

# **South-Western City School District**

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**Federal Awards  
Supplemental Information  
June 30, 2002**





**Auditor of State  
Betty Montgomery**

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Board of Education  
South-Western City School District  
2975 Kingston Avenue  
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We have reviewed the Independent Auditor's Report of the South-Western City School District, Franklin County, prepared by Plante & Moran, LLP, for the audit period July 1, 2001 through June 30, 2002. 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 "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

February 10, 2003

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# South-Western City School District

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## Independent Auditor's Report

Board of Education  
South-Western City School District

We have audited the basic financial statements of the South-Western City School District for the year ended June 30, 2002 and have issued our report thereon dated November 13, 2002. Those basic financial statements are the responsibility of the management of the South-Western City School District. Our responsibility was to express an opinion on those basic financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the basic financial statements of the South-Western City School District taken as a whole. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information in this schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Plante & Moran, PLLC*

November 13, 2002



A worldwide association of independent accounting firms



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## Report Letter on Compliance with Laws and Regulations and Internal Control - Basic Financial Statements

Board of Education  
South-Western City School District

We have audited the financial statements of the South-Western City School District as of and for the year ended June 30, 2002 and have issued our report thereon dated November 13, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the South-Western City School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the South-Western City School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.



Board of Education  
South-Western City School District

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

*Plante & Moran, PLLC*

November 13, 2002



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## Report Letter on Compliance with Laws and Regulations and Internal Control - Major Federal Awards

Board of Education  
South-Western City School District

### **Compliance**

We have audited the compliance of the South-Western City School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2002. The major federal programs of the South-Western City School District are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the South-Western City School District's management. Our responsibility is to express an opinion on the South-Western City School District's compliance based on our audit.

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

In our opinion, the South-Western City School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

## Internal Control Over Compliance

The management of the South-Western City School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the South-Western City School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

*Plante & Moran, PLLC*

November 13, 2002

# South-Western City School District

## Schedule of Receipts and Expenditures of Federal Awards June 30, 2002

Federal Grantor/Pass through Grantor/ Program Title (Fund #)	Pass Through Grantor Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. Department of Agriculture</u></b>						
<i>Passed Through Ohio Department of Education</i>						
Child Nutrition Cluster:						
National School Breakfast Program (006)	05-PU	10.553	\$ 336,933	\$ -	\$ 336,933	\$ -
National School Lunch Program (006)	03/04-PU	10.555	1,843,862	-	1,843,862	-
Summer Food Service Program (006)	23-ML	10.559	59,136	-	59,136	-
Total U.S. Department of Agriculture - Child Nutrition Cluster			2,239,931	-	2,239,931	-
Food Distribution, Commodities (006)		10.550	-	279,786	-	279,786
Headstart Snack Program (006)	21-ML	10.558	14,580	-	14,580	-
Total U.S. Department of Agriculture			2,254,511	279,786	2,254,511	279,786

# South-Western City School District

## Schedule of Receipts and Expenditures of Federal Awards June 30, 2002

Federal Grantor/Pass through Grantor/ Program Title (Fund #)	Pass Through Grantor Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. Department of Education</u></b>						
<i>Passed Through Ohio Department of Education</i>						
Special Education Cluster:						
Handicapped Title VI-B (516)	6B-SF	84.027	1,087,085	-	1,266,070	-
Handicapped Preschool (587)	PG-S1	84.173	45,643	-	49,119	-
Total Special Education Cluster			1,132,728	-	1,315,189	-
Adult Education Program (501)	AB-S1	84.002	151,425	-	243,201	-
Title I, Part A, IASA	CI-S1	84.010	1,289,545	-	1,585,194	-
Migrant Education (505)		84.011	56,700	-	41,533	-
Vocational Education (524)	20-C1	84.048	312,001	-	283,354	-
Emergency Immigrant Asst. (577)	E1-S1	84.162	23,950	-	15,866	-
Evenstart Preschool (572)	EV-S2,S4	84.213	143,277	-	187,038	-
Goals 2000 (599)	G2-SI,S4,S6,SP	84.276	67,589	-	129,696	-
Math and Science (514)	MS-S1,S4	84.281	87,623	-	121,376	-
Title VI (573)	C2-S1	84.298	131,039	-	127,637	-
Technology Literacy (599)	TF-24,25	84.318	-	-	94,544	-
Technology (599)		84.352A	2,995	-	2,995	-
Advanced Placement		84.330	441	-	441	-
Comprehensive School Reform (599)	RF-S1	84.332	174,490	-	163,684	-
Teacher Quality Enhancement (599)	QE-A1	84.336	95,855	-	117,281	-
Reading Excellence (599)	RN-S1	84.338	1,233,052	-	1,322,962	-
Class Size Reduction, Title VI-R (599)	CR-S1	84.340	389,738	-	410,863	-
Drug Free Schools, IASA Title IV (584)	DR-S1	84.186	76,379	-	69,336	-
Total U.S. Department of Education			5,368,827	-	6,232,190	-

# South-Western City School District

## Schedule of Receipts and Expenditures of Federal Awards Year Ended June 30, 2002

Federal Grantor/Pass through Grantor/ Program Title (Fund #)	Pass Through Grantor Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b><u>U.S. Department of Health and Human Services</u></b>						
<i>Passed Through Columbus Metropolitan Area Community Action Organization(CMACAO)</i>						
Admin. For Children Head Start (525)		93.600	1,705,589	-	1,861,476	-
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Medical Assistance Program/CAFS		93.778	340,158	-	340,158	-
<i>Passed Through Ohio Department of Job and Family Services</i>						
Smart Program (599)		93.558	-	-	21,478	-
<i>Passed Through Ohio Department of Education</i>						
Refugee School Impact	R1-S1	93.576	14,670	-	14,670	-
Total U.S. Department of Health and Human Services			2,060,417	-	2,237,782	-
<b>Total Federal Assistance</b>			<b>\$ 9,683,755</b>	<b>\$ 279,786</b>	<b>\$ 10,724,483</b>	<b>\$ 279,786</b>

# South-Western City School District

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## Notes to Schedule of Receipts and Expenditures Federal Awards Year Ended June 30, 2002

### Note 1 – Significant Accounting Policies

The accompanying schedule of receipts and expenditures of federal awards includes the federal grant activity of the South-Western City School District and is presented on the same basis of accounting as the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

### Note 2 – Non-cash Assistance

The value of the non-cash assistance received was determined in accordance with the provisions of OMB Circular A-133.

Non-cash assistance was received in the form of food commodities. The commodities are reported on the schedule of receipts and expenditures of federal awards at the fair market value of the commodities received and disbursed. Monies for commodities are commingled with the State of Ohio grants. It is assumed federal monies are expended first. At June 30, 2002, the District had no significant food commodities in inventory.

# South-Western City School District

## Schedule of Findings and Questioned Costs Year Ended June 30, 2002

### Section I – Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?         Yes     No
- Reportable condition(s) identified that are not considered to be material weaknesses?     Yes     None reported

Noncompliance material to financial statements noted?         Yes     No

#### Federal Awards

Internal control over major program(s):

- Material weakness(es) identified?         Yes     No
- Reportable condition(s) identified that are not considered to be material weaknesses?     Yes     None reported

Type of auditor's report issued on compliance for major program(s): Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?         Yes     No



# South-Western City School District

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2002

### Section I - Summary of Auditor's Results (Continued)

Identification of major program(s):

CFDA Number(s)	Name of Federal Program or Cluster
93.778	Medical Assistance Program/CAFS
93.600	Head Start
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$330,128

Auditee qualified as low risk auditee?       X  Yes      \_\_\_ No

### Section II - Financial Statement Audit Findings

Reference Number	Findings
	None

### Section III - Federal Program Audit Findings

Reference Number	Findings
	None

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

***Grove City, Ohio***

***COMPREHENSIVE ANNUAL FINANCIAL  
REPORT***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2002***

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 Year Ended June 30, 2002

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## Administrative Services

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November 13, 2002

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

The fourteenth Comprehensive Annual Financial Report (CAFR) of the South-Western City School District (the "District") for fiscal year ended June 30, 2002, is hereby submitted. This report was prepared by the Treasurer's Office and contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material aspects of the District for the 2001-02 fiscal year. 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 and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB).

This report has been divided into three sections:

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

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

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

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

Copies of this report will be widely distributed throughout the District. A copy will be sent to all school buildings, the Chamber of Commerce, major taxpayers, the Southwest Public Library, Moody's and Standard and Poor's Financial Rating Services, banks, and any other interested parties.

### **SCHOOL DISTRICT ORGANIZATION**

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

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

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

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

The District operates 35 instruction/support facilities staffed by approximately 928 non-certificated employees, 1,313 certificated full-time teaching personnel and 109 administrative employees to provide services to 19,722 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 vocational levels; a broad range of co-curricular and extracurricular activities; special education programs and community recreation facilities.

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

### **ECONOMIC CONDITION AND OUTLOOK**

The District is an independent political subdivision characterized as a "city school district" under Ohio Law, and provides educational services as mandated by state and/or federal agencies. The District is located primarily in Franklin County, Ohio southwest of, and included in parts of the City of Columbus, the State capital. The economic condition and outlook of the District has improved in recent years. The District has experienced considerable growth in both residential and commercial tax bases since 1985. Generally, the Columbus area is noted for its attractive service-based economy, cultural and educational elements. The District shares these demographic components with the resultant quality of life. Unemployment in the Franklin County Area, as listed by the Ohio Department of Job and Family Services, was 4.8 percent for the period ending September 2002. This rate of unemployment falls well below the Ohio rate of unemployment of 5.4 percent and the national unemployment rate of 5.4 percent for the same period. New residential construction continues to increase each year with many housing developments in progress throughout the District. Based on the economic condition of the area and the amount of undeveloped land within the District boundaries, this growth is expected to continue for the next 10 to 15 years. Commercial growth has increased with the continued growth in corporations locating warehouse/light manufacturing space in the District.

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



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

### **MAJOR INITIATIVE**

On November 3, 1998, the voters of the South-Western City School District passed a 4.92 mill, \$128,000,000 bond issue to provide sufficient space to the steadily growing student population it serves. Proceeds from the bond issue will be used to construct seven new schools consisting of one high school, one technical high school, one middle school, and four intermediate schools housing all of the District's 5<sup>th</sup> and 6<sup>th</sup> grade students.

Building-wide design teams were formed to aid in the process of designing the buildings on each of the four types of buildings using the "Schoolhouse of Quality" model. The building-wide design teams consisted of current administrative, instructional, and support service staff teamed with community members who provided input in designing the buildings from the inside out. The building-wide design team's charge was to design buildings that are educationally functional and supported by the construction budget.

In fiscal year 2002, two new schools were under construction. On August 29<sup>th</sup>, 2001, Jackson Middle School was opened as a replacement for Park Street Middle School, which was demolished in July 2001. The opening of Jackson Middle School provides increased educational opportunities to the students it serves through its state-of-the-art design.

Construction was started in the fall of 2000 on the District's fourth high school and a replacement for the District's sole technical high school. Central Crossing High School will house an additional 1,880 students, providing much needed space to the District's high school population. Once opened in the fall of 2002, the District will have appropriate space to all students, kindergarten through 12<sup>th</sup> grade. The South-Western Career Academy will also open in the fall of 2002. The South-Western Career Academy will significantly increase the options provided to the District's non-college bound students. When planning for the construction of the Career Academy, the entire educational program was revisited. As a result, many new programs will be offered and existing programs will be enhanced. The new and enhanced programs were designed to meet the needs of the current and future business world.

Educationally, the District continues to grow and focus on GAP (Graduation, Attendance, and Proficiency). To meet the initiatives of GAP, the District implemented a pilot program involving four elementary schools which targeted State mandated proficiency outcomes. The program is data driven. Participating schools studied data from the actual proficiency tests and correlated the information to the current courses of study. Adjustments were made to the courses of study to insure that the proficiency outcomes would be met. Preliminary results from the spring 2002 proficiency test administration look promising, with each participating school increasing in overall proficiency scores. The District as a whole continues to increase in State Report Card indicators. During fiscal year 2002, the District moved from academic watch to continuous improvement. This is a major accomplishment for the District.

### **FINANCIAL INFORMATION**

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

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

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

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

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

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

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

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

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

**Risk Management** – The District is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. Beginning in fiscal year 2001, the District contracted with Nationwide Agribusiness Insurance Company for general liability and fleet insurance. General liability had a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate limit with no deductible. Fleet insurance requires deductibles ranging from \$250 for comprehensive and \$1,000 for collision. In addition, the District purchased a Commercial Umbrella policy with \$3,000,000 aggregate limit with a deductible of \$10,000. Property coverage is with Indiana Insurance and the deductibles range from \$250 to \$10,000 depending upon type of property.

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

The District has elected to provide employee medical, dental, vision and life insurance benefits. United Health Care is the District's medical insurance provider. This is a fully insured plan that permits the District to pay a negotiated premium each month for each employee. The District negotiated a three-year plan with United Health Care that covers the period from January 1, 2000 through January 1, 2003. Premiums increased effective January 2002 by five percent and will remain at that rate through January 1, 2003. A fifteen percent premium increase cap was negotiated for the third year of the contract. The Insurance Committee voted to buy down the increase with residual reserves held in the Health Insurance Trust Fund. The buy down negotiated was effective through September 2002. During fiscal year 2002, the District negotiated a one year renewal plan with United Health Care with a forty percent increase effective January 1, 2003. The substantial increase was due to increased trend and claims payment history. The Board pays one hundred percent of the premium for single coverage and sixty-five percent of the premium for family coverage. The District Insurance Committee determined board and employee premium contributions. This committee consists of representatives of all three associations (unions) and the Board of Education. By negotiated agreement, this committee has the authority to modify district insurance programs.

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

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

The Ohio Association of Public School Employees (OAPSE) Chapter 211, a group affiliated with AFSCME and the AFL-CIO, represent classified employees. A three year contract was signed in June 1999 with an effective date of June 30, 1999. This contract provides for a 3 percent raise effective July 1, 1999 and an additional three percent raise effective July 1, 2000. The contract was reopened to discuss salary and benefits in the spring of 2001. As a result, the District and OAPSE agreed to a two-year contract extension, which will end June 30, 2003. The agreement provides a base raise of 3.5% and increases in the salary schedule index effective July 1<sup>st</sup> of each year of the contract.

The South-Western Administrators' Association (SWAA) represents administrative employees. While not associated or affiliated with any union, this association retains contractual rights to bargain with the Board of Education for ensuing contracts. In the fall of 2000, the District negotiated a three year contract with the association. This contract commenced March 1, 2001, and expires February 29, 2004 includes pick up of the employees retirement costs of 5.3%, 7.3% and 9.3% effective August 1<sup>st</sup> of each year of the contract. Members of this organization received raises of 1.2%, 1.5%, and 1.5% effective August 1<sup>st</sup> of each year of the contract.

**OTHER INFORMATION**

**Independent Audit** - Provisions of State statute require that an independent auditor subject the district's financial statements to an annual examination. Those provisions have been satisfied, and the opinion of Plante & Moran, PLLC, 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.

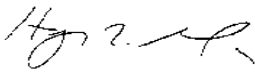
**Award** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2001.

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

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

**Acknowledgments** - Karen New, Assistant Treasurer, with the cooperative efforts of many other people in the treasurer's office and around the District, made the publication of the Comprehensive Annual Financial Report on a timely basis possible. The Franklin County Auditor's office assists us with statistical information, which we greatly appreciate. In addition, without the support, commitment and leadership of the Board of Education, the preparation of this report would not be possible.

Respectfully submitted,



Hugh W. Garside, Jr.  
Treasurer



R. Kirk Hamilton, Ph.D.  
Superintendent

## PRINCIPAL OFFICIALS

### Board of Education

Beth A. Congrove	President
Krista A. Stastyshyn	Vice President
Cathy Johnson	Member
Gary L. Leasure	Member
James E. Lester	Member

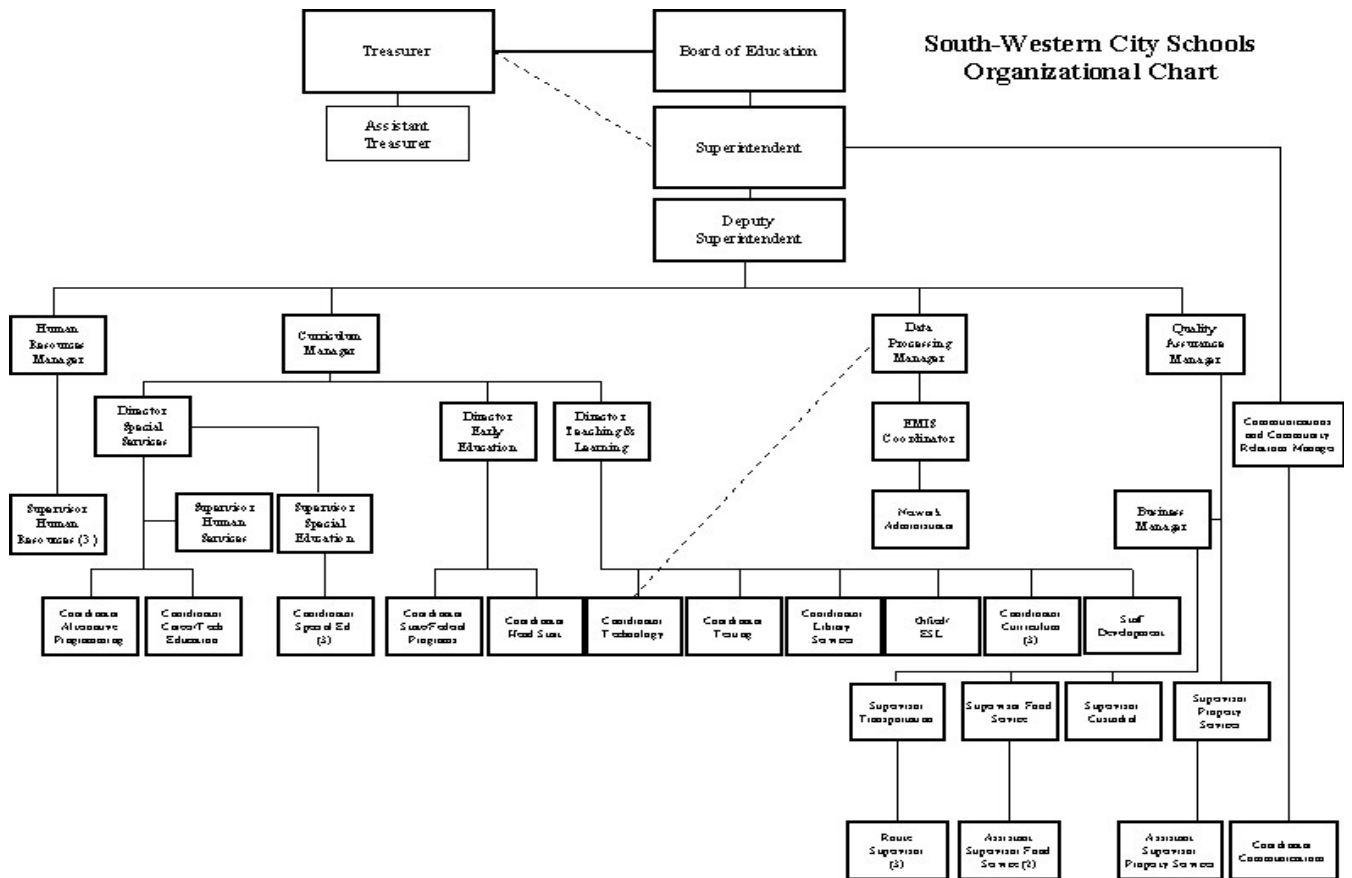
### Central Office Administrative Staff

R. Kirk Hamilton, Ph.D.	Superintendent
James H. Nelson	Deputy Superintendent
Hugh W. Garside Jr.	Treasurer
Karen K. New	Assistant Treasurer
Michael L. Bobby	Quality Assurance Manager
Bryan Mulvany	Data and Information Services Manager
Jeffery B. Warner	Communication Manager
Gary D. Smetzer	Personnel Manager
Elaine Wank - Burton	Curriculum Manager
Pamela J. Early	Director of Early Education
Harvey Nesser	Director of Special Services
Roby Schottke	Director of Teaching and Learning
Janice A. Collette	Supervisor – Personnel
Lucy L. Ozvat	Supervisor - Personnel
James Staten	Supervisor - Personnel
Scott D. Deubner	Business Manager
Sherry P. Minton	Career – Technical Coordinator

**TREASURER’S OFFICE STAFF**

Hugh W. Garside, Jr.	Treasurer
Karen K. New	Assistant Treasurer
Carolyn A. Young	Administrative Assistant
Carolyn S. Logan	Payroll Supervisor
Janet B. Hager	Payroll
Kelly B. McGraw	Payroll
Linda L. Fisher	Accounts Receivable
Barbara J. Lewis	Accounts Payable
Terese M. Litteral	Accounts Payable
LaDonna K. Wells	Account Payable
Marilyn W. Smith	Fixed Assets
Sarah A. Johnson	Employee Benefits
Nancie A. Conley	Accountant
Anita M. McCreary	Accountant

# ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

South-Western City School  
District, Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

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



*Thomas A. Drew*  
President

*Jeffrey L. Essler*  
Executive Director



To the Board of Education  
South-Western City School District

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 as of and for the year ended June 30, 2002 which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the South-Western City School Districts' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District as of June 30, 2002 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the School District has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of July 1, 2001.

