.

The City also embarked 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.

In March 2015, Mount Carmel Health Systems announced that it would be moving its inpatient hospital and 1,500 jobs from the City of Columbus to its 110 acre site near I-71 and SR 665 in Grove City. The site has been vacant since 2005, when its former tenant, Grovebrook Golf Club, ceased operations. It is anticipated that the move will be completed by 2018 featuring; (1) a new 500,000 square foot, seven story hospital with all private patient rooms through the 210 bed facility; (2) Every convenience to engage patients and their families, from easy to navigate pathways throughout the facility to bistro style kitchen and dining and on-demand room service; (3) Expanded emergency department; intensive care, maternity, oncology and palliative care services; and 8 new state-of-the-art surgical suites for inpatient and outpatient surgeries; (4) New 120,000 square foot five story medical office building connected to the hospital, with primary care, maternal fetal medicine, outpatient oncology and women's health services; and (5) Headquarters for Mount Carmel's Graduate Medical Education program.

In June 2016, OhioHealth also committed to build a new hospital in the City of Grove City. The \$46.5 million, 26 bed surgical hospital and emergency department will be combined with a previously planned outpatient surgery center on Stringtown Road. The \$2 million outpatient surgery center is a joint venture between OhioHealth and thirty-three physicians who practice in Grove City and will adjoin with the planned three story hospital that will be wholly owned by OhioHealth.

### **ECONOMIC CONDITION AND OUTLOOK – (Continued)**

On May 6, 2016, the newly developed Scioto Grove Metro Park opened, offering over 620 acres to enhance the quality of living for the surrounding community. The park is robust with activities for outdoor enthusiasts including, but not limited to backpacking, canoeing/kayaking, fishing, picnic areas with shelters, and hiking and bike trails. The park runs along the Scioto River with mature forests and scenic bluffs overlooking the river, providing a quick escape to nature within a vibrant, growing city.

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 thirteen major buildings near the intersection of I-71 and SR 665; (2) Southpark, a 350-acre park with eighteen major buildings near the intersection of I-71 and Interstate 270; (3) Capital Park South, a 150-acre park with eight major buildings at I-270 and State Route 62; (4) Southpointe, a 53-acre park with seven major buildings at SR 665; (5) Gateway Business Park, 114-acre park with four major buildings at I-71 and SR 665; (6) Gateway to the City Office Park, a 35-acre park with twelve major buildings 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.

**ECONOMIC CONDITION AND OUTLOOK – (Continued)**

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.

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 Havenwood Townhome Community Apartments 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.



## **ECONOMIC CONDITION AND OUTLOOK – (Continued)**

In terms of public investment, Prairie Township opened a community recreation center in June of 2015. The recreation center is financed primarily by funds generated from the area's Joint Economic Development Zone. In addition, Prairie Township began a streetscape makeover project along West Broad in the summer of 2015 with completion anticipated in the summer of 2016. Prairie Township formed its own community improvement corporation in February 2010.

### ***Economic Condition and Outlook of the District***

On June 30, 2015 the State biennial budget bill, Ohio House Bill 64, was signed into law. Ohio House Bill 64 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 56.0% of all General Fund revenues. Over the two year biennial budget period, the District anticipates an increase in state funding of roughly 7.5% during the 2015-16 fiscal year, with an additional 7.5% anticipated for the 2016-17 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 2020-21.

## **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.

## **MAJOR INITIATIVES – (Continued)**

### **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

Data measurement and collection and systems alignment are significant parts of this process to fully meet the needs of the District's students.

### ***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 opened in the fall of 2015. The remaining four opened in the fall of 2016. The replacement high school began construction in the spring of 2014 and opened in the fall of 2015. 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 were designed using a prototypical design process to create three separate enrollment capacities of 400, 520 and 600, respectively. The prototypical designs 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.

### **FINANCIAL INFORMATION– (Continued)**

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. The Board of Education has established the legal level of control at the fund level, however, management controls budgets at the object level within a function and fund. All requisition requests must be approved by the individual program managers and be certified by the Business Manager and the Treasurer; necessary funds are then encumbered and purchase orders are created and released to vendors.

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 Wilson, Shannon & Snow, Inc. Certified Public Accountants 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 Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance"). 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, 2015.

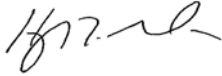
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose content conforms to program standards. Such a report must satisfy both accounting principles generally accepted in the United States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

A Certificate of Achievement is valid for a period of one year only. This was the twenty-sixth 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.

**OTHER INFORMATION – (Continued)**

***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 2015-16 Comprehensive Annual Financial Report on a timely basis. Sincere thanks are also extended to various administrators and employees of the School District, the Franklin County Auditor’s office staff and other outside agencies whose efforts assisted us with the fair presentation of the statistical information. Additionally, appreciation is expressed to the South-Western City School District Board of Education for their support, commitment and leadership to which the preparation of this report would not be possible.

Respectfully submitted,



Hugh W. Garside Jr., Treasurer



William H. Wise, Ph.D., Superintendent

## **PRINCIPAL OFFICIALS**

### **Board of Education**

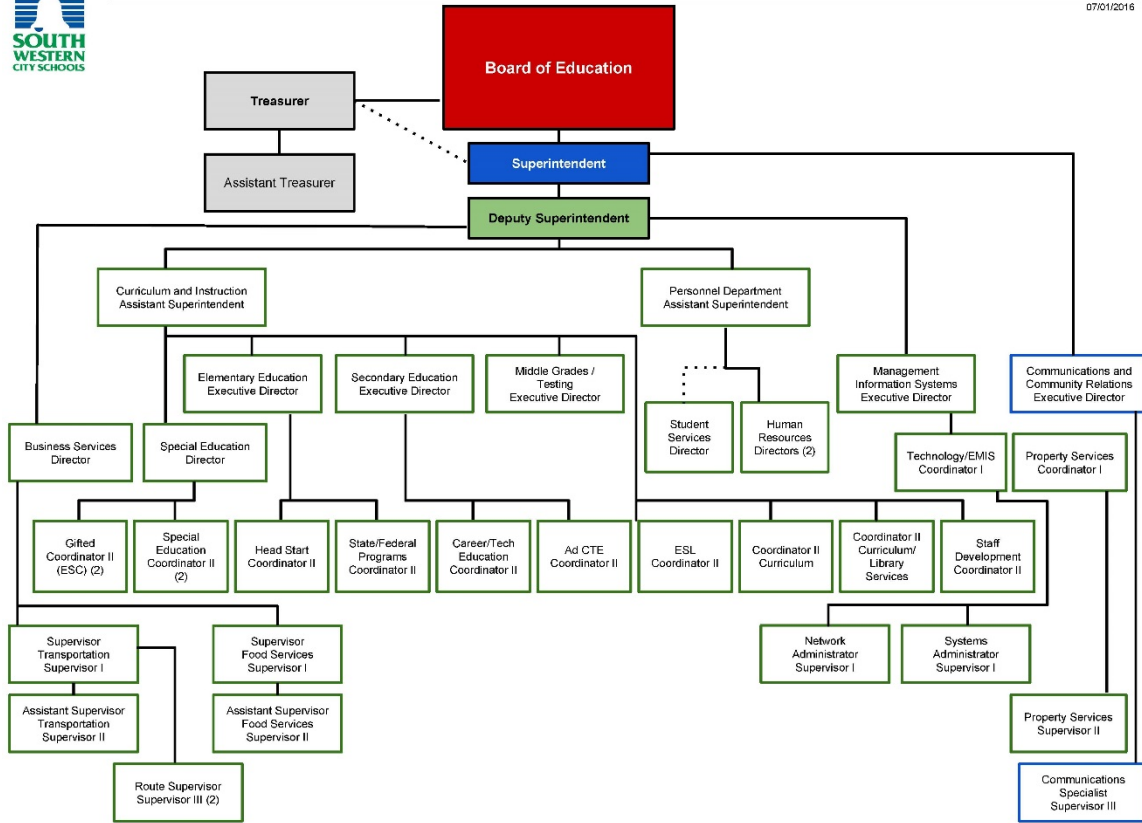
Cathy Johnson	President
Lee Schreiner	Vice President
Karen Dover	Member
Mindy Garverick	Member
Robert Ragland	Member

### **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, Ph.D.	Assistant Superintendent - Human Resources
Bradford W. Faust	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
Monte T. Detterman	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
Debra L. Makarius	Payroll Supervisor
Sue A. Mulford	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
Dawn M. Bowling	Employee Benefits
Nancie A. Bevilacqua	Accountant
Anita M. McCreary	Accountant





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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO





## 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 fiscal year ended June 30, 2016, 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.

*Wilson, Shannon & Snow, Inc.*

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

***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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with the 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, the required budgetary comparison schedule and schedules of net pension liabilities and pension contributions* 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 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.

South-Western City School District  
Franklin County  
Independent Auditor's Report

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2016, 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.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
December 26, 2016

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, 2016. 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 and deferred outflows of resources, 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.

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

**Using this Annual Report – (Continued)**

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the statement of net 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, 2016 and as of June 30, 2015 for comparison purposes:

**Table 1  
Net Position  
Governmental Activities  
(in thousands)**

	<u>2016</u>	<u>2015</u>	<u>Change</u>
<b>Assets</b>			
Current Assets	\$ 334,069	\$387,993	\$ (53,924)
Capital Assets	<u>350,263</u>	<u>290,104</u>	<u>60,159</u>
Total Assets	<u>684,332</u>	<u>678,097</u>	<u>6,235</u>
<b>Deferred Outflows of Resources</b>			
Pension	<u>40,864</u>	<u>21,766</u>	<u>19,098</u>
Total Deferred Outflows of Resources	<u>40,864</u>	<u>21,766</u>	<u>19,098</u>
<b>Liabilities</b>			
Current Liabilities	35,022	37,888	(2,866)
Net Pension Liability	340,373	297,079	43,294
Long-term Liabilities	<u>203,751</u>	<u>212,095</u>	<u>(8,344)</u>
Total Liabilities	<u>579,146</u>	<u>547,062</u>	<u>32,084</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes	69,768	68,811	957
Pension	<u>25,296</u>	<u>56,705</u>	<u>(31,409)</u>
Total Deferred Inflows of Resources	<u>95,064</u>	<u>125,516</u>	<u>(30,452)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	174,341	143,338	31,003
Restricted	43,196	67,799	(24,603)
Unrestricted	<u>(166,551)</u>	<u>(183,852)</u>	<u>17,301</u>
Total Net Position	<u>\$ 50,986</u>	<u>\$ 27,285</u>	<u>\$ 23,701</u>

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 on the following page.

During fiscal year 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and the net pension liability to the reported net position and subtracting deferred outflows related to pension.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB 27 focused on a funding approach. This approach limited pension costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability*. GASB 68 takes an earnings approach to pension accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service.
2. Minus plan assets available to pay these benefits.

GASB notes that pension obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension. GASB noted that the unfunded portion of this pension promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of this liability. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The pension system is responsible for the administration of the plan.

Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required pension payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

In accordance with GASB 68, the District's statements prepared on an accrual basis of accounting include an annual pension expense for their proportionate share of each plan's *change* in net pension liability not accounted for as deferred inflows/outflows.

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

**The District as a Whole – (Continued)**

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

The District's net position was \$50,986 thousand at June 30, 2016. Net investment in capital assets totaling \$174,341 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, 2016 and as of June 30, 2015, for comparison purposes.

**Table 2**  
**Changes in Net Position**  
**Governmental Activities**  
(in thousands)

	<u>2016</u>	<u>2015</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenue			
Charges for Services and Sales	\$ 3,927	\$ 4,563	\$ (636)
Operating Grants, Contributions and Interest	<u>38,976</u>	<u>40,157</u>	<u>(1,181)</u>
Total Program Revenue	<u>42,903</u>	<u>44,720</u>	<u>(1,817)</u>
General Revenue			
Property Taxes	114,139	115,689	(1,550)
Payment in Lieu of Taxes	2,560	2,268	292
Grants and Entitlements	124,624	116,135	8,489
Interest	769	640	129
Other Local Revenue	<u>6,555</u>	<u>1,047</u>	<u>5,508</u>
Total General Revenue	<u>248,647</u>	<u>235,779</u>	<u>12,868</u>
Total Revenues	<u>291,550</u>	<u>280,499</u>	<u>11,051</u>
<b>Functions/Program Expenses</b>			
Instruction	167,690	163,896	3,794
Support Services	76,307	78,544	(2,237)
Food Services	9,633	9,020	613
Community Services	1,541	2,255	(714)
Extracurricular Activities	4,533	4,350	183
Shared Services	341	306	35
Interest and Fiscal Charges	<u>7,804</u>	<u>7,718</u>	<u>86</u>
Total Expenses	<u>267,849</u>	<u>266,089</u>	<u>1,760</u>
<b>Change in Net Position</b>	23,701	14,410	9,291
<b>Net Position Beginning of Fiscal Year</b>	<u>27,285</u>	<u>12,875</u>	<u>14,410</u>
<b>Net Position End of Fiscal Year</b>	<u>\$ 50,986</u>	<u>\$ 27,285</u>	<u>\$ 23,701</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 \$267,849 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$3,927 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$38,976 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$114,139 thousand in taxes, \$124,624 thousand in grants and entitlements, and with other revenues.

The District experienced an increase in net position of \$23,701 thousand. This increase was realized primarily due to the increase in 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, 2016, the governmental funds reported a combined fund balance of \$210,179 thousand, which is a decrease of \$28,472 thousand from previous fiscal year. Additional detail regarding the decrease is provided by fund type as follows:

The General Fund balance increased \$20,312 thousand to \$162,084 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 \$703 thousand to \$16,885 thousand. This increase is primarily attributed to annual sinking fund payments that will be used to repay a \$6,670 thousand principal payment in December of 2025. The Debt Service Fund balance, which is sufficient to meet future obligations, is restricted to pay debt service obligations of the District.

The Capital Improvement Fund balance decreased \$2,735 thousand to \$7,107 thousand due to capital expenditures for paving and technology related to buildings not being replaced through the capital project initiative.

The Building Fund and Classroom Facilities Fund balances decreased \$9,828 and \$37,834 thousand, respectively, to \$(2,879) and \$19,853 thousand, respectively, due to the progress of capital project initiative. Five replacement elementary buildings and the replacement high school opened in the fall of 2015. Additionally, as of June 30, 2016, the final four remaining replacement elementary buildings were substantially complete.

The Other Governmental Funds balance increased \$910 thousand to \$7,128 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 fiscal 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, 2016.



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

**General Fund Budgetary Highlights – (Continued)**

Revisions were made to the original General Fund budget for fiscal year 2016 based on current needs. Budgeted revenues and other financing sources increased by \$3,580 thousand while budgeted expenditures and other financing uses increased by \$6,672 thousand due to minor variations which are insignificant compared to the scope of the entire budget.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2016, the District had \$350,263 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 \$60,159 thousand, or 20.7 percent, from last fiscal year.

<u>Description of Capital Asset,</u>	<u>2016</u>	<u>2015</u>
<u>Net of Accumulated Depreciation</u>		
Land	\$ 8,679	\$ 8,679
Improvements to Land	25,341	8,558
Buildings	246,889	152,736
Furniture and Equipment	4,289	2,248
Vehicles	278	336
Buses	5,138	4,692
Construction in Progress	<u>59,649</u>	<u>112,855</u>
Total Capital Assets,		
Net of Accumulated Depreciation	<u>\$ 350,263</u>	<u>\$ 290,104</u>

This fiscal year's additions of \$72,319 thousand included costs associated construction in progress related to the construction project, and equipment and technology purchases. A more detailed explanation of the District's capital assets can be located in Note 7 to the basic financial statements.

***Debt***

At June 30, 2016, the District had \$191,819 thousand in bonds and notes outstanding versus \$199,204 thousand in the previous fiscal year, which is a decrease of 3.7 percent. Those bonds and notes consisted of the following: (in thousands)

<u>Description of G.O. Bonds and Note</u>	<u>2016</u>	<u>2015</u>
2000 Vocational Construction	\$ 67	\$ 133
2006 Refunding School Facilities	43,783	47,159
2006 Refunding Capital Appreciation Bonds	1,971	1,748
2012 Qualified School Construction Bonds	6,670	6,670
2012 School Facilities	<u>139,328</u>	<u>143,494</u>
Total Long-term Bonds and Note Payable	<u>\$ 191,819</u>	<u>\$ 199,204</u>

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 July 22, 2016. Standard and Poor's affirmed the District's AA- credit rating on July 27, 2016 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 \$180,960 thousand is below the \$219,157 thousand statutorily imposed limit.

Other obligations include accrued vacation pay, sick leave, and capital leases. A more detailed explanation of the long-term liabilities is presented in Note 12 to Basic Financial Statements.

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

**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 August 22, 2016, the Board and S.W.E.A. signed a three year contract effective July 1, 2016 through June 30, 2019. The Board and S.W.E.A. agreed to provide a 2.25% 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. As of June 30, 2016, the collective bargaining agreement between the Board and O.A.P.S.E. expired. The collective bargaining agreement is currently in the federal mediation process.

On September 12, 2016, the Board and S.W.A.A. signed a three year contract effective July 1, 2016 through June 30, 2019. The Board and S.W.A.A. agreed to provide a 2.25% base salary increase in each year of the contract.

On June 30, 2015 the State biennial budget bill, Ohio House Bill 64, was signed into law. Ohio House Bill 64 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 56.0% of all General Fund revenues. Over the two year biennial budget period, the District received an increase in state funding of roughly 7.5% during the 2015-16 fiscal year, and expects to receive an additional 7.5% increase in the 2016-17 fiscal year. The District's current five-year financial forecast projects a positive cash balance through fiscal year 2020-21.

**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

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South-Western City School District  
Statement of Net Position  
June 30, 2016

	<u>Governmental Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 197,510,363
Restricted Cash and Cash Equivalents	3,006,698
Receivables:	
Taxes - Current	117,356,392
Taxes - Delinquent	6,899,477
Payment in Lieu of Taxes	2,128,907
Accounts	85,271
Interest	55,964
Intergovernmental	6,615,697
Materials and Supplies Inventory	409,710
Capital Assets:	
Land	8,678,711
Construction in Progress	59,649,261
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>281,935,369</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>350,263,341</u>
Total Assets	<u>684,331,820</u>
 <u>Deferred Outflows of Resources</u>	
Pension	<u>40,863,758</u>
Total Deferred Outflows of Resources	<u>40,863,758</u>
 <u>Liabilities</u>	
Accounts Payable	1,871,910
Contracts Payable	4,643,882
Restricted Assets: Contracts Payable Retainage	3,006,698
Claims Payable	3,017,000
Accrued Wages and Benefits	20,981,620
Accrued Interest Payable	950,713
Due to Other Governments	550,182
Long-Term Liabilities:	
Due within One Year	7,083,299
Due in More than One Year:	
Net Pension Liability	340,373,258
Other Amounts Due in More than One Year	<u>196,667,737</u>
Total Liabilities	<u>579,146,299</u>
 <u>Deferred Inflows of Resources</u>	
Property Taxes not Levied to Finance Current Year Operations	69,768,317
Pension	<u>25,295,512</u>
Total Deferred Inflows of Resources	<u>95,063,829</u>
 <u>Net Position</u>	
Net Investment in Capital Assets	174,341,029
Restricted for:	
Debt Service	17,550,130
Capital Projects	18,655,131
District Managed Student Activities	909,713
State Grants	373,435
Federal Grants	2,146,531
Food Service	3,232,604
Other Purposes	328,121
Unrestricted	<u>(166,551,244)</u>
Total Net Position	<u>\$ 50,985,450</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, 2016

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 117,969,918	\$ 113,092	\$ 462,537	\$ (117,394,289)
Special	42,771,007	-	21,208,611	(21,562,396)
Vocational	5,853,960	60,098	1,344,518	(4,449,344)
Other	1,096,437	-	132,958	(963,479)
Support Services:				
Pupil	11,039,731	-	1,517,404	(9,522,327)
Instructional Staff	7,109,342	-	3,203,215	(3,906,127)
Board of Education	38,893	-	-	(38,893)
Administration	18,565,647	-	539,480	(18,026,167)
Fiscal	3,688,125	-	221,623	(3,466,502)
Business	1,015,164	-	-	(1,015,164)
Operations and Maintenance	16,679,955	-	412,636	(16,267,319)
Pupil Transportation	13,714,772	521,926	1,122,565	(12,070,281)
Central	4,454,789	-	54,000	(4,400,789)
Food Service	9,632,713	2,087,119	7,545,594	-
Community Services	1,541,101	16,418	1,210,767	(313,916)
Extracurricular Activities	4,532,502	799,612	-	(3,732,890)
Shared Services	341,213	328,850	-	(12,363)
Interest and Fiscal Charges	7,804,277	-	-	(7,804,277)
<b>Total Governmental Activities</b>	<b>\$ 267,849,546</b>	<b>\$ 3,927,115</b>	<b>\$ 38,975,908</b>	<b>(224,946,523)</b>
<b>General Revenues:</b>				
Property Taxes Levied for:				
General Purposes				97,244,559
Debt Service				12,723,819
Capital Projects				3,707,805
Classroom Facility Maintenance				461,791
Payment in Lieu of Taxes				2,559,549
Grants and Entitlements not Restricted to Specific Programs				124,624,428
Interest				769,495
Other Local Revenues				6,555,287
<b>Total General Revenues</b>				<b>248,646,733</b>
Changes in Net Position				23,700,210
Net Position Beginning of Fiscal Year				27,285,240
Net Position End of Fiscal Year				<b>\$ 50,985,450</b>