The management's discussion and analysis and budgetary comparison information on pages 17 through 24 and 60 through 96 are not required parts of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

To the Board of Education  
South-Western City School District

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South-Western City School Districts' basic financial statements. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical tables, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report under separate cover dated November 13, 2002 on our consideration of the School District's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Plante & Moran, PLLC*

November 13, 2002

South-Western City District  
Management Discussion and Analysis

This section of the South-Western City District's (the District) annual financial report presents the discussion and analysis of the District's financial performance during the year ended June 30, 2002. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**Using this Annual Report**

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

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

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

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

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

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

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

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

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

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

South-Western City District  
Management Discussion and Analysis

**The District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets as of June 30, 2002:

<i>Table 1</i>	
	Governmental Activities
	(in thousands)
<b>Assets</b>	
Current and other assets	\$ 158,434
Capital Assets	<u>168,369</u>
Total Assets	<u>326,803</u>
<b>Liabilities</b>	
Current liabilities	90,809
Long-term liabilities	<u>164,602</u>
Total Liabilities	<u>255,411</u>
<b>Net Assets</b>	
Invested in property and equipment - Net of related debt	24,303
Restricted	12,880
Unrestricted	<u>34,209</u>
Total Net Assets	<u>\$ 71,392</u>

The above analysis focuses on the net assets (see Table 1). The change in net assets (see Table 2) of the District's governmental activities is discussed below. The District's net assets were \$71,392 thousand at June 30, 2002. Capital assets, net of related debt totaling \$24,303 thousand, compares the original cost, less depreciation of the District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those net assets for day-to-day operations. The remaining amount of net assets \$34,209 thousand was unrestricted.

The \$34,209 thousand in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. It means that if the District had to pay off all of the bills today, including all of the non-capital liabilities (compensated absences, for example), the District would have \$34,209 thousand remaining. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

South-Western City District  
Management Discussion and Analysis

The results of this year's operations for the District as a whole are reported in the statement of activities (Table 2), which shows the changes in net assets for fiscal year 2002. Since this is the first year the District has prepared financial statements following GASB Statement No. 34, revenue and expense comparison to fiscal year 2001 is not available.

<i><b>Table 2</b></i>	
	Governmental Activities <hr style="width: 50%; margin: auto;"/> (in thousands)
<b>Revenue</b>	
Program revenue:	
Charges for Services	\$ 4,629
Operating Grants	14,876
General Revenue:	
Property Taxes	72,583
Grants and Entitlements	69,159
Interest	3,013
Gain on Sale of Fixed Assets	32
Other Local Revenue	3,764
Extraordinary Item	<u>(911)</u>
Total Revenue	<u>167,145</u>
<b>Functions/Program Expenses</b>	
Instruction	87,127
Support Services	61,485
Food Services	6,085
Community Services	1,574
Extracurricular Activities	3,336
Interest and Fiscal Charges	<u>7,481</u>
Total Expenses	<u>167,088</u>
<b>Increase in Net Assets</b>	<u><u>\$ 57</u></u>

South-Western City District  
Management Discussion and Analysis

As reported in the statement of activities, the cost of all of the governmental activities this year was \$167,088 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$4,629 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$14,876 thousand. The remaining “public benefit” portion of the governmental activities was paid for with \$72,583 thousand in taxes, \$69,159 thousand in grants and entitlements, and with other revenues.

The District experienced an increase in net assets of \$57 thousand. The overall increase, due to increased grants and entitlements, was offset by a large decrease in net assets created by the demolition of a middle school building in the amount of \$911 thousand. The site was subsequently used to construct a new intermediate building. Without this extraordinary item the District’s increase in net assets would have been \$968 thousand.

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

### **The District’s Funds**

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

As the District completed this year, the governmental funds reported a combined fund balance of \$58,330 thousand, which is a decrease of \$26,335 thousand from last year. The primary reason for the decrease is due to the capital expenses relating to the construction projects.

In the General Fund, the principal operating fund, the fund balance decreased \$1,391 thousand to \$32,163 thousand. The change is due mainly to increasing expenditures and stagnant tax revenues as a result of House Bill 920, which was passed in the 1976. House Bill 920 reduces the millage rate as property valuation increases, therefore, as property value increases, the actual tax collection remains virtually the same. General Fund fund balance is available to fund costs related to allowable school operating purposes.

The Debt Service Fund showed a fund balance decrease of \$2,751 thousand due to the accelerated payoff of bond anticipation notes. Since their original issuance in 1998, \$3,000 thousand of the original \$8,500 thousand has been retired. The Debt Service Fund balance is reserved since it can only be used to pay debt service obligations and are not intended to grow each year.

The Capital Improvements Fund balance decreased \$20,779 thousand as the District continued construction related to the 1998 bond issue. The construction project is estimated to be approximately ninety percent complete at June 30, 2002.

South-Western City District  
Management Discussion and Analysis

Other governmental funds consist of special revenue funds. The decrease of \$1,414 thousand is due to state budget cuts, which are focused on supplemental programming.

**General Fund Budgetary Highlights**

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

There were significant revisions made to the 2001-2002 General Fund original budget. Budgeted revenues were increased \$7,285 thousand due to conservative original estimates in personal tangible tax receipts and state foundation payments. Revenues are conservatively budgeted each year to insure that the programming planned for the ensuing fiscal year will be implemented.

Budgeted expenditures were also increased \$4,232 thousand to account for the increase in purchased professional services and capital outlay resulting from the District's revised operating plan due to the increase in revenue. The amount of transfers to other funds established in the amended budget was \$2,184 thousand and represents support provided by the General Fund to other functions.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2002, the District had \$168,369 thousand invested in a broad range of capital assets, including land, improvements to land, buildings, furniture and equipment, vehicles, and buses. This amount represents a net increase (including additions, deductions, and depreciation) of \$26,412 thousand, or nineteen percent, from last year.

<u>Description of Capital Asset</u>	<u>2002</u>	<u>2001</u>
Land	\$ 6,768	\$ 6,205
Improvements to Land	1,768	1,811
Buildings	148,532	123,948
Furniture and Equipment	7,351	6,174
Vehicles	272	272
Buses	<u>3,678</u>	<u>3,546</u>
Total Capital Assets	<u>\$ 168,369</u>	<u>\$ 141,956</u>

This year's additions of \$47,881 thousand included two new buildings, buses, vehicles, and technology. No new debt was issued for these additions in fiscal year 2002.



South-Western City District  
Management Discussion and Analysis

Several major capital projects are planned for the 2002-2003 fiscal year, the largest of which are the conversion of an existing facility from a technical high school to an intermediate school and the renovation of a recently purchased office/warehouse that will house all of the District's support services except for transportation. The District anticipates capital additions will be approximately \$33 million less than the 2001-2002 fiscal year. A more detailed explanation of the capital assets is presented in the notes to the financial statements.

***Debt***

At the end of this year, the District had \$146,638 thousand in bonds outstanding versus \$148,693 thousand in the previous year, which is a change of 1.4 percent. Those bonds consisted of the following: (in thousands)

<u>Description of General Obligation Bonds</u>	<u>2002</u>	<u>2001</u>
1994 Refunding School Facilities	\$ 5,490	\$ 6,310
1994 School Facilities	26,953	27,853
1994 Energy Conservation	585	855
1996 Bus	1,255	1,475
1999 School Facilities	106,665	111,200
2000 Vocational Construction	1,000	1,000
2002 Energy Conservation	4,775	-
2002 School Facilities	<u>4,690</u>	<u>-</u>
Total General Obligation Bonds	<u>\$ 151,413</u>	<u>\$ 148,693</u>

The District's general obligation bond rating was upgraded by two independent rating firms in fiscal year 2002. Moody's credit rating increased from an A to an A1 and the Standard and Poor's credit rating increased from an A to an A+. The state limits the amount of general obligation debt that schools can issue to ten percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$151,413 thousand is significantly below this \$193,846 thousand statutorily imposed limit.

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

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

The elected officials and administration considered many factors when setting the District's fiscal year 2003 budget. One of the most important factors affecting the budget is the student count. The state foundation revenue is determined by multiplying a weighted student count taken the first full week of October by the foundation allowance per pupil. The fiscal year 2003 budget was adopted in June 2002, based on an estimate of students that will be enrolled in September 2002. Approximately forty percent of total General Fund revenue is from the foundation allowance. As stated earlier, due to House Bill 920, real estate property tax revenues are not allowed to increase when valuation increases. As a result, any increase in total district

South-Western City District  
Management Discussion and Analysis

funding is heavily dependent on the state's ability to fund local school operations. Based on early enrollment data at the start of the 2003 school year, the District anticipates that the fall student count will be close to the estimates used in creating the fiscal year 2003 budget. Once the final student count and related per pupil funding is validated, state law requires the District to amend the budget if actual district resources are not sufficient to fund original appropriations.

Since the District's revenue is heavily dependant on state funding and the health of the State's budget, the actual revenue received depends on the State's ability to collect revenues to fund its appropriation to Districts. The last bond proposal approved by the voters was in 1998. The proposal was designed to help the District reduce overcrowding in existing buildings.

During fiscal year 2002, the District settled a labor contract with the South-Western Education Association. The financial impact on the general fund is estimated by the District to be approximately nine million dollars over the three-year term.

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South-Western City School District  
Statement of Net Assets  
June 30, 2002

	Governmental <u>Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash	
Equivalents	\$ 64,423,751
Investments	1,022,578
Restricted Cash and Cash Equivalents	2,464,507
Receivable:	
Taxes - Current	78,554,380
Taxes - Delinquent	8,305,224
Accounts	459,165
Interest	192,210
Intergovernmental - Federal	2,056,455
Interfund Loan Receivable - Fiduciary	52,217
Prepaid Items	549,169
Materials and Supplies Inventory	354,772
Capital Assets, Net of Accumulated Depreciation	168,368,746
Total Assets	<u>\$ 326,803,174</u>
 <u>Liabilities</u>	
Accounts Payable	\$ 3,015,632
Contracts Payable	4,493,530
Payable from Restricted Assets:	
Contracts Payable - Retainage	1,906,609
Claims Payable	86,602
Accrued Wages and Benefits	13,300,928
Accrued Interest Payable	928,982
Deferred Revenue	67,076,306
Long-Term Liabilities:	
Due within One Year	7,974,202
Due in More than One Year	156,628,337
Total Liabilities	<u>255,411,128</u>
 <u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	24,303,347
Restricted for:	
Debt Service	6,403,338
Capital Projects	6,476,876
Unrestricted	34,208,485
Total Net Assets	<u>\$ 71,392,046</u>

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

South-Western City School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2002

	<u>Expenses</u>	<u>Program Revenue</u>		<u>Net (Expense) Revenue and</u>
		<u>Charges for</u>	<u>Operating Grants,</u>	<u>Changes in Net Assets</u>
		<u>Services and Sales</u>	<u>Contributions</u>	<u>Governmental</u>
			<u>and Interest</u>	<u>Activities</u>
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 67,162,034	\$ 53,915	\$ 1,923,695	\$ (65,184,424)
Special	14,219,025	-	5,455,165	(8,763,860)
Vocational	5,358,669	66,637	1,023,134	(4,268,898)
Other	386,970	-	178,590	(208,380)
Support Services:				
Pupil	6,140,323	-	993,039	(5,147,284)
Instructional Staff	12,920,806	-	956,781	(11,964,025)
Board of Education	224,840	-	-	(224,840)
Administration	12,052,299	-	608,506	(11,443,793)
Fiscal	2,776,595	-	28,110	(2,748,485)
Business	1,121,398	-	-	(1,121,398)
Operations and Maintenance	13,064,806	-	262,321	(12,802,485)
Pupil Transportation	9,188,997	269,782	267,470	(8,651,745)
Central	3,994,815	-	2,097	(3,992,718)
Food Service	6,084,887	3,579,946	2,415,436	(89,505)
Community Services	1,574,075	11,884	689,328	(872,863)
Extracurricular Activities	3,336,233	647,287	72,304	(2,616,642)
Interest and Fiscal Charges	7,480,589	-	-	(7,480,589)
<b>Total Governmental Activities</b>	<b>167,087,361</b>	<b>4,629,451</b>	<b>14,875,976</b>	<b>(147,581,934)</b>
<b>General Revenue:</b>				
Property Taxes Levied for:				
General Purposes				60,805,216
Debt Service				11,778,244
Grants and Entitlements not Restricted to Specific Program				69,158,685
Interest				3,013,344
Gain on Sale of Fixed Assets				31,094
Other Local Revenue				3,763,736
Extraordinary Item - Loss on Demolition of a Middle School				(911,297)
<b>Total General Revenues and Extraordinary Item</b>				<b>147,639,022</b>
Changes in Net Assets				
				57,088
Net Assets Beginning of Year				71,334,958
Net Assets End of Year				<b>\$ 71,392,046</b>

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

South-Western City School District  
 Balance Sheet  
 Governmental Funds  
 June 30, 2002

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash				
Equivalents	\$ 35,765,501	\$ 3,013,751	\$ 19,711,753	\$ 5,633,749
Investments	-	-	-	1,022,578
Restricted Cash and Cash Equivalents	557,898	-	1,906,609	-
Receivable:				
Taxes - Current	65,744,790	12,809,590	-	-
Taxes - Delinquent	7,033,242	1,271,982	-	-
Accounts	445,361	-	-	13,804
Interest	190,585	-	-	1,625
Intergovernmental	90,628	-	-	1,965,827
Interfund Loan Receivable	943,911	-	-	-
Prepaid Items	375,997	-	-	173,172
Materials and Supplies Inventory	245,518	-	-	109,254
Total Assets	<u>\$ 111,393,431</u>	<u>\$ 17,095,323</u>	<u>\$ 21,618,362</u>	<u>\$ 8,920,009</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 2,497,618	\$ -	\$ -	\$ 518,014
Contracts Payable	-	-	4,493,530	-
Payable from Restricted Assets:				
Contracts Payable - Retainage	-	-	1,906,609	-
Claims Payable	-	-	-	-
Accrued Wages and Benefits	12,287,163	-	-	1,013,765
Compensated Absences Payable	877,115	-	-	-
Interfund Loans Payable	-	-	34,129	857,565
Deferred Revenue	63,568,279	11,963,967	-	678,877
Total Liabilities	<u>79,230,175</u>	<u>11,963,967</u>	<u>6,434,268</u>	<u>3,068,221</u>
<u>Fund Balance:</u>				
Reserved for Encumbrances	2,449,178	-	14,731,468	457,146
Reserved for House Bill 412	557,898	-	-	-
Reserved for Future Appropriation	9,495,172	2,117,605	-	-
Unreserved				
Designated for Capital Projects	-	-	452,626	-
Designated for Debt Service	-	3,013,751	-	-
Undesignated, reported in				
General Fund	19,661,008	-	-	-
Special Revenue Funds	-	-	-	5,394,642
Total Fund Balances	<u>32,163,256</u>	<u>5,131,356</u>	<u>15,184,094</u>	<u>5,851,788</u>
Total Liabilities and Fund Balances	<u>\$ 111,393,431</u>	<u>\$ 17,095,323</u>	<u>\$ 21,618,362</u>	<u>\$ 8,920,009</u>

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

South-Western City School District  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2002

<u>Total</u>		
Governmental		
<u>Funds</u>		
	Total Governmental Fund Balances	\$ 58,330,494
\$ 64,124,754	Amounts reported for governmental activities in the	
1,022,578	statement of net assets are different because:	
2,464,507		
	Capital assets used in governmental activities are not financial	
78,554,380	resources and therefore are not reported in the funds.	168,368,746
8,305,224		
459,165	Other long-term assets are not available to pay for current period	
192,210	expenditures and therefore are deferred in the funds.	9,231,705
2,056,455		
943,911	An internal service fund is used by management to charge the cost	
549,169	of dental insurance to individual funds. The assets and liabilities of	
354,772	the internal service fund are included in governmental	
<u>\$ 159,027,125</u>	activities in the statement of net assets	115,507
	Long-Term liabilities, including bonds payable, are not due and	
	payable in the current period and therefore are not reported	
\$ 3,015,632	in the funds:	
4,493,530	Interest Payable	(928,982)
	Compensated Absences Payable	(11,881,789)
1,906,609	Arbitrage Payable	(87,914)
-	Capital Leases Payable	(343,416)
13,300,928	General Obligation Debt	(145,052,305)
877,115	Energy Conservation Debt	(5,360,000)
891,694	Vocational Construction Loan	(1,000,000)
76,211,123	Net Assets of Governmental Activities	<u>\$ 71,392,046</u>
<u>100,696,631</u>		
	The notes to the financial statements are an integral part of this statement.	
17,637,792		
557,898		
11,612,777		
452,626		
3,013,751		
19,661,008		
<u>5,394,642</u>		
<u>58,330,494</u>		
<u>\$ 159,027,125</u>		

South-Western City School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2002

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
Revenues:				
Local:				
Taxes	\$ 58,597,390	\$ 11,365,599	\$ -	\$ -
Tuition	393,119	-	-	175,481
Interest	1,944,485	-	1,322,044	180,063
Other Local Revenue	1,458,789	-	-	6,418,475
Intergovernmental - State	67,340,648	1,418,954	-	3,628,723
Intergovernmental - Federal	535,899	-	-	10,368,683
Total Revenues	<u>130,270,330</u>	<u>12,784,553</u>	<u>1,322,044</u>	<u>20,771,425</u>
Current:				
Instruction:				
Regular	58,041,395	-	1,782	4,268,640
Special	11,815,665	-	-	2,239,845
Vocational	4,008,708	-	39,572	239,057
Other	145,456	-	-	241,485
Support Services:				
Pupil	5,279,781	-	-	809,607
Instructional Staff	9,738,960	-	-	2,714,650
Board of Education	224,840	-	-	-
Administration	10,322,615	-	-	1,243,697
Fiscal	2,407,363	226,104	62,554	65,526
Business	892,459	-	-	-
Operations and Maintenance	12,239,655	-	-	157,742
Pupil Transportation	6,869,883	-	-	269,199
Central	2,089,229	-	-	550,880
Food Service	-	-	-	5,995,382
Community Services	228,750	-	-	694,523
Extracurricular Activities	505,182	-	-	2,440,969
Capital Outlay	4,384,965	-	33,439,802	1,539,656
Pass Through Grants	325,000	-	-	-
Debt Services:				
Principal Retirement	331,999	6,745,360	-	-
Interest and Fiscal Charges	33,894	6,958,734	186,921	-
Total Expenditures	<u>129,885,799</u>	<u>13,930,198</u>	<u>33,730,631</u>	<u>23,470,858</u>
Excess of Revenues Over (Under) Expenditures	384,531	(1,145,645)	(32,408,587)	(2,699,433)
Other Financing Sources (Uses):				
Operating Transfers - In	19,357	6,070,645	12,365,760	1,387,460
Operating Transfers - Out	(1,863,877)	(12,365,760)	(5,511,366)	(102,219)
Proceeds from Disposal of Fixed Assets	69,153	-	-	-
Proceeds from Sale of Bonds	-	4,690,000	4,775,000	-
Total Other Financing Sources (Uses)	<u>(1,775,367)</u>	<u>(1,605,115)</u>	<u>11,629,394</u>	<u>1,285,241</u>
Net Change in Fund Balance	(1,390,836)	(2,750,760)	(20,779,193)	(1,414,192)
Fund Balances at Beginning of Year	33,554,092	7,882,116	35,963,287	7,265,980
Fund Balances at End of Year	<u>\$ 32,163,256</u>	<u>\$ 5,131,356</u>	<u>\$ 15,184,094</u>	<u>\$ 5,851,788</u>

The notes to the 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, 2002

<u>Total</u>		
Governmental	Net Change in Fund Balances - Total Governmental Funds	\$ (26,334,981)
<u>Funds</u>		
	Amounts reported for governmental activities in the statement of	
	activities are different because:	
\$ 69,962,989		
568,600	Governmental funds report capital outlays as expenditures. However,	
3,446,592	in the statements of activities the cost of those assets is allocated	
7,877,264	over their estimated useful lives and reported as depreciation expense.	
72,388,325	This is the amount by which capital outlays, which met the capitalization	
<u>10,904,582</u>	criteria, (\$34,529,935) exceeded depreciation (\$7,168,176) in the current period.	27,361,759
<u>165,148,352</u>		
	In the statement of activities, only the gain and loss on the disposal of fixed	
	assets is reported, whereas in the governmental funds, the entire proceeds from	
	the sale increase financial resources. Thus, the change in net assets differs	
62,311,817	from the change in fund balances by the cost of the assets disposed.	(949,356)
14,055,510		
4,287,337	Revenues in the statement of activities that do not provide current financial	
386,941	resources are not reported as revenues in the funds.	2,808,454
6,089,388	Long-Term debt proceeds provide current financial resource to governmental	
12,453,610	funds, but issuing debt increases long-term liabilities in the statement of net	
224,840	assets. Repayment of long-term debt principal is an expenditure in the	
11,566,312	governmental funds, but the repayment reduces long-term liabilities in the	
2,761,547	statement of net assets. This is the amount by which proceeds exceeded repayments.	(2,387,641)
892,459		
12,397,397	Some expenses reported in the statement of activities do not require the use of	
7,139,082	current financial resources and therefore are not reported as expenditures in	
2,640,109	governmental funds.	(440,626)
5,995,382		
923,273	Internal service funds are used by management to charge the costs of	
2,946,151	certain activities, such as insurance to individual funds. The net revenue	
39,364,423	(expense) of internal services funds is reported with governmental activities.	(521)
325,000	Net Assets of Governmental Activities	<u>\$ 57,088</u>
7,077,359		
<u>7,179,549</u>	The notes to the financial statements are an integral part of this statement.	
<u>201,017,486</u>		
(35,869,134)		
19,843,222		
(19,843,222)		
69,153		
<u>9,465,000</u>		
<u>9,534,153</u>		
(26,334,981)		
84,665,475		
<u>\$ 58,330,494</u>		

South-Western City School District  
Statement of Net Assets  
Internal Service Fund  
June 30, 2002

Current Assets:

Equity in Pooled Cash and Cash Equivalents	\$ 298,997
Total Current Assets	<u>\$ 298,997</u>

Current Liabilities:

Claims Payable	\$ 86,602
Deferred Revenue	<u>96,888</u>
Total Current Liabilities	<u>183,490</u>

Net Assets

Unrestricted	<u>115,507</u>
Total Net Assets	<u>\$ 115,507</u>

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

South-Western City School District  
Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2002

Operating Revenues:	
Charges for Services	\$ 1,479,514
Charges to Employees	<u>14,502</u>
Total Operating Revenues	<u>1,494,016</u>
Operating Expenses:	
Claims	1,437,119
Purchased Services	<u>64,018</u>
Total Operating Expenses	<u>1,501,137</u>
Operating Loss	(7,121)
Non-Operating Revenues:	
Interest	<u>6,600</u>
Total Non-Operating Revenues	<u>6,600</u>
Change in Net Assets	(521)
Net Assets Beginning of Year	<u>116,028</u>
Net Assets End of Year	<u><u>\$ 115,507</u></u>

The notes to the 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, 2002

<u>Decrease in Cash and Cash Equivalents</u>	
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 1,487,890
Cash Received from Employees	14,502
Cash Payments for Claims	(1,490,410)
Cash Payments to Suppliers for Goods and Services	<u>(70,260)</u>
Net Cash Used in Operating Activities	<u>(58,278)</u>
Cash Flows from Investing Activities:	
Interest	<u>6,600</u>
Net Cash Provided by Investing Activities	<u>6,600</u>
Net Decrease in Cash and Cash Equivalents	(51,678)
Cash and Cash Equivalents Beginning of Year	<u>350,675</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 298,997</u></u>

<u>Reconciliation of Operating Loss to Net Cash</u>	
<u>Used in Operating Activities:</u>	
Operating Loss	\$ (7,121)

Adjustments to Reconcile Operating Loss to Net	
Cash Used in Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Claims Payable	(57,072)
Increase in Deferred Revenue	<u>5,915</u>
Net Cash Used in Operating Activities	<u><u>\$ (58,278)</u></u>

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

South-Western City School District  
Statement of Fiduciary Net Assets  
Agency Funds  
June 30, 2002

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 4,299,591
Accounts Receivable	<u>136,821</u>
Total Assets	<u><u>\$ 4,436,412</u></u>

<u>Liabilities:</u>	
Accounts Payable	\$ 1,387,557
Accrued Wages and Benefits	2,436
Interfund Loans Payable	52,217
Undistributed Money	<u>2,994,202</u>
Total Liabilities	<u><u>\$ 4,436,412</u></u>

The notes to the 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, 2002*

**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-five instructional/support facilities and one leased facility staffed by 928 non-certificated employees, 1,313 certificated full time teaching personnel and 109 administrative employees to provide services to approximately 19,722 students and other community members.

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

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

The District is the seventh 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 2002 the District operated 17 elementary schools, four intermediate schools, five middle schools, three comprehensive high schools and one vocational technical high school.

**Reporting Entity**

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

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

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

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

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

A. Basis of Presentation

Government - Wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

Major Governmental Funds

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

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

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

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

**B. Fund Accounting (continued)**

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

**Proprietary Fund**

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

Internal Service Funds - Internal Service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the District on a cost-reimbursement basis.

**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 involved measurement of results of operation.

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

**C. Measurement Focus**

**Government-wide Financial Statements**

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

**Fund Financial Statements**

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

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

**D. Basis of Accounting**

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



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

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

C. Measurement Focus (continued)

Revenue – Exchange and Non-exchange Transactions

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

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

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

Deferred Revenue

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

Property taxes (should not include delinquent) for which there is an enforceable legal claim as of June 30, 2002, but which were levied to finance fiscal year 2003 operations, have been recorded as deferred revenue.

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

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, 2002*

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

**E. Cash and Cash Equivalents**

The District maintains a cash and investment pool used by all funds, except a portion of the Capital Improvements Fund, representing bond and note proceeds, and a portion of the Insurance Reserve Special Revenue Fund. 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 2002, the District invested in a variety of instruments as allowed in the Ohio Revised Code. Except for investment contracts and money market investments that had a remaining maturity of two years or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2002.

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 2002 amounted to \$1,944,485, which includes \$291,673 assigned from other District Funds.

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

For presentation on the financial statements, investments of the cash management pool and investments with maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents. During the fiscal year, all investments in the cash management pool had a maturity of twenty-four months or less. The investments held separately from the cash management pool had a maturity of thirty-six months or less which matched the cash flows schedule for the construction projects and is in compliance with the District's investment policy.

**F. Inventory**

Inventories of governmental funds are stated at the lower of cost or market. 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. United States Department of Agriculture Commodities inventory received by the Food Service Fund is recorded as inventory and deferred revenue until used.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2002, are recorded as prepaid items by using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditures/expense is reported in the year which services are consumed.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

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

H. Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments or imposed by enabling legislation. Restricted assets include the amount required by State statute to be set aside to create a reserve for budget stabilization.

I. Fixed Assets and Depreciation

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

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

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

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

K. Compensated Absences

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The District records a liability for accumulated unused sick leave for all employees after fifteen years of service. A bonus payment is available to employees who retire at their first retirement eligibility date, which is based on the number of years experience they have earned. A liability is recorded for those employees that have declared their retirement date as of June 30, 2002.

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

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid using expendable available financial resources. These amounts are recorded in the account "compensated absences payable" in the general fund which is the fund that will make the payments. The noncurrent portion of the liability is not reported.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

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

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

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

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

**M. Interfund Transactions**

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

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

**N. Fund Balance Reserves**

The District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available spendable resources and therefore are not available for appropriations for expenditures. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, capital and maintenance and budget stabilization reserve (House Bill 412 and 770) and property tax advances.

**O. 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 District and that are either unusual in nature or infrequent in occurrence. The District demolished Park Street Middle School during fiscal year 2002. The loss on this demolition is reflected as an extraordinary item on the statement of activities.

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES**

**A. Changes in Accounting Principles**

For fiscal year 2002, the District has implemented Governmental Accounting Standards Board Statement (GASB) No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”; GASB 36, “Recipient Reporting for Certain Shared Nonexchange Revenues”, GASB No. 37, “Basic Financial Statements for State and Local Governments; Omnibus”, GASB No. 38, “Certain Financial Statement Note Disclosures”, and GASB Interpretation No. 6, “Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements”. At June 30, 2002, there was no effect on fund balance as a result of implementing GASB Statements 36, 37, and 39

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES**  
**(continued)**

GASB Statement No. 34 creates new basic financial statements for reporting on the District’s financial activities. The financial statements now include government-wide financial statements prepared on an accrual basis of accounting and fund financial statements which present information for individual major funds rather than by fund type. Nonmajor funds are presented in total in one column.

The beginning net asset amount for government program reflects the change in fund balance for governmental funds at June 30, 2001, caused by the conversion to the accrual basis of accounting. Enterprise funds and internal service funds restatement is the result of the changes in the District fund structure.

GASB Interpretation No. 6 clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in areas where difference have arisen, or potentially could arise, in interpretation and practice. The District restated the fund liability of compensated absences that had not matured during fiscal year 2001.

**B. Restatement of Fund Balances**

The restatements for GASB Statement No. 34 and GASB Interpretation No. 6 had the following effects on the fund balance of the major and nonmajor funds of the District as they were previously reported.

The transition from governmental fund balance to net assets of the governmental activities is also presented.

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Activities</u>
Fund Balance June 30, 2001	\$ 34,494,409	\$ 7,882,116	\$ 36,742,786	\$ 3,877,922	\$ 82,997,233
GASB 34 Adjustments:					
Change in Fund Structure:					
Capital Project Fund	-	-	(779,499)	779,499	-
Enterprise Funds	89,678	-	-	(165,901)	(76,223)
Internal Service Fund	237,036	-	-	-	237,036
Expendable Trust Fund	-	-	-	2,774,460	2,774,460
Interpretation 6 Adjustments:					
Compensated Absences	<u>(1,267,031)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,267,031)</u>
Adjusted Fund Balance	<u>\$ 33,554,092</u>	<u>\$ 7,882,116</u>	<u>\$ 35,963,287</u>	<u>\$ 7,265,980</u>	<u>\$ 84,665,475</u>
GASB 34 Adjustments:					
Capital Assets					141,956,343
Accrued Interest Payable					(627,942)
Accrued Interest Receivable					738,498
Long-Term Liabilities					(161,198,197)
Long-Term (Deferred) Assets					5,684,753
Internal Service Fund					<u>116,028</u>
Governmental Activities Net Assets at June 30, 2001					<u><u>\$ 71,334,958</u></u>

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES**  
**(continued)**

**B. Restatement of Fund Balances (continued)**

	<u>Enterprise</u>	<u>Internal Service</u>
Fund Balance June 30, 2001	\$ 960,262	\$ 423,507
GASB 34 Adjustments:		
Change in Fund Structure:		
Enterprise Funds	76,223	-
Internal Service Fund	-	(307,479)
GASB 34 Adjustments:		
Capital Assets	(1,177,059)	-
Long-Term Liabilities	140,574	-
Adjusted Net Assets at June 30, 2001	<u>\$ -</u>	<u>\$ 116,028</u>

**NOTE 4 – REQUIRED INDIVIDUAL FUND DISCLOSURES**

The Food Service Special Revenue has a deficit fund balance of \$297,756 at June 30, 2002. The deficit is due to the additional staffing needed for the opening of four intermediate buildings on January 3, 2001. Although some staffing was shifted from existing buildings, sixteen new staff members were added to run the new buildings resulting in increased salary and benefit costs. Increased participation due to food offerings and enrollment increases is anticipated to increase revenues to offset this deficit in the future.

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. For proprietary funds the acquisition and construction of capital assets are reported on the operating statements (budget basis) rather than as balance sheet transactions (GAAP basis).

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 5 - BUDGETARY BASIS OF ACCOUNTING (continued)**

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

	Net Change in Fund Balance			
	Governmental Funds			
	<u>General</u>	Debt <u>Service</u>	Capital <u>Improvements</u>	Other Governmental <u>Funds</u>
GAAP Basis	\$ (1,390,836)	\$ (2,750,760)	\$ (20,779,193)	\$ (1,414,192)
Adjustments:				
Revenue Accruals	8,686,103	2,091,510	107,815	(1,111,279)
Expenditure Accruals	1,514,086	(384,438)	2,032,332	(260,254)
Encumbrances	(4,926,632)	-	(19,224,998)	(966,729)
Debt Principal	-	(12,000,000)	-	-
Proceeds from Sale of Notes	-	5,500,000	-	-
Premium on Sale of Notes	-	29,078	-	-
Operating Transfers	(320,381)	6,854,394	(6,854,394)	4,110
Advances	(202,731)	-	34,129	218,637
Budget Basis	<u>\$ 3,359,609</u>	<u>\$ (660,216)</u>	<u>\$ (44,684,309)</u>	<u>\$ (3,529,707)</u>

**NOTE 6 - CASH AND CASH EQUIVALENTS**

State statutes require the classification of monies held by the District into three categories.

Category 1 consists of “active” monies, those monies required to be kept in a “cash or “near-cash” status for immediate use by the District. Such monies must be maintained either as cash in the District Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Category 2 consists of “inactive” monies, those monies not required for use within the current two year period of designation of depositories. Inactive monies may be deposited or invested as certificates of deposit maturing not later than the end of the current period of designation of depositories, or as savings or deposit accounts including, but not limited to, passbook accounts.

Category 3 consists of “interim” monies, those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings accounts, including passbook accounts.

Protection of District cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

**NOTE 6 - CASH AND CASH EQUIVALENTS (continued)**

Interim monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
2. Bonds, notes, debentures or other obligations or securities issued by any federal government agency, or the Export Import Bank of Washington.
3. Repurchase agreements in the securities enumerated above.
4. Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including, but not limited to, passbook accounts.
5. Bonds and other obligations of the State of Ohio.
6. The State Treasurer's investment pool (STAR Ohio)

The following information categorizes deposits and investments as defined in GASB Statement 3 "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits

At year end, the carrying amount of the District's deposits were \$2,116,807 and the bank balance was \$2,117,528. Of the bank balance, \$200,000 was covered by federal depository insurance. The remaining amounts were uninsured and uncollateralized as defined by the GASB because the collateral pledged by the financial institution or their trust department or agents is not in the District's name. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

Investments

The District's investments are categorized below to give an indication of the level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the District's name. STAROhio is an unclassified investment since they are not evidenced by securities that exist in physical or book entry form.

	Category <u>2</u>	Category <u>3</u>	Carrying Value	Fair Value
Government Securities	\$ 25,862,159	\$ -	\$ 25,862,159	\$ 26,017,414
STAR Ohio	-	-	42,800,458	42,800,458
Repurchase Agreements	-	1,431,000	1,431,000	1,431,000
Total	<u>\$ 25,862,159</u>	<u>\$ 1,431,000</u>	<u>\$ 70,093,617</u>	<u>\$ 70,248,872</u>



**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 6 - CASH AND CASH EQUIVALENTS (continued)**

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. Cash and cash equivalents are defined to include investments with maturities of three months or less at the time of their purchase by the District and investments included in the cash management pool.