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, 2016

	<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	\$ 135,753,063	\$ 11,418,569	\$ 5,533,326	\$ 3,244,057	\$ 23,739,607
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent Receivable:	-	-	-	-	3,006,698
Taxes - Current	99,363,190	13,550,436	3,980,975	-	-
Taxes - Delinquent	5,914,929	742,839	241,709	-	-
Payment in Lieu of Taxes	2,128,907	-	-	-	-
Accounts	76,473	-	-	-	-
Interest	53,914	-	-	-	2,050
Intergovernmental	557,130	-	-	-	583,045
Interfund Loan Receivable	6,424,804	-	-	-	-
Materials and Supplies Inventory	328,509	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 250,600,919</u></b>	<b><u>\$ 25,711,844</u></b>	<b><u>\$ 9,756,010</u></b>	<b><u>\$ 3,244,057</u></b>	<b><u>\$ 27,331,400</u></b>
<u>Liabilities:</u>					
Accounts Payable	\$ 1,460,293	\$ -	\$ 37,030	\$ 38,482	\$ 25,007
Contracts Payable	-	-	167,904	612,023	3,863,955
Restricted Asset:					
Contracts Payable - Retainage	-	-	-	-	3,006,698
Accrued Wages and Benefits	19,041,640	-	-	-	-
Due to Other Governments	550,182	-	-	-	-
Compensated Absences Payable	246,181	-	-	-	-
Interfund Loans Payable	-	-	-	5,472,077	-
<b>Total Liabilities</b>	<b><u>21,298,296</u></b>	<b><u>-</u></b>	<b><u>204,934</u></b>	<b><u>6,122,582</u></b>	<b><u>6,895,660</u></b>
<u>Deferred Inflows of Resources:</u>					
Property Taxes not Levied to Finance					
Current Year Operations	59,021,010	8,083,556	2,201,960	-	-
Delinquent Taxes	5,914,929	742,839	241,709	-	-
State and Federal Grant Revenue Not Received	262,992	-	-	-	583,045
Payment in Lieu of Taxes Not Received	2,019,953	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>67,218,884</u></b>	<b><u>8,826,395</u></b>	<b><u>2,443,669</u></b>	<b><u>-</u></b>	<b><u>583,045</u></b>
<u>Fund Balance:</u>					
Nonspendable	328,509	-	-	-	-
Restricted	-	16,885,449	7,107,407	-	19,852,695
Committed	1,230,994	-	-	-	-
Assigned	2,275,025	-	-	-	-
Unassigned	158,249,211	-	-	(2,878,525)	-
<b>Total Fund Balances</b>	<b><u>162,083,739</u></b>	<b><u>16,885,449</u></b>	<b><u>7,107,407</u></b>	<b><u>(2,878,525)</u></b>	<b><u>19,852,695</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b><u>\$ 250,600,919</u></b>	<b><u>\$ 25,711,844</u></b>	<b><u>\$ 9,756,010</u></b>	<b><u>\$ 3,244,057</u></b>	<b><u>\$ 27,331,400</u></b>

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, 2016

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Total Governmental Fund Balances	\$ 210,179,093
\$ 7,193,924	\$ 186,882,546	Amounts reported for governmental activities in the statement of net position are different because:	
-	3,006,698	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	350,263,341
461,791	117,356,392	Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
-	6,899,477	Delinquent Property Taxes	6,899,477
-	2,128,907	State and Federal Grant Revenue	3,440,429
8,798	85,271	Payment in Lieu of Taxes	2,019,953
-	55,964		
5,475,522	6,615,697	Unamortized premiums on bond and long-term note issuances are not recognized in the funds.	(8,820,563)
-	6,424,804		
81,201	409,710	The net pension liability is not due and payable in the current period therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
<u>\$ 13,221,236</u>	<u>\$ 329,865,466</u>	Deferred Outflows - Pension	40,863,758
		Deferred Inflows - Pension	(25,295,512)
		Net Pension Liability	(340,373,258)
\$ 144,018	\$ 1,704,830	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.	7,443,737
-	4,643,882		
-	3,006,698	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:	
1,939,980	20,981,620	Interest Payable	(950,713)
-	550,182	Compensated Absences Payable	(11,686,918)
-	246,181	General Obligation Debt	(174,289,989)
952,727	6,424,804	Energy Conservation Debt	(6,670,000)
<u>3,036,725</u>	<u>37,558,197</u>	Vocational Construction Loan	(66,666)
		Capital Appreciation Accretion	(1,970,719)
461,791	69,768,317	Net Position of Governmental Activities	<u>\$ 50,985,450</u>
-	6,899,477		
2,594,392	3,440,429		
-	2,019,953		
<u>3,056,183</u>	<u>82,128,176</u>		
81,201	409,710		
7,626,440	51,471,991		
-	1,230,994		
-	2,275,025		
(579,313)	154,791,373		
<u>7,128,328</u>	<u>210,179,093</u>		
<u>\$ 13,221,236</u>	<u>\$ 329,865,466</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, 2016

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Building</u>	<u>Classroom Facilities</u>
<b>Revenues:</b>					
<b>Local:</b>					
Taxes	\$ 99,096,047	\$ 12,981,572	\$ 3,787,503	\$ -	\$ -
Tuition	1,899,932	-	-	-	-
Interest	657,719	771	-	10,753	98,868
Other Local Revenue	3,382,330	-	-	1,617,675	79,594
Payment in Lieu of Taxes	2,583,596	-	-	-	-
Intergovernmental - State	135,496,116	1,957,620	645,944	-	20,323,650
Intergovernmental - Federal	517,646	326,985	-	-	-
<b>Total Revenues</b>	<u>243,633,386</u>	<u>15,266,948</u>	<u>4,433,447</u>	<u>1,628,428</u>	<u>20,502,112</u>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	107,994,543	-	1,502,239	249,588	-
Special	35,811,139	-	-	-	-
Vocational	4,651,607	-	-	-	-
Other	807,099	-	-	-	-
<b>Support Services:</b>					
Pupil	10,338,627	-	-	-	-
Instructional Staff	3,594,488	-	-	-	-
Board of Education	39,832	-	-	-	-
Administration	18,083,968	-	-	-	-
Fiscal	3,181,727	230,504	74,786	-	-
Business	888,228	-	98,242	-	-
Operations and Maintenance	16,318,425	-	-	-	-
Pupil Transportation	13,297,779	-	-	-	-
Central	3,532,906	-	56,435	-	-
Food Service	-	-	-	-	-
Community Services	136,520	-	-	-	-
Shared Services	328,850	-	-	-	-
Extracurricular Activities	2,920,384	-	-	-	-
Capital Outlay	352,597	-	5,369,603	11,206,926	58,336,199
<b>Debt Services:</b>					
Principal Retirement	-	7,135,000	66,666	-	-
Interest and Fiscal Charges	-	7,665,251	-	-	-
<b>Total Expenditures</b>	<u>222,278,719</u>	<u>15,030,755</u>	<u>7,167,971</u>	<u>11,456,514</u>	<u>58,336,199</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	21,354,667	236,193	(2,734,524)	(9,828,086)	(37,834,087)
<b>Other Financing Sources (Uses):</b>					
Transfers - In	-	466,500	-	-	-
Transfers - Out	(1,059,176)	-	-	-	-
Proceeds from Sale of Capital Assets	16,138	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,043,038)</u>	<u>466,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	20,311,629	702,693	(2,734,524)	(9,828,086)	(37,834,087)
<b>Fund Balances at Beginning of Fiscal Year</b>	141,772,110	16,182,756	9,841,931	6,949,561	57,686,782
<b>Fund Balances at End of Fiscal Year</b>	<u>\$ 162,083,739</u>	<u>\$ 16,885,449</u>	<u>\$ 7,107,407</u>	<u>\$ (2,878,525)</u>	<u>\$ 19,852,695</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, 2016

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Net Change in Fund Balances - Total Governmental Funds	\$ (28,472,404)
		Amounts reported for governmental activities in the statement of activities are different because:	
\$ 461,791	\$ 116,326,913	Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay, which met the capitalization criteria (\$72,318,843) exceeds depreciation (\$11,370,070) in the current period.	60,948,773
10,911	1,910,843		
1,384	769,495		
4,265,591	9,345,190		
-	2,583,596		
1,934,310	160,357,640		
20,477,385	21,322,016		
<u>27,151,372</u>	<u>312,615,693</u>		
		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.	(789,769)
306,778	110,053,148		
7,881,320	43,692,459	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
522,520	5,174,127	Tax Revenue	(2,188,939)
258,259	1,065,358	State and Federal Grant Revenue	(18,079,320)
		Payment in Lieu of Tax Revenue	(24,047)
961,196	11,299,823		
3,661,270	7,255,758	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.	7,201,666
-	39,832		
630,032	18,714,000		
231,666	3,718,683	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.	406,806
-	986,470		
293,316	16,611,741		
18,715	13,316,494	Contractually required contributions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.	23,584,044
54,000	3,643,341		
9,470,802	9,470,802	Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expenses in the statement of activities.	(16,371,264)
1,245,887	1,382,407		
-	328,850		
1,165,817	4,086,201	Accretion on capital appreciation bonds is an expenditures in the governmental funds but is allocated as an expense over the life of the bonds.	(222,532)
132,499	75,397,824		
-	7,201,666	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.	(323,300)
-	7,665,251		
<u>26,834,077</u>	<u>341,104,235</u>	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.	(1,391,486)
		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.	(578,018)
317,295	(28,488,542)		
592,676	1,059,176	Changes in Net Position of Governmental Activities	<u>\$ 23,700,210</u>
-	(1,059,176)		
-	16,138		
<u>592,676</u>	<u>16,138</u>		
909,971	(28,472,404)		
6,218,357	238,651,497		
<u>\$ 7,128,328</u>	<u>\$ 210,179,093</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, 2016

Current Assets:

Equity in Pooled Cash and Cash	
Equivalents	\$ 10,627,817
Total Current Assets	<u>10,627,817</u>

Current Liabilities:

Accounts Payable	167,080
Claims Payable	<u>3,017,000</u>
Total Current Liabilities	<u>3,184,080</u>

Net Position

Unrestricted	<u>7,443,737</u>
Total Net Position	<u>\$ 7,443,737</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, 2016

Operating Revenues:	
Charges for Services	\$ 24,915,039
Charges to Employees	<u>5,924,565</u>
Total Operating Revenues	<u>30,839,604</u>
Operating Expenses:	
Salaries and Wages	672,689
Fringe Benefits	16,385
Claims	28,472,638
Purchased Services	<u>2,255,910</u>
Total Operating Expenses	<u>31,417,622</u>
Operating Loss	(578,018)
Net Position Beginning of Fiscal Year	<u>8,021,755</u>
Net Position End of Fiscal Year	<u><u>\$ 7,443,737</u></u>

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

South-Western City School District  
Statement of Cash Flows  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2016

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 24,915,039
Cash Received from Employees	5,924,565
Cash Payments for Claims	(27,996,638)
Cash Payments for Salaries and Fringe Benefits	(689,074)
Cash Payments to Suppliers for Goods and Services	<u>(2,286,737)</u>
Net Cash Used in Operating Activities	<u>(132,845)</u>

Net Decrease in Cash and Cash Equivalents	(132,845)
Cash and Cash Equivalents Beginning of Fiscal Year	<u>10,760,662</u>
Cash and Cash Equivalents End of Fiscal Year	<u><u>\$ 10,627,817</u></u>

Reconciliation of Operating Loss to Net Cash

<u>Used in Operating Activities:</u>	
Operating Loss	\$ (578,018)

Adjustments to Reconcile Operating Loss to Net

Cash Used in Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Payable	(30,827)
Increase in Claims Payable	<u>476,000</u>
Net Cash Used in Operating Activities	<u><u>\$ (132,845)</u></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, 2016

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 6,239,815
Receivables:	
Accounts	688
Total Assets	<u>\$ 6,240,503</u>
 <u>Liabilities:</u>	
Accounts Payable	\$ 33,212
Undistributed Money	6,207,291
Total Liabilities	<u>\$ 6,240,503</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, 2016*

**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 900 non-certificated employees, 1,505 certificated full time teaching personnel and 99 administrative employees to provide approximately 21,246 students and other community members these educational related services.

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 fifth 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 2016 the District operated 15 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 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 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, 2016*

**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 fiscal 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, 2016*

**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 Improvements 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, deferred outflows of resources, 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, 2016*

**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, deferred outflows of resources, 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, deferred outflows 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, 2016*

**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

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. The District has deferred outflows of resources on the government-wide statement of net position for pension which is explained in Note 8.

In addition to liabilities, the statement of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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, unavailable revenue and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2015, but which were levied to finance fiscal year 2016 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenues are reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes delinquent property taxes, intergovernmental grants and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (Note 8)

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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

**E. Budgetary Data**

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

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

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

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal 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 fiscal year as reported by the District Treasurer. The certificate may be further amended during the fiscal 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 2016, 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 fiscal year for all funds consistent with the general obligation bond indenture and other statutory provisions. All funds completed the fiscal 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 fiscal 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 2016.

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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

**F. Cash and Cash Equivalents/Investments**

The District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund's interest in the pooled bank account is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2016, 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.

The District has invested funds in the State Treasury Asset Reserve of Ohio (Star Ohio) during fiscal year 2016. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (BAS) Statement No.79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for this purpose.

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 2016 amounted to \$657,719, which includes \$114,818 assigned from other District Funds.

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

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

**H. Capital Assets and Depreciation (continued)**

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, 2016.

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, 2016, and reduced to the maximum payment allowed by labor contracts and/or statute, plus any additional salary related payments.

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

**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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

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.

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 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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

L. Fund Balance (continued)

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, 2016.

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 2016.

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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

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

**Q. Bond Premiums, Bond Discounts and Gains on Refunding and Issuance Costs (continued)**

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.

**R. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**NOTE 3 – ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

For Fiscal year 2016, the District implemented Governmental Accounting Standards Board (GASB) Statement No.72, “Fair Value Measurement and Application,” GASB Statement No. 76. “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments,” GASB Statement No. 79, “Certain External Investment Pools and Pool Participants,” and GASB Statement No. 83, “Pension Issues an Amendment of GASB Statements No. 67, No. 68 and No. 73.”

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes for applying fair value to certain investments and disclosures related to all fair value measurements. These changes were incorporated in the District’s fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 76 identifies in the context of the current governmental financial reporting environment the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with generally accepted accounting principles (GAAP) and the framework for selecting those principles. The implementation of this GASB pronouncement did not result in any changes to the District’s financial statements.

GASB Statement No.79 establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement provides accounting and financial reporting guidance and establishes additional note disclosure requirement for governments that participate in those pools. The District participates in STAR Ohio which implemented GASB Statement No. 79 for fiscal year 2016. The District incorporated the corresponding GASB No. 79 guidance into their fiscal year 2016 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 82 improves consistency in the application of pension accounting. These changes were incorporated in the District’s fiscal year 2016 financial statements; however there was no effect on beginning net position/fund balance.



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 3 – ACCOUNTABILITY AND COMPLIANCE (continued)**

**B. Deficit Fund Balances**

Fund balances at June 30, 2016 included the following individual fund deficits:

<u>Funds</u>	<u>Deficit</u>
Building	\$2,878,525
Federal Grants	431,423

The General Fund is liable for any deficit in these funds and provides transfers when cash is required, not when accruals occur. The deficit fund balances resulted from adjustments for accrued liabilities.

**NOTE 4 – CASH AND CASH EQUIVALENTS/INVESTMENTS**

**Deposits**

At fiscal year-end, the carrying amount of the District’s deposits was \$111,623,928 and the bank balance was \$108,661,847. Of the bank balance, \$6,000,969 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.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less than 1 year</u>	<u>1-2 years</u>
STAR Ohio	\$ 10,018,257	\$ 10,018,257	\$ -
Municipal Bonds	2,892,956	2,174,758	718,198
FNMA	8,771,965	5,001,150	3,770,815
FFCB	34,807,690	10,007,650	24,800,040
FHLMC	22,629,220	10,333,784	12,295,436
FHLB	16,012,860	16,012,860	-
	<u>\$ 95,132,948</u>	<u>\$ 53,548,459</u>	<u>\$ 41,584,489</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the District’s recurring fair value measurements as of June 30, 2106. All the District’s investments measured at fair value are valued using quoted market prices (Level 1 inputs).

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 4 – CASH AND CASH EQUIVALENTS/INVESTMENTS (continued)**

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District’s policy places limitations on the types of investments the District may invest in. The District’s policy authorizes investment in allowable securities as outlined by Ohio Revised Code Section 135. Standard & Poor’s has assigned STAR Ohio an AAAM money market rating. Ohio law requires that STAR Ohio maintain the highest rating provided by at least on nationally recognized standard rating service. The District’s investments in FNMA, FFCB, FHLMC and FHLB were each rated AAA or Aaa by Standard & Poor’s or Moody’s Investor Services, respectively. The District’s investment in municipal bonds were rated AA+ or AA and Aa1 or Aa2 by Standard & Poor’s or Moody’s Investor Services, respectively.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2016:

<u>Investment Type</u>	<u>Fair Value</u>	<u>% of Total</u>
STAR Ohio	\$ 10,018,257	10.53%
Municipal Bonds	2,892,956	3.04%
FNMA	8,771,965	9.22%
FFCB	34,807,690	36.59%
FHLMC	22,629,220	23.79%
FHLB	16,012,860	16.83%
	<u>\$ 95,132,948</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. State laws does not require security for public deposits and investments to be maintained in the District’s name. During 2016, the District and public depositories complied with the provisions of these statutes.

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

**Reconciliation of Cash and Investment to the Statement of Net Position:** The following is a reconciliation of cash and investments to the Statement of Net Position as of June 30, 2016:

Investments (summarized above)	\$ 95,132,948
Carrying Amount of District's Deposits	111,623,928
Agency Fund - Cash and Cash Equivalents	(6,239,815)
Total Governmental Activities - Cash and Cash Equivalents and Investments	<u>\$ 200,517,061</u>

**NOTE 5 – PROPERTY TAXES**

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 5 – PROPERTY TAXES (continued)**

Property taxes include amounts levied against all real, public utility property, and tangible personal property (used in business) located in the District. Real property tax revenues received in calendar year 2016 represent the collection of calendar year 2015 taxes. Real property taxes received in calendar year 2016 were levied after April 1, 2015, on the assessed values as of January 1, 2015, 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 2016 represent the collection of calendar year 2015 taxes. Public utility real and tangible personal property taxes received in calendar year 2015 became a lien on December 31, 2014, were levied after October 1, 2015, and are collected in 2016 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.