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/	
	Deposits	Investments
GASB Statement 9	\$ 71,187,846	\$ 1,022,578
Investments:		
Governmental Securities	(24,839,581)	24,839,581
Repurchase Agreements	(1,431,000)	1,431,000
STAR OHIO	(42,800,458)	42,800,458
GASB Statement 3	\$ 2,116,807	\$ 70,093,617

**NOTE 7 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Senate Bill 3, passed by the 123<sup>rd</sup> General Assembly and effective tax year 2001, changes the assessment rate on public utility personal property from 88% to 25%, the same rate imposed on general business. The State of Ohio has agreed to hold school district's harmless through direct and indirect payments starting in fiscal year 2002. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value. Beginning in fiscal year 2003, the assessed value of the inventory portion of tangible personal property will be reduced annually by one percent until it eventually reaches zero. This change is due to House Bill 283 passed by the 123<sup>rd</sup> General Assembly.

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

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

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, 2002 are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 7 - PROPERTY TAXES (continued)**

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which become measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue of the portion not intended to finance current year operations. The amount available as an advance at June 30 was \$9,495,192 in the General Fund and \$2,117,605 in the Bond Retirement Fund which is recognized as revenue.

The assessed values upon which the fiscal year 2002 taxes were collected are:

	2001 Second Half Collection		2002 First Half Collection	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,686,527,890	80.23%	\$ 1,740,762,710	81.72%
Public Utility Real and Personal	94,966,670	4.52%	77,233,400	3.63%
Tangible Personal Property	320,534,386	15.25%	312,181,478	14.65%
Total Assessed Value	2,102,028,946	100%	2,130,177,588	100%
Tax rate per \$1,000 of Assessed Valuation	\$ 56.97		\$ 56.61	

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2002 consisted of taxes, accounts (rent and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. Therefore, there is no allowance for doubtful accounts in these financial statements. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities:	
General Fund	
Vocational Equipment Reimbursement	\$ 27,617
Federal ROTC Reimbursement	24,524
Medicare	38,487
NonMajor Governmental Fund	
Food Service Federal Reimbursement	340,460
State Head Start Grant	44,006
STARS Grant	9,079
ABLE Grant	30,374
Migrant Children Grant	6,300
Title II Grant	33,852
Perkins Grant	55,059
Title IV- B Grant	334,606
Federal Head Start Grant	234,848
Title I Grant	486,796
EvenStart Grant	81,458
Title VI Grant	13,235
Safe and Drug Free Grant	11,269
Teacher Quality Enhancement Grant	21,306
Continuous Improvement Grant	38,491
Reading Excellence Grant	36,301
Title IV - R Grant	186,378
SMART Grant	<u>2,009</u>
Total Intergovernmental Receivable	<u>\$ 2,056,455</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes	\$ 8,305,224	\$ 66,941,583
Grant payments received prior to meeting all eligibility requirements	<u>829,593</u>	<u>134,723</u>
	<u>\$ 9,134,817</u>	<u>\$ 67,076,306</u>

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 9 - FIXED ASSETS**

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

	Balance <u>6/30/2001</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2002</u>
<b>Governmental Activities</b>				
Non-Depreciable:				
Land	\$ 6,204,991	\$ 563,242	\$ -	\$ 6,768,233
Construction in Progress	<u>37,145,681</u>	<u>27,701,406</u>	<u>13,350,833</u>	<u>51,496,254</u>
Total Non-Depreciable	<u>43,350,672</u>	<u>28,264,648</u>	<u>13,350,833</u>	<u>58,264,487</u>
Depreciable:				
Improvements to Land	5,052,101	285,631	135,174	5,202,558
Buildings	125,355,290	14,943,566	3,117,807	137,181,049
Furniture and Equipment	16,048,559	3,380,306	332,032	19,096,833
Vehicles	1,254,377	118,056	-	1,372,433
Buses	<u>8,040,722</u>	<u>888,561</u>	<u>-</u>	<u>8,929,283</u>
Total Depreciable	<u>155,751,049</u>	<u>19,616,120</u>	<u>3,585,013</u>	<u>171,782,156</u>
Accumulated Depreciation:				
Improvements to Land	3,240,606	297,383	103,231	3,434,758
Buildings	38,552,953	3,808,514	2,215,873	40,145,594
Furniture and Equipment	9,874,788	2,187,952	316,552	11,746,188
Vehicles	982,048	118,504	-	1,100,552
Buses	<u>4,494,983</u>	<u>755,822</u>	<u>-</u>	<u>5,250,805</u>
Total Accumulated Depreciation	<u>57,145,378</u>	<u>7,168,175</u>	<u>2,635,656</u>	<u>61,677,897</u>
Net Depreciable Capital Assets	<u>98,605,671</u>	<u>12,447,945</u>	<u>949,357</u>	<u>110,104,259</u>
Net Governmental Activities Capital Assets	<u>\$ 141,956,343</u>	<u>\$ 40,712,593</u>	<u>\$ 14,300,190</u>	<u>\$ 168,368,746</u>

Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 3,370,399
Special	72,845
Vocational	327,118
Support Services:	
Pupil	4,842
Instructional Staff	173,801
Administration	295,762
Fiscal	9,226
Business	5,350
Operations and Maintenance	203,580
Transportation	853,849
Central	1,055,178
Food Service	329,398
Community Services	275,455
Extracurricular	<u>191,372</u>
Total Depreciation Expense	<u>\$ 7,168,175</u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

**NOTE 10 - DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

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

Plan members are required to contribute 9 percent of their annual salary and the South-Western City School District is required to contribute 14 percent. The contribution rates are determined actuarially, but are established by SERS's Retirement Board within the rates allowed by State Statute. The District's contributions to SERS for the years ending June 30, 2002, 2001, and 2000 were \$5,315,358, \$4,761,626, and \$4,278,085, respectively, equal to the required contributions for each year.

**B. State Teachers Retirement System**

The South-Western City School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the South-Western City School District is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent of employees. The School District's contributions to STRS for the years ending June 30, 2002, 2001, and 2000, were \$16,918,736, \$15,745,115, and \$14,856,525, respectively, equal to the required contributions for each year.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System, and to retired non-certificated employees and their dependents through the School Employees Retirement System. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute.

For the State Teachers Retirement System, no premiums are currently paid by retirees or primary benefit recipients, however monthly payments are required for covered spouses and other dependents. Benefits are funded on a pay-as-you-go basis through an allocation of employer contributions to the system equal to two percent of covered payroll, however for the fiscal year ended June 30, 2001, the board allocated employer contributions equal to 4.5% of covered payroll to the Health Care Reserve Fund. For South-Western City School District this amount equaled \$3,267,567 during the 2002 fiscal year. As of June 30, 2001, (the date of the most recent information available) the balance in the health care reserve fund was \$3,256,000,000. The net health care costs paid by STRS were \$300,772,000. Eligible benefit recipients totaled 102,132 for the System as a whole.

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 11 - POSTEMPLOYMENT BENEFITS (continued)**

For the School Employees Retirement System, postretirement health care coverage is made available to service retirees with ten or more years of qualifying service credit, disability and survivor benefits recipients. All retirees with a retirement date prior to July 1, 1986, are eligible to receive benefits. Members retiring on or after August 1, 1989 with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium. At June 30, 2001, employer contributions to fund health care benefits were 9.80 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established as \$12,400. The surcharge rate, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

Health care benefits are financed on a pay-as-you-go basis. The target level of the health care reserve is 150 percent of annual health care expense. Expenses for health care at June 30, 2001 were \$161,439,934 and the target level was \$242,200,000. At June 30, 2001, the Retirement System's net assets available for payment of health care benefits was \$315,700,000. The number of participants currently receiving health care benefits is approximately 50,000. The District's actual contributions for the 2002 fiscal year were \$3,720,751.

**NOTE 12 - 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 uninsured for 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.

The District estimates the liability for dental claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. These estimates are recorded in the self-insurance internal service fund. Changes in the estimated liability of the past two fiscal years were as follows:

	Balance at <u>July 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>June 30</u>
Fiscal Year 2001	\$ 88,900	\$ 1,373,049	\$ 1,318,275	\$ 143,674
Fiscal Year 2002	143,674	1,380,047	1,437,119	86,602

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 13 - CAPITALIZED LEASES**

In prior years the District entered into lease agreements to acquire copiers, computer equipment, furniture, equipment and vehicles.

Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risk of ownership to the lease at the conclusion of the lease term. Capital lease payments have been reclassified and are reflected as debt service in the financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis. Principal payments in the 2002 fiscal year totaled \$331,999. The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2002.

<u>Fiscal year Ending June 30</u>	
2003	\$ 217,055
2004	69,255
2005	44,012
2006	<u>44,013</u>
Total Minimum Lease Payments	<u>374,335</u>
Less: Amount Representing Interest	<u>(30,919)</u>
Present Value of Minimum Payments	<u>\$ 343,416</u>

**NOTE 14 - 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.

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 15 - LONG-TERM DEBT**

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

The following is a description of the District's Bonds and Long-Term Note outstanding at June 30, 2002:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired in 2002</u>	<u>Outstanding 6/30/2002</u>
1994 Refunding School Facilities	4.75%	12/1/2006	\$ 8,999,989	\$ 820,000	\$ 5,490,000
1994 School Facilities	6.00%	12/1/2013	35,000,000	900,360	26,952,684
1996 Bus	4.08%	12/1/2006	2,260,000	220,000	1,255,000
1999 School Facilities	4.94%	12/1/2026	119,499,621	4,535,000	106,664,621
2002 School Facilities	3.86%	12/1/2012	4,690,000	-	4,690,000
1994 Energy Conservation	5.10%	6/1/2004	2,322,000	270,000	585,000
2002 Energy Conservation	3.86%	12/1/2014	4,775,000	-	4,775,000
2000 Vocational Construction Note	0%	12/31/2016	1,000,000	-	1,000,000
Total Long-Term Bonds and Note Payable			<u>\$ 178,546,610</u>	<u>\$ 6,745,360</u>	<u>\$ 151,412,305</u>

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

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2003	\$ 5,998,796	\$ 8,855,738	\$ 14,854,534
2004	7,348,229	8,427,147	15,775,376
2005	7,102,061	8,591,741	15,693,802
2006	5,799,885	7,358,507	13,158,392
2007	7,456,667	5,635,191	13,091,858
2008-2012	33,353,332	23,792,756	57,146,088
2013-2017	27,423,335	16,313,083	43,736,418
2018-2022	25,180,000	10,641,900	35,821,900
2023-2027	31,750,000	3,910,200	35,660,200
Total	<u>\$ 151,412,305</u>	<u>\$ 93,526,263</u>	<u>\$ 244,938,568</u>

The District's voted legal debt margin was \$47,918,679 with an unvoted debt margin of \$2,130,178 at June 30, 2002

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

In 1994, the District defeased a General Obligation Construction Bond and an Energy Conservation Long-Term Note by placing enough money in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the



**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

District's financial statements. At June 30, 2002 the balance in the irrevocable trust account is \$5,409,915 and the principal outstanding is \$4,800,000.

**NOTE 15 - LONG-TERM DEBT (continued)**

At June 30, 2002, the estimated liability for arbitrage payable for the 1999 - 4.94% School Facilities Bond is \$87,914

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

	Balance at <u>June 30, 2001</u>	Issued/ <u>Transferred</u>	<u>Retired</u>	Balance at <u>June 30, 2002</u>	Amounts Due <u>In One Year</u>
General Obligation Bonds Payable	\$ 146,837,665	\$ 4,690,000	\$ 6,475,360	\$ 145,052,305	\$ 5,477,129
Energy Conservation Bonds Payable	855,000	4,775,000	270,000	5,360,000	455,000
Long-Term Note Payable	1,000,000	-	-	1,000,000	66,667
Compensated Absences	12,637,490	7,291,605	7,170,191	12,758,904	1,774,501
Capital Leases	<u>675,415</u>	<u>-</u>	<u>331,999</u>	<u>343,416</u>	<u>200,905</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 162,005,570</u>	<u>\$ 16,756,605</u>	<u>\$ 14,247,550</u>	<u>\$ 164,514,625</u>	<u>\$ 7,974,202</u>

Compensated absences of \$1,774,501 include \$897,386 for vacation and personal leave, which is estimated to be used in the next fiscal year.

**NOTE 16 - NOTES PAYABLE**

A summary of the short-term notes payable transactions for the fiscal year ended June 30, 2002 follows:

	Balance at <u>June 30, 2001</u>	Issued/ <u>Transferred</u>	<u>Retired</u>	Balance at <u>June 30, 2002</u>
2000 - 4.88%				
School Building Bond Anticipation Note	\$ 6,500,000	\$ -	\$ 6,500,000	\$ -
2001 - 3.25%				
School Building Bond Anticipation Note	<u>-</u>	<u>5,500,000</u>	<u>5,500,000</u>	<u>-</u>
Total Short-Term Notes Payable	<u>\$ 6,500,000</u>	<u>\$ 5,500,000</u>	<u>\$ 12,000,000</u>	<u>\$ -</u>

The 1998 School Building Construction Bond Anticipation Notes were issued as part of the bond issue passed in November 1998. The note proceeds will be used to pay for school facilities construction/improvements as stated in the bond issue language. The 2000 School Building Construction Bond Anticipation Note for \$6,500,000 matured on September 6, 2001. The District reissued \$5,500,000 on August 28, 2001 and they matured on May 16, 2002. The District issued bonds to retire this note.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2002*

**NOTE 17- INTERFUND TRANSACTIONS**

Interfund Balances at June 30, 2002 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 943,911	\$ -
Capital Improvements Fund	-	34,129
Non-Major Funds:		
Food Service Fund	-	674,162
Public School Support	-	2,022
Other Grants	-	631
Athletic/Music Fund	-	15,800
Other State Grants	-	17,717
Other Federal Grants	-	147,233
Fiduciary Funds:		
District Agency Fund	-	38,128
Student Activity Fund	-	14,089
Total	<u>\$ 943,911</u>	<u>\$ 943,911</u>

**NOTE 18 – CONTINGENCIES**

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits should become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2002.

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, 2002***

**NOTE 19- SIGNIFICANT CONTRACTUAL OBLIGATIONS**

Below is a list of the significant contractual obligations the District is obligated for as of June 30, 2002:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Ruscilli Construction	Construction Manager for Bond Issue Projects	\$402,589
Performance Site Mgmt.	Site Work at Central Crossing HS and South-Western Career Academy	251,323
Corna/Kokosing	General Trades Contractor at South-Western Career Academy	233,735
Thomas W. Ruff Co.	Furniture Central Crossing and South-Western Career Academy	142,237
Alexander Patterson	Furniture at South-Western Career Academy	110,369
Radico	Plumbing Contractor at Hayes Intermediate School	1,003,400
Corna/Kokosing	General Trades Contractor at Hayes Intermediate School	2,568,772
Am Pam	Fire Protection Contractor at Hayes Intermediate School	102,690
Romanoff	Electrical Contractor at Hayes Intermediate School	640,806
Holdridge Mechanical	Plumbing Contractor at Hayes Intermediate School	327,270
George Igel	Site Work at District Service Center	301,688
Sabo/Limach	Energy Conservation Project	3,455,149
Apex/M&P Construction	General Trades Contractor at District Service Center	1,137,900
All American Heating	HVAC Contractor at District Service Center	211,977
Roose Company	Electrical Contractor at District Service Center	371,075
Muetzel Plumbing	Plumbing Contractor at District Service Center	107,336
T. C. Weiser	General Trades Contractor at Transportation Complex	155,639
Smith Roofing	Roof Replacement at East Franklin Elementary	218,054

**NOTE 20 - SCHOOL FUNDING**

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

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

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

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

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

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2002**

**NOTE 21- SUBSTITUTE HOUSE BILL 412**

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set aside Cash Balance as of June 30, 2001	\$ -	\$ -	\$ 557,898	\$ 557,898
Current Year Set-aside Requirement	2,364,517	2,364,517	-	4,729,034
Qualifying Disbursements	<u>(3,497,871)</u>	<u>(4,846,526)</u>	<u>-</u>	<u>(8,344,397)</u>
Total	<u>\$ (1,133,354)</u>	<u>\$ (2,482,009)</u>	<u>\$ 557,898</u>	<u>\$ (3,057,465)</u>
Cash Balance Carried Forward to FY2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,898</u>	<u>\$ 557,898</u>

**NOTE 22 - SUBSEQUENT EVENTS**

In conjunction with the 4.92 mill, \$128,000,000 bond issue passed on November 3, 1998, the District opened Central Crossing High School and South-Western Career Academy on August 26, 2002.