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, 2016, are available to finance fiscal year 2016 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes personal property and public utility taxes, which are measurable as of June 30, 2016 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 \$40,342,180 in the General Fund, \$5,466,880 in the Debt Service Fund and \$1,779,015 in the Capital Improvements Fund, which is recognized as revenue. The assessed values upon which the fiscal year 2016 taxes were collected are:

	<u>2015 Second Half Collection</u>		<u>2016 First Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 2,324,059,180	95.50%	\$ 2,323,930,240	95.44%
Public Utility Real and Personal	<u>109,471,420</u>	<u>4.50%</u>	<u>111,151,060</u>	<u>4.56%</u>
Total Assessed Value	<u>\$ 2,433,530,600</u>	<u>100.00%</u>	<u>\$ 2,435,081,300</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed Valuation	\$ 73.25		\$ 73.15	

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**NOTE 6 – RECEIVABLES**

Receivables at June 30, 2016 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 and amended to \$123,837,296 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	\$ 117,356,392
Property Taxes – Delinquent	6,899,477
Payment in Lieu of Taxes	2,128,907
Accounts	85,271
Interest	55,964
Intergovernmental	<u>6,615,697</u>
Total	<u><u>\$ 133,141,708</u></u>

**NOTE 7 – CAPITAL ASSETS**

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

	Balance <u>6/30/2015</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2016</u>
<b>Governmental Activities</b>				
Non-Depreciable:				
Land	\$ 8,678,711	\$ -	\$ -	\$ 8,678,711
Construction in Progress	<u>112,855,105</u>	<u>68,835,569</u>	<u>(122,041,413)</u>	<u>59,649,261</u>
Total Non-Depreciable	<u>121,533,816</u>	<u>68,835,569</u>	<u>(122,041,413)</u>	<u>68,327,972</u>
Depreciable:				
Improvements to Land	12,174,321	18,136,257	(1,299,215)	29,011,363
Buildings	249,308,258	103,895,443	(4,877,572)	348,326,129
Furniture and Equipment	8,681,516	2,433,600	(254,651)	10,860,465
Vehicles	1,826,552	27,552	(65,701)	1,788,403
Buses	<u>14,815,993</u>	<u>1,031,835</u>	<u>(62,633)</u>	<u>15,785,195</u>
Total Depreciable	<u>286,806,640</u>	<u>125,524,687</u>	<u>(6,559,772)</u>	<u>405,771,555</u>
Accumulated Depreciation:				
Improvements to Land	(3,616,790)	(1,352,827)	1,299,215	(3,670,402)
Buildings	(96,571,803)	(8,976,995)	4,112,064	(101,436,734)
Furniture and Equipment	(6,433,086)	(373,714)	235,704	(6,571,096)
Vehicles	(1,490,876)	(80,250)	60,387	(1,510,739)
Buses	<u>(10,123,564)</u>	<u>(586,284)</u>	<u>62,633</u>	<u>(10,647,215)</u>
Total Accumulated Depreciation	<u>(118,236,119)</u>	<u>(11,370,070)</u>	<u>5,770,003</u>	<u>(123,836,186)</u>
Net Depreciable Capital Assets	<u>168,570,521</u>	<u>114,154,617</u>	<u>(789,769)</u>	<u>281,935,369</u>
Net Governmental Activities Capital Assets	<u><u>\$ 290,104,337</u></u>	<u><u>\$ 182,990,186</u></u>	<u><u>\$ (122,831,182)</u></u>	<u><u>\$ 350,263,341</u></u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 7 – CAPITAL ASSETS (continued)**

Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 8,482,616
Special	37,921
Vocational	523,791
Support Services:	
Instructional Staff	2,249
Administration	226,863
Business	141
Operations and Maintenance	109,122
Transportation	640,927
Central	759,681
Food Service	112,244
Community Services	137,446
Extracurricular	337,069
Total Depreciation Expense	<u>\$ 11,370,070</u>

**NOTE 8 - DEFINED BENEFIT PENSION PLANS**

**A. Net Pension Liability**

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

The net pension liability represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension liability calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)**

GASB 68 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension liability* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the fiscal year is included in *due to other governments* on both the accrual and modified accrual bases of accounting.

**B. School Employees Retirement System**

Plan Description – District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before <u>August 1, 2017*</u>	Eligible to Retire on or after <u>August 1, 2017*</u>
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\*Members with 25 years of service credit as of August 1, 2017, will be included in this plan

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first thirty years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)**

The District's contractually required contribution to SERS was \$4,816,182 for fiscal year 2016. The entire amount was paid to SERS.

**C. State Teachers Retirement System**

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://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. Benefits are established by Ohio Revised Code Chapter 3307. The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. 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 DB Plan and the DC Plan. In the Combined Plan, member contributions are allocated among investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50.

New members who choose the DC plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least ten years of qualifying service credit that apply for disability benefits. Members in 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 member's designated beneficiary is entitled to receive the member's account balance.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)**

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory maximum employee contribution rate was increased by one percent July 1, 2014, and will be increased one percent each year until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2016, plan members were required to contribute 13 percent of their annual covered salary. The South-Western City School was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2016 contribution rates were equal to the statutory maximum rates.

The District’s contractually required contribution to STRS was \$18,767,862 for fiscal year 2016. The entire amount was paid to STRS.

**D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on the District’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 58,473,320	\$ 281,899,938	\$ 340,373,258
Pension Expense	\$ 3,431,819	\$ 12,939,445	\$ 16,371,264
Proportionate Share of the Net Pension Liability			
Prior Measurement Date	1.0445160%	1.00403592%	
Proportionate Share of the Net Pension Liability			
Current Measurement Date	1.0247516%	1.02000656%	



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)**

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 941,528	\$ 12,851,081	\$ 13,792,609
Change in proportionate share and difference between District contributions and proportionate share of contributions	-	3,487,105	3,487,105
District contributions subsequent to the measurement date	<u>4,816,182</u>	<u>18,767,862</u>	<u>23,584,044</u>
Total Deferred Outflows of Resources	<u>\$ 5,757,710</u>	<u>\$ 35,106,048</u>	<u>\$ 40,863,758</u>

**Deferred Inflows of Resources**

Net Difference between projected and actual earnings on pension plan investments	\$ 1,937,411	\$ 20,273,937	\$ 22,211,348
Change in proportionate share and difference between District contributions and proportionate share of contributions	<u>893,701</u>	<u>2,190,463</u>	<u>3,084,164</u>
Total Deferred Inflows of Resources	<u>\$ 2,831,112</u>	<u>\$ 22,464,400</u>	<u>\$ 25,295,512</u>

\$23,584,044 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30			
2017	\$ (989,103)	\$ (4,433,536)	\$ (5,422,639)
2018	(989,103)	(4,433,536)	(5,422,639)
2019	(993,562)	(4,433,537)	(5,427,099)
2020	<u>1,082,184</u>	<u>7,174,395</u>	<u>8,256,579</u>
Total	<u>\$ (1,889,584)</u>	<u>\$ (6,126,214)</u>	<u>\$ (8,015,798)</u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)**

***Actuarial Assumptions - SERS***

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2015, are presented below:

Wage Inflation	3.25 percent
Future Salary Increases, including inflation	4.00 percent to 22 percent
COLA or Ad Hoc COLA	3 percent
Investment Rate of Return	7.75 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal

For post-retirement mortality, the table used in evaluating allowances to be paid is the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed June 30, 2010.

The long-term return expectation for the Pension Plan Investments has been determined using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalanced uncorrelated asset classes.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.00%
US Stocks	22.50	5.00
Non-US Stocks	22.50	5.50
Fixed Income	19.00	1.50
Private Equity	10.00	10.00
Real Assets	10.00	5.00
Multi-Asset Strategies	<u>15.00</u>	7.50
Total	<u>100.00%</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.75 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.75 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.75 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75 percent), or one percentage point higher (8.75 percent) than the current rate.

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
District's proportionate share of Net Pension Liability	\$ 81,081,482	\$ 58,473,320	\$ 39,435,383

**Actuarial Assumptions - STRS**

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	2.75 percent at age 70 to 12.25 percent at age 20
Investment Rate of Return	7.75 percent, net of investment expenses
Cost-of-Living Adjustments (COLA)	2.00 percent simple applied as follows: for members retiring before August 1, 2013, 2.00 percent per year, for members retiring August 1, 2013, or later, 2.00 percent COLA paid on fifth anniversary of retirement date.

Mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89 and not set back from age 90 and above.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)**

Actuarial assumptions used in the June 30, 2015, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	31.00%	8.00%
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u>100.00%</u>	

**Discount Rate** The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2015. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2015. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2015.

	1% Decrease	Current Discount Rate	1% Increase
	<u>(6.75%)</u>	<u>(7.75%)</u>	<u>(8.75%)</u>
District's proportionate share of Net Pension Liability	\$ 391,580,335	\$ 281,899,938	\$ 189,148,884

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 9 – POST EMPLOYMENT BENEFITS**

**A. School Employees Retirement System**

Health Care Plan Description - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2016, no allocation of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2016, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2016, the District's surcharge obligation was \$402,639.

The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$402,639, \$654,778, and \$469,244, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

**B. State Teachers Retirement System**

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

Funding Policy – Ohio Revised Code Chapter 3307 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. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2016, STRS did not allocate any employer contributions to post-employment health care. The District's contributions for health care for the fiscal years ended June 30, 2016, 2015, and 2014 were \$0, \$0, and \$1,035,953, respectively. The full amount has been contributed for fiscal years 2016, 2015 and 2014.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 10 - RISK MANAGEMENT**

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

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

The claims liability is \$3,017,000 reported in the internal service fund at June 30, 2016 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 but 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 2015	\$ 1,921,000	\$ 26,971,994	\$ 26,351,994	\$ 2,541,000
Fiscal Year 2016	2,541,000	28,472,638	27,996,638	3,017,000

**NOTE 11 - COMPENSATED ABSENCES**

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

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

**NOTE 12- LONG-TERM DEBT**

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

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**NOTE 12- LONG-TERM DEBT(continued)**

The following is a description of the District's Bonds and Long-Term Note outstanding at June 30, 2016:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired/Accreted in 2016</u>	<u>Bonds Outstanding 6/30/2016</u>
2000 Vocational Construction	0%	12/31/2016	\$ 1,000,000	\$ (66,666)	\$ 66,666
2006 Refunding School Facilities	4.02%	12/1/2027	77,988,782	(3,376,439)	43,782,604
2006 Refunding Capital Appreciation Bonds	4.02%	12/1/2016	1,254,989	222,532	1,970,719
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	(4,165,367)	139,327,948
Total Long-Term Bonds and Notes Payable			<u>\$ 227,163,771</u>	<u>\$ (7,385,940)</u>	<u>\$ 191,817,937</u>

Amortization of premium on the 2006 Refunding School Facilities Bonds for fiscal year 2016 was \$116,439. The balance of unamortized premium on the bonds is \$1,222,615 and is included in the total bonds outstanding at June 30, 2016.

Amortization of premium on the 2012 School Facilities Bonds for fiscal year 2016 was \$290,367. The balance of unamortized premium on the bonds is \$7,597,948 and is included in the total bonds outstanding at June 30, 2016.

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>
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	8,320,000	6,635,826	14,955,826
2021	6,130,000	6,332,520	12,462,520
2022-2026	41,625,000	27,065,758	68,690,758
2027-2031	26,540,000	18,630,838	45,170,838
2032-2036	28,055,000	13,192,122	41,247,122
2037-2041	34,735,000	6,436,238	41,171,238
2042-2043	14,810,000	577,400	15,387,400
Total	<u>\$ 181,026,655</u>	<u>\$ 102,717,242</u>	<u>\$ 283,743,897</u>

The above amortization schedule (principal payments) does not include the \$8,820,563 in unamortized premium on the 2006 and 2012 bond issues. The accretion of \$1,970,719 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, 2016 was \$9,481,674.

The District's voted legal debt margin was \$38,197,328 with an unvoted debt margin of \$2,435,081 at June 30, 2016.

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

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2016**

**NOTE 12- LONG-TERM DEBT (continued)**

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

Issue	Balance at June 30, 2015	Additions	Deductions	Balance at June 30, 2016	Due within 1 year
<b>General Obligation Bonds</b>					
Refunding Bonds 2006					
Serial Bonds 4.00% - 4.75%	\$ 30,210,000	\$ -	\$ 3,260,000	\$ 26,950,000	\$ -
Term Bonds 4.25%	14,355,000	-	-	14,355,000	-
Serial/Term Bonds Premium	1,339,054	-	116,439	1,222,615	-
Capital Appreciation Bonds					
Refunding 2006 4.02%	1,254,989	-	-	1,254,989	1,254,989
Capital Appreciation Accretion	1,748,187	222,532	-	1,970,719	-
School Facilities 2012					
Serial Bonds 3.00%-4.5%	68,565,000	-	3,875,000	64,690,000	3,990,000
Term Bonds 3.5% - 5.0%	67,040,000	-	-	67,040,000	-
Serial/Term Bonds Premium	7,888,315	-	290,367	7,597,948	-
<b>Total General Obligation Bonds</b>	<b>192,400,545</b>	<b>222,532</b>	<b>7,541,806</b>	<b>185,081,271</b>	<b>5,244,989</b>
<b>Energy Conservation Bonds</b>					
Qualified School Construction Bonds 2011					
Serial Bonds 5.60%	6,670,000	-	-	6,670,000	-
<b>Total Energy Conservation Bonds</b>	<b>6,670,000</b>	<b>-</b>	<b>-</b>	<b>6,670,000</b>	<b>-</b>
<b>Long-Term Notes Payable</b>					
Technical Equipment Loan 2000 0%	133,332	-	66,666	66,666	66,666
<b>Total Long-term Notes Payable</b>	<b>133,332</b>	<b>-</b>	<b>66,666</b>	<b>66,666</b>	<b>66,666</b>
<b>Net Pension Liability</b>					
STRS	244,216,283	37,683,655	-	281,899,938	-
SERS	52,862,360	5,610,960	-	58,473,320	-
<b>Total Net Pension Liability</b>	<b>297,078,643</b>	<b>43,294,615</b>	<b>-</b>	<b>340,373,258</b>	<b>-</b>
Compensated Absences	12,890,720	1,555,175	2,512,796	11,933,099	1,771,644
<b>Total</b>	<b>\$ 509,173,240</b>	<b>\$ 45,072,322</b>	<b>\$ 10,121,268</b>	<b>\$ 544,124,294</b>	<b>\$ 7,083,299</b>

Compensated absences of \$1,771,644 include \$1,525,463 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, 2016*

**NOTE 13 - INTERFUND TRANSACTIONS**

Interfund Balances at June 30, 2016 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 6,424,804	\$ -
Building Fund	-	5,472,077
Non-Major Funds		
State Grants	-	36,756
Federal Grants	-	915,971
Total	\$ 6,424,804	\$ 6,424,804

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, 2016 are reported on the statement of net position.

Interfund transfers for the fiscal year ended June 30, 2016 consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to debt service major fund:	\$ 466,500
Transfers from general fund to nonmajor governmental funds:	592,676

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, 2016*

**NOTE 14 – 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	\$ 328,509	\$ -	\$ -	\$ -	\$ -	\$ 81,201	\$ 409,710
Total Nonspendable	328,509	-	-	-	-	81,201	409,710
Restricted for:							
Debt Service	-	16,885,449	-	-	-	-	16,885,449
Capital Projects	-	-	7,107,407	-	19,852,695	-	26,960,102
Regular Instruction	-	-	-	-	-	603,617	603,617
Special Education	-	-	-	-	-	105,257	105,257
Vocational Education	-	-	-	-	-	115,721	115,721
Adult Basic Education	-	-	-	-	-	8,413	8,413
Extracurricular Activities	-	-	-	-	-	893,940	893,940
Maintenance of Buildings	-	-	-	-	-	2,732,316	2,732,316
Food Service	-	-	-	-	-	3,167,176	3,167,176
Total Restricted	-	16,885,449	7,107,407	-	19,852,695	7,626,440	51,471,991
Committed							
Public School Support	1,230,994	-	-	-	-	-	1,230,994
Total Committed	1,230,994	-	-	-	-	-	1,230,994
Assigned:							
Unpaid Obligations	2,098,643	-	-	-	-	-	2,098,643
Regular Instruction	172,298	-	-	-	-	-	172,298
Vocational Education	4,084	-	-	-	-	-	4,084
Total Assigned	2,275,025	-	-	-	-	-	2,275,025
Unassigned	158,249,211	-	-	(2,878,525)	-	(579,313)	154,791,373
Total Fund Balance	\$ 162,083,739	\$ 16,885,449	\$ 7,107,407	\$ (2,878,525)	\$ 19,852,695	\$ 7,128,328	\$ 210,179,093

**NOTE 15 – CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits should become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2016.

**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, 2016*

**NOTE 15 – CONTINGENCIES (continued)**

**C. Full Time Equivalency**

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. Effective for the 2015-2016 school year, traditional school districts must comply with minimum hours of instruction, instead of minimum number of school days each year. The funding formula the Ohio Department of Education (ODE) is legislatively required to follow will continue to adjust as enrollment information is updated by the school district, which can extend past the fiscal year end. As of the date of this report, ODE has not finalized the impact of enrollment adjustments to the June 30, 2016 Foundation funding for the school district; therefore, the financial statements impact is not determinable at this time. ODE and management believe this will result in either a receivable to or liability of the District.

**NOTE 16 - SIGNIFICANT CONTRACTUAL OBLIGATIONS**

The District had significant contractual obligation as of June 30, 2016 which are listed below:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Smoot Construction Co. of Ohio	Construction of Franklin Heights High School	\$ 1,631,296
Ruscilli Construction Co.	Construction Management OFCC Projects	908,608
Zimmerman School Equipment	Furniture for New Buildings	891,703
CDW-Government, Inc	Technology for New Buildings	526,678
Robertson Construction	Construction of JC Sommer Elementary	463,502
Barton Malow Company	Construction of Highland Park Elementary	393,414
Garland	Roof Replacements at 4 Intermediate Schools	347,060
Monarch	Construction of West Franklin Elementary	334,894
Summit Construction Co.	Construction of Prairie Norton Elementary	237,784
Barton Malow Company	Construction of Prairie Lincoln Elementary	224,522

**NOTE 17 - SUBSTITUTE HOUSE BILL 412**

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

	<u>Capital Acquisition</u>
Set aside Cash Balance as of June 30, 2015	\$ -
Current Fiscal Year Set-aside Requirement	3,560,498
Qualifying Offset - Capital Improvements Fund	(3,792,440)
Qualifying Offset - Classroom Facilities Maintenance Fund	(683,079)
Qualifying Disbursements	<u>(2,301,240)</u>
Total	<u>\$ (3,216,261)</u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2016*

**NOTE 18 – JOINTLY GOVERNED ORGANIZATION**

Metropolitan Educational Technology Association (META)

The District is a participant in the META. META 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 META consists of one representative from each of the member school districts. Financial information can be obtained from Scott Armstrong, who serves as fiscal officer, at 2100 Citygate, Columbus, Ohio 43219.

**NOTE 19 - OTHER COMMITMENTS**

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

<u>Fund</u>	<u>Fiscal Year - End Encumbrances</u>
General Fund	\$ 2,098,643
Capital Improvement Funds	7,985,358
Other Governmental Funds	<u>106,924</u>
Total	<u>\$ 10,190,925</u>

**NOTE 20 – SUBSEQUENT EVENT**

The District issued refunding bonds of \$35,800,000 to refund a portion of the 2006 Refunding Bonds on September 7, 2016. These bonds have a final maturity on December 1, 2026.

## **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, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
<b>Local:</b>				
Taxes	\$ 99,133,940	\$ 98,634,021	\$ 98,634,021	\$ -
Tuition	1,344,130	1,930,338	1,901,856	(28,482)
Interest	250,000	520,000	560,508	40,508
Other Local Revenue	3,005,840	4,257,676	4,845,657	587,981
Intergovernmental - State	134,142,750	136,104,351	136,167,745	63,394
Intergovernmental - Federal	565,170	565,170	516,679	(48,491)
<b>Total Revenues</b>	<u>238,441,830</u>	<u>242,011,556</u>	<u>242,626,466</u>	<u>614,910</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries and Wages	70,436,480	68,329,259	66,828,876	1,500,383
Fringe Benefits	22,051,165	21,716,122	21,549,558	166,564
Purchased Services	18,206,265	17,952,978	17,875,568	77,410
Supplies and Materials	1,516,585	1,274,419	1,116,356	158,063
Miscellaneous	2,064	692	-	692
<b>Total Regular</b>	<u>112,212,559</u>	<u>109,273,470</u>	<u>107,370,358</u>	<u>1,903,112</u>
<b>Special</b>				
Salaries and Wages	20,432,190	20,988,068	20,225,785	762,283
Fringe Benefits	7,237,550	7,349,540	7,102,210	247,330
Purchased Services	7,950,039	8,850,969	8,658,624	192,345
Supplies and Materials	169,095	162,183	135,749	26,434
<b>Total Special</b>	<u>35,788,874</u>	<u>37,350,760</u>	<u>36,122,368</u>	<u>1,228,392</u>
<b>Vocational</b>				
Salaries and Wages	3,320,930	3,227,067	3,009,776	217,291
Fringe Benefits	1,046,720	978,620	930,782	47,838
Purchased Services	305,832	327,199	254,830	72,369
Supplies and Materials	607,892	829,619	748,226	81,393
Miscellaneous	7,313	950	255	695
<b>Total Vocational</b>	<u>5,288,687</u>	<u>5,363,455</u>	<u>4,943,869</u>	<u>419,586</u>
<b>Other</b>				
Salaries and Wages	641,850	662,973	602,317	60,656
Fringe Benefits	197,190	200,877	188,626	12,251
Purchased Services	880	880	-	880
Supplies and Materials	16,000	15,833	14,319	1,514
<b>Total Other</b>	<u>855,920</u>	<u>880,563</u>	<u>805,262</u>	<u>75,301</u>
<b>Total Instruction</b>	<u>154,146,040</u>	<u>152,868,248</u>	<u>149,241,857</u>	<u>3,626,391</u>
<b>Support Services:</b>				
<b>Pupil</b>				
Salaries and Wages	6,916,210	6,849,699	6,567,716	281,983
Fringe Benefits	2,062,810	1,962,419	1,890,783	71,636
Purchased Services	1,762,301	2,029,076	2,007,356	21,720
Supplies and Materials	131,632	177,337	145,355	31,982
Miscellaneous	400,000	-	-	-
<b>Total Pupil</b>	<u>11,272,953</u>	<u>11,018,531</u>	<u>10,611,210</u>	<u>407,321</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, 2016  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>				
Salaries and Wages	\$ 2,239,700	\$ 2,484,423	\$ 2,171,265	\$ 313,158
Fringe Benefits	960,990	970,700	924,182	46,518
Purchased Services	139,309	166,371	113,351	53,020
Supplies and Materials	431,433	424,831	387,215	37,616
Miscellaneous	2,180	18,410	1,719	16,691
<b>Total Instructional Staff</b>	<u>3,773,612</u>	<u>4,064,735</u>	<u>3,597,732</u>	<u>467,003</u>
<b>Board of Education</b>				
Salaries and Wages	17,000	17,000	15,095	1,905
Fringe Benefits	2,850	2,861	2,597	264
Purchased Services	6,700	6,700	4,664	2,036
Supplies and Materials	3,000	3,000	-	3,000
Miscellaneous	25,795	25,500	17,934	7,566
<b>Total Board of Education</b>	<u>55,345</u>	<u>55,061</u>	<u>40,290</u>	<u>14,771</u>
<b>Administration</b>				
Salaries and Wages	10,913,160	11,534,031	11,049,811	484,220
Fringe Benefits	4,707,667	4,818,908	4,670,627	148,281
Purchased Services	1,174,628	1,208,735	1,163,723	45,012
Supplies and Materials	98,199	113,123	97,433	15,690
Miscellaneous	1,273,145	1,266,980	1,225,816	41,164
<b>Total Administration</b>	<u>18,166,799</u>	<u>18,941,777</u>	<u>18,207,410</u>	<u>734,367</u>
<b>Fiscal</b>				
Salaries and Wages	883,960	856,849	816,471	40,378
Fringe Benefits	405,860	391,591	382,372	9,219
Purchased Services	276,313	269,183	267,948	1,235
Supplies and Materials	7,501	7,979	7,784	195
Miscellaneous	2,576,422	1,865,413	1,761,229	104,184
<b>Total Fiscal</b>	<u>4,150,056</u>	<u>3,391,015</u>	<u>3,235,804</u>	<u>155,211</u>
<b>Business</b>				
Salaries and Wages	179,490	179,524	175,806	3,718
Fringe Benefits	77,040	77,401	74,960	2,441
Purchased Services	670,004	638,887	562,052	76,835
Supplies and Materials	70,151	64,137	39,778	24,359
Miscellaneous	88,800	89,400	85,374	4,026
<b>Total Business</b>	<u>1,085,485</u>	<u>1,049,349</u>	<u>937,970</u>	<u>111,379</u>
<b>Operations and Maintenance</b>				
Salaries and Wages	7,633,260	7,855,280	7,512,133	343,147
Fringe Benefits	3,059,010	3,149,572	3,030,781	118,791
Purchased Services	5,942,478	6,329,274	6,129,797	199,477
Supplies and Materials	1,265,560	1,215,071	1,190,801	24,270
Miscellaneous	1,500	2,056	2,056	-
<b>Total Operations and Maintenance</b>	<u>17,901,808</u>	<u>18,551,253</u>	<u>17,865,568</u>	<u>685,685</u>
<b>Pupil Transportation</b>				
Salaries and Wages	7,258,100	7,646,161	7,569,186	76,975
Fringe Benefits	3,285,953	3,447,019	3,419,864	27,155
Purchased Services	1,093,823	1,306,888	1,249,543	57,345
Supplies and Materials	2,006,231	1,446,681	1,412,403	34,278
Miscellaneous	11,000	11,000	-	11,000
<b>Total Pupil Transportation</b>	<u>13,655,107</u>	<u>13,857,749</u>	<u>13,650,996</u>	<u>206,753</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, 2016  
(continued)

	Original Budget	Final Budget	Actual	Variance
Central				
Salaries and Wages	\$ 1,529,440	\$ 1,515,851	\$ 1,479,125	\$ 36,726
Fringe Benefits	669,980	657,456	638,444	19,012
Purchased Services	1,450,939	1,539,586	1,434,026	105,560
Supplies and Materials	21,277	27,077	25,067	2,010
Miscellaneous	9,050	9,050	5,787	3,263
Total Central	<u>3,680,686</u>	<u>3,749,020</u>	<u>3,582,449</u>	<u>166,571</u>
Total Support Services	<u>73,741,851</u>	<u>74,678,490</u>	<u>71,729,429</u>	<u>2,949,061</u>
Food Service				
Purchased Services	25,000	25,000	-	25,000
Total Food Service	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Community Services				
Salaries and Wages	127,030	135,063	124,050	11,013
Fringe Benefits	22,620	23,948	21,934	2,014
Purchased Services	500	500	-	500
Supplies and Materials	3,700	3,700	428	3,272
Total Community Services	<u>153,850</u>	<u>163,211</u>	<u>146,412</u>	<u>16,799</u>
Shared Services				
Salaries and Wages	253,040	253,157	239,189	13,968
Fringe Benefits	89,360	83,839	80,387	3,452
Total Shared Services	<u>342,400</u>	<u>336,996</u>	<u>319,576</u>	<u>17,420</u>
Extracurricular Activities				
Salaries and Wages	2,169,860	2,418,880	2,047,520	371,360
Fringe Benefits	434,930	481,340	401,998	79,342
Purchased Services	124,212	457,834	446,884	10,950
Total Extracurricular Activities	<u>2,729,002</u>	<u>3,358,054</u>	<u>2,896,402</u>	<u>461,652</u>
Miscellaneous	15,000	253,587	253,587	-
Capital Outlay	718,136	423,085	325,671	97,414
Total Expenditures	<u>231,871,279</u>	<u>232,106,671</u>	<u>224,912,934</u>	<u>7,193,737</u>
Excess of Revenues Over Expenditures	6,570,551	9,904,885	17,713,532	7,808,647
Other Financing Sources (Uses):				
Transfers - In	100,970	100,970	103,628	2,658
Transfers - Out	(1,600,000)	(1,611,619)	(1,611,619)	-
Advances - In	1,500,000	1,500,000	18,852,122	17,352,122
Advances - Out	-	(6,424,804)	(6,424,804)	-
Proceeds from Sale of Capital Asset	5,180	15,180	16,138	958
Total Other Financing Sources (Uses)	<u>6,150</u>	<u>(6,420,273)</u>	<u>10,935,465</u>	<u>17,355,738</u>
Net Change in Fund Balances	6,576,701	3,484,612	28,648,997	25,164,385
Fund Balance at Beginning of Fiscal Year	100,368,694	100,368,694	100,368,694	-
Prior Year Encumbrances Appropriated	1,808,453	1,808,453	1,808,453	-
Fund Balance at End of Fiscal Year	<u>\$ 108,753,848</u>	<u>\$ 105,661,759</u>	<u>\$ 130,826,144</u>	<u>\$ 25,164,385</u>



*South-Western City School District, Ohio  
Required Supplemental Information  
For the Fiscal Year Ended June 30, 2016*

**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	\$ 20,311,629
Adjustments:	
Revenue Accruals	85,205
Expenditure Accruals	(7,455,072)
Encumbrances	3,499,818
Activity of Fund Reclassified for	
GAAP Reporting Purposes	4,032
Operating Transfers	(223,933)
Advances	12,427,318
Budget Basis	<u>\$ 28,648,997</u>

South-Western City School District  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 School Employees Retirement System of Ohio  
 Last Three Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total plan pension liability	\$ 18,503,280,961	\$ 17,881,827,171	\$ 17,247,161,078
Plan net position	<u>12,797,184,030</u>	<u>12,820,884,107</u>	<u>11,300,482,029</u>
Net pension liability	<u>5,706,096,931</u>	<u>5,060,943,064</u>	<u>5,946,679,049</u>
District's proportion of the net pension liability	1.0247516%	1.044516%	1.044516%
District's proportionate share of the net pension liability	\$ 58,473,320	\$ 52,862,360	\$ 62,114,014
District's covered-employee payroll	\$ 30,850,372	\$ 28,682,886	\$ 27,922,298
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	189.54%	184.30%	222.45%
Plan fiduciary net position as a percentage of the total pension liability	69.16%	71.70%	65.52%

(1) Information prior to 2013 is not available

South-Western City School District  
 Required Supplementary Information  
 Schedule of the School District's Proportionate Share of the Net Pension Liability  
 State Teachers Retirement of Ohio  
 Last Three Fiscal Years (1)

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total plan pension liability	\$ 99,014,653,744	\$ 96,167,057,104	\$ 94,366,693,720
Plan net position	<u>71,377,578,736</u>	<u>71,843,596,331</u>	<u>65,392,746,348</u>
Net pension liability	<u>27,637,075,008</u>	<u>24,323,460,773</u>	<u>28,973,947,372</u>
District's proportion of the net pension liability	1.02000656%	1.00403592%	1.00403592%
District's proportionate share of the net pension liability	\$ 281,899,938	\$ 244,216,283	\$ 290,908,839
District's covered-employee payroll	\$ 106,420,593	\$ 103,595,331	\$ 102,000,677
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	264.89%	235.74%	285.20%
Plan fiduciary net position as a percentage of the total pension liability	72.09%	74.71%	69.30%

(1) Information prior to 2013 is not available

South-Western City School District  
 Required Supplementary Information  
 Schedule of the School District's Contribution  
 School Employees Retirement System of Ohio  
 Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 4,816,182	\$ 4,066,079	\$ 3,975,448	\$ 3,864,446
Contributions in relation to the contractually required contribution	<u>(4,816,182)</u>	<u>(4,066,079)</u>	<u>(3,975,448)</u>	<u>(3,864,446)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered employee payroll	<u>\$ 34,401,300</u>	<u>\$ 30,850,372</u>	<u>\$ 28,682,886</u>	<u>\$ 27,922,298</u>
Contributions as a percentage of covered employee payroll	14.00%	13.18%	13.86%	13.84%

<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 3,663,149	\$ 3,829,383	\$ 3,973,899	\$ 3,581,183	\$ 3,453,512	\$ 3,522,869
(3,663,149)	(3,829,383)	(3,973,899)	(3,581,183)	(3,453,512)	(3,522,869)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 27,235,309</u>	<u>\$ 30,464,462</u>	<u>\$ 29,349,325</u>	<u>\$ 36,394,138</u>	<u>\$ 35,168,143</u>	<u>\$ 32,985,662</u>
13.45%	12.57%	13.54%	9.84%	9.82%	10.68%

South-Western City School District  
 Required Supplementary Information  
 Schedule of the School District's Contribution  
 State Teachers Retirement of Ohio  
 Last Ten Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 18,767,862	\$ 14,898,883	\$ 13,467,393
Contributions in relation to the contractually required contribution	<u>(18,767,862)</u>	<u>(14,898,883)</u>	<u>(13,467,393)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered employee payroll	<u>\$ 134,056,157</u>	<u>\$ 106,420,593</u>	<u>\$ 103,595,331</u>
Contributions as a percentage of covered employee payroll	14.00%	14.00%	13.00%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 13,260,088	\$ 13,000,170	\$ 13,533,644	\$ 13,467,018	\$ 13,485,148	\$ 12,979,173	\$ 12,689,830
(13,260,088)	(13,000,170)	(13,533,644)	(13,467,018)	(13,485,148)	(12,979,173)	(12,689,830)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 102,000,677</u>	<u>\$ 100,001,308</u>	<u>\$ 104,104,957</u>	<u>\$ 103,592,443</u>	<u>\$ 103,731,909</u>	<u>\$ 99,839,791</u>	<u>\$ 97,614,078</u>
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

## **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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 13,073,540	\$ 13,073,540	\$ -
Interest	540	771	231
Intergovernmental - State	1,975,813	1,957,620	(18,193)
Intergovernmental - Federal	<u>325,240</u>	<u>326,985</u>	<u>1,745</u>
Total Revenues	<u>15,375,133</u>	<u>15,358,916</u>	<u>(16,217)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	<u>250,000</u>	<u>230,504</u>	<u>19,496</u>
Total Fiscal	<u>250,000</u>	<u>230,504</u>	<u>19,496</u>
Total Support Services	<u>250,000</u>	<u>230,504</u>	<u>19,496</u>
Debt Service:			
Principal Retirement	7,135,000	7,135,000	-
Interest and Fiscal Charges	<u>7,665,270</u>	<u>7,665,251</u>	<u>19</u>
Total Expenditures	<u>15,050,270</u>	<u>15,030,755</u>	<u>19,515</u>
Excess of Revenues Over Expenditures	324,863	328,161	3,298
Other Financing Sources:			
Transfers - In	<u>466,500</u>	<u>466,500</u>	<u>-</u>
Total Other Financing Sources	<u>466,500</u>	<u>466,500</u>	<u>-</u>
Net Change in Fund Balances	791,363	794,661	3,298
Fund Balance at Beginning of Fiscal Year	<u>10,623,908</u>	<u>10,623,908</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 11,415,271</u>	<u>\$ 11,418,569</u>	<u>\$ 3,298</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 3,571,152	\$ 3,792,440	\$ 221,288
Intergovernmental - State	1,010,820	645,944	(364,876)
Total Revenues	<u>4,581,972</u>	<u>4,438,384</u>	<u>(143,588)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	2,314,803	2,224,101	90,702
Total Regular	<u>2,314,803</u>	<u>2,224,101</u>	<u>90,702</u>
Vocational			
Purchased Services	66,667	66,667	-
Total Vocational	<u>66,667</u>	<u>66,667</u>	<u>-</u>
Total Instruction	<u>2,381,470</u>	<u>2,290,768</u>	<u>90,702</u>
Support Services:			
Fiscal			
Miscellaneous	74,786	74,786	-
Total Fiscal	<u>74,786</u>	<u>74,786</u>	<u>-</u>
Business			
Purchased Services	143,206	108,528	34,678
Total Business	<u>143,206</u>	<u>108,528</u>	<u>34,678</u>
Central			
Supplies and Materials	84,000	56,435	27,565
Total Central	<u>84,000</u>	<u>56,435</u>	<u>27,565</u>
Total Support Services	<u>301,992</u>	<u>239,749</u>	<u>62,243</u>
Capital Outlay	8,205,750	6,759,387	1,446,363
Total Expenditures	<u>10,889,212</u>	<u>9,289,904</u>	<u>1,599,308</u>
Net Change in Fund Balances	(6,307,240)	(4,851,520)	1,455,720
Fund Balance at Beginning of Fiscal Year	5,817,886	5,817,886	-
Prior Year Encumbrances Appropriated	3,805,428	3,805,428	-
Fund Balance at End of Fiscal Year	<u>\$ 3,316,074</u>	<u>\$ 4,771,794</u>	<u>\$ 1,455,720</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 8,444	\$ 8,444	\$ -
Other Local Revenue	1,617,675	1,617,675	-
Total Revenues	<u>1,626,119</u>	<u>1,626,119</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	1,724,077	1,724,077	-
Total Regular	<u>1,724,077</u>	<u>1,724,077</u>	<u>-</u>
Total Instruction	<u>1,724,077</u>	<u>1,724,077</u>	<u>-</u>
Capital Outlay	14,252,947	14,100,600	152,347
Total Expenditures	<u>15,977,024</u>	<u>15,824,677</u>	<u>152,347</u>
Excess of Revenues Under Expenditures	(14,350,905)	(14,198,558)	(152,347)
Other Financing Sources:			
Advances - In	5,472,077	5,472,077	-
Advances - Out	-	(5,909,538)	(5,909,538)
Total Other Financing Sources	<u>5,472,077</u>	<u>(437,461)</u>	<u>(5,909,538)</u>
Net Change in Fund Balances	(8,878,828)	(14,636,019)	152,347
Fund Balance at Beginning of Fiscal Year	143,904	143,904	-
Prior Year Encumbrances Appropriated	14,644,463	14,644,463	-
Fund Balance at End of Fiscal Year	<u>\$ 5,909,539</u>	<u>\$ 152,348</u>	<u>\$ 152,347</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 57,560	\$ 85,483	\$ 27,923
Other Local Revenue	-	79,594	79,594.00
Intergovernmental - State	<u>21,117,044</u>	<u>20,323,650</u>	<u>(793,394)</u>
Total Revenues	<u>21,174,604</u>	<u>20,488,727</u>	<u>(685,877)</u>
Expenditures:			
Capital Outlay	<u>85,823,817</u>	<u>71,053,098</u>	<u>14,770,719</u>
Total Expenditures	<u>85,823,817</u>	<u>71,053,098</u>	<u>14,770,719</u>
Excess of Revenues Under Expenditures	(64,649,213)	(50,564,371)	14,084,842
Other Financing Sources:			
Advances - Out	<u>-</u>	<u>(11,513,886)</u>	<u>(11,513,886)</u>
Total Other Financing Sources	<u>-</u>	<u>(11,513,886)</u>	<u>(11,513,886)</u>
Net Change in Fund Balances	(64,649,213)	(62,078,257)	2,570,956
Fund Balance at Beginning of Fiscal Year	110,321,097	110,321,097	-
Prior Year Encumbrances Appropriated	<u>66,620,250</u>	<u>66,620,250</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 112,292,134</u>	<u>\$ 114,863,090</u>	<u>\$ 2,570,956</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 Challenge and Straight A.

### Federal Grants

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

### 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, 2016

	<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	\$ 330,569	\$ 923,876	\$ 433,110
Receivable:			
Taxes - Current	-	-	-
Accounts	3,324	2,648	-
Intergovernmental	-	-	58,231
Materials and Supplies Inventory	-	15,773	-
Total Assets	<u>\$ 333,893</u>	<u>\$ 942,297</u>	<u>\$ 491,341</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 5,772	\$ 32,584	\$ 28,221
Accrued Wages and Benefits	-	-	52,929
Interfund Loans Payable	-	-	36,756
Total Liabilities	<u>5,772</u>	<u>32,584</u>	<u>117,906</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes not Levied to Finance			
Current Year Operations	-	-	-
State and Federal Grant Revenue Not Received	-	-	16,438
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>16,438</u>
<u>Fund Balance:</u>			
Nonspendable	-	15,773	-
Restricted	328,121	893,940	369,351
Unassigned (Deficit)	-	-	(12,354)
Total Fund Balances	<u>328,121</u>	<u>909,713</u>	<u>356,997</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 333,893</u>	<u>\$ 942,297</u>	<u>\$ 491,341</u>



<u>Federal Grants</u>	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Total Nonmajor Funds</u>
\$ 199,750	\$ 2,574,303	\$ 2,732,316	\$ 7,193,924
-	-	461,791	461,791
-	2,826	-	8,798
4,448,028	969,263	-	5,475,522
-	65,428	-	81,201
<u>\$ 4,647,778</u>	<u>\$ 3,611,820</u>	<u>\$ 3,194,107</u>	<u>\$ 13,221,236</u>
\$ 73,551	\$ 3,890	\$ -	\$ 144,018
1,511,725	375,326	-	1,939,980
915,971	-	-	952,727
<u>2,501,247</u>	<u>379,216</u>	<u>-</u>	<u>3,036,725</u>
-	-	461,791	461,791
2,577,954	-	-	2,594,392
<u>2,577,954</u>	<u>-</u>	<u>461,791</u>	<u>3,056,183</u>
-	65,428	-	81,201
135,536	3,167,176	2,732,316	7,626,440
(566,959)	-	-	(579,313)
<u>(431,423)</u>	<u>3,232,604</u>	<u>2,732,316</u>	<u>7,128,328</u>
<u>\$ 4,647,778</u>	<u>\$ 3,611,820</u>	<u>\$ 3,194,107</u>	<u>\$ 13,221,236</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, 2016

	<u>Other Grants</u>	<u>District Managed Student Activities</u>	<u>All State Grants</u>
Revenues:			
Local:			
Taxes	\$ -	\$ -	\$ -
Tuition	10,911	-	-
Interest	-	-	226
Other Local Revenue	166,305	1,148,077	-
Intergovernmental - State	-	-	1,577,707
Intergovernmental - Federal	-	-	-
Total Revenues	<u>177,216</u>	<u>1,148,077</u>	<u>1,577,933</u>
Current:			
Instruction:			
Regular	114,179	425	192,174
Special	3,278	-	113,560
Vocational	-	-	-
Other	119,428	-	-
Support Services:			
Pupil	46,208	403	25,184
Instructional Staff	169,449	36,372	111,184
Administration	-	640	11,165
Fiscal	-	-	49,362
Operations and Maintenance	-	-	-
Pupil Transportation	18,715	-	-
Central	-	-	54,000
Food Service	-	-	-
Community Services	10,960	-	935,729
Extracurricular Activities	15,198	1,150,619	-
Capital Outlay	-	11,028	51,931
Total Expenditures	<u>497,415</u>	<u>1,199,487</u>	<u>1,544,289</u>
Excess of Revenues Over (Under) Expenditures	(320,199)	(51,410)	33,644
Other Financing Sources:			
Transfers - In	<u>325,000</u>	<u>267,676</u>	<u>-</u>
Total Other Financing Sources	<u>325,000</u>	<u>267,676</u>	<u>-</u>
Net Change in Fund Balance	4,801	216,266	33,644
Fund Balances at Beginning of Fiscal Year	<u>323,320</u>	<u>693,447</u>	<u>323,353</u>
Fund Balances at End of Fiscal Year	<u>\$ 328,121</u>	<u>\$ 909,713</u>	<u>\$ 356,997</u>