## **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, 2002

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local:				
Taxes	\$ 64,475,000	\$ 67,474,351	\$ 67,474,154	\$ (197)
Tuition	122,000	466,700	462,329	(4,371)
Interest	1,750,000	1,870,500	1,870,496	(4)
Other Local Revenue	424,000	1,304,900	1,301,876	(3,024)
Intergovernmental - State	64,971,000	67,338,874	67,343,678	4,804
Intergovernmental - Federal	-	571,900	572,131	231
Total Revenues	<u>131,742,000</u>	<u>139,027,225</u>	<u>139,024,664</u>	<u>(2,561)</u>
Expenditures:				
Current:				
Instruction:				
Regular				
Salaries and Wages	47,011,108	44,347,327	44,347,327	-
Fringe Benefits	10,547,093	10,249,653	10,249,653	-
Purchased Services	1,341,170	1,782,986	1,761,751	21,235
Supplies and Materials	554,815	1,797,826	1,678,343	119,483
Miscellaneous	10,386	126,457	1,875	124,582
Total Regular	<u>59,464,572</u>	<u>58,304,249</u>	<u>58,038,949</u>	<u>265,300</u>
Special				
Salaries and Wages	8,060,632	8,047,600	8,047,600	-
Fringe Benefits	1,958,555	2,000,408	2,000,408	-
Purchased Services	2,182,803	1,994,540	1,927,926	66,614
Supplies and Materials	191,783	244,049	228,473	15,576
Total Special	<u>12,393,773</u>	<u>12,286,597</u>	<u>12,204,407</u>	<u>82,190</u>
Vocational				
Salaries and Wages	3,276,886	3,050,620	3,050,620	-
Fringe Benefits	728,599	695,259	695,259	-
Purchased Services	10,640	106,608	103,948	2,660
Supplies and Materials	129,700	459,658	418,776	40,882
Miscellaneous	3,360	14,328	-	14,328
Total Vocational	<u>4,149,185</u>	<u>4,326,473</u>	<u>4,268,603</u>	<u>57,870</u>
Other				
Salaries and Wages	155,340	110,029	110,029	-
Fringe Benefits	18,452	27,542	27,542	-
Total Other	<u>173,792</u>	<u>137,571</u>	<u>137,571</u>	<u>-</u>
Total Instruction	<u>76,181,322</u>	<u>75,054,890</u>	<u>74,649,530</u>	<u>405,360</u>
Support Services:				
Pupil				
Salaries and Wages	4,344,216	4,253,048	4,253,048	-
Fringe Benefits	967,994	938,249	938,249	-
Purchased Services	49,668	53,445	50,319	3,126
Supplies and Materials	43,651	43,566	42,940	626
Total Pupil	<u>5,405,529</u>	<u>5,288,308</u>	<u>5,284,556</u>	<u>3,752</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, 2002  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>				
Salaries and Wages	7,377,269	6,944,401	6,944,401	-
Fringe Benefits	1,935,312	1,887,822	1,887,822	-
Purchased Services	213,798	269,284	225,222	44,062
Supplies and Materials	1,652,892	615,971	595,410	20,561
Miscellaneous	3,900	600	600	-
<b>Total Instructional Staff</b>	<u>11,183,171</u>	<u>9,718,078</u>	<u>9,653,455</u>	<u>64,623</u>
<b>Board of Education</b>				
Salaries and Wages	18,000	13,200	13,200	-
Fringe Benefits	175	1,899	1,899	-
Purchased Services	98,000	99,286	99,286	-
Supplies and Materials	4,000	4,627	4,627	-
Miscellaneous	129,000	105,733	105,733	-
<b>Total Board of Education</b>	<u>249,175</u>	<u>224,745</u>	<u>224,745</u>	<u>-</u>
<b>Administration</b>				
Salaries and Wages	6,582,808	6,769,396	6,769,396	-
Fringe Benefits	1,704,716	1,894,013	1,894,013	-
Purchased Services	974,377	950,324	890,064	60,260
Supplies and Materials	92,006	146,534	119,254	27,280
Miscellaneous	921,634	896,445	884,834	11,611
<b>Total Administration</b>	<u>10,275,541</u>	<u>10,656,712</u>	<u>10,557,561</u>	<u>99,151</u>
<b>Fiscal</b>				
Salaries and Wages	1,236,616	939,682	939,682	-
Fringe Benefits	180,157	160,395	160,395	-
Purchased Services	91,454	165,866	156,266	9,600
Supplies and Materials	10,500	14,761	10,372	4,389
Miscellaneous	1,328,000	1,485,033	1,484,979	54
<b>Total Fiscal</b>	<u>2,846,727</u>	<u>2,765,737</u>	<u>2,751,694</u>	<u>14,043</u>
<b>Business</b>				
Salaries and Wages	313,102	321,692	321,692	-
Fringe Benefits	83,449	87,065	87,065	-
Purchased Services	620,620	616,337	607,911	8,426
Supplies and Materials	62,025	112,956	109,199	3,757
Miscellaneous	8,700	10,832	10,079	753
<b>Total Business</b>	<u>1,087,896</u>	<u>1,148,882</u>	<u>1,135,946</u>	<u>12,936</u>
<b>Operations and Maintenance</b>				
Salaries and Wages	5,426,068	5,595,548	5,595,548	-
Fringe Benefits	1,429,676	1,487,118	1,487,118	-
Purchased Services	3,991,406	4,693,792	4,675,448	18,344
Supplies and Materials	941,431	781,073	771,363	9,710
Miscellaneous	9,000	42,934	42,933	1
<b>Total Operations and Maintenance</b>	<u>11,797,581</u>	<u>12,600,465</u>	<u>12,572,410</u>	<u>28,055</u>
<b>Pupil Transportation</b>				
Salaries and Wages	3,835,974	4,483,738	4,483,738	-
Fringe Benefits	1,156,230	1,396,530	1,396,530	-
Purchased Services	317,830	459,473	440,710	18,763
Supplies and Materials	855,100	828,162	819,774	8,388
Miscellaneous	2,000	-	-	-
<b>Total Pupil Transportation</b>	<u>6,167,134</u>	<u>7,167,903</u>	<u>7,140,752</u>	<u>27,151</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, 2002  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Central				
Salaries and Wages	1,227,114	1,221,399	1,221,399	-
Fringe Benefits	261,713	288,872	288,872	-
Purchased Services	664,085	702,536	552,606	149,930
Supplies and Materials	136,800	200,788	182,998	17,790
Miscellaneous	59,850	10,011	2,711	7,300
Total Central	<u>2,349,562</u>	<u>2,423,606</u>	<u>2,248,586</u>	<u>175,020</u>
Total Support Services	<u>51,362,316</u>	<u>51,994,436</u>	<u>51,569,705</u>	<u>424,731</u>
Community Services				
Salaries and Wages	62,118	174,703	174,703	-
Fringe Benefits	16,305	33,978	33,978	-
Purchased Services	31,050	33,055	29,996	3,059
Supplies and Materials	7,100	7,420	7,389	31
Miscellaneous	650	650	-	650
Total Community Services	<u>117,223</u>	<u>249,806</u>	<u>246,066</u>	<u>3,740</u>
Extracurricular Activities				
Salaries and Wages	363,660	325,744	325,744	-
Fringe Benefits	-	50,709	50,709	-
Purchased Services	-	10,140	10,140	-
Supplies and Materials	-	228,584	193,423	35,161
Total Extracurricular Activities	<u>363,660</u>	<u>615,177</u>	<u>580,016</u>	<u>35,161</u>
Miscellaneous	35,000	-	-	-
Capital Outlay	1,706,848	6,084,038	5,928,028	156,010
Pass Through Grants	325,000	325,000	325,000	-
Total Expenditures	<u>130,091,369</u>	<u>134,323,347</u>	<u>133,298,345</u>	<u>1,025,002</u>
Excess of Revenues Over Expenditures	1,650,631	4,703,878	5,726,319	1,022,441
Other Financing Sources (Uses):				
Operating Transfers - In	-	15,000	19,357	4,357
Operating Transfers - Out	(2,186,178)	(2,184,258)	(2,184,258)	-
Advances - In	-	741,100	741,180	80
Advances - Out	-	(943,911)	(943,911)	-
Proceeds from Disposal of Fixed Assets	11,000	700	922	222
Total Other Financing Sources (Uses)	<u>(2,175,178)</u>	<u>(2,371,369)</u>	<u>(2,366,710)</u>	<u>4,659</u>
Net Change in Fund Balances	(524,547)	2,332,509	3,359,609	1,027,100
Fund Balance at Beginning of Year	24,790,210	24,790,210	24,790,210	-
Prior Year Encumbrances Appropriated	3,092,526	3,092,526	3,092,526	-
Fund Balance at End of Year	<u>\$ 27,358,189</u>	<u>\$ 30,215,245</u>	<u>\$ 31,242,345</u>	<u>\$ 1,027,100</u>



## **OTHER SUPPLEMENTAL INFORMATION**

## **DEBT SERVICE FUND**

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

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
Debt Service Fund  
For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 13,456,200	\$ 13,456,297	\$ 97
Intergovernmental - State	1,419,700	1,419,766	66
Total Revenues	<u>14,875,900</u>	<u>14,876,063</u>	<u>163</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	226,106	226,104	2
Total Fiscal	<u>226,106</u>	<u>226,104</u>	<u>2</u>
Total Support Services	<u>226,106</u>	<u>226,104</u>	<u>2</u>
Debt Service:			
Principal Retirement	18,745,360	18,745,360	-
Interest and Fiscal Charges	7,476,579	7,343,172	133,407
Total Expenditures	<u>26,448,045</u>	<u>26,314,636</u>	<u>133,409</u>
Excess of Revenues Over (Under) Expenditures	(11,572,145)	(11,438,573)	133,572
Other Financing Sources:			
Operating Transfers - In	558,773	559,279	506
Proceeds from Premium on Debt	29,000	29,078	78
Proceeds from Sale of Notes	5,500,000	5,500,000	-
Proceeds from Sale of Bonds	4,690,000	4,690,000	-
Total Other Financing Sources:	<u>10,777,773</u>	<u>10,778,357</u>	<u>584</u>
Net Change in Fund Balances	(794,372)	(660,216)	134,156
Fund Balance at Beginning of Year	3,673,968	3,673,968	-
Fund Balance at End of Year	<u>\$ 2,879,596</u>	<u>\$ 3,013,752</u>	<u>\$ 134,156</u>

## **CAPITAL IMPROVEMENTS FUND**

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

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
Capital Improvements Fund  
For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 1,428,871	\$ 1,429,859	\$ 988
Total Revenues	<u>1,428,871</u>	<u>1,429,859</u>	<u>988</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	14,387	13,456	931
Total Regular	<u>14,387</u>	<u>13,456</u>	<u>931</u>
Vocational			
Supplies and Materials	42,342	42,342	-
Total Vocational	<u>42,342</u>	<u>42,342</u>	<u>-</u>
Total Instruction	<u>56,729</u>	<u>55,798</u>	<u>931</u>
Support Services:			
Fiscal			
Miscellaneous	1,573,920	1,573,920	-
Total Fiscal	<u>1,573,920</u>	<u>1,573,920</u>	<u>-</u>
Operations and Maintenance			
Purchased Services	7,406	256	7,150
Supplies and Materials	10,000	-	10,000
Total Operations and Maintenance	<u>17,406</u>	<u>256</u>	<u>17,150</u>
Total Support Services	<u>1,591,326</u>	<u>1,574,176</u>	<u>17,150</u>
Capital Outlay	<u>49,587,615</u>	<u>49,293,323</u>	<u>294,292</u>
Total Expenditures	<u>51,235,670</u>	<u>50,923,297</u>	<u>312,373</u>
Excess of Revenues Over (Under) Expenditures	(49,806,799)	(49,493,438)	313,361
Other Financing Sources:			
Advances - In	34,129	34,129	-
Proceeds from Sale of Bonds	4,775,000	4,775,000	-
Total Other Financing Sources	<u>4,809,129</u>	<u>4,809,129</u>	<u>-</u>
Net Change in Fund Balances	(44,997,670)	(44,684,309)	313,361
Fund Balance at Beginning of Year	16,277,317	16,277,317	-
Prior Year Encumbrances Appropriated	28,883,657	28,883,657	-
Fund Balance at End of Year	<u>\$ 163,304</u>	<u>\$ 476,665</u>	<u>\$ 313,361</u>

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## **SPECIAL REVENUE FUNDS**

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

### Public School Support

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

### Other Grants

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

### Athletics/Music

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

### All State Grants

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

### All Federal Grants

To account for all federal grant programs which include: Adult Basic Education, Title II, Title VI-B, Perkins, Head Start, Refugee Children, Title I, Title VI, Preschool Grant, Emergency Immigrant Education, Title IV, Goals 2000, CSRD, Title VI-R, High Schools that Work, and SMART.

### Food Service

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

### Insurance Reserve

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

### Vocational Rotary

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

## **NONMAJOR CAPITAL PROJECT FUND**

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

### SchoolNet Plus

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

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

South-Western City School District  
 Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2002

	<u>Public School Support</u>	<u>Other Grants</u>	<u>Athletic/ Music</u>	<u>All State Grants</u>
<u>Assets</u>				
Equity in Pooled Cash and Cash				
Equivalents	\$ 721,499	\$ 662,003	\$ 629,548	\$ 1,034,999
Investments	-	-	-	-
Receivable:				
Accounts	8,519	631	775	-
Interest	-	-	-	-
Intergovernmental	-	-	-	53,085
Prepaid Items	-	-	-	23,090
Materials and Supplies Inventory	-	-	9,667	-
Total Assets	<u>\$ 730,018</u>	<u>\$ 662,634</u>	<u>\$ 639,990</u>	<u>\$ 1,111,174</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ 39,667	\$ 46,592	\$ 27,090	\$ 94,458
Accrued Wages and Benefits	2,857	54,664	10,731	160,211
Interfund Loans Payable	2,022	631	15,800	17,717
Deferred Revenue	-	-	-	-
Total Liabilities	<u>44,546</u>	<u>101,887</u>	<u>53,621</u>	<u>272,386</u>
Fund Balance:				
Reserved for Encumbrances	48,437	45,971	39,757	135,984
Unreserved				
Special Revenue Funds	637,035	514,776	546,612	702,804
Total Fund Balances	<u>685,472</u>	<u>560,747</u>	<u>586,369</u>	<u>838,788</u>
Total Liabilities and Fund Balances	<u>\$ 730,018</u>	<u>\$ 662,634</u>	<u>\$ 639,990</u>	<u>\$ 1,111,174</u>



<u>All Federal Grants</u>	<u>Food Service</u>	<u>Insurance Reserve</u>	<u>Vocational Rotary</u>	<u>Total Nonmajor Funds</u>
\$ 1,089,283	\$ 39,342	\$ 1,420,591	\$ 36,484	\$ 5,633,749
-	-	1,022,578	-	1,022,578
-	3,879	-	-	13,804
-	-	1,625	-	1,625
1,572,282	340,460	-	-	1,965,827
65,737	84,345	-	-	173,172
-	99,587	-	-	109,254
<u>\$ 2,727,302</u>	<u>\$ 567,613</u>	<u>\$ 2,444,794</u>	<u>\$ 36,484</u>	<u>\$ 8,920,009</u>
\$ 285,766	\$ 23,297	\$ 620	\$ 524	518,014
644,063	141,239	-	-	1,013,765
147,233	674,162	-	-	857,565
629,774	49,103	-	-	678,877
<u>1,706,836</u>	<u>887,801</u>	<u>620</u>	<u>524</u>	<u>3,068,221</u>
186,698	-	298	1	457,146
833,768	(320,188)	2,443,876	35,959	5,394,642
<u>1,020,466</u>	<u>(320,188)</u>	<u>2,444,174</u>	<u>35,960</u>	<u>5,851,788</u>
<u>\$ 2,727,302</u>	<u>\$ 567,613</u>	<u>\$ 2,444,794</u>	<u>\$ 36,484</u>	<u>\$ 8,920,009</u>

South-Western City School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2002

	Public School <u>Support</u>	Other <u>Grants</u>	Athletic/ <u>Music</u>	All State <u>Grants</u>
Revenues:				
Local:				
Tuition	\$ 5,560	\$ 169,921	\$ -	\$ -
Interest	22,980	-	24,144	-
Other Local Revenue	1,053,225	443,221	1,311,129	1,050
Intergovernmental - State	691	-	-	3,496,091
Intergovernmental - Federal	-	-	-	-
Total Revenues	<u>1,082,456</u>	<u>613,142</u>	<u>1,335,273</u>	<u>3,497,141</u>
Current:				
Instruction:				
Regular	445,305	165,709	126,076	1,241,238
Special	565	5,642	-	146,665
Vocational	4,522	19,734	-	1,612
Other	55,631	5,078	-	527
Support Services:				
Pupil	-	96,376	-	243,251
Instructional Staff	13,763	79,220	9,006	833,470
Administration	605,163	332	2,654	112,094
Fiscal	-	-	-	24,169
Operations and Maintenance	-	4,329	-	81,804
Pupil Transportation	1,035	-	-	90,249
Central	11,311	-	-	79,161
Food Service	-	-	-	-
Community Services	196	1,915	-	662,494
Extracurricular Activities	12,738	6,315	2,414,217	-
Capital Outlay	66,507	89,091	75,871	230,463
Total Expenditures	<u>1,216,736</u>	<u>473,741</u>	<u>2,627,824</u>	<u>3,747,197</u>
Excess of Revenues Over (Under) Expenditures	(134,280)	139,401	(1,292,551)	(250,056)
Other Financing Sources (Uses):				
Operating Transfers - In	38,913	10,108	1,337,293	-
Operating Transfers - Out	(29,982)	(10,108)	(61,468)	-
Total Other Financing Sources (Uses)	<u>8,931</u>	<u>-</u>	<u>1,275,825</u>	<u>-</u>
Net Change in Fund Balance	(125,349)	139,401	(16,726)	(250,056)
Fund Balances at Beginning of Year	810,821	421,346	603,095	1,088,844
Fund Balances at End of Year	<u>\$ 685,472</u>	<u>\$ 560,747</u>	<u>\$ 586,369</u>	<u>\$ 838,788</u>

<u>All Federal Grants</u>	<u>Food Service</u>	<u>Insurance Reserve</u>	<u>Vocational Rotary</u>	<u>School Net Plus</u>	<u>Total Nonmajor Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,481
-	790	132,149	-	-	180,063
-	3,557,514	28,344	23,992	-	6,418,475
-	131,941	-	-	-	3,628,723
8,023,583	2,345,100	-	-	-	10,368,683
<u>8,023,583</u>	<u>6,035,345</u>	<u>160,493</u>	<u>23,992</u>	<u>-</u>	<u>20,771,425</u>
2,233,287	-	1,249	-	55,776	4,268,640
2,086,009	-	-	964	-	2,239,845
195,081	-	35	18,073	-	239,057
178,590	-	1,659	-	-	241,485
469,980	-	-	-	-	809,607
1,766,536	-	-	-	12,655	2,714,650
501,094	-	21,767	593	-	1,243,697
41,357	-	-	-	-	65,526
71,609	-	-	-	-	157,742
177,915	-	-	-	-	269,199
254	-	460,154	-	-	550,880
-	5,995,382	-	-	-	5,995,382
29,112	-	-	806	-	694,523
-	-	6,400	1,299	-	2,440,969
306,293	60,363	-	-	711,068	1,539,656
<u>8,057,117</u>	<u>6,055,745</u>	<u>491,264</u>	<u>21,735</u>	<u>779,499</u>	<u>23,470,858</u>
(33,534)	(20,400)	(330,771)	2,257	(779,499)	(2,699,433)
-	-	1,146	-	-	1,387,460
-	-	(661)	-	-	(102,219)
-	-	485	-	-	1,285,241
(33,534)	(20,400)	(330,286)	2,257	(779,499)	(1,414,192)
1,054,000	(299,788)	2,774,460	33,703	779,499	7,265,980
<u>\$ 1,020,466</u>	<u>\$ (320,188)</u>	<u>\$ 2,444,174</u>	<u>\$ 35,960</u>	<u>\$ -</u>	<u>\$ 5,851,788</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, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 3,600	\$ 5,360	\$ 1,760
Interest	5,950	22,980	17,030
Other Local Revenue	1,103,328	1,037,733	(65,595)
Intergovernmental - State	-	691	691
Total Revenues	<u>1,112,878</u>	<u>1,066,764</u>	<u>(46,114)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	809	809	-
Fringe Benefits	129	129	-
Purchased Services	7,587	5,465	2,122
Supplies and Materials	533,707	452,422	81,285
Total Regular	<u>542,232</u>	<u>458,825</u>	<u>83,407</u>
Special			
Supplies and Materials	1,721	565	1,156
Total Special	<u>1,721</u>	<u>565</u>	<u>1,156</u>
Vocational			
Supplies and Materials	7,051	4,522	2,529
Total Vocational	<u>7,051</u>	<u>4,522</u>	<u>2,529</u>
Other			
Salaries and Wages	42,630	42,630	-
Fringe Benefits	6,799	6,799	-
Purchased Services	100	-	100
Supplies and Materials	11,181	10,527	654
Total Other	<u>60,710</u>	<u>59,956</u>	<u>754</u>
Total Instruction	<u>611,714</u>	<u>523,868</u>	<u>87,846</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, 2002  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Instructional Staff			
Salaries and Wages	5,267	5,267	-
Fringe Benefits	837	837	-
Purchased Services	10,340	6,363	3,977
Supplies and Materials	10,410	7,448	2,962
Miscellaneous	477	414	63
Total Instructional Staff	<u>27,331</u>	<u>20,329</u>	<u>7,002</u>
Administration			
Salaries and Wages	3,171	3,171	-
Fringe Benefits	485	485	-
Purchased Services	89,103	42,674	46,429
Supplies and Materials	776,113	614,295	161,818
Miscellaneous	2,400	1,250	1,150
Total Administration	<u>871,272</u>	<u>661,875</u>	<u>209,397</u>
Pupil Transportation			
Supplies and Materials	1,675	1,035	640
Total Pupil Transportation	<u>1,675</u>	<u>1,035</u>	<u>640</u>
Central			
Purchased Services	13,190	11,341	1,849
Total Central	<u>13,190</u>	<u>11,341</u>	<u>1,849</u>
Total Support Services	<u>913,468</u>	<u>694,580</u>	<u>218,888</u>
Community Services			
Supplies and Materials	541	196	345
Total Community Services	<u>541</u>	<u>196</u>	<u>345</u>
Extracurricular Activities			
Supplies and Materials	15,912	12,738	3,174
Total Extracurricular Activities	<u>15,912</u>	<u>12,738</u>	<u>3,174</u>
Capital Outlay	149,494	99,859	49,635
Total Expenditures	<u>1,691,129</u>	<u>1,331,241</u>	<u>359,888</u>
Excess of Revenues Over (Under) Expenditures	(578,251)	(264,477)	313,774