<u>Federal Grants</u>	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Total Nonmajor Funds</u>
\$ -	\$ -	\$ 461,791	\$ 461,791
-	-	-	10,911
-	1,158	-	1,384
-	2,951,209	-	4,265,591
-	135,315	221,288	1,934,310
<u>13,067,106</u>	<u>7,410,279</u>	<u>-</u>	<u>20,477,385</u>
<u>13,067,106</u>	<u>10,497,961</u>	<u>683,079</u>	<u>27,151,372</u>
-	-	-	306,778
7,764,482	-	-	7,881,320
522,520	-	-	522,520
138,831	-	-	258,259
889,401	-	-	961,196
3,344,265	-	-	3,661,270
617,847	380	-	630,032
182,304	-	-	231,666
114,852	178,464	-	293,316
-	-	-	18,715
-	-	-	54,000
-	9,470,802	-	9,470,802
299,198	-	-	1,245,887
-	-	-	1,165,817
<u>23,410</u>	<u>46,130</u>	<u>-</u>	<u>132,499</u>
<u>13,897,110</u>	<u>9,695,776</u>	<u>-</u>	<u>26,834,077</u>
(830,004)	802,185	683,079	317,295
-	-	-	592,676
-	-	-	592,676
(830,004)	802,185	683,079	909,971
<u>398,581</u>	<u>2,430,419</u>	<u>2,049,237</u>	<u>6,218,357</u>
<u>\$ (431,423)</u>	<u>\$ 3,232,604</u>	<u>\$ 2,732,316</u>	<u>\$ 7,128,328</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 1,007,871	\$ 1,092,125	\$ 84,254
Total Revenues	<u>1,007,871</u>	<u>1,092,125</u>	<u>84,254</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	12,415	7,657	4,758
Fringe Benefits	3,598	1,333	2,265
Purchased Services	112,022	88,921	23,101
Supplies and Materials	1,024,122	641,810	382,312
Total Regular	<u>1,152,157</u>	<u>739,721</u>	<u>412,436</u>
Special			
Purchased Services	3,358	643	2,715
Supplies and Materials	250,743	49,713	201,030
Total Special	<u>254,101</u>	<u>50,356</u>	<u>203,745</u>
Vocational			
Salaries and Wages	600	125	475
Fringe Benefits	184	21	163
Purchased Services	4,639	1,310	3,329
Supplies and Materials	14,092	7,643	6,449
Total Vocational	<u>19,515</u>	<u>9,099</u>	<u>10,416</u>
Other			
Salaries and Wages	11,250	9,755	1,495
Fringe Benefits	2,026	1,603	423
Purchased Services	65	15	50
Supplies and Materials	7,500	120	7,380
Total Other	<u>20,841</u>	<u>11,493</u>	<u>9,348</u>
Total Instruction	<u>1,446,614</u>	<u>810,669</u>	<u>635,945</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, 2016  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Salaries and Wages	\$ 400	\$ 400	\$ -
Fringe Benefits	65	65	-
Purchased Services	16,076	12,901	3,175
Supplies and Materials	186,930	155,342	31,588
Miscellaneous	480	480	-
Total Pupil	<u>203,951</u>	<u>169,188</u>	<u>34,763</u>
Instructional Staff			
Salaries and Wages	41,890	24,369	17,521
Fringe Benefits	9,149	4,030	5,119
Purchased Services	56,279	22,756	33,523
Supplies and Materials	39,362	30,237	9,125
Total Instructional Staff	<u>146,680</u>	<u>81,392</u>	<u>65,288</u>
Administration			
Salaries and Wages	4,731	1,887	2,844
Fringe Benefits	865	311	554
Purchased Services	95,659	62,533	33,126
Supplies and Materials	120,125	80,728	39,397
Miscellaneous	5,015	2,380	2,635
Total Administration	<u>226,395</u>	<u>147,839</u>	<u>78,556</u>
Operations and Maintenance			
Salaries and Wages	277	57	220
Fringe Benefits	45	9	36
Supplies and Materials	300	104	196
Total Operations and Maintenance	<u>622</u>	<u>170</u>	<u>452</u>
Total Support Services	<u>577,648</u>	<u>398,589</u>	<u>179,059</u>
Extracurricular Activities			
Salaries and Wages	14,632	13,932	700
Fringe Benefits	2,997	2,290	707
Purchased Services	38,355	19,388	18,967
Supplies and Materials	31,957	23,725	8,232
Miscellaneous	1,526	1,350	176
Total Extracurricular Activities	<u>89,467</u>	<u>60,685</u>	<u>28,782</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, 2016  
(continued)

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Miscellaneous	\$ 498	\$ 498	\$ -
Capital Outlay	102,214	50,598	51,616
Total Expenditures	<u>2,216,441</u>	<u>1,321,039</u>	<u>895,402</u>
Excess of Revenues Over (Under) Expenditures	(1,208,570)	(228,914)	979,656
Other Financing Sources:			
Transfers - In	201,080	224,882	23,802
Total Other Financing Sources	<u>201,080</u>	<u>224,882</u>	<u>23,802</u>
Net Change in Fund Balance	(1,007,490)	(4,032)	1,003,458
Fund Balance at Beginning of Fiscal Year	1,154,203	1,154,203	-
Prior Year Encumbrances Appropriated	62,547	62,547	-
Fund Balance at End of Fiscal Year	<u>\$ 209,260</u>	<u>\$ 1,212,718</u>	<u>\$ 1,003,458</u>

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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 10,911	\$ 10,911	\$ -
Other Local Revenue	358,645	151,223	(207,422)
Total Revenues	<u>369,556</u>	<u>162,134</u>	<u>(207,422)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	40,076	24,014	16,062
Supplies and Materials	157,940	101,097	56,843
Total Regular	<u>198,016</u>	<u>125,111</u>	<u>72,905</u>
Special			
Purchased Services	4,157	1,688	2,469
Supplies and Materials	8,409	1,740	6,669
Total Special	<u>12,566</u>	<u>3,428</u>	<u>9,138</u>
Other			
Salaries and Wages	247,165	98,570	148,595
Fringe Benefits	44,450	16,120	28,330
Purchased Services	12,000	-	12,000
Supplies and Materials	30,025	4,738	25,287
Total Other	<u>333,640</u>	<u>119,428</u>	<u>214,212</u>
Total Instruction	<u>544,222</u>	<u>247,967</u>	<u>296,255</u>
Support Services:			
Pupil			
Salaries and Wages	39,323	20,472	18,851
Fringe Benefits	7,833	3,350	4,483
Purchased Services	2,699	1,402	1,297
Supplies and Materials	49,194	24,615	24,579
Total Pupil	<u>99,049</u>	<u>49,839</u>	<u>49,210</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, 2016  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	\$ 183,114	\$ 133,466	\$ 49,648
Fringe Benefits	31,140	22,123	9,017
Purchased Services	34,127	12,520	21,607
Supplies and Materials	14,161	6,343	7,818
Total Instructional Staff	<u>262,542</u>	<u>174,452</u>	<u>88,090</u>
Pupil Transportation			
Purchased Services	<u>18,715</u>	<u>18,715</u>	<u>-</u>
Total Pupil Transportation	<u>18,715</u>	<u>18,715</u>	<u>-</u>
Total Support Services	<u>380,306</u>	<u>243,006</u>	<u>137,300</u>
Community Services			
Salaries and Wages	9,418	9,418	-
Fringe Benefits	1,542	1,542	-
Purchased Services	7,012	7,012	-
Supplies and Materials	9,665	9,665	-
Total Community Services	<u>27,637</u>	<u>27,637</u>	<u>-</u>
Extracurricular Activities			
Salaries and Wages	15,095	10,532	4,563
Fringe Benefits	2,731	1,728	1,003
Supplies and Materials	3,261	2,938	323
Total Extracurricular Activities	<u>21,087</u>	<u>15,198</u>	<u>5,889</u>
Capital Outlay	<u>19,258</u>	-	<u>19,258</u>
Total Expenditures	<u>992,510</u>	<u>533,808</u>	<u>458,702</u>
Excess of Revenues Over (Under) Expenditures	(622,954)	(371,674)	251,280
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	(297,954)	(46,674)	251,280
Fund Balance at Beginning of Fiscal Year	316,739	316,739	-
Prior Year Encumbrances Appropriated	<u>27,773</u>	<u>27,773</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 46,558</u>	<u>\$ 297,838</u>	<u>\$ 251,280</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 1,265,291	\$ 1,144,769	\$ (120,522)
Total Revenues	<u>1,265,291</u>	<u>1,144,769</u>	<u>(120,522)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	550	425	125
Total Regular	<u>550</u>	<u>425</u>	<u>125</u>
Total Instruction	<u>550</u>	<u>425</u>	<u>125</u>
Support Services:			
Pupil			
Supplies and Materials	450	403	47
Total Pupil	<u>450</u>	<u>403</u>	<u>47</u>
Instructional Staff			
Purchased Services	3,529	3,278	251
Supplies and Materials	47,316	33,526	13,790
Total Instructional Staff	<u>50,845</u>	<u>36,804</u>	<u>14,041</u>
Administration			
Purchased Services	2,175	1,258	917
Total Administration	<u>2,175</u>	<u>1,258</u>	<u>917</u>
Total Support Services	<u>53,020</u>	<u>38,062</u>	<u>14,958</u>
Extracurricular Activities			
Salaries and Wages	53,588	45,802	7,786
Fringe Benefits	10,020	7,668	2,352
Purchased Services	521,761	396,996	124,765
Supplies and Materials	1,053,865	742,846	311,019
Miscellaneous	5,365	4,550	815
Total Extracurricular Activities	<u>1,644,599</u>	<u>1,197,862</u>	<u>446,737</u>
Capital Outlay	258,244	11,028	247,216
Total Expenditures	<u>1,956,863</u>	<u>1,247,780</u>	<u>709,083</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, 2016  
 (continued)

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	\$ (691,572)	\$ (103,011)	\$ 588,561
Other Financing Sources:			
Transfers - In	267,146	267,676	530
Total Other Financing Sources	<u>267,146</u>	<u>267,676</u>	<u>530</u>
Net Change in Fund Balances	(424,426)	164,665	589,091
Fund Balance at Beginning of Fiscal Year	653,666	653,666	-
Prior Year Encumbrances Appropriated	39,218	39,218	-
Fund Balance at End of Fiscal Year	<u>\$ 268,458</u>	<u>\$ 857,549</u>	<u>\$ 589,091</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All State Grants Fund  
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 226	\$ 226	\$ -
Intergovernmental - State	2,588,022	2,529,263	(58,759)
Total Revenues	<u>2,588,248</u>	<u>2,529,489</u>	<u>(58,759)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	190,770	190,770	-
Supplies and Materials	529,688	529,688	-
Total Regular	<u>720,458</u>	<u>720,458</u>	<u>-</u>
Special			
Salaries and Wages	96,145	84,505	11,640
Fringe Benefits	28,139	24,319	3,820
Purchased Services	88	88	-
Supplies and Materials	5,956	4,898	1,058
Total Special	<u>130,328</u>	<u>113,810</u>	<u>16,518</u>
Total Instruction	<u>850,786</u>	<u>834,268</u>	<u>16,518</u>
Support Services:			
Pupil			
Salaries and Wages	14,663	8,636	6,027
Fringe Benefits	5,316	3,315	2,001
Purchased Services	93,586	7,962	85,624
Supplies and Materials	10,344	7,428	2,916
Total Pupil	<u>123,909</u>	<u>27,341</u>	<u>96,568</u>
Instructional Staff			
Salaries and Wages	94,521	94,521	-
Fringe Benefits	15,764	15,764	-
Purchased Services	274	274	-
Total Instructional Staff	<u>110,559</u>	<u>110,559</u>	<u>-</u>
Administration			
Salaries and Wages	5,492	4,987	505
Fringe Benefits	2,281	2,181	100
Purchased Services	594	594	-
Supplies and Materials	3,666	3,599	67
Total Administration	<u>12,033</u>	<u>11,361</u>	<u>672</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All State Grants Fund  
For the Fiscal Year Ended June 30, 2016  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Fiscal			
Miscellaneous	\$ 51,817	\$ 49,362	\$ 2,455
Total Fiscal	<u>51,817</u>	<u>49,362</u>	<u>2,455</u>
Central			
Purchased Services	54,000	54,000	-
Total Central	<u>54,000</u>	<u>54,000</u>	<u>-</u>
Total Support Services	<u>352,318</u>	<u>252,623</u>	<u>99,695</u>
Community Services			
Salaries and Wages	542,829	439,641	103,188
Fringe Benefits	133,556	106,976	26,580
Purchased Services	97,406	77,890	19,516
Supplies and Materials	<u>573,427</u>	<u>424,550</u>	<u>148,877</u>
Total Community Services	<u>1,347,218</u>	<u>1,049,057</u>	<u>298,161</u>
Miscellaneous	180,905	180,905	-
Capital Outlay	<u>108,534</u>	<u>104,387</u>	<u>4,147</u>
Total Expenditures	<u>2,839,761</u>	<u>2,421,240</u>	<u>418,521</u>
Excess of Revenues Over (Under) Expenditures	(251,513)	108,249	359,762
Other Financing Sources (Uses):			
Advances - In	-	36,756	36,756
Advances - Out	-	<u>(676,232)</u>	<u>(676,232)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(639,476)</u>	<u>(639,476)</u>
Net Change in Fund Balances	(251,513)	(531,227)	(279,714)
Fund Balance at Beginning of Fiscal Year	250,157	250,157	-
Prior Year Encumbrances Appropriated	<u>677,590</u>	<u>677,590</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 676,234</u>	<u>\$ 396,520</u>	<u>\$ (279,714)</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All Federal Grants Fund  
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 2,576	\$ 2,576	\$ -
Intergovernmental - Federal	18,071,737	13,613,847	(4,457,890)
<b>Total Revenues</b>	<u>18,074,313</u>	<u>13,616,423</u>	<u>(4,457,890)</u>
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and Wages	6,311,603	5,351,895	959,708
Fringe Benefits	2,420,662	2,045,669	374,993
Purchased Services	58,103	57,077	1,026
Supplies and Materials	248,903	227,670	21,233
<b>Total Special</b>	<u>9,039,271</u>	<u>7,682,311</u>	<u>1,356,960</u>
Vocational			
Salaries and Wages	438,683	374,213	64,470
Fringe Benefits	138,831	118,349	20,482
Purchased Services	21,059	21,059	-
Supplies and Materials	6,971	6,971	-
<b>Total Vocational</b>	<u>605,544</u>	<u>520,592</u>	<u>84,952</u>
Other			
Salaries and Wages	123,616	112,621	10,995
Fringe Benefits	20,308	18,452	1,856
Purchased Services	2,635	2,635	-
Supplies and Materials	6,651	5,543	1,108
<b>Total Other</b>	<u>153,210</u>	<u>139,251</u>	<u>13,959</u>
<b>Total Instruction</b>	<u>9,798,025</u>	<u>8,342,154</u>	<u>1,455,871</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All Federal Grants Fund  
For the Fiscal Year Ended June 30, 2016  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Salaries and Wages	\$ 580,169	\$ 485,252	\$ 94,917
Fringe Benefits	218,722	174,752	43,970
Purchased Services	238,156	237,527	629
Supplies and Materials	28,859	27,970	889
Total Pupil	<u>1,065,906</u>	<u>925,501</u>	<u>140,405</u>
Instructional Staff			
Salaries and Wages	3,575,649	2,424,216	1,151,433
Fringe Benefits	1,001,956	730,906	271,050
Purchased Services	273,759	185,611	88,148
Supplies and Materials	35,737	31,737	4,000
Miscellaneous	3,000	2,024	976
Total Instructional Staff	<u>4,890,101</u>	<u>3,374,494</u>	<u>1,515,607</u>
Administration			
Salaries and Wages	469,086	419,247	49,839
Fringe Benefits	204,827	181,633	23,194
Purchased Services	14,659	11,309	3,350
Supplies and Materials	20,113	19,032	1,081
Total Administration	<u>708,685</u>	<u>631,221</u>	<u>77,464</u>
Fiscal			
Miscellaneous	376,529	182,304	194,225
Total Fiscal	<u>376,529</u>	<u>182,304</u>	<u>194,225</u>
Operations and Maintenance			
Salaries and Wages	102,231	75,214	27,017
Fringe Benefits	39,221	28,477	10,744
Purchased Services	14,203	11,507	2,696
Supplies and Materials	2,075	2,000	75
Total Operations and Maintenance	<u>157,730</u>	<u>117,198</u>	<u>40,532</u>
Pupil Transportation			
Purchased Services	7,560	-	7,560
Total Pupil Transportation	<u>7,560</u>	<u>-</u>	<u>7,560</u>
Total Support Services	<u>7,206,511</u>	<u>5,230,718</u>	<u>1,975,793</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All Federal Grants Fund  
For the Fiscal Year Ended June 30, 2016  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Community Services			
Salaries and Wages	\$ 215,281	\$ 149,838	\$ 65,443
Fringe Benefits	44,886	34,048	10,838
Purchased Services	87,902	67,179	20,723
Supplies and Materials	71,388	58,133	13,255
Total Community Services	<u>419,457</u>	<u>309,198</u>	<u>110,259</u>
Capital Outlay	<u>23,410</u>	<u>23,410</u>	<u>-</u>
Total Expenditures	<u>17,447,403</u>	<u>13,905,480</u>	<u>3,541,923</u>
Excess of Revenues Over (Under) Expenditures	626,910	(289,057)	(915,967)
Other Financing Sources (Uses):			
Advances - In	-	915,971	915,971
Advances - Out	<u>-</u>	<u>(752,466)</u>	<u>(752,466)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>163,505</u>	<u>163,505</u>
Net Change in Fund Balances	626,910	(125,552)	(752,462)
Fund Balance at Beginning of Fiscal Year	12,190	12,190	-
Prior Year Encumbrances Appropriated	<u>113,368</u>	<u>113,368</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 752,468</u>	<u>\$ 6</u>	<u>\$ (752,462)</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 850	\$ 1,158	\$ 308
Other Local Revenue	2,125,470	2,247,627	122,157
Intergovernmental - State	138,390	135,315	(3,075)
Intergovernmental - Federal	<u>6,257,710</u>	<u>7,367,674</u>	<u>1,109,964</u>
Total Revenues	<u>8,522,420</u>	<u>9,751,774</u>	<u>1,229,354</u>
Expenditures:			
Current:			
Support Services:			
Administration			
Purchased Services	<u>3,250</u>	<u>3,220</u>	<u>30</u>
Total Administration	<u>3,250</u>	<u>3,220</u>	<u>30</u>
Operations and Maintenance			
Purchased Services	<u>186,009</u>	<u>178,464</u>	<u>7,545</u>
Total Operations and Maintenance	<u>186,009</u>	<u>178,464</u>	<u>7,545</u>
Total Support Services	<u>189,259</u>	<u>181,684</u>	<u>7,575</u>
Community Services			
Salaries and Wages	3,344,294	3,342,273	2,021
Fringe Benefits	1,540,001	1,536,365	3,636
Purchased Services	255,638	201,602	54,036
Supplies and Materials	3,755,016	3,726,585	28,431
Miscellaneous	<u>5,500</u>	<u>380</u>	<u>5,120</u>
Total Community Services	<u>8,900,449</u>	<u>8,807,205</u>	<u>93,244</u>
Capital Outlay	<u>62,000</u>	<u>46,130</u>	<u>15,870</u>
Total Expenditures	<u>9,151,708</u>	<u>9,035,019</u>	<u>116,689</u>
Net Change in Fund Balances	(629,288)	716,755	1,346,043
Fund Balance at Beginning of Fiscal Year	1,764,995	1,764,995	-
Prior Year Encumbrances Appropriated	<u>47,156</u>	<u>47,156</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 1,182,863</u>	<u>\$ 2,528,906</u>	<u>\$ 1,346,043</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 461,791	\$ 461,791	\$ -
Intergovernmental - State	221,288	221,288	-
Total Revenues	<u>683,079</u>	<u>683,079</u>	<u>-</u>
Expenditures:			
Current:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	683,079	683,079	-
Fund Balance at Beginning of Fiscal Year	2,049,237	2,049,237	-
Fund Balance at End of Fiscal Year	<u>\$ 2,732,316</u>	<u>\$ 2,732,316</u>	<u>\$ -</u>

## **INTERNAL SERVICE FUND**

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

### Health Self Insurance

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

South-Western City School District  
Schedule of Revenues, Expenses and  
Changes in Fund Net Position - Budget (Non-GAAP) and Actual  
Health Self Insurance Fund  
For the Fiscal Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	Variance
Revenues:			
Charges for Services	\$ 23,593,600	\$ 24,915,039	\$ 1,321,439
Charges for Employees	5,606,400	5,924,565	318,165
Total Revenues	<u>29,200,000</u>	<u>30,839,604</u>	<u>1,639,604</u>
Expenses:			
Salaries and Wages	672,897	672,689	208
Fringe Benefits	16,385	16,385	-
Purchased Services	<u>32,629,910</u>	<u>30,597,172</u>	<u>2,032,738</u>
Total Expenses	<u>33,319,192</u>	<u>31,286,246</u>	<u>2,032,946</u>
Net Change	(4,119,192)	(446,642)	3,672,550
Net Position at Beginning of Fiscal Year	10,926,387	10,926,387	-
Prior Year Encumbrances Appropriated	<u>428,009</u>	<u>428,009</u>	<u>-</u>
Net Position at End of Fiscal Year	<u>\$ 7,235,204</u>	<u>\$ 10,907,754</u>	<u>\$ 3,672,550</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, 2016

	<u>Student Activity</u>	<u>District Agency</u>	<u>Total</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 290,751	\$ 5,949,064	\$ 6,239,815
Receivables:			
Accounts	688	-	688
Total Assets	<u>\$ 291,439</u>	<u>\$ 5,949,064</u>	<u>\$ 6,240,503</u>
<u>Liabilities:</u>			
Accounts Payable	\$ 7,713	\$ 25,499	\$ 33,212
Undistributed Money	283,726	5,923,565	6,207,291
Total Liabilities	<u>\$ 291,439</u>	<u>\$ 5,949,064</u>	<u>\$ 6,240,503</u>

South-Western City School District  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2016

	Beginning Balance <u>June 30, 2015</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2016</u>
<u>Student Activity:</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 292,641	\$ 374,038	\$ 375,928	\$ 290,751
Receivable:				
Accounts	616	688	616	688
Total Assets	<u>\$ 293,257</u>	<u>\$ 374,726</u>	<u>\$ 376,544</u>	<u>\$ 291,439</u>
Liabilities:				
Accounts Payable	\$ 26,266	\$ 7,713	\$ 26,266	\$ 7,713
Undistributed Money	266,991	367,013	350,278	283,726
Total Liabilities	<u>\$ 293,257</u>	<u>\$ 374,726</u>	<u>\$ 376,544</u>	<u>\$ 291,439</u>
<u>District Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 5,244,997	\$ 17,684,481	\$ 16,980,414	\$ 5,949,064
Receivable:				
Accounts	166,401	-	166,401	-
Total Assets	<u>\$ 5,411,398</u>	<u>\$ 17,684,481</u>	<u>\$ 17,146,815</u>	<u>\$ 5,949,064</u>
Liabilities:				
Accounts Payable	\$ 27,690	\$ 25,499	\$ 27,690	\$ 25,499
Due to Other Governments	890,267	-	890,267	-
Undistributed Money	4,493,441	17,658,982	16,228,858	5,923,565
Total Liabilities	<u>\$ 5,411,398</u>	<u>\$ 17,684,481</u>	<u>\$ 17,146,815</u>	<u>\$ 5,949,064</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 5,537,638	\$ 18,058,519	\$ 17,356,342	\$ 6,239,815
Receivable:				
Accounts	167,017	688	167,017	688
Total Assets	<u>\$ 5,704,655</u>	<u>\$ 18,059,207</u>	<u>\$ 17,523,359</u>	<u>\$ 6,240,503</u>
Liabilities:				
Accounts Payable	\$ 53,956	\$ 33,212	\$ 53,956	\$ 33,212
Due to Other Governments	890,267	-	890,267	-
Undistributed Money	4,760,432	18,025,995	16,579,136	6,207,291
Total Liabilities	<u>\$ 5,704,655</u>	<u>\$ 18,059,207</u>	<u>\$ 17,523,359</u>	<u>\$ 6,240,503</u>

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	114
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	124
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	132
<u>Operating Information</u> These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	138
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	150

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 2016	Fiscal 2015	Fiscal 2014 (1)	Fiscal 2013*
Governmental Activities				
Net Investment in Capital Assets	\$ 174,341,029	\$ 143,338,358	\$ 101,583,123	\$ 73,224,817
Restricted	43,195,665	67,798,514	115,914,055	144,401,093
Unrestricted	(166,551,244)	(183,851,632)	(204,621,889)	104,511,925
Total Governmental Activities Net Position	<u>\$ 50,985,450</u>	<u>\$ 27,285,240</u>	<u>\$ 12,875,289</u>	<u>\$ 322,137,835</u>

Source: School District Comprehensive Annual Financial Report

\* Reclassified to conform to 2014 presentation.

(1) Restated due to implementation of GASB 68 in 2015.



Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
\$ 59,024,319	\$ 50,483,110	\$ 44,612,781	\$ 40,527,577	\$ 34,413,508	\$ 27,802,364
38,270,638	45,063,166	28,128,813	23,493,846	22,761,533	17,692,309
102,607,157	72,890,740	57,067,078	32,825,649	22,787,305	23,853,095
<u>\$ 199,902,114</u>	<u>\$ 168,437,016</u>	<u>\$ 129,808,672</u>	<u>\$ 96,847,072</u>	<u>\$ 79,962,346</u>	<u>\$ 69,347,768</u>

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

	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
Governmental Activities:				
Instruction:				
Regular	\$ 117,969,918	\$ 116,295,000	\$ 107,731,469	\$ 102,766,386
Special	42,771,007	43,404,819	38,522,065	32,721,653
Vocational	5,853,960	3,750,926	5,803,760	6,268,512
Other	1,096,437	446,347	988,572	983,567
Support Services:				
Pupil	11,039,731	10,425,013	10,214,045	10,582,567
Instructional Staff	7,109,342	7,245,057	7,541,449	14,851,375
Board of Education	38,893	39,662	42,800	38,433
Administration	18,565,647	18,266,211	17,395,756	15,025,637
Fiscal	3,688,125	3,743,700	3,959,922	3,970,157
Business	1,015,164	1,216,693	947,722	820,483
Operations and Maintenance	16,679,955	17,579,641	15,507,439	16,488,459
Pupil Transportation	13,714,772	12,758,549	12,790,060	12,706,181
Central	4,454,789	7,269,139	8,751,099	7,983,879
Food Service	9,632,713	9,019,672	8,595,582	8,404,080
Community Services	1,541,101	2,254,820	1,463,694	1,620,950
Extracurricular Activities	4,532,502	4,350,089	4,216,439	4,604,650
Shared Services	341,213	306,413	303,374	101,502
Interest and Fiscal Charges	7,804,277	7,717,741	7,895,232	8,241,288
Total Governmental Activities Expenses	<u>\$ 267,849,546</u>	<u>\$ 266,089,492</u>	<u>\$ 252,670,479</u>	<u>\$ 248,179,759</u>

Source: School District Comprehensive Annual Financial Report

<u>Fiscal</u> <u>2012</u>	<u>Fiscal</u> <u>2011</u>	<u>Fiscal</u> <u>2010</u>	<u>Fiscal</u> <u>2009</u>	<u>Fiscal</u> <u>2008</u>	<u>Fiscal</u> <u>2007</u>
\$ 101,677,915	\$ 98,991,909	\$ 99,541,915	\$ 99,472,506	\$ 92,884,468	\$ 91,155,349
31,207,794	30,607,426	28,566,712	26,318,268	24,665,611	25,337,011
6,069,817	6,508,952	6,387,286	6,386,202	6,229,106	6,283,046
917,499	997,663	971,222	2,835,918	2,521,547	1,054,636
10,258,396	10,440,174	10,157,786	9,255,581	8,423,846	8,011,862
15,611,841	16,956,180	17,532,453	14,963,463	14,006,287	13,972,865
35,875	36,274	43,974	53,816	59,840	51,971
15,677,734	16,031,146	15,717,538	15,407,715	15,895,145	15,618,324
3,634,551	3,505,319	3,498,071	3,460,086	3,326,319	3,626,102
883,314	862,888	861,465	961,685	920,806	666,937
16,496,886	16,023,962	17,219,782	16,666,018	15,983,374	14,711,400
12,371,791	11,832,057	11,466,296	11,894,384	11,398,807	10,908,037
6,659,541	4,584,027	6,094,728	8,723,626	4,002,153	3,517,936
8,388,222	8,395,557	8,340,945	8,609,997	8,084,601	7,769,587
1,520,689	1,842,104	1,498,385	1,803,117	1,316,649	1,926,744
4,052,430	4,331,911	2,376,629	3,878,853	3,897,530	3,996,761
-	-	-	-	-	-
<u>3,568,207</u>	<u>3,601,621</u>	<u>4,032,517</u>	<u>4,692,127</u>	<u>5,468,524</u>	<u>5,486,093</u>
<u>\$ 239,032,502</u>	<u>\$ 235,549,170</u>	<u>\$ 234,307,704</u>	<u>\$ 235,383,362</u>	<u>\$ 219,084,613</u>	<u>\$ 214,094,661</u>

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

	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>
Program Revenue:			
Governmental Activities:			
Charges for Services and Sales			
Instruction:			
Regular	\$ 113,092	\$ 174,543	\$ 119,849
Special	-	-	-
Vocational	60,098	100,919	62,016
Other	-	17,125	16,642
Support Services:			
Instructional Staff	-	-	-
Administration	-	-	-
Operations and Maintenance	-	-	-
Pupil Transportation	521,926	493,670	533,664
Food Service	2,087,119	2,442,209	2,140,284
Community Services	16,418	15,682	14,238
Extracurricular Activities	799,612	1,023,969	1,050,317
Shared Services	328,850	294,460	303,374
Operating Grants, Contributions and Interest	38,975,908	40,157,084	36,623,684
Total Governmental Activities Program Revenues	<u>\$ 42,903,023</u>	<u>\$ 44,719,661</u>	<u>\$ 40,864,068</u>
Net (Expenses)/Revenue			
Governmental Activities	<u>\$ (224,946,523)</u>	<u>\$ (221,369,831)</u>	<u>\$ (211,806,411)</u>
General Revenues and Other Changes in Net Position			
General Revenues:			
Property Taxes Levied for:			
General Purposes	97,244,559	98,141,046	100,918,408
Debt Service	12,723,819	13,270,413	13,915,812
Capital Improvement	3,707,805	3,816,149	3,797,717
Classroom Facilities	461,791	461,791	683,079
Payments in Lieu of Taxes	2,559,549	2,268,035	2,571,069
Ohio Facility Construction Commission Grant	-	-	-
Grants and Entitlements not Restricted to Specific Programs	124,624,428	116,135,086	107,655,463
Interest	769,495	640,471	904,617
Other Local Revenues	6,555,287	1,046,791	8,689,146
Total Governmental Activities	<u>248,646,733</u>	<u>235,779,782</u>	<u>239,135,311</u>
Changes in Net Position	<u>\$ 23,700,210</u>	<u>\$ 14,409,951</u>	<u>\$ 27,328,900</u>

Source: School District Comprehensive Annual Financial Report

Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
\$ 127,137	\$ 161,894	\$ 165,561	\$ 137,446	\$ 165,213	\$ 134,405	\$ 111,180
-	-	-	-	-	-	-
77,472	114,619	116,529	91,031	185,043	149,010	133,119
19,098	17,457	17,486	23,880	24,165	-	-
-	-	-	-	-	-	467
953	958	1,037	-	140	-	-
157,119	165,620	163,785	-	-	-	-
566,411	414,153	435,277	252,500	432,111	365,920	326,268
2,160,948	2,468,329	2,914,191	3,070,970	3,242,294	3,256,780	3,425,763
16,907	15,808	15,317	12,245	16,668	13,573	10,484
939,040	904,857	1,115,825	606,324	756,351	738,167	743,352
-	-	-	-	-	-	-
32,737,457	33,141,879	36,908,180	35,369,286	33,841,376	30,260,222	28,441,279
<u>\$ 36,802,542</u>	<u>\$ 37,405,574</u>	<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>\$ (211,377,217)</u>	<u>\$ (201,626,928)</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>
81,312,729	95,303,398	95,084,630	92,055,343	85,257,556	80,492,369	100,123,160
11,717,816	13,722,961	12,143,490	13,130,296	12,884,620	14,888,794	19,774,851
3,155,717	4,177,603	3,954,430	4,207,501	4,343,741	168,056	-
461,791	-	-	-	-	-	-
2,039,592	1,021,635	2,446,398	1,360,937	-	-	-
124,047,645	-	-	-	-	-	-
102,290,500	109,682,717	111,373,088	109,993,005	101,900,997	91,935,545	91,398,564
266,483	287,852	344,720	335,983	974,009	2,011,085	3,135,902
10,206,218	8,895,860	6,977,570	6,622,557	8,243,804	5,285,265	3,819,982
<u>335,498,491</u>	<u>233,092,026</u>	<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>\$ 124,121,274</u>	<u>\$ 31,465,098</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>

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

	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
General Fund				
Nonspendable	\$ 328,509	\$ 341,812	\$ 361,926	\$ 309,149
Committed	1,230,994	1,168,748	1,223,619	1,121,869
Assigned	2,275,025	1,013,339	1,533,580	1,045,417
Unassigned	158,249,211	139,248,211	118,095,935	98,265,212
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 162,083,739</u>	<u>\$ 141,772,110</u>	<u>\$ 121,215,060</u>	<u>\$ 100,741,647</u>
All Other Governmental Funds				
Nonspendable	\$ 81,201	\$ 86,313	\$ 191,264	\$ 132,074
Restricted	51,471,991	96,799,354	157,782,334	174,866,472
Committed	-	-	-	-
Unassigned (Deficit)	(3,457,838)	(6,280)	(147,475)	(211,500)
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects Fund	-	-	-	-
Total All Other Governmental Funds	<u>\$ 48,095,354</u>	<u>\$ 96,879,387</u>	<u>\$ 157,826,123</u>	<u>\$ 174,787,046</u>

Source: School District Comprehensive Annual Financial Report

Note: The School District Implemented GASB 54 in 2011.

Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
\$ 328,594	\$ 321,417	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,740,409	1,849,870	-	-	-	-
98,023,668	77,917,544	-	-	-	-
-	-	43,789,311	34,702,439	31,646,062	34,795,213
-	-	11,527,828	(1,474,986)	(7,646,791)	(12,754,310)
<u>\$ 101,092,671</u>	<u>\$ 80,088,831</u>	<u>\$ 55,317,139</u>	<u>\$ 33,227,453</u>	<u>\$ 23,999,271</u>	<u>\$ 22,040,903</u>
\$ 89,877	\$ 181,384	\$ -	\$ -	\$ -	\$ -
29,426,667	32,856,497	-	-	-	-
1,022,557	1,038,265	-	-	-	-
(58,696)	(1,077)	-	-	-	-
-	-	18,140,962	16,169,375	16,783,696	16,762,052
-	-	2,913,891	2,849,640	3,315,826	2,895,628
-	-	3,947,443	853,201	1,458,916	6,146,880
<u>\$ 30,480,405</u>	<u>\$ 34,075,069</u>	<u>\$ 25,002,296</u>	<u>\$ 19,872,216</u>	<u>\$ 21,558,438</u>	<u>\$ 25,804,560</u>

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

	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
<b>Revenues:</b>					
Local:					
Taxes	\$ 116,326,913	\$ 116,602,034	\$ 119,400,543	\$ 100,740,561	\$ 111,448,896
Tuition	1,910,843	1,594,170	1,553,110	1,603,675	1,193,855
Interest	769,495	640,471	904,617	266,483	289,075
Other Local Revenue	9,345,190	7,649,236	7,136,565	7,854,701	7,546,155
Payments in Lieu of Taxes	2,583,596	2,374,411	2,294,221	655,252	2,631,269
Intergovernmental - State	160,357,640	184,328,321	164,649,247	128,467,786	116,429,306
Intergovernmental - Federal	21,322,016	21,270,944	21,043,645	21,542,648	26,234,348
<b>Total Revenues</b>	<b>\$ 312,615,693</b>	<b>\$ 334,459,587</b>	<b>\$ 316,981,948</b>	<b>\$ 261,131,106</b>	<b>\$ 265,772,904</b>
<b>Expenditures:</b>					
Current:					
Instruction:					
Regular	110,053,148	110,605,915	102,693,606	98,271,137	96,470,472
Special	43,692,459	41,452,129	38,262,981	32,808,231	31,076,201
Vocational	5,174,127	5,545,565	5,090,568	5,372,204	5,356,704
Other	1,065,358	1,016,338	990,848	988,051	889,683
Support Services:					
Pupil	11,299,823	10,675,992	10,064,950	10,595,108	10,298,499
Instructional Staff	7,255,758	7,357,771	7,649,659	14,990,657	15,628,160
Board of Education	39,832	39,662	42,800	38,433	35,875
Administration	18,714,000	18,431,619	17,076,332	14,968,530	15,348,771
Fiscal	3,718,683	3,779,585	3,940,769	3,969,374	3,625,358
Business	986,470	1,002,805	943,096	865,860	881,525
Operations and Maintenance	16,611,741	16,610,540	15,296,454	14,877,670	15,911,738
Pupil Transportation	13,316,494	12,333,623	12,078,155	11,733,590	11,476,850
Central	3,643,341	3,533,353	3,538,546	3,583,087	3,196,388
Food Service	9,470,802	8,973,023	8,569,909	8,365,996	8,383,343
Community Services	1,382,407	1,481,187	1,233,929	1,298,989	1,198,527
Shared Services	328,850	322,229	273,182	68,734	-
Extracurricular Activities	4,086,201	4,015,852	4,009,264	4,394,019	3,829,207
Capital Outlay	75,397,824	112,327,385	67,044,316	18,589,048	10,216,416
Pass Through Grants	-	-	-	-	-
Debt Services:					
Principal Retirement	7,201,666	7,426,666	6,511,666	12,256,667	11,081,667
Interest and Fiscal Charges	7,665,251	7,918,034	8,183,116	7,205,069	3,458,344
Issuance Costs for Bonds and Notes	-	-	-	367,123	-
Underwriter's Discount on Bonds	-	-	-	593,899	-
<b>Total Expenditures</b>	<b>341,104,235</b>	<b>374,849,273</b>	<b>313,494,146</b>	<b>266,201,476</b>	<b>248,363,728</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(28,488,542)</b>	<b>(40,389,686)</b>	<b>3,487,802</b>	<b>(5,070,370)</b>	<b>17,409,176</b>
<b>Other Financing Sources (Uses):</b>					
Transfers - In	1,059,176	1,291,078	1,291,140	1,290,220	1,462,976
Transfers - Out	(1,059,176)	(1,291,078)	(1,291,140)	(1,290,220)	(1,462,976)
Issuance of Refunding Bonds	-	-	-	-	-
Issuance of Qualifying School Construction Bonds	-	-	-	-	-
Issuance of General Obligation Bonds	-	-	-	140,250,000	-
Premium on the Sale of Refunding Bonds	-	-	-	-	-
Premium on the Sale of General Obligation Bonds	-	-	-	8,711,022	-
Principal Payment to Refunding Bonds Escrow Agent	-	-	-	-	-
Sale of Capital Assets	16,138	-	24,688	64,965	-
<b>Total Other Financing Sources (Uses)</b>	<b>16,138</b>	<b>-</b>	<b>24,688</b>	<b>149,025,987</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (28,472,404)</b>	<b>\$ (40,389,686)</b>	<b>\$ 3,512,490</b>	<b>\$ 143,955,617</b>	<b>\$ 17,409,176</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.53%</b>	<b>5.73%</b>	<b>5.94%</b>	<b>7.77%</b>	<b>6.05%</b>