(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, 2002  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Operating Transfers - In	-	43,239	43,239
Operating Transfers - Out	(30,198)	(30,198)	-
Advances - In	2,022	2,022	-
Advances - Out	(250)	(250)	-
Proceeds from Disposal of Fixed Assets	12,850	16,102	3,252
Total Other Financing Sources (Uses)	<u>(15,576)</u>	<u>30,915</u>	<u>46,491</u>
Net Change in Fund Balances	(593,827)	(233,562)	360,265
Fund Balance at Beginning of Year	736,849	736,849	-
Prior Year Encumbrances Appropriated	128,410	128,410	-
Fund Balance at End of Year	<u>\$ 271,432</u>	<u>\$ 631,697</u>	<u>\$ 360,265</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Other Grant Funds  
 For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 170,364	\$ 170,660	\$ 296
Other Local Revenue	<u>436,567</u>	<u>437,244</u>	<u>677</u>
Total Revenues	<u>606,931</u>	<u>607,904</u>	<u>973</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	276,745	45,104	231,641
Fringe Benefits	13,049	7,074	5,975
Purchased Services	18,834	11,338	7,496
Supplies and Materials	<u>124,412</u>	<u>71,330</u>	<u>53,082</u>
Total Regular	<u>433,040</u>	<u>134,846</u>	<u>298,194</u>
Special			
Salaries and Wages	1,446	136	1,310
Fringe Benefits	237	22	215
Supplies and Materials	<u>46,739</u>	<u>6,411</u>	<u>40,328</u>
Total Special	<u>48,422</u>	<u>6,569</u>	<u>41,853</u>
Vocational			
Purchased Services	3,288	3,288	-
Supplies and Materials	<u>21,258</u>	<u>21,258</u>	<u>-</u>
Total Vocational	<u>24,546</u>	<u>24,546</u>	<u>-</u>
Other			
Salaries and Wages	5,173	4,539	634
Fringe Benefits	848	725	123
Supplies and Materials	<u>384</u>	<u>298</u>	<u>86</u>
Total Other	<u>6,405</u>	<u>5,562</u>	<u>843</u>
Total Instruction	<u>512,413</u>	<u>171,523</u>	<u>340,890</u>
Support Services:			
Pupil			
Salaries and Wages	102,634	76,486	26,148
Fringe Benefits	17,101	11,949	5,152
Purchased Services	14,110	12,970	1,140
Supplies and Materials	<u>6,888</u>	<u>4,874</u>	<u>2,014</u>
Total Pupil	<u>140,733</u>	<u>106,279</u>	<u>34,454</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, 2002  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	87,227	41,729	45,498
Fringe Benefits	14,020	6,513	7,507
Purchased Services	55,955	24,904	31,051
Supplies and Materials	19,285	13,495	5,790
Miscellaneous	309	279	30
<b>Total Instructional Staff</b>	<u>176,796</u>	<u>86,920</u>	<u>89,876</u>
<b>Administration</b>			
Salaries and Wages	3,610	-	3,610
Fringe Benefits	661	-	661
Purchased Services	138	138	-
Supplies and Materials	194	194	-
<b>Total Administration</b>	<u>4,603</u>	<u>332</u>	<u>4,271</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	6,431	3,881	2,550
Fringe Benefits	1,053	624	429
<b>Total Operations and Maintenance</b>	<u>7,484</u>	<u>4,505</u>	<u>2,979</u>
<b>Pupil Transportation</b>			
Salaries and Wages	182	-	182
<b>Total Pupil Transportation</b>	<u>182</u>	<u>-</u>	<u>182</u>
<b>Total Support Services</b>	<u>329,798</u>	<u>198,036</u>	<u>131,762</u>
<b>Community Services</b>			
Salaries and Wages	67	67	-
Fringe Benefits	10	10	-
Purchased Services	225	225	-
Supplies and Materials	2,691	1,613	1,078
Miscellaneous	-	-	-
<b>Total Community Services</b>	<u>2,993</u>	<u>1,915</u>	<u>1,078</u>
<b>Extracurricular Activities</b>			
Salaries and Wages	5,425	3,736	1,689
Fringe Benefits	856	584	272
Purchased Services	-	-	-
Supplies and Materials	1,995	1,995	-
<b>Total Extracurricular Activities</b>	<u>8,276</u>	<u>6,315</u>	<u>1,961</u>
Miscellaneous	736	736	-
Capital Outlay	129,497	110,790	18,707
<b>Total Expenditures</b>	<u>983,713</u>	<u>489,315</u>	<u>494,398</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, 2002  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(376,782)	118,589	493,425
Other Financing Sources (Uses):			
Operating Transfers - In	10,108	10,108	-
Operating Transfers - Out	(10,108)	(10,108)	-
Advances - In	631	631	-
Advances - Out	(19,331)	(19,331)	-
Total Other Financing Sources (Uses)	<u>(18,700)</u>	<u>(18,700)</u>	<u>-</u>
Net Change in Fund Balances	(395,482)	99,889	493,425
Fund Balance at Beginning of Year	427,928	427,928	-
Prior Year Encumbrances Appropriated	32,894	32,894	-
Fund Balance at End of Year	<u>\$ 65,340</u>	<u>\$ 560,711</u>	<u>\$ 493,425</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Athletic/Music Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 5,130	\$ 24,144	\$ 19,014
Other Local Revenue	<u>1,394,365</u>	<u>1,308,996</u>	<u>(85,369)</u>
Total Revenues	<u>1,399,495</u>	<u>1,333,140</u>	<u>(66,355)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	95,920	79,218	16,702
Supplies and Materials	<u>59,000</u>	<u>46,868</u>	<u>12,132</u>
Total Regular	<u>154,920</u>	<u>126,086</u>	<u>28,834</u>
Total Instruction	<u>154,920</u>	<u>126,086</u>	<u>28,834</u>
Support Services:			
Instructional Staff			
Supplies and Materials	<u>13,100</u>	<u>9,545</u>	<u>3,555</u>
Total Instructional Staff	<u>13,100</u>	<u>9,545</u>	<u>3,555</u>
Administration			
Purchased Services	4,012	1,953	2,059
Supplies and Materials	<u>8,000</u>	<u>701</u>	<u>7,299</u>
Total Administration	<u>12,012</u>	<u>2,654</u>	<u>9,358</u>
Total Support Services	<u>25,112</u>	<u>12,199</u>	<u>12,913</u>
Extracurricular Activities			
Salaries and Wages	992,053	992,053	-
Fringe Benefits	177,970	177,970	-
Purchased Services	501,251	403,750	97,501
Supplies and Materials	1,189,997	910,371	279,626
Miscellaneous	<u>670</u>	<u>337</u>	<u>333</u>
Total Extracurricular Activities	<u>2,861,941</u>	<u>2,484,481</u>	<u>377,460</u>
Miscellaneous	36,248	-	36,248
Capital Outlay	<u>198,191</u>	<u>99,859</u>	<u>98,332</u>
Total Expenditures	<u>3,276,412</u>	<u>2,722,625</u>	<u>553,787</u>
Excess of Revenues Over (Under) Expenditures	(1,876,917)	(1,389,485)	487,432

(continued)

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Athletic/Music Fund  
 For the Fiscal Year Ended June 30, 2002  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Operating Transfers - In	1,273,565	1,337,293	63,728
Operating Transfers - Out	(61,468)	(61,468)	-
Advances - In	15,800	15,800	-
Advances - Out	(190)	(190)	-
Proceeds from Disposal of Fixed Assets	950	4,102	3,152
Total Other Financing Sources (Uses)	<u>1,228,657</u>	<u>1,295,537</u>	<u>66,880</u>
Net Change in Fund Balances	(648,260)	(93,948)	554,312
Fund Balance at Beginning of Year	581,509	581,509	-
Prior Year Encumbrances Appropriated	76,251	76,251	-
Fund Balance at End of Year	<u>\$ 9,500</u>	<u>\$ 563,812</u>	<u>\$ 554,312</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All State Grant Funds  
For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 1,050	\$ 1,050	\$ -
Intergovernmental - State	<u>3,490,679</u>	<u>3,486,499</u>	<u>(4,180)</u>
Total Revenues	<u>3,491,729</u>	<u>3,487,549</u>	<u>(4,180)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	730,847	588,626	142,221
Fringe Benefits	185,762	153,717	32,045
Purchased Services	537,007	531,531	5,476
Supplies and Materials	<u>133,799</u>	<u>130,470</u>	<u>3,329</u>
Total Regular	<u>1,587,415</u>	<u>1,404,344</u>	<u>183,071</u>
Special			
Salaries and Wages	162,733	78,477	84,256
Fringe Benefits	56,374	27,860	28,514
Purchased Services	3,580	2,913	667
Supplies and Materials	<u>49,841</u>	<u>44,203</u>	<u>5,638</u>
Total Special	<u>272,528</u>	<u>153,453</u>	<u>119,075</u>
Vocational			
Salaries and Wages	1,375	1,375	-
Fringe Benefits	<u>237</u>	<u>237</u>	<u>-</u>
Total Vocational	<u>1,612</u>	<u>1,612</u>	<u>-</u>
Other			
Salaries and Wages	1,111	399	712
Fringe Benefits	<u>437</u>	<u>437</u>	<u>-</u>
Total Other	<u>1,548</u>	<u>836</u>	<u>712</u>
Total Instruction	<u>1,863,103</u>	<u>1,560,245</u>	<u>302,858</u>
Support Services:			
Pupil			
Salaries and Wages	199,714	165,757	33,957
Fringe Benefits	59,193	47,507	11,686
Purchased Services	32,112	28,510	3,602
Supplies and Materials	<u>50,775</u>	<u>48,887</u>	<u>1,888</u>
Total Pupil	<u>341,794</u>	<u>290,661</u>	<u>51,133</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All State Grant Funds  
For the Fiscal Year Ended June 30, 2002  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	594,153	550,515	43,638
Fringe Benefits	175,726	165,320	10,406
Purchased Services	94,831	73,912	20,919
Supplies and Materials	59,569	56,668	2,901
Miscellaneous	388	388	-
<b>Total Instructional Staff</b>	<u>924,667</u>	<u>846,803</u>	<u>77,864</u>
<b>Administration</b>			
Salaries and Wages	100,867	82,749	18,118
Fringe Benefits	25,467	19,639	5,828
Purchased Services	8,167	4,787	3,380
Supplies and Materials	8,730	7,612	1,118
Miscellaneous	323	323	-
<b>Total Administration</b>	<u>143,554</u>	<u>115,110</u>	<u>28,444</u>
<b>Fiscal</b>			
Miscellaneous	39,217	24,169	15,048
<b>Total Fiscal</b>	<u>39,217</u>	<u>24,169</u>	<u>15,048</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	18,332	17,179	1,153
Fringe Benefits	5,599	5,282	317
Purchased Services	63,248	62,340	908
<b>Total Operations and Maintenance</b>	<u>87,179</u>	<u>84,801</u>	<u>2,378</u>
<b>Pupil Transportation</b>			
Salaries and Wages	62,898	45,611	17,287
Fringe Benefits	24,719	20,254	4,465
Supplies and Materials	29,366	26,414	2,952
<b>Total Pupil Transportation</b>	<u>116,983</u>	<u>92,279</u>	<u>24,704</u>
<b>Central</b>			
Salaries and Wages	42,285	38,307	3,978
Fringe Benefits	9,923	9,583	340
Purchased Services	68,271	29,425	38,846
Supplies and Materials	10,000	-	10,000
<b>Total Central</b>	<u>130,479</u>	<u>77,315</u>	<u>53,164</u>
<b>Total Support Services</b>	<u>1,783,873</u>	<u>1,531,138</u>	<u>252,735</u>
<b>Community Services</b>			
Salaries and Wages	319,161	257,239	61,922
Fringe Benefits	66,465	54,912	11,553
Purchased Services	28,834	26,312	2,522
Supplies and Materials	637,329	535,280	102,049
Miscellaneous	2,561	2,461	100
<b>Total Community Services</b>	<u>1,054,350</u>	<u>876,204</u>	<u>178,146</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 All State Grants Funds  
 For the Fiscal Year Ended June 30, 2002  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Miscellaneous	24,049	24,049	-
Capital Outlay	409,389	311,788	97,601
Total Expenditures	<u>5,134,764</u>	<u>4,303,424</u>	<u>831,340</u>
Excess of Revenues Over (Under) Expenditures	(1,643,035)	(815,875)	827,160
Other Financing Sources (Uses):			
Advances - In	17,717	17,717	-
Advances - Out	(13,911)	(13,911)	-
Total Other Financing Sources (Uses)	<u>3,806</u>	<u>3,806</u>	<u>-</u>
Net Change in Fund Balances	(1,639,229)	(812,069)	827,160
Fund Balance at Beginning of Year	1,085,860	1,085,860	-
Prior Year Encumbrances Appropriated	527,394	527,394	-
Fund Balance at End of Year	<u>\$ (25,975)</u>	<u>\$ 801,185</u>	<u>\$ 827,160</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, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$        307	\$        307	\$          -
Intergovernmental - Federal	<u>7,254,080</u>	<u>7,261,432</u>	<u>7,352</u>
Total Revenues	<u>7,254,387</u>	<u>7,261,739</u>	<u>7,352</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	1,642,779	1,279,693	363,086
Fringe Benefits	481,506	381,919	99,587
Purchased Services	20,449	13,017	7,432
Supplies and Materials	<u>610,010</u>	<u>583,591</u>	<u>26,419</u>
Total Regular	<u>2,754,744</u>	<u>2,258,220</u>	<u>496,524</u>
Special			
Salaries and Wages	2,032,862	1,413,989	618,873
Fringe Benefits	459,337	327,648	131,689
Purchased Services	13,570	8,993	4,577
Supplies and Materials	<u>386,954</u>	<u>348,057</u>	<u>38,897</u>
Total Special	<u>2,892,723</u>	<u>2,098,687</u>	<u>794,036</u>
Vocational			
Salaries and Wages	74,011	64,820	9,191
Fringe Benefits	16,114	14,192	1,922
Purchased Services	49,185	49,185	-
Supplies and Materials	<u>181,131</u>	<u>181,131</u>	<u>-</u>
Total Vocational	<u>320,441</u>	<u>309,328</u>	<u>11,113</u>
Other			
Salaries and Wages	159,605	133,293	26,312
Fringe Benefits	36,914	30,232	6,682
Purchased Services	1,895	415	1,480
Supplies and Materials	<u>16,215</u>	<u>12,279</u>	<u>3,936</u>
Total Other	<u>214,629</u>	<u>176,219</u>	<u>38,410</u>
Total Instruction	<u>6,182,537</u>	<u>4,842,454</u>	<u>1,340,083</u>
Support Services:			
Pupil			
Salaries and Wages	473,443	338,402	135,041
Fringe Benefits	122,494	89,384	33,110
Purchased Services	19,870	7,183	12,687
Supplies and Materials	<u>53,216</u>	<u>48,529</u>	<u>4,687</u>
Total Pupil	<u>669,023</u>	<u>483,498</u>	<u>185,525</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, 2002  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	1,277,761	1,035,930	241,831
Fringe Benefits	300,769	249,589	51,180
Purchased Services	455,459	361,932	93,527
Supplies and Materials	248,282	182,697	65,585
Miscellaneous	441	441	-
<b>Total Instructional Staff</b>	<u>2,282,712</u>	<u>1,830,589</u>	<u>452,123</u>
<b>Administration</b>			
Salaries and Wages	495,120	367,312	127,808
Fringe Benefits	127,395	97,697	29,698
Purchased Services	30,567	18,908	11,659
Supplies and Materials	30,430	16,388	14,042
Miscellaneous	11,247	7,028	4,219
<b>Total Administration</b>	<u>694,759</u>	<u>507,333</u>	<u>187,426</u>
<b>Fiscal</b>			
Miscellaneous	54,343	41,357	12,986
<b>Total Fiscal</b>	<u>54,343</u>	<u>41,357</u>	<u>12,986</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	25,793	19,589	6,204
Fringe Benefits	7,575	5,664	1,911
Purchased Services	95,408	51,575	43,833
<b>Total Operations and Maintenance</b>	<u>128,776</u>	<u>76,828</u>	<u>51,948</u>
<b>Pupil Transportation</b>			
Salaries and Wages	122,133	106,059	16,074
Fringe Benefits	40,614	37,395	3,219
Purchased Services	20,391	16,391	4,000
Supplies and Materials	52,640	38,784	13,856
<b>Total Pupil Transportation</b>	<u>235,778</u>	<u>198,629</u>	<u>37,149</u>
<b>Central</b>			
Purchased Services	25,858	25,858	-
Supplies and Materials	4,000	4,000	-
<b>Total Central</b>	<u>29,858</u>	<u>29,858</u>	<u>-</u>
<b>Total Support Services</b>	<u>4,095,249</u>	<u>3,168,092</u>	<u>927,157</u>
<b>Community Services</b>			
Salaries and Wages	13,833	11,049	2,784
Fringe Benefits	2,245	1,748	497
Purchased Services	13,801	11,729	2,072
Supplies and Materials	9,604	5,007	4,597
<b>Total Community Services</b>	<u>39,483</u>	<u>29,533</u>	<u>9,950</u>

(continued)



South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All Federal Grants Funds  
For the Fiscal Year Ended June 30, 2002  
(continued)