Source: School District Comprehensive Annual Financial Report



Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007
\$ 110,043,274	\$ 108,946,272	\$ 99,222,737	\$ 94,345,111	\$ 117,228,444
860,270	974,692	834,944	450,502	475,386
344,720	336,732	974,009	2,011,085	3,135,902
7,312,531	6,080,996	10,037,234	7,627,835	8,422,523
1,821,006	1,678,739	-	-	-
114,911,159	114,173,138	116,393,859	104,587,960	102,073,298
33,103,360	30,732,525	18,961,145	17,351,176	17,269,242
<u>\$ 268,396,320</u>	<u>\$ 262,923,094</u>	<u>\$ 246,423,928</u>	<u>\$ 226,373,669</u>	<u>\$ 248,604,795</u>
94,405,014	95,546,496	95,068,111	89,832,529	85,663,533
30,555,128	28,489,938	26,150,024	24,670,704	25,026,764
5,516,509	5,562,747	5,595,820	5,331,116	5,137,585
982,579	955,483	2,785,526	2,511,183	1,058,821
10,525,586	10,108,635	9,211,089	8,382,856	8,199,528
16,577,081	17,492,815	14,997,314	13,875,612	14,269,451
36,274	43,974	53,816	59,840	51,971
15,833,157	15,632,272	15,143,308	15,720,663	15,192,285
3,497,286	3,385,646	3,458,286	3,324,289	3,624,585
861,320	860,177	955,910	875,530	657,063
15,625,581	16,239,398	16,391,490	15,784,267	14,367,705
10,780,268	10,690,064	10,511,656	9,906,398	10,006,531
3,085,766	3,048,648	3,376,369	3,210,341	2,569,236
8,356,991	8,161,209	8,572,735	8,005,503	7,490,713
1,250,783	1,247,088	1,514,605	974,602	1,523,184
-	-	-	-	-
4,077,017	2,362,556	3,732,287	3,726,269	3,624,996
5,321,337	2,195,183	3,935,133	4,647,056	3,541,384
-	-	-	-	325,000
13,876,667	9,811,667	12,976,667	12,401,628	11,926,667
3,679,030	3,971,678	4,509,630	5,465,493	5,742,967
-	-	-	-	2,324,738
-	-	-	-	-
<u>244,843,374</u>	<u>235,805,674</u>	<u>238,939,776</u>	<u>228,705,879</u>	<u>222,324,707</u>
23,552,946	27,117,420	7,484,152	(2,332,210)	26,280,088
1,003,065	1,069,376	1,022,766	866,306	828,359
(1,003,065)	(1,069,376)	(1,022,766)	(866,306)	(828,359)
3,490,000	-	-	-	76,914,989
6,670,000	-	-	-	-
-	-	-	-	-
32,666	-	-	-	2,328,792
-	-	-	-	-
-	-	-	-	(76,914,999)
98,853	12,346	57,808	44,456	-
<u>10,291,519</u>	<u>12,346</u>	<u>57,808</u>	<u>44,456</u>	<u>2,328,782</u>
<u>\$ 33,844,465</u>	<u>\$ 27,129,766</u>	<u>\$ 7,541,960</u>	<u>\$ (2,287,754)</u>	<u>\$ 28,608,870</u>
7.24%	5.88%	7.39%	7.91%	7.97%

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
2016	\$ 2,323,930,240	\$ 6,639,800,686	-	-
2015	2,324,059,180	6,640,169,086	-	-
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

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 was 12.5% in 2007 and decreased by 6.25% in 2009 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			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Effective Tax Rate (4)	
\$ 111,151,060	\$ 317,574,457	\$ 2,435,081,300	\$ 6,957,375,143	47.98	
109,471,420	312,775,486	2,433,530,600	6,952,944,572	48.03	
93,711,540	267,747,257	2,437,525,230	6,964,357,800	47.27	
89,546,940	255,848,400	2,380,686,880	6,801,962,514	47.19	
92,684,960	264,814,171	2,382,980,700	6,808,516,285	47.48	
82,904,850	236,871,000	2,589,641,840	7,398,937,829	43.31	
75,388,180	215,394,800	2,576,271,824	7,354,271,971	43.04	
71,470,170	204,200,486	2,563,074,386	7,383,779,765	35.55	
67,032,840	191,522,400	2,587,637,755	8,575,992,017	35.98	
73,945,840	211,273,829	2,647,619,012	8,433,925,885	37.01	

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
2014/2015	\$ 125,767,041	\$ 8,809,718	\$ 134,576,759	\$ 120,112,657	95.50%
2013/2014	125,454,562	10,187,660	135,642,222	119,160,676	94.98%
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%

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 2015/2016 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>
\$ 3,709,510	\$ 123,822,167	92.01%	\$ 6,899,477	2014/2015
4,689,183	123,849,859	91.31%	9,088,417	2013/2014
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

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				Total Direct Rate
	Franklin County	City of Columbus	City of Grove City	South-Western City School District			Unvoted General Fund	
				General Fund	Voted Bond Fund	Permanent Improvement		
2015/2016	18.47 (18.23) (18.47)	3.14 (3.14) (3.14)	3.50 (3.50) (3.50)	61.20 (34.83) (48.18)	6.10 (6.10) (6.10)	2.00 (2.00) (2.00)	3.85 (3.85) (3.85)	73.15 (46.78) (60.13)
2014/2015	18.47	3.14	3.50	61.20	6.20	2.00	3.85	73.25
2013/2014	18.47	3.14	3.50	61.20	6.20	2.00	3.85	73.25
2012/2013	18.47	3.14	3.50	61.20	6.20	2.00	3.85	73.25
2011/2012	18.07	3.14	3.50	61.20	6.50	2.00	3.85	73.55
2010/2011	18.07	3.14	3.50	61.20	5.50	2.00	3.85	72.55
2009/2010	18.07	3.14	3.50	61.20	5.40	2.00	3.85	72.45
2008/2009	18.02	3.14	3.50	53.80	5.35	2.00	3.85	65.00
2007/2008	18.49	3.14	3.50	53.80	4.80	2.00	3.85	64.45
2006/2007	18.44	3.14	3.70	53.80	4.90	2.00	3.85	64.55
2005/2006	18.44	3.14	4.20	53.80	5.02	2.00	3.85	64.67

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.

<u>LIBRARY</u>	<u>VILLAGES</u>		<u>TOWNSHIPS</u>				
<u>Southwest Public Library</u>	<u>Village of Harrisburg</u>	<u>Village of Urbancrest</u>	<u>Franklin Township</u>	<u>Jackson Township</u>	<u>Pleasant Township</u>	<u>Harrisburg- Pleasant Township</u>	<u>Prairie Township</u>
1.00	1.00	0.60	25.20	23.95	21.20	20.80	18.20
(1.00)	(1.00)	(0.60)	(21.45)	(12.83)	(12.49)	(12.09)	(17.48)
(1.00)	(1.00)	(0.60)	(25.20)	(12.44)	(13.27)	(12.87)	(17.44)
1.00	1.00	0.60	25.20	23.95	21.20	20.80	18.20
1.00	1.00	0.60	25.20	20.20	21.20	20.80	18.20
1.00	1.00	0.60	25.20	20.20	21.20	20.80	18.20
1.00	1.00	0.60	25.20	20.20	21.20	20.80	18.20
1.00	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

South-Western City School District  
Principal Taxpayers  
December 31, 2015 and December 31, 2006

	<u>December 31, 2015</u>	
	<u>Total</u> <u>Assessed</u> <u>Valuation</u>	<u>% of Total</u> <u>Assessed</u> <u>Valuation</u>
<u>Public Utilities</u>		
Ohio Power Company	\$ 80,486,090	3.31%
AEP Ohio Transmission	17,130,460	0.70%
Columbia Gas of Ohio Inc.	10,926,630	0.45%
<u>Real Estate</u>		
GLP Capital LP	\$ 57,746,520	2.37%
Wal Mart Stores Inc	10,990,600	0.45%
Big Lots Stores Inc.	9,861,370	0.40%
Distribution Funding III	8,444,600	0.35%
Security Capital	8,275,530	0.34%
GC Summit Partners LLC	7,919,630	0.33%
Ohio Becknell Investors 2007 LLC	7,612,510	0.31%
Dugan Realty LLC	7,367,510	0.30%
Parkway Centre East LLC	7,236,780	0.30%
Mount Carmel Health	7,225,000	0.30%
All Others	<u>2,193,858,070</u>	<u>90.10%</u>
Total Assessed Valuation	<u>\$ 2,435,081,300</u>	<u>100.01%</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, 2006</u>	
	<u>Total</u>	<u>% of Total</u>
	<u>Assessed</u>	<u>Assessed</u>
	<u>Valuation</u>	<u>Valuation</u>
<u>Public Utilities</u>		
Columbus Southern Power Company	\$ 52,440,080	1.98%
Ohio Bell Telephone Co.	9,879,960	0.37%
Columbia Gas of Ohio Inc.	5,267,160	0.20%
<u>Real Estate</u>		
Wingates LLC	\$ 12,351,550	0.47%
PCCP IRG Columbus LLC	12,250,010	0.46%
Big Lots Stores Inc.	11,860,000	0.45%
Distribution Funding III	8,888,090	0.34%
Dispatch Printing Co.	8,750,000	0.33%
M/I Homes of Central Ohio	7,201,460	0.27%
Solid Waste Authority	6,092,990	0.23%
Realty Associates Fund V	5,688,180	0.21%
Parkway Village LLC	4,970,000	0.19%
Feder Road Associates	4,725,000	0.18%
<u>Tangible Personal Property</u>		
Medco Health Solutions Inc	\$ 11,908,580	0.45%
Wal Mart Stores	10,071,232	0.38%
Sears Roebuck & Company	9,822,756	0.37%
Big Lots Stores Inc.	8,483,239	0.32%
Masterfoods USA	6,844,459	0.26%
Dispatch Printing Company	5,238,060	0.20%
Ohio Machinery Co.	4,907,080	0.19%
Tosoh S M D Inc.	4,134,068	0.16%
Delphi Automotive Systems LLC	4,056,616	0.15%
C C S I U S A	3,125,630	0.12%
All Others	<u>2,428,662,812</u>	<u>91.73%</u>
Total Assessed Valuation	<u>\$ 2,647,619,012</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
2016	\$ 185,081,271	\$ -	\$ 6,670,000	\$ 66,666	\$ 191,817,937	not available	\$ 1,408.03	\$ 9,028.43
2015	192,400,545	-	6,670,000	133,332	199,203,877	not available	1,467.81	9,630.35
2014	199,480,067	-	7,140,000	199,998	206,820,065	7.01%	1,536.25	10,120.87
2013	205,731,014	-	7,590,000	266,664	213,587,678	7.36%	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

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
2016	\$ 2,435,081,300	\$ 191,751,271	\$ 16,885,449	\$ 174,865,822	7.18%	\$ 1,283.60	\$ 8,230.53
2015	2,435,081,300	199,070,545	16,182,756	182,887,789	7.51%	1,347.59	8,841.57
2014	2,437,525,230	206,620,067	15,054,139	191,565,928	7.86%	1,422.94	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

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, 2016

<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	\$ 191,817,937	100.00%	\$ 191,817,937
Indirect:			
Franklin County	\$ 221,165,000	9.12%	\$ 20,170,248
City of Columbus	781,880,000	6.21%	48,554,748
City of Grove City	17,600,000	100.00%	17,600,000
Franklin Township	690,250	93.37%	644,486
Prairie Townshiip	9,665,000	71.71%	6,930,772
Total Overlapping Debt	<u>\$ 1,031,000,250</u>		<u>\$ 93,900,254</u>
Total Direct and Overlapping Debt	<u><u>\$ 1,222,818,187</u></u>		<u><u>\$ 285,718,191</u></u>

Note: Percentages 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 2015 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	\$ 2,435,081,300
Bonded Debt Limit - 9% of Assessed Value	\$ 219,157,317
Amount of Debt Applicable to 9% Debt Limit:	<u>180,959,989</u>
9% Voted Debt Margin	<u>\$ 38,197,328</u>
Bonded Debt Limit - .10% of Assessed Value	\$ 2,435,081
Amount of Debt Applicable to .10% Debt Limit	<u>-</u>
.10% Unvoted Debt Margin	<u>\$ 2,435,081</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 219,157,317	\$ 219,017,754	\$ 219,377,271	\$ 214,261,819
Total Net Debt Applicable to Limit	<u>180,959,989</u>	<u>188,094,989</u>	<u>195,454,989</u>	<u>201,899,989</u>
Legal Debt Margin	<u>\$ 38,197,328</u>	<u>\$ 30,922,765</u>	<u>\$ 23,922,282</u>	<u>\$ 674,141</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	82.57%	85.88%	89.10%	94.23%

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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 214,468,263	\$ 233,067,766	\$ 231,864,464	\$ 230,676,695	\$ 232,887,398	\$ 238,285,711
73,839,989	84,854,989	88,504,989	98,249,989	106,949,989	114,018,950
<u>\$ 137,249,603</u>	<u>\$ 144,646,266</u>	<u>\$ 139,647,478</u>	<u>\$ 128,541,754</u>	<u>\$ 121,887,706</u>	<u>\$ 118,743,217</u>
34.43%	36.41%	38.17%	42.59%	45.92%	47.85%

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Teaching Staff</b>						
Regular Education	971.76	925.49	921.99	914.21	915.18	909.78
Special Education	323.80	309.30	305.50	294.30	284.30	283.25
Vocational Education	50.50	52.50	55.50	55.00	55.50	56.50
Tutors	58.50	58.50	56.50	56.50	56.40	56.40
<b>Administrators</b>						
Buildings/Departments	99.00	100.00	100.00	100.00	100.50	100.50
<b>Other Positions</b>						
Psychologists	13.80	12.80	12.80	12.30	12.30	11.30
Nurses	9.40	9.40	9.40	8.95	8.95	8.95
Speech	18.40	19.20	19.10	17.60	19.60	19.20
OT/PT	11.20	12.80	12.80	12.00	11.10	11.70
Adapted Physical Education Therapist	4.00	3.00	3.00	3.00	3.00	3.00
Sign Interpreter	3.00	3.00	1.00	2.00	3.00	3.00
Social Worker	-	0.50	0.50	0.50	0.50	0.50
Counselors	25.00	25.00	25.00	25.00	25.00	25.00
Library Media Specialists	4.00	3.00	4.00	4.00	4.00	4.00
Other Professionals	12.00	13.00	11.00	11.00	11.00	14.00
<b>Support Staff</b>						
Technology	9.00	8.00	10.00	10.00	10.00	10.00
Aides	297.00	290.00	275.50	281.03	279.08	286.28
Accounting	9.00	9.00	9.00	9.00	9.00	9.00
Clerical	108.50	109.50	108.00	108.00	109.00	108.00
Custodial	101.50	104.00	102.00	105.00	102.00	103.00
Printer	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	30.00	27.00	29.00	29.00	29.00	29.00
Mechanics	8.00	8.00	7.00	8.00	8.00	8.00
Bus Drivers	164.00	158.00	150.00	155.00	153.00	148.00
Food Service Transporters	-	3.00	3.00	3.00	3.00	3.00
Cooks	128.09	128.93	129.76	127.93	128.18	128.17
Hall Monitors	34.38	33.79	34.89	33.42	41.10	39.16
Recreation Center	9.00	10.50	11.50	13.50	14.00	14.00
Athletic Trainer	-	-	0.50	0.50	0.50	0.50
<b>Total</b>	<u>2,503.83</u>	<u>2,438.21</u>	<u>2,409.24</u>	<u>2,400.74</u>	<u>2,397.19</u>	<u>2,394.19</u>

**Function**

<b>Instructional</b>						
Regular and Special	1,595.19	1,528.99	1,506.49	1,317.69	1,310.73	1,304.93
<b>Support Services</b>						
Pupil	114.12	115.96	116.82	114.50	119.91	117.50
Instructional Staff	65.50	70.50	84.00	259.88	259.21	270.93
Administration	167.50	169.00	154.20	153.70	154.92	154.40
Fiscal	13.00	13.00	13.00	13.00	13.00	13.00
Business	2.00	2.00	2.00	2.00	2.00	2.00
Operation and Maintenance	155.12	154.09	154.22	156.99	157.69	158.19
Pupil Transportation	221.50	210.50	201.00	206.00	202.50	195.50
Central	20.00	19.00	20.00	20.00	20.00	20.00
Food Service	133.09	136.18	137.01	135.18	134.93	134.92
Community Services	12.80	15.00	16.00	17.30	17.80	17.82
Extracurricular Activities	4.00	4.00	4.50	4.50	4.50	5.00
<b>Total</b>	<u>2,503.81</u>	<u>2,438.21</u>	<u>2,409.24</u>	<u>2,400.74</u>	<u>2,397.19</u>	<u>2,394.19</u>

Source: School District Records

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



<u>2010</u>	<u>2009</u>	<u>2008 (1)</u>	<u>2007</u>
926.33	934.04	936.68	956.42
270.75	254.75	253.19	239.25
59.00	59.50	60.00	62.00
65.75	56.00	70.23	73.10
100.00	105.00	105.00	104.00
12.80	12.80	12.80	12.50
8.90	9.40	9.40	9.40
19.70	18.80	18.80	18.00
10.40	10.30	8.20	7.90
3.00	3.00	3.00	3.00
3.00	4.00	3.00	2.00
0.50	0.50	0.50	-
25.00	24.50	24.00	24.00
4.00	4.00	4.00	4.00
13.00	12.50	12.50	10.20
11.00	13.00	13.00	13.00
288.16	290.50	275.75	285.99
8.00	8.00	8.00	8.00
108.00	115.00	117.00	115.00
116.00	116.50	116.50	122.76
1.00	1.00	1.00	1.00
30.00	31.00	31.00	31.00
8.00	8.00	9.00	9.00
152.00	160.00	154.00	156.00
3.00	3.00	3.00	3.00
134.76	132.74	128.00	134.99
38.56	43.00	39.00	42.22
13.50	14.00	16.00	14.50
0.50	1.00	1.00	1.00
<u>2,434.61</u>	<u>2,445.83</u>	<u>2,433.55</u>	<u>2,463.23</u>
1,320.08	1,322.54	1,314.30	1,334.25
116.76	124.47	120.00	115.61
270.31	253.35	258.00	257.99
154.35	161.15	162.00	162.75
12.00	12.00	12.00	12.00
2.00	3.00	3.00	3.00
171.64	177.08	179.00	179.00
201.00	208.00	201.00	206.00
21.00	21.50	23.00	27.00
142.26	138.74	134.00	139.98
18.21	19.75	22.50	20.90
5.00	4.25	4.75	4.75
<u>2,434.61</u>	<u>2,445.83</u>	<u>2,433.55</u>	<u>2,463.23</u>

South-Western City School District  
 Operating Expenditures Necessary to Educate  
 a District Student for Graduation in June, 2016  
 (Actual Dollars Expended by Year)

	Grade	South-Western	State Average	Franklin County
	Level	City School	for All	Franklin County
		District	School Districts	Average
2003-04	K	\$ 8,515	\$ 8,287	\$ 9,384
2004-05	1	9,140	8,404	9,714
2005-06	2	10,170	8,727	10,275
2006-07	3	8,876	9,283	10,655
2007-08	4	9,336	9,388	11,079
2008-09	5	9,627	10,184	11,428
2009-10	6	9,893	10,512	11,908
2010-11	7	10,397	10,571	12,018
2011-12	8	10,273	10,508	11,998
2012-13	9	10,388	10,526	11,684
2013-14	10	10,386	10,913	11,854
2014-15	11	10,451	10,984	11,993
2015-16	12	10,274	10,695	11,901
Total		<u>\$ 96,615</u>	<u>\$ 96,390</u>	<u>\$ 110,143</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.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Function-Governmental Activities					
Instruction and Support Services - Pupils					
Graduates	1,401	1,522	1,281	1,250	1,305
% of Students with IEP	16.0%	15.5%	14.6%	14.5%	15.3%
% of Limited English Proficient Students	14.0%	13.1%	15.6%	16.0%	12.4%
Student Attendance	93.6%	93.6%	94.3%	94.1%	94.4%
Fiscal					
Purchase Orders Processed	15,448	15,439	15,703	16,708	16,748
Nonpayroll Checks Issued	11,509	11,329	11,815	12,661	13,152
Operations and Maintenance					
Work Orders Completed	8,137	7,150	9,850	10,349	7,151
District Square Footage Maintained by Staff (in thousands)	2,890	2,890	2,800	2,800	2,800
District Acreage Maintained by Staff	669	669	669	669	610
Pupil Transportation					
Average Number of Students Transported Each Day	14,302	13,756	13,568	13,231	12,636
Average Daily Miles driven Each Day	15,210	14,745	14,745	13,756	13,033
Food Service					
Meals Served to Students:					
Breakfast	918,050	763,187	729,398	716,094	704,846
Lunch	2,272,435	2,100,808	2,086,810	2,128,765	2,235,348
Number of Free and Reduced Students	12,438	12,527	11,638	11,405	10,996
Extracurricular Activities					
High School Varsity Teams *	66	66	66	65	65

\* 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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1,263	1,287	1,212	1,280	1,252
14.5%	14.3%	14.4%	13.1%	14.0%
10.9%	14.1%	12.4%	11.5%	9.5%
94.3%	94.2%	93.9%	94.3%	94.3%
17,653	16,015	17,186	16,458	14,663
13,319	13,353	15,970	14,751	15,804
14,955	8,701	7,858	7,789	7,879
2,800	2,800	2,800	2,800	2,800
610	610	610	610	610
12,314	12,134	13,823	13,737	12,926
12,602	12,886	12,958	12,355	12,243
622,072	576,270	583,161	582,650	533,690
2,175,309	2,181,936	2,263,668	2,231,198	2,195,163
10,605	10,427	10,126	9,498	9,184
64	37	65	65	65

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental Activities</b>							
<b>Instruction</b>							
Land	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965	\$ 4,794,159	\$ 4,794,159	\$ 4,794,159
Buildings	280,278,779	182,061,641	139,654,408	141,389,904	141,582,072	138,501,697	138,702,141
Improvements to Land	23,920,981	6,768,432	1,115,928	1,044,772	1,044,772	973,718	890,517
Furniture and Equipment	1,824,662	1,468,616	1,315,351	1,323,658	653,992	639,032	431,640
<b>Special</b>							
Buildings	942,086	942,086	942,086	942,086	942,086	1,006,835	1,006,835
Improvements to Land	9,688	43,595	43,595	43,595	43,595	43,595	43,595
Furniture and Equipment	218,902	218,902	236,434	225,110	334,673	334,673	202,223
Vehicle	40,796	40,796	40,796	40,796	40,796	40,796	-
<b>Vocational</b>							
Land	994,583	994,583	994,583	994,583	994,583	994,583	994,583
Buildings	18,305,935	18,305,935	18,305,935	18,305,935	18,178,118	18,178,118	18,178,118
Improvements to Land	20,555	20,555	20,555	20,555	20,555	20,555	40,880
Furniture and Equipment	1,240,079	1,231,929	1,246,452	1,146,172	1,023,836	1,036,056	1,040,220
Vehicle	17,151	17,151	17,151	17,151	17,151	17,151	17,151
<b>Support Services:</b>							
<b>Pupil</b>							
Furniture and Equipment	7,410	7,410	7,410	7,410	7,410	7,410	7,410
<b>Instructional Staff</b>							
Furniture and Equipment	474,288	497,691	495,351	501,410	501,410	507,010	500,121
<b>Administration</b>							
Land	570,242	570,242	570,242	570,242	570,242	570,242	570,242
Buildings	5,182,521	5,193,143	5,180,148	5,180,148	5,180,148	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	585,624	602,632	602,632	614,947	654,217	612,743	609,851
<b>Fiscal</b>							
Furniture and Equipment	-	10,592	10,592	10,592	10,592	10,592	10,592
<b>Business</b>							
Furniture and Equipment	16,929	-	-	-	-	-	-
<b>Operations and Maintenance</b>							
Land	20,375	20,375	20,375	20,375	20,375	20,375	20,375
Buildings	270,565	96,598	96,598	96,598	96,598	96,598	96,598
Improvements to Land	34,259	13,759	13,759	13,759	13,759	13,759	13,759
Furniture and Equipment	933,116	815,003	944,510	867,563	885,257	844,261	841,709
Vehicle	1,454,859	1,493,009	1,345,598	1,243,976	1,210,896	1,219,242	1,352,865
<b>Transportation</b>							
Land	172,546	172,546	172,546	172,546	172,546	172,546	172,546
Buildings	1,169,891	1,135,561	1,135,561	1,135,561	1,135,561	1,135,561	1,135,561
Improvements to Land	712,469	712,469	712,469	661,648	661,648	661,648	661,648
Furniture and Equipment	120,013	120,013	120,013	134,476	120,013	97,677	97,677
Vehicle	97,300	97,300	97,300	150,967	150,967	150,967	120,721
Buses	15,785,195	14,815,993	13,804,273	12,950,298	12,009,460	11,181,380	11,686,091
<b>Central</b>							
Buildings	31,263,325	31,272,775	31,305,242	31,315,742	31,315,742	31,245,335	31,144,487
Improvements to Land	402,881	1,582,224	2,941,846	3,096,369	3,228,911	3,292,065	3,430,085
Furniture and Equipment	661,247	697,256	677,573	666,865	620,561	554,812	496,264
Vehicle	68,173	68,173	68,173	68,173	68,173	68,173	68,173
<b>Food Service</b>							
Buildings	2,213	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	8,200	8,200
Furniture and Equipment	3,789,365	2,394,959	1,978,218	1,971,016	1,993,247	1,993,247	1,998,359
Vehicle	104,498	104,498	104,498	104,498	104,498	104,498	99,315
<b>Community Services</b>							
Land	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Buildings	7,445,294	7,236,635	7,502,648	7,502,648	7,368,561	7,368,561	7,368,561
Improvements to Land	210,304	240,666	235,066	235,066	235,066	235,066	235,066
Furniture and Equipment	267,923	267,923	267,923	267,923	272,933	272,933	272,933
<b>Extracurricular Activities</b>							
Buildings	3,445,520	3,041,671	3,046,988	3,046,988	3,120,319	3,115,239	3,108,519
Improvements to Land	3,200,707	2,293,100	943,847	943,847	412,688	476,762	465,764
Furniture and Equipment	720,906	348,590	341,380	341,380	331,186	319,052	275,562
Vehicle	5,626	5,626	-	-	-	-	-
<b>Total</b>	<u>\$ 414,430,266</u>	<u>\$ 295,485,351</u>	<u>\$ 246,118,751</u>	<u>\$ 246,830,046</u>	<u>\$ 242,865,105</u>	<u>\$ 238,797,536</u>	<u>\$ 239,071,730</u>

Source: District Capital Asset Records

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	4,794,159	\$ 4,794,159	\$ 4,794,159
	138,935,001	138,399,696	137,556,467
	734,182	572,555	401,099
	418,678	2,243,336	2,236,911
	1,006,835	1,006,835	1,006,835
	43,595	43,595	43,595
	202,223	216,123	202,632
	-	-	-
	994,583	994,583	994,583
	18,178,118	18,178,118	18,178,118
	40,880	40,880	40,880
	955,188	1,218,476	1,253,848
	-	-	-
	13,215	13,215	13,215
	500,121	604,421	604,421
	570,242	570,242	570,242
	5,147,081	5,147,081	5,147,081
	491,320	491,320	491,320
	603,856	725,345	703,513
	10,592	10,592	10,592
	-	-	-
	20,375	20,375	20,375
	96,598	96,598	96,598
	13,759	13,759	13,759
	803,073	904,913	884,183
	1,265,116	1,236,471	1,146,201
	172,546	172,546	172,546
	1,135,561	1,135,561	1,135,561
	639,097	474,185	474,185
	97,677	107,990	107,990
	120,721	120,721	120,721
	11,806,858	11,569,581	10,568,323
	31,090,861	31,090,861	31,034,110
	3,504,947	3,504,946	3,504,946
	442,531	385,726	375,069
	68,173	68,172	68,172
	22,213	22,213	22,213
	-	-	-
	1,952,329	1,923,556	1,921,354
	71,025	71,025	71,025
	200,000	200,000	200,000
	7,368,561	7,342,908	7,342,908
	243,266	243,266	243,266
	272,933	340,649	328,173
	3,108,519	3,108,519	3,108,519
	465,764	429,927	429,927
	275,516	275,516	275,516
	-	-	-
<u>\$</u>	<u>238,897,888</u>	<u>\$ 240,130,556</u>	<u>\$ 237,915,151</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>
<b><u>Elementary Schools</u></b>						
Alton Hall	Basic	2014		69,984	9.09	600
Bolton Crossing	Basic	2015		61,615	43.38	520
Buckeye Woods	Basic	1995		68,000	19.11	725
Darbydale	Basic	2015		49,875	7.12	400
Darby Woods	Basic	1995		68,000	8.80	725
East Franklin	Basic	1956	1963, 1997	36,638	6.28	450
Finland	Basic	2015		61,615	8.60	520
Harmon	Basic	2014		69,984	16.26	600
Harrisburg	Basic	1939	1951	16,390	2.90	175
Highland Park	Basic	Under Construction - August 2016 Completion			14.59	
Monterey	Basic	2014		61,615	5.60	600
North Franklin	Basic	1920	1938	38,387	2.00	425
Prairie Lincoln	Basic	Under Construction - August 2016 Completion			19.41	
Prairie Lincoln at Prairie Norton	Basic	1950		39,721	5.45	575
Prairie Norton	Basic	2014		69,984	5.45	600
Richard Ave.	Basic	Under Construction - August 2016 Completion			10.44	
Richard Avenue at Monterey	Basic	1956	1995	36,636	5.50	475
J. C. Sommer	Basic	2015		69,984	8.70	600
Stiles	Basic	2015		69,984	10.77	600
West Franklin	Basic	Under Construction - August 2016 Comp.		69,984	9.70	-
		<u>Original Construction</u>	<u>Addition (s) Date (s)</u>	<u>Building Area (Sq. Ft.)</u>	<u>Acreage</u>	<u>Student Capacity</u>
<b><u>Intermediate Schools</u></b>						
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		
<b><u>Middle Schools</u></b>						
Brookpark	Basic	1953	1997	82,422	14.93	725
Finland	Basic	1964	1975, 1995	91,098	17.30	786
Jackson	Basic	2001		99,597	28.14	800
Norton	Basic	1953	1995	87,204	15.00	680
Pleasant View	Basic	1958	1963	138,702	39.88	924
<b><u>High Schools</u></b>						
Central Crossing	Basic	2002		260,716	63.81	1,880
Franklin Heights	Basic	2015		171,310	37.02	930
Grove City	Basic	1970	1976, 1983, 1985,2000	198,348	52.30	1,843
Westland	Basic	1970	1976, 1982, 1985, 2000	197,154	51.79	1,861
<b><u>Additional Schools</u></b>						
Kingston	Basic	1949		13,180	2.00	70
Preschool Center	Basic	1950	2004	10,000	0.75	60
South-Western Career Academy	Basic	2002		130,156	22.10	750



**Recreation Centers**

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

**Miscellaneous**

						<u>Occupancy</u>
District Service Center	Basic	1981	1989, 1995, 2002	70,000	3.30	350
Transportation	Basic	1986		16,594	13.00	109
2 Houses - offices	Basic	1960 est		5,000	1.00	8
Norton Road Head Start	Basic	1975		4,300	0.70	46
Stiles Family Center	Basic	1994		4,510	1.20	206
Tech Services - Garage	Basic	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 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012
<u>3rd Grade</u>					
Mathematics	60.5%	59.2%	79.7%	74.1%	78.2%
Reading	47.0%	68.9%	78.2%	72.6%	74.3%
<u>4th Grade</u>					
Mathematics	65.7%	66.1%	75.1%	78.7%	79.9%
Reading	52.8%	78.4%	80.7%	85.0%	79.3%
Social Studies	68.7%	69.7%	N/A	N/A	N/A
<u>5th Grade</u>					
Mathematics	62.2%	66.3%	68.1%	64.9%	67.4%
Reading	57.6%	76.1%	66.5%	69.2%	73.1%
Science	61.9%	57.6%	58.3%	60.5%	65.3%
<u>6th Grade</u>					
Mathematics	58.5%	68.7%	79.7%	76.1%	83.0%
Reading	52.4%	77.4%	83.3%	81.8%	85.4%
Social Studies	54.9%	51.1%	N/A	N/A	N/A
<u>7th Grade</u>					
Mathematics	50.3%	64.0%	73.5%	74.5%	75.5%
Reading	48.3%	72.2%	83.0%	77.0%	78.2%
<u>8th Grade</u>					
Mathematics	54.6%	61.9%	81.3%	78.4%	77.7%
Reading	41.2%	70.6%	87.5%	85.7%	82.6%
Science	63.5%	70.7%	66.3%	65.1%	71.8%
<u>10th Grade (OGT)</u>					
Mathematics	N/A	83.9%	81.2%	83.4%	81.5%
Reading	N/A	86.9%	87.5%	86.2%	83.9%
Science	N/A	76.6%	77.1%	76.0%	76.7%
Social Studies	N/A	83.6%	82.7%	80.3%	82.3%
Writing	N/A	86.2%	88.9%	82.9%	86.0%
<u>11th Grade (OGT)</u>					
Mathematics	92.5%	91.3%	89.9%	89.9%	91.8%
Reading	95.5%	93.0%	93.8%	94.5%	93.0%
Science	87.9%	87.4%	88.5%	86.0%	85.4%
Social Studies	92.2%	91.2%	91.2%	90.3%	87.5%
Writing	93.5%	94.2%	92.1%	93.4%	94.0%
High School End of Course					
Government	63.3%	48.5%	N/A	N/A	N/A
History	70.0%	58.1%	N/A	N/A	N/A
Physical Science	NC	62.7%	N/A	N/A	N/A
English I	46.0%	75.7%	N/A	N/A	N/A
English II	39.0%	NC	N/A	N/A	N/A
Algebra I	40.8%	57.7%	N/A	N/A	N/A
Geometry	35.4%	96.3%	N/A	N/A	N/A
Math 1	NC	NC	N/A	N/A	N/A
Math 11	NC	NC	N/A	N/A	N/A
Biology	59.1%	N/A	N/A	N/A	N/A
<u>Student Attendance Rate</u>	93.6%	93.4%	94.3%	94.1%	94.4%

Source: State of Ohio School District Report Card.  
 NC - Scores not counted

Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008	Fiscal 2007	Fiscal 2006
79.8%	70.5%	75.2%	74.9%	81.1%	71.7%
75.2%	70.1%	70.5%	69.7%	72.4%	68.0%
78.3%	73.3%	77.1%	72.1%	70.1%	76.1%
80.9%	74.7%	75.2%	76.4%	75.9%	73.3%
N/A	N/A	N/A	N/A	N/A	N/A
66.2%	68.1%	60.4%	59.2%	59.5%	64.1%
71.1%	69.1%	67.2%	68.4%	78.9%	72.5%
65.5%	63.6%	66.8%	58.3%	62.4%	N/A
82.2%	79.6%	77.0%	77.7%	77.0%	68.6%
85.1%	85.1%	78.5%	78.1%	75.1%	82.1%
N/A	N/A	N/A	N/A	N/A	N/A
75.1%	68.3%	71.2%	67.4%	66.2%	60.4%
75.4%	75.6%	72.7%	73.1%	73.6%	78.6%
73.8%	66.1%	70.1%	70.5%	70.6%	68.7%
83.0%	76.9%	66.6%	75.9%	77.1%	77.1%
67.1%	62.8%	59.5%	59.2%	59.7%	N/A
81.3%	81.0%	80.6%	80.3%	80.8%	84.7%
84.4%	81.8%	80.8%	83.6%	85.0%	89.0%
68.5%	69.5%	72.5%	69.9%	68.9%	69.1%
76.3%	78.7%	78.9%	76.2%	73.4%	77.8%
86.8%	82.8%	89.5%	83.8%	89.5%	88.3%
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
94.3%	94.2%	93.9%	94.3%	94.3%	94.1%

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>
2016	1,401	8,155	3,159	3,330	6,602	21,246
2015	1,522	7,807	3,085	3,289	6,504	20,685
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

Source: Education Management Information System  
and District Student Data Base

South-Western City School District  
 Demographics  
 Last Ten Fiscal Years

<u>Year</u>	(1) <u>Estimated Population</u>	(2) <u>Average Daily Membership</u>	(3) <u>Average Federal Adjusted Gross Income</u>	(3) <u>Total Federal Adjusted Gross Income</u>	(4) <u>Unemployment Rate</u>
2016	136,231	21,246	not available	not available	3.90%
2015	135,715	20,685	not available	not available	3.60%
2014	134,627	20,435	\$ 48,340	\$ 2,951,516,885	4.30%
2013	133,539	20,215	47,076	2,901,095,182	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%

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 and are not  
 seasonally adjusted.

South-Western City School District  
Principal Employers - City of Grove City  
Calendar Year 2015 and 2006

<u>Employer</u>	<u>2015</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>
Wal-Mart Associates, Inc	1,402	1	4.93%	South-Western City School District	1,800	1	9.61%
South-Western City School District	1,340	2	4.72%	Wal-Mart Associates, Inc	1,050	2	5.60%
FedEx Ground Package Systems, Inc.	1,050	3	3.70%	FedEx Ground Package Systems, Inc.	850	3	4.54%
Halcore Group, Inc.	500	4	1.76%	The Gap, Inc.	600	4	3.20%
Buckey Ranch	495	5	1.74%	Manheim Remarketing, Inc.	480	5	2.56%
Manheim Remarketing, Inc.	336	6	1.18%	Nationwide Mutual Insurance Co.	450	6	2.40%
Wal-Mart Super Center	317	7	1.12%	Wal-Mart Super Center	450	7	2.40%
Tigerpoly Manufacturing, Inc.	313	8	1.10%	Tigerpoly Manufacturing, Inc.	446	8	2.38%
FedEx Smart Post	300	9	1.06%	Halcore Group, Inc.	380	9	2.03%
Nationwide Mutual Insurance Co.	290	10	1.02%	Tosoh SMD, Inc.	325	10	1.74%
Total Employees from Top Ten Employers	<u>6,343</u>		<u>22.33%</u>	Total Employees from Top Ten Employers	<u>6,831</u>		<u>36.46%</u>
All Other Employers	<u>22,073</u>		<u>70.47%</u>	All Other Employers	<u>11,907</u>		<u>63.54%</u>
Total Employees	<u><u>28,416</u></u>		<u><u>92.80%</u></u>	Total Employees	<u><u>18,738</u></u>		<u><u>100.00%</u></u>

Source: City of Grove City Comprehensive Annual Financial Report

Information 10 year prior is not available

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

South-Western City School District  
 Principal Employers - Greater Columbus Area  
 Calendar Year 2015

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Ohio State University	30,963	1	2.97%
State of Ohio	23,859	2	2.45%
Ohio Health	19,936	3	2.12%
JP Morgan Chase & Co.	19,200	4	2.03%
Nationwide Mutual Insurance Co.	12,200	5	1.29%
Kroger Co.	10,242	6	1.15%
Mount Carmel Health System	8,818	7	0.87%
City of Columbus	8,510	8	0.85%
Nationwide Children's Hospital	8,508	9	0.85%
Honda North America, Inc	7,800	10	0.82%
Franklin County	6,959	11	0.79%
Columbus City Schools	6,488	12	0.73%
L. Brands Inc.	6,090	13	0.73%
Huntington Bancshares, Inc.	4,661	14	0.57%
Cardinal Health Inc.	4,635	15	0.45%
Wal-Mart Stores	4,543	16	0.40%
Giant Eagle Inc.	3,816	17	0.38%
U.S. Postal Service	3,630	18	0.37%
American Electric Power Company, Inc.	3,627	19	0.35%
Alliance Data Systems Corp.	3,465	20	0.31%
PNC Financial Services Group	3,000	21	0.30%
Covelli Enterprises/Panera Stores	2,750	22	0.27%
DLA Land and Maritime	2,600	23	0.27%
South-Western City Schools	2,505	24	0.26%
Group Mangemetn Services Inc.	2,475	25	0.25%

Source: City of Columbus Comprehensive Annual Financial Report

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South-Western City School District  
 Principal Employers - Greater Columbus Area  
 Calendar Year 2006

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
State of Ohio	26,613	1	N/A
Ohio State University	19,919	2	N/A
Federal Government/United States Postal Services (1)	15,146	3	N/A
JPMorgan Chase & Co.	14,276	4	N/A
Nationwide	11,834	5	N/A
Ohio Health	9,413	6	N/A
City of Columbus	8,106	7	N/A
Columbus Public Schools	7,432	8	N/A
Limited Brands	7,200	9	N/A
Honda of America Mfg., Inc.	6,900	10	N/A
Wal-Mart Stores, Inc.	6,449	11	N/A
Franklin County	6,164	12	N/A
Mount Carmel	4,660	13	N/A
American Electric Power	4,128	14	N/A
Huntington Bancshares, Inc.	4,000	15	N/A
Kroger Co.	3,626	16	N/A
Children's Hospital, Inc.	3,307	17	N/A
AT&T Ohio	3,000	18	N/A
Battelle	2,478	19	N/A
Medco Health Solutions, Inc.	2,470	20	N/A
South-Western City Schools	2,454	21	N/A
Cardinal Health Inc.	2,000	22	N/A
Dispatch Printing Co.	2,000	23	N/A
Ross Products, Division Abbott Laboratories	1,958	24	N/A
United Parcel Services	1,898	25	N/A

(1) Federal Government employees includes: 10,477 Federal Government and US Postal Service FTEs; 2,269 Defense Supply Center FTEs; and 2,400 Defense Finance & Accounting Service Center FTEs.

Source: City of Columbus Comprehensive Annual Financial Report

Percentage of Total Employment data for 2006 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.





# 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  
MARCH 9, 2017**