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Miscellaneous	47,828	47,828	-
Capital Outlay	692,710	442,084	250,626
Total Expenditures	<u>11,057,807</u>	<u>8,529,991</u>	<u>2,527,816</u>
Excess of Revenues Over (Under) Expenditures	(3,803,420)	(1,268,252)	2,535,168
Other Financing Sources (Uses):			
Advances - In	147,233	147,233	-
Advances - Out	(56,550)	(56,550)	-
Total Other Financing Sources (Uses)	<u>90,683</u>	<u>90,683</u>	<u>-</u>
Net Change in Fund Balances	(3,712,737)	(1,177,569)	2,535,168
Fund Balance at Beginning of Year	1,361,378	1,361,378	-
Prior Year Encumbrances Appropriated	299,103	299,103	-
Fund Balance at End of Year	<u>\$ (2,052,256)</u>	<u>\$ 482,912</u>	<u>\$ 2,535,168</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, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 338	\$ 790	\$ 452
Other Local Revenue	3,574,907	3,306,204	(268,703)
Intergovernmental - State	130,000	131,867	1,867
Intergovernmental - Federal	1,988,000	2,254,510	266,510
Total Revenues	<u>5,693,245</u>	<u>5,693,371</u>	<u>126</u>
Expenditures:			
Current:			
Community Services			
Salaries and Wages	2,487,324	2,487,324	-
Fringe Benefits	764,392	764,392	-
Purchased Services	246,431	246,431	-
Supplies and Materials	2,470,519	2,470,519	-
Total Community Services	<u>5,968,666</u>	<u>5,968,666</u>	<u>-</u>
Capital Outlay	72,087	72,087	-
Total Expenditures	<u>6,040,753</u>	<u>6,040,753</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	(347,508)	(347,382)	126
Other Financing Sources (Uses):			
Advances - In	674,162	674,162	-
Advances - Out	(548,593)	(548,593)	-
Total Other Financing Sources (Uses)	<u>125,569</u>	<u>125,569</u>	<u>-</u>
Net Change in Fund Balances	(221,939)	(221,813)	126
Fund Balance at Beginning of Year	1	1	-
Prior Year Encumbrances Appropriated	238,236	238,236	-
Fund Balance at End of Year	<u>\$ 16,298</u>	<u>\$ 16,424</u>	<u>\$ 126</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Insurance Reserve Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 128,855	\$ 133,374	\$ 4,519
Other Local Revenue	<u>33,145</u>	<u>28,239</u>	<u>(4,906)</u>
Total Revenues	<u>162,000</u>	<u>161,613</u>	<u>(387)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	1,571	416	1,155
Supplies and Materials	2,022	833	1,189
Miscellaneous	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total Regular	<u>5,593</u>	<u>1,249</u>	<u>4,344</u>
Vocational			
Purchased Services	<u>35</u>	<u>35</u>	<u>-</u>
Total Vocational	<u>35</u>	<u>35</u>	<u>-</u>
Other			
Miscellaneous	<u>1,659</u>	<u>1,659</u>	<u>-</u>
Total Other	<u>1,659</u>	<u>1,659</u>	<u>-</u>
Total Instruction	<u>7,287</u>	<u>2,943</u>	<u>4,344</u>
Support Services:			
Administration			
Salaries and Wages	120	120	-
Fringe Benefits	19	19	-
Purchased Services	1,047	676	371
Supplies and Materials	33,743	21,445	12,298
Miscellaneous	<u>500</u>	<u>-</u>	<u>500</u>
Total Administration	<u>35,429</u>	<u>22,260</u>	<u>13,169</u>
Central			
Purchased Services	459,383	459,380	3
Supplies and Materials	<u>2,108</u>	<u>877</u>	<u>1,231</u>
Total Central	<u>461,491</u>	<u>460,257</u>	<u>1,234</u>
Total Support Services	<u>496,920</u>	<u>482,517</u>	<u>14,403</u>
Extracurricular Activities			
Miscellaneous	<u>7,600</u>	<u>6,400</u>	<u>1,200</u>
Total Extracurricular Activities	<u>7,600</u>	<u>6,400</u>	<u>1,200</u>
Capital Outlay	<u>358</u>	<u>-</u>	<u>358</u>
Total Expenditures	<u>512,165</u>	<u>491,860</u>	<u>20,305</u>

(continued)

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Insurance Reserve Fund  
 For the Fiscal Year Ended June 30, 2002  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(350,165)	(330,247)	19,918
Other Financing Sources (Uses):			
Operating Transfers - In	-	1,146	1,146
Operating Transfers - Out	<u>(661)</u>	<u>(661)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(661)</u>	<u>485</u>	<u>1,146</u>
Net Change in Fund Balances	(350,826)	(329,762)	21,064
Fund Balance at Beginning of Year	2,747,134	2,747,134	-
Prior Year Encumbrances Appropriated	<u>1,428</u>	<u>1,428</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 2,397,736</u>	<u>\$ 2,418,800</u>	<u>\$ 21,064</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
Vocational Rotary Fund  
For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 26,897	\$ 27,862	\$ 965
Total Revenues	<u>26,897</u>	<u>27,862</u>	<u>965</u>
Expenditures:			
Current:			
Instruction:			
Special			
Supplies and Materials	4,595	1,294	3,301
Total Special	<u>4,595</u>	<u>1,294</u>	<u>3,301</u>
Vocational			
Purchased Services	2,000	-	2,000
Supplies and Materials	31,383	-	31,383
Total Vocational	<u>33,383</u>	<u>-</u>	<u>33,383</u>
Total Instruction	<u>37,978</u>	<u>1,294</u>	<u>36,684</u>
Support Services:			
Administration			
Supplies and Materials	600	593	7
Total Administration	<u>600</u>	<u>593</u>	<u>7</u>
Total Support Services	<u>600</u>	<u>593</u>	<u>7</u>
Community Services			
Supplies and Materials	806	806	-
Total Community Services	<u>806</u>	<u>806</u>	<u>-</u>
Extracurricular Activities			
Supplies and Materials	1,400	1,299	101
Miscellaneous	2,781	2,781	-
Total Extracurricular Activities	<u>4,181</u>	<u>4,080</u>	<u>101</u>
Capital Outlay	5,000	-	5,000
Total Expenditures	<u>48,565</u>	<u>6,773</u>	<u>41,792</u>
Excess of Revenues Over (Under) Expenditures	(21,668)	21,089	42,757
Other Financing Uses:			
Advances - Out	(103)	(103)	-
Total Other Financing Uses	<u>(103)</u>	<u>(103)</u>	<u>-</u>
Net Change in Fund Balances	(21,771)	20,986	42,757
Fund Balance at Beginning of Year	32,125	32,125	-
Prior Year Encumbrances Appropriated	1,772	1,772	-
Fund Balance at End of Year	<u>\$ 12,126</u>	<u>\$ 54,883</u>	<u>\$ 42,757</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 School Net Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	55,776	55,776	-
Total Regular	<u>55,776</u>	<u>55,776</u>	<u>-</u>
Total Instruction	<u>55,776</u>	<u>55,776</u>	<u>-</u>
Support Services:			
Instructional Staff			
Salaries and Wages	5,000	5,000	-
Fringe Benefits	782	782	-
Purchased Services	9,167	9,167	-
Supplies and Materials	66	66	-
Total Instructional Staff	<u>15,015</u>	<u>15,015</u>	<u>-</u>
Total Support Services	<u>15,015</u>	<u>15,015</u>	<u>-</u>
Capital Outlay	711,068	711,068	-
Total Expenditures	<u>781,859</u>	<u>781,859</u>	<u>-</u>
Net Change in Fund Balances	(781,859)	(781,859)	-
Fund Balance at Beginning of Year	562,997	562,997	-
Prior Year Encumbrances Appropriated	<u>218,862</u>	<u>218,862</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **INTERNAL SERVICE FUNDS**

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

### Health Self Insurance

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

South-Western City School District  
 Schedule of Revenues, Expenses and  
 Changes in Fund Equity - Budget (Non-GAAP) and Actual  
 Health Self Insurance Fund  
 For the Fiscal Year Ended June 30, 2002

	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Charges for Services	\$ 1,486,172	\$ 1,487,890	\$ 1,718
Charges to Employees	-	14,502	14,502
Interest	<u>10,000</u>	<u>6,600</u>	<u>(3,400)</u>
Total Revenues	<u>1,496,172</u>	<u>1,508,992</u>	<u>12,820</u>
Expenses:			
Purchased Services	<u>1,573,000</u>	<u>1,566,912</u>	<u>6,088</u>
Total Expenses	<u>1,573,000</u>	<u>1,566,912</u>	<u>6,088</u>
Excess of Revenues Over (Under) Expenses	(76,828)	(57,920)	18,908
Fund Equity at Beginning of Year	<u>386,844</u>	<u>386,844</u>	-
Fund Equity at End of Year	<u>\$ 310,016</u>	<u>\$ 328,924</u>	<u>\$ 18,908</u>



## **FIDUCIARY FUND TYPES**

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

### **AGENCY FUNDS**

#### Student Activity

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

#### District Agency

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

#### Teacher Development

To account for monies used to operate the Central Ohio Regional Professional Development Center (CORPDC). The Treasurer of the District receives these monies, as directed by the CORPDC.

South-Western City School District  
 Combining Balance Sheet  
 All Agency Funds  
 June 30, 2002

	<u>Student Activity</u>	<u>District Agency</u>	<u>Teacher Development</u>	<u>Total</u>
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 307,237	\$ 2,026,855	\$ 1,965,499	\$ 4,299,591
Accounts Receivable	791	136,030	-	136,821
Total Assets	<u>\$ 308,028</u>	<u>\$ 2,162,885</u>	<u>\$ 1,965,499</u>	<u>\$ 4,436,412</u>
<u>Liabilities:</u>				
Accounts Payable	\$ 13,679	\$ 702,568	\$ 671,310	\$ 1,387,557
Accrued Wages and Benefits	-	-	2,436	2,436
Interfund Loans Payable	14,089	38,128	-	52,217
Undistributed Money	280,260	1,422,189	1,291,753	2,994,202
Total Liabilities	<u>\$ 308,028</u>	<u>\$ 2,162,885</u>	<u>\$ 1,965,499</u>	<u>\$ 4,436,412</u>

## **STATISTICAL SECTION**

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

	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996	Fiscal 1995	Fiscal 1994	Fiscal 1993
Instruction:										
Regular	\$ 58,041,395	\$ 54,132,589	\$ 50,553,336	\$ 47,490,805	\$ 45,173,936	\$ 42,683,610	\$ 39,922,094	\$ 37,094,734	\$ 35,878,594	\$ 32,705,603
Special	11,815,665	10,828,745	9,323,302	9,684,269	8,219,162	8,135,577	6,073,950	5,573,931	5,333,174	4,913,902
Vocational	4,008,708	3,836,439	3,795,074	3,717,091	3,621,744	3,534,832	3,486,900	3,411,456	3,532,014	3,451,242
Other	145,456	117,047	111,936	102,405	62,922	72,219	988,834	790,621	817,976	759,746
Support Services:										
Pupil	5,279,781	5,054,682	4,775,095	4,403,439	4,265,340	3,970,682	3,791,883	3,554,236	3,503,695	3,286,490
Instructional Staff	9,738,960	9,144,722	7,868,800	7,454,951	6,779,116	5,934,357	5,747,840	5,288,899	5,971,025	5,596,077
Board of Education	224,840	220,905	198,957	204,843	202,947	190,188	212,642	242,581	216,932	213,192
Administration	10,322,615	9,553,137	8,697,820	7,931,227	7,008,561	6,796,032	6,288,392	5,808,049	5,898,621	5,918,272
Fiscal	2,407,363	2,595,935	2,321,657	2,699,919	2,112,083	1,957,283	2,498,294	2,475,435	2,196,593	1,569,116
Business	892,459	819,113	727,262	832,269	510,486	584,603	510,541	534,637	432,880	540,310
Operations and Maintenance	12,239,655	11,742,314	12,155,861	8,584,160	7,752,638	7,673,496	6,827,854	5,980,482	6,413,798	6,108,367
Pupil Transportation	6,869,883	6,302,708	5,184,355	5,212,170	3,928,342	3,757,958	3,637,803	3,554,154	3,497,892	3,470,639
Central	2,089,229	1,937,416	1,835,522	1,885,573	1,839,888	1,459,915	1,135,676	981,563	1,069,328	1,060,727
Community Services	228,750	209,574	271,779	-	-	-	-	-	-	-
Extracurricular Activities	505,182	341,656	356,441	315,465	313,878	257,789	248,118	234,371	228,114	256,007
Miscellaneous	-	177,695	127,567	117,798	-	53,403	79,307	260,273	301,507	121,276
Capital Outlay	4,384,965	2,165,623	1,883,656	1,868,051	2,541,252	1,325,828	756,576	378,569	1,303,677	693,895
Pass Through Grants	325,000	325,000	300,000	300,000	348,606	-	-	-	-	-
Debt Service	365,893	359,177	398,951	450,013	395,806	711,586	422,864	312,900	135,379	61,146
Total Expenditures	<u>\$ 129,885,799</u>	<u>\$ 119,864,477</u>	<u>\$ 110,887,371</u>	<u>\$ 103,254,448</u>	<u>\$ 95,076,707</u>	<u>\$ 89,099,358</u>	<u>\$ 82,629,568</u>	<u>\$ 76,476,891</u>	<u>\$ 76,731,199</u>	<u>\$ 70,726,007</u>

Source: School District Comprehensive Annual Financial Report

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

	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996	Fiscal 1995	Fiscal (1) 1994	Fiscal 1993
Revenues										
Taxes	\$ 58,597,390	\$ 64,147,057	\$ 66,579,291	\$ 60,154,425	\$ 54,057,378	\$ 50,172,388	\$ 52,521,120	\$ 45,082,777	\$ 38,690,934	\$ 37,240,471
Tuition	393,119	370,993	206,029	116,264	340,628	366,903	194,253	417,810	110,361	7,891
Interest	1,944,485	3,436,812	2,656,159	2,067,933	1,539,023	1,462,480	1,064,080	706,935	480,675	520,298
Intergovernmental - State	67,340,648	55,556,934	50,154,517	47,416,508	43,705,799	39,695,247	37,205,452	32,315,797	35,413,751	31,439,095
Intergovernmental - Federal	535,899	381,051	306,305	262,415	223,198	325,201	99,162	68,527	73,648	55,197
Other	1,458,789	1,414,068	755,685	429,325	565,630	264,275	294,136	357,985	218,388	554,385
Total Revenues	<u>\$ 130,270,330</u>	<u>\$ 125,306,915</u>	<u>\$ 120,657,986</u>	<u>\$ 110,446,870</u>	<u>\$ 100,431,656</u>	<u>\$ 92,286,494</u>	<u>\$ 91,378,203</u>	<u>\$ 78,949,831</u>	<u>\$ 74,987,757</u>	<u>\$ 69,817,337</u>

Source: School District Comprehensive Annual Financial Report

(1) Reflects restated amounts due to a change in accounting principle.

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected	Delinquent Collection	Total Collection	Total Collection As a Percent of Total Levy	Delinquent Taxes Receivable	Tax Year/ Collection Year
2001/2002 (1)	\$ 85,132,756	\$ 8,745,197	\$ 93,877,952	\$ 82,014,581	96.34%	\$ 4,380,375	\$ 86,394,956	92.03%	\$8,305,224	2001/2002
2000/2001 (1)	84,797,133	6,383,257	91,180,390	82,882,592	97.74%	3,924,217	86,806,809	95.20%	5,684,753	2000/2001
1999/2000 (1)	89,837,034	5,482,545	95,319,579	79,192,486	88.15%	3,147,122	82,339,608	86.38%	5,431,851	1999/2000
1998/1999 (1)	75,816,300	4,890,024	80,706,324	74,698,742	98.53%	2,824,094	77,522,836	96.06%	5,514,324	1998/1999
1997/1998 (1)	65,222,021	5,970,823	71,192,844	63,612,455	97.53%	2,850,394	66,462,849	93.36%	5,349,378	1997/1998
1996/1997 (1)	63,457,650	5,057,702	68,515,352	61,642,680	97.14%	2,293,063	63,935,743	93.32%	5,757,230	1996/1997
1995/1996 (1)	60,310,628	3,686,008	63,996,636	59,544,988	98.73%	1,691,898	61,236,886	95.69%	4,736,586	1995/1996
1994/1995 (2)	58,995,564	3,272,891	62,268,455	58,486,921	99.14%	1,126,435	59,613,356	95.74%	3,495,909	1994/1995
1993/1994 (2)	44,955,103	3,637,914	48,593,017	43,267,904	96.25%	2,854,550	46,122,454	94.92%	3,431,037	1993/1994
1992/1993 (2)	41,172,107	3,250,556	44,422,663	39,709,706	96.45%	1,698,038	41,407,744	93.21%	3,429,583	1992/1993

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

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

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

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

Collection Year	Real Property (1)		Tangible Personal Property (2)		Public Utility (3)		Total		Collection Year
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
	2002	\$ 1,740,984,660	\$ 4,974,241,886	\$ 312,181,478	\$ 1,248,725,912	\$ 77,011,450	\$ 154,022,900	\$ 2,130,177,588	
2001	1,686,914,280	4,819,755,086	320,534,386	1,282,137,544	94,580,280	189,160,560	2,102,028,946	6,291,053,190	2001
2000	1,602,009,470	4,577,169,914	290,640,778	1,162,563,112	95,575,700	191,151,400	1,988,225,948	5,930,884,426	2000
1999	1,351,762,160	3,862,177,600	286,032,773	1,144,131,092	91,164,590	182,329,180	1,728,959,523	5,188,637,872	1999
1998	1,303,642,930	3,724,694,085	276,769,393	1,107,077,572	90,550,140	181,100,280	1,670,962,463	5,012,871,937	1998
1997	1,249,075,420	3,568,786,914	249,281,118	997,124,472	89,660,060	179,330,120	1,588,016,598	4,745,241,506	1997
1996	1,124,661,530	3,213,318,657	233,340,206	933,360,824	89,584,970	179,169,940	1,447,586,706	4,325,849,421	1996
1995	1,067,683,010	3,050,522,886	231,193,746	924,774,984	109,326,320	217,484,574	1,408,203,076	4,192,782,444	1995
1994	1,044,663,540	2,984,752,971	238,943,671	955,774,684	92,926,750	184,860,640	1,376,533,961	4,125,388,295	1994
1993	916,916,100	2,619,760,286	245,755,695	983,022,780	88,722,770	177,445,540	1,251,394,565	3,780,228,606	1993

Source: Franklin County Auditor

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax commissioner.
- (2) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation decreased one percent each year from 29 percent in 1990 to 25 percent in 1993. 1994, 1995, 1996, 1997, 1998 and 1999 are also at 25 percent.
- (3) Assumes public utilities are assessed at true value, which is 50% of estimated actual value.

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

Tax Year/ Collection Year	CITIES			South-Western City School District			VILLAGES			TOWNSHIPS				
	Franklin County	City of Columbus	City of Grove City	Voted		Unvoted	Village of Harrisburg	Village of New Rome	Village of Urbancrest	Franklin Township	Jackson Township	Pleasant Township	Harrisburg- Pleasant Township	Prairie Township
				General Fund	Bond Fund	General Fund								
2001/2002	17.64 (13.63) (15.27)	3.14 (3.14) (3.14)	4.40 (4.40) (4.40)	46.10 (21.95) (33.01)	6.61 (6.61) (6.61)	3.90 (3.90) (3.90)	1.00 (1.00) (1.00)	1.20 (1.20) (1.20)	0.60 (0.60) (0.60)	13.05 (9.18) (12.16)	20.20 (10.75) (11.10)	16.20 (8.21) (8.07)	15.80 (7.81) (7.67)	14.20 (11.61) (13.54)
2000/2001	17.64	3.14	4.50	46.10	6.97	3.90	1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20
1999/2000	17.64	3.14	4.60	46.10	6.97	3.90	1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20
1998/1999	17.54	3.14	4.70	46.10	7.18	3.90	1.00	1.20	5.60	13.05	20.20	16.20	15.80	14.20
1997/1998	15.22	3.14	4.80	46.10	2.30	3.90	5.00	1.20	5.60	13.05	20.20	16.20	15.80	14.20
1996/1997	15.12	3.14	4.90	46.10	2.36	3.90	5.00	1.20	5.60	13.05	20.20	16.20	20.80	14.00
1995/1996	14.82	3.14	4.90	46.10	2.48	3.90	5.00	1.20	5.60	13.05	20.20	16.20	15.80	14.00
1994/1995	14.57	3.14	5.00	46.10	2.70	3.85	5.00	1.20	5.60	13.05	20.20	16.20	15.80	14.00
1993/1994	14.57	3.14	5.10	37.20	2.75	3.85	5.00	1.20	5.60	13.05	20.20	16.20	15.80	14.00
1992/1993	14.32	3.14	5.54	37.20	1.18	3.85	5.00	1.20	5.60	13.05	20.20	16.20	15.80	14.00

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

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



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

Year	(1) Estimated Population	(2) Average Daily Membership	(3) Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Average Daily Membership
2002	119,708	19,722	\$ 2,130,177,588	\$ 150,412,305	\$ 3,013,751	\$ 147,398,554	6.92%	\$ 1,231.32	\$ 7,473.81
2001	95,632	19,070	2,102,028,946	147,692,665	3,673,813	144,018,852	6.85%	1,505.97	7,552.12
2000	95,632	18,594	1,988,225,948	153,444,448	2,318,444	151,126,004	7.60%	1,580.29	8,127.68
1999	95,632	18,224	1,728,959,523	159,265,330	4,847,954	154,417,376	8.93%	1,614.70	8,473.30
1998	95,632	18,558	1,670,962,463	41,901,816	3,679,940	38,221,876	2.29%	399.68	2,059.59
1997	95,632	18,220	1,588,016,598	44,719,803	4,579,315	40,140,488	2.53%	419.74	2,203.10
1996	92,000	17,844	1,447,586,706	46,448,816	4,561,556	41,887,260	2.89%	455.30	2,347.41
1995	92,000	17,136	1,408,203,076	46,867,316	4,748,365	42,118,951	2.99%	457.81	2,457.92
1994	92,000	16,799	1,376,533,961	48,938,327	3,047,966	45,890,361	3.33%	498.81	2,731.73
1993	82,370	16,364	1,251,394,565	12,666,000	2,497,494	10,168,506	0.81%	123.45	621.39

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

(2) Per District records

(3) Franklin County Auditor

South-Western City School District  
 Computation of Legal Debt Margin  
 June 30, 2002

Assessed Valuation	\$ 2,130,177,588	
Bonded Debt Limit - 9% of Assessed Value	\$ 191,715,983	
Amount of Debt Applicable to 9% Debt Limit:	<u>143,797,304</u>	
9% Voted Debt Margin		<u>\$ 47,918,679</u>
Bonded Debt Limit - .10% of Assessed Value	\$ 2,130,178	
Amount of Debt Applicable to .10% Debt Limit	<u>-</u>	
.10% Unvoted Debt Margin		<u>\$ 2,130,178</u>

Source: Franklin County Auditor and School District financial records

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

South-Western City School District  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 June 30, 2002

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
South-Western City School District	\$ 151,412,305	100.00%	\$ 151,412,305
Franklin County	159,537,300	9.63%	15,363,442
City of Columbus	358,962,919	6.97%	25,019,715
City of Grove City	5,375,000	100.00%	5,375,000
Village of New Rome	70,000	100.00%	70,000
Total Net Overlapping Debt	<u>\$ 675,357,524</u>		<u>\$ 197,240,462</u>

Note: Percent were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivisions.  
 The valuations used were for the 2002 collection year

Source: Ohio Municipal Advisory Council - Governmental Unit Finance Office

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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Percent of Debt Service to General Fund Expenditures
2002	\$ 6,255,360	\$ 6,866,303	\$ 13,121,663	\$ 129,885,799	10.10%
2001	5,283,783	7,569,267	12,853,050	119,864,477	10.72%
2000	5,090,882	7,565,888	12,656,770	110,859,371	11.42%
1999	1,442,107	4,019,851	5,461,958	103,254,448	5.29%
1998	1,850,000	1,741,440	3,591,440	95,076,707	3.78%
1997	1,580,000	1,811,480	3,391,480	89,099,358	3.81%
1996	1,930,000	1,880,068	3,810,068	82,629,568	4.61%
1995	1,560,000	2,042,768	3,602,768	76,209,668	4.73%
1994	600,000	1,202,643	1,802,643	76,731,199	2.35%
1993	925,000	834,390	1,759,390	70,726,007	2.49%

Source: School District Financial Records

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

Tax Year	New Construction (1)			Property Value (2)			Tax Year
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Real Property	Tangible Personal	Public Utility(4)	
2002	\$ 45,122,230	\$ 16,047,580	\$ 61,169,810	\$ 4,974,241,886	\$ 1,248,725,912	\$ 154,022,900	2002
2001	45,122,230	16,047,580	61,169,810	4,819,755,086	1,282,137,544	189,160,560	2001
2000	39,851,280	27,273,130	67,124,410	4,577,169,914	1,162,563,112	191,151,400	2000
1999	42,823,980	24,486,650	67,310,630	3,862,177,600	1,144,131,092	182,329,180	1999
1998	33,412,620	16,634,300	50,046,920	3,724,694,085	1,107,077,572	181,100,280	1998
1997	31,076,770	22,794,020	53,870,790	3,568,786,914	997,124,472	179,330,120	1997
1996	31,055,330	15,471,280	46,526,610	3,213,318,657	933,360,824	179,169,940	1996
1995	35,245,180	12,823,230	48,068,410	3,050,522,886	924,774,984	217,484,574	1995
1994	31,338,200	10,134,190	41,472,390	2,984,752,971	955,774,684	184,860,640	1994
1993	31,427,640	18,748,830	50,176,470	2,619,760,286	983,022,780	177,445,540	1993

Source: Franklin County Auditor

(1) New Construction data in District boundaries.

(2) Represents Estimated Actual Value

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

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

South-Western City School District  
Principal Taxpayers  
December 31, 2001

	<u>Total Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>
<u>Public Utilities</u>		
1. Columbus Southern Power Company	\$ 45,351,990	2.13%
2. Ohio Bell Telephone Co.	14,859,400	0.70%
3. Columbia Gas of Ohio Inc.	4,517,330	0.21%
4. Cincinnati SMSA LP	2,480,770	0.12%
<u>Real Estate</u>		
1. Distribution Fulfillment Services Inc.	\$ 12,299,350	0.58%
2. Distribution Funding III	10,713,260	0.50%
3. Dispatch Printing Co.	10,696,000	0.50%
4. Port West Associates L P	9,782,500	0.46%
5. CORAC Westland LLC	8,148,000	0.38%
6. Security Capital Ind Trust	6,689,620	0.31%
7. Consolidated Stores International Corp.	5,949,650	0.28%
8. Realty Associates Fund V	5,195,750	0.24%
9. Fairfield Holt Road LP	4,813,240	0.23%
10. Feder Road Associates	4,410,000	0.21%
<u>Tangible Personal Property</u>		
1. Merck Medco RX Services of Ohio	\$ 19,177,152	0.90%
2. Sears Roebuck & Company	17,756,990	0.83%
3. Kal Kan Foods Inc.	17,683,760	0.83%
4. Big Lots Stores Inc.	15,309,940	0.72%
5. IBM Credit Corporation	14,493,030	0.68%
6. Wal Mart Stores	13,421,800	0.63%
7. Delphi Automotive Systems LLC	10,823,460	0.51%
8. Dispatch Printing Company	10,514,630	0.49%
9. Sally Beauty Company Inc.	7,091,540	0.33%
10. Tosoh S M D Inc.	6,513,030	0.31%
All Others	<u>1,851,485,396</u>	<u>86.92%</u>
Total Assessed Valuation	<u>\$ 2,130,177,588</u>	<u>100.00%</u>

South-Western City School District  
 Ten Year Attendance Data (1)

School Year End	Number Of Graduates	Elementary Schools Enrollment	(2)			Total Enrollment
			Intermediate Schools Enrollment	Middle Schools Enrollment	High Schools Enrollment	
2002	978	7,731	3,157	3,173	5,661	19,722
2001	856	7,619	3,118	2,985	5,348	19,070
2000	996	9,064	N/A	4,273	5,257	18,594
1999	936	8,753	N/A	4,292	5,179	18,224
1998	826	8,898	N/A	4,461	5,150	18,509
1997	1,034	8,749	N/A	4,268	5,203	18,220
1996	1,005	8,625	N/A	4,137	5,059	17,821
1995	984	8,249	N/A	4,020	4,886	17,155
1994	915	7,957	N/A	4,042	4,810	16,809
1993	997	7,901	N/A	3,896	4,767	16,564

Source: State Report ADM-1 (1992)  
 Superintendent's Annual Closing Spring Report

(1) As of Fiscal Year 1993 data has been submitted through the State of Ohio's  
 Education Management Information System (Pupil Personnel ADMHIST.XLS)

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

South-Western City School District  
 Certified Staff by Training  
 as of April 2002

	<u>Non-Degree</u>	<u>B.S.</u>	<u>B.S. + 30</u>	<u>M.A.</u>	<u>M.A. +30</u>	<u>Total</u>
<u>Pupil Personnel</u>						
Number		5	3	13	30	51
Percentage of Total		9.80%	5.88%	25.49%	58.82%	100.00%
<u>High School</u>						
Number	2	117	33	140	52	344
Percentage of Total	0.58%	34.01%	9.59%	40.70%	15.12%	100.00%
<u>Middle School</u>						
Number		79	27	73	33	212
Percentage of Total		37.26%	12.74%	34.43%	15.57%	100.00%
<u>Elementary</u>						
Number		262	53	198	60	573
Percentage of Total		45.72%	9.25%	34.55%	10.47%	100.00%
<u>Federal Programs</u>						
Number		15	3	18	7	43
Percentage of Total		34.88%	6.98%	41.86%	16.28%	100.00%
<u>Total</u>						
Number	2	478	119	442	182	1,223
Percentage of Total	0.16%	39.08%	9.73%	36.14%	14.88%	100.00%

Source: School district personnel records.



South-Western City School District  
 Schedule of Property and Casualty Insurance in Force  
 June 30, 2002

Company	Policy Period		Coverage	Liability Limits	Deductible	Annual Premium
	From	To				
Nationwide Agribusiness	07/01/01	07/01/02	General Liability Fire Medical Expense Limit	\$1,000,000/\$3,000,000 \$100,000/fire \$5,000/person	\$0	\$ 54,843
Nationwide Agribusiness	07/01/01	07/01/02	Umbrella Coverage	\$3,000,000	\$10,000	\$ 33,677
Nationwide Agribusiness	07/01/01	07/01/02	Fleet	\$1,000,000	\$250 Comprehensive \$1,000 Collision	\$ 98,634
Indiana	07/01/01	07/01/02	Property/Building Content Inland Marine Cargo Boiler/Machinery Employee Dishonesty	Replacement Cost \$ 176,065,300 \$ - \$5,000/accident \$10,000 \$17,500 (excess/specific) \$500,000 (claim)	\$10,000   \$1,000 \$1,000	\$ 103,320
			Commercial Property Photography/Musical Instruments Athletic Equipment Mobile Classrooms Cellular Phones/Mobile Radios Contractor's Equipment Builders Risk		\$10,000 \$250 \$25 \$250 \$100 \$250 \$10,000	

Source: School district records.

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

Year	State Basic Aid Per Pupil (1) (3)	Percentage Change	Actual State Basic Aid Per Pupil Received	Percentage Change	South-Western Cost Per Pupil in ADM (2)	Percentage Increase
2001/2002	\$ 4,814	18.8%	\$ 2,952	33.8%	N/A	N/A
2000/2001	4,294	11.5%	2,525	17.7%	7,354	6.7%
1999/2000	4,052	5.2%	2,206	2.8%	6,890	5.3%
1998/1999	3,851	5.1%	2,145	25.3%	6,546	24.1%
1997/1998	3,663	4.7%	1,712	6.5%	5,275	3.7%
1996/1997	3,500	5.6%	1,607	7.0%	5,087	4.3%
1995/1996	3,315	9.2%	1,502	12.3%	4,879	3.1%
1994/1995	3,035	5.7%	1,338	-1.3%	4,732	0.8%
1993/1994	2,871	1.9%	1,356	-1.5%	4,695	5.1%
1992/1993	2,817	3.9%	1,377	1.4%	4,466	6.3%

Source: School district financial records.  
 Ohio Department of Education

- (1) Actual state revenue increase percent is less than reflected. This chart shows statewide per student allotment which is then adjusted for individual school district characteristics.
- (2) Previous years information for General Fund only. Beginning in fiscal year 1999, the Ohio Department of Education does not provide expenditure per pupil information for the General Fund only. Information for fiscal year 1998-99 is expenditure per pupil information for all funds.
- (3) Increase to state basic aid per pupil are misleading without noting the corresponding increases to the local charge off requirement. For Fiscal Year 1993-1994 and prior the local charge off was 20 mills of local effort. During Fiscal Year 1994-1995 that charge off requirement was increased to 21 mills and for Fiscal Year 1995-1996 it was increased to 22 mills of the local effort

South-Western City School District  
 General Fund - Operating Expenditures Necessary to Educate  
 a District Student for Graduation in June, 2001  
 (Actual Dollars Expended by Year)

		Grade	South-Western	State Average	Franklin County
		Level	City School	for All	Average
			District	School Districts	
Elementary School					
	1988-89	K	3,547	4,019	4,059
	1989-90	1	3,788	4,349	4,558
	1990-91	2	4,029	4,386	4,741
	1991-92	3	4,202	4,473	4,835
	1992-93	4	4,466	4,437	5,068
	1993-94	5	4,695	4,640	5,426
Secondary School					
Enter Middle School					
	1994-95	6	4,732	4,758	5,299
	1995-96	7	4,879	4,940	5,626
	1996-97	8	5,087	5,113	5,635
Enter High School					
	1997-98	9	5,275	5,369	6,046
	1998-99 (1)	10	6,546	6,642	7,167
	1999-00 (1)	11	6,890	7,057	7,636
	2000-01 (1)	12	7,354	7,602	8,222
Total			<u>\$ 65,490</u>	<u>\$ 67,785</u>	<u>\$ 74,318</u>

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

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

South-Western City School District  
Facility Inventory

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

		<u>Original Construction</u>	<u>Addition (s) Date (s)</u>	<u>Building Area (Sq. Ft.)</u>	<u>Acreage</u>	<u>Student Capacity</u>
<b><u>Middle Schools</u></b>						
Brookpark	Basic	1953	1997	82,422	16.20	725
	Portable (2)	1964		1,668		
Finland	Basic	1964	1975, 1995	91,098	17.30	786
	Portable (1)	1989		1,596		
	Portable (1)	1991		1,596		
Jackson	Basic	2001		99,597	28.14	800
Norton	Basic	1953	1995	87,204	15.00	680
	Portable (1)	1964		1,668		
	Portable (1)	1990		1,596		
Pleasant View	Basic	1958	1963	138,702	40.00	924
<b><u>High Schools</u></b>						
Franklin Heights	Basic	1955	1956, 1957, 1963 1974, 1975, 1976 1986, 1997	152,983	37.02	1,172
Grove City	Basic	1970	1971, 1976, 1983 1985, 2000	198,348	53.30	1,843
Westland	Basic	1970	1971, 1976, 1982 1985, 2000	197,154	54.65	1,861
<b><u>Additional Schools</u></b>						
Kingston	Basic	1949		13,180	2.00	70
Hayes Tech	Basic	1966	1981, 1982, 1986	58,677	10.80	520
	Modular	1991		4,150		
Hayes Tech Annex	Basic	1950		10,000	1.17	60
<b><u>Recreation Centers</u></b>						
Falcons Nest		1986		37,507		
Grove City		1986		37,507		
Cougar Community		1986		37,507		
<b><u>Miscellaneous</u></b>						
Administrative	Basic	1973		13,105	2.60	56
Darbydale Distribution		1930-1940		4,170	1.63	5
Transportation		1986		16,594	10.00	109
2 Houses - offices		1960 est		5,000	1.50	8
Norton Road Head Start		1975		4,300		46
Stiles Family Center		1994		4,510		206
Tech Services - Garage		1960 est		2,000	0.50	3

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

Percentage of Students Passing:	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997
<u>4th Grade</u>					
Citizenship	54.8%	49.0%	59.9%	43.9%	35.6%
Mathematics	56.3%	42.1%	57.6%	26.0%	24.4%
Reading	49.6%	48.6%	51.8%	35.7%	41.4%
Writing	76.5%	75.1%	62.8%	52.3%	58.8%
Science	43.5%	33.8%	40.6%	33.9%	27.7%
<u>6th Grade</u>					
Citizenship	69.1%	61.5%	69.3%	51.6%	54.6%
Mathematics	59.9%	39.0%	41.2%	33.3%	39.6%
Reading	55.6%	40.8%	44.7%	39.0%	35.0%
Writing	84.6%	75.1%	78.1%	82.1%	34.1%
Science	56.9%	39.8%	35.4%	34.4%	30.2%
<u>9th Grade</u>					
Citizenship	80.6%	77.5%	76.5%	75.3%	77.2%
Mathematics	69.7%	64.9%	62.4%	61.3%	63.9%
Reading	89.2%	86.7%	86.4%	86.0%	88.1%
Writing	90.1%	90.0%	89.5%	84.9%	82.5%
Science	77.3%	72.5%	68.8%	64.0%	N/A
<u>12th Grade</u>					
Citizenship	62.9%	89.4%	52.8%	44.0%	38.9%
Mathematics	56.7%	80.2%	49.8%	41.9%	30.2%
Reading	66.2%	95.3%	62.0%	50.3%	47.7%
Writing	85.1%	96.2%	72.1%	71.4%	49.5%
Science	64.0%	85.0%	53.6%	38.1%	36.1%
<u>Student Attendance Rate</u>	93.0%	93.9%	94.1%	94.3%	94.7%
<u>Average Number of Students per Teacher</u>	19.2	18.6	19.0	20.9	21.5

Source: State of Ohio School District Report Card. Information for fiscal year 2002 not available at this time.



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**SOUTH-WESTERN CITY SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 20, 2003**