

# **South-Western City School District**

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**Federal Awards  
Supplemental Information  
June 30, 2004**





**Auditor of State  
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the South-Western City School District, Franklin County, prepared by Plante & Moran, PLLC, for the audit period July 1, 2003 through June 30, 2004. 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.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

December 8, 2004

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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, 2004 and have issued our report thereon dated October 8, 2004. Those basic financial statements are the responsibility of the management of the South-Western City School District. Our responsibility is 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*

October 8, 2004

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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, 2004 and have issued our report thereon dated October 8, 2004. 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and questioned costs as item 04-2.

**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.

We noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the South-Western City School District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 04-1 and 04-2.



Board of Education  
South-Western City School District

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. Our consideration of the internal control over financial reporting would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are not 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*

October 8, 2004



Plante & Moran, PLLC

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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, 2004. 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, 2004. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 04-3.

Board of Education  
South-Western City School District

### **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.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the South-Western City School District's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as item 04-3.

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. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

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*

October 8, 2004

# South-Western City School District

## Schedule of Receipts and Expenditures of Federal Awards June 30, 2004

Federal Grantor/Pass through Grantor/ Program Title (Fund #)	Grantor Number	CFDA Number	Receipts		Non-Cash		
			Receipts	Disbursements	Receipts	Disbursements	
<b>U.S. Department of Agriculture</b>							
<i>Passed Through Ohio Department of Education</i>							
Child Nutrition Cluster:							
Food Distribution, Commodities (006)		10.550	\$ -	\$ -	\$ 353,085	\$ -	\$ 353,085
National School Breakfast Program (006)	05-PU	10.553	376,954	-	-	376,954	-
National School Lunch Program (006)	03/04-PU	10.555	2,334,778	-	-	2,334,778	-
Summer Food Service Program (006)	23-ML	10.559	86,220	-	-	86,220	-
Total U.S. Department of Agriculture - Child Nutrition Cluster			2,797,952	353,085	2,797,952	353,085	
Headstart Snack Program (006)	21-ML	10.558	163,570	-	163,570	-	-
Total U.S. Department of Agriculture			2,961,522	353,085	2,961,522	353,085	

# South-Western City School District

## Schedule of Receipts and Expenditures of Federal Awards June 30, 2004

Federal Grantor/Pass through Grantor/ Program Title (Fund #)	Grantor Number	CFDA Number	Receipts		Non-Cash		Disbursements		
			Receipts	Disbursements	Receipts	Disbursements			
<b>U.S. Department of Education</b>									
<i>Passed Through Ohio Department of Education</i>									
Special Education Cluster:									
Handicapped Title VI-B (516)	6B-SF	84.027	2,654,684	-	-	2,367,996	-	-	-
Handicapped Preschool (587)	PG-SI	84.173	47,988	-	-	45,075	-	-	-
Total Special Education Cluster			2,702,672	-	-	2,413,071	-	-	-
Adult Education Program (501)	AB-SI	84.002	72,835	-	-	157,729	-	-	-
Title I, Part A, IASA	CI-SI	84.010	2,800,105	-	-	2,724,355	-	-	-
Migrant Education (505)	MG-SI	84.011	67,320	-	-	75,406	-	-	-
Vocational Education (524)	20-CI	84.048	444,478	-	-	489,393	-	-	-
Safe and Drug Free Community (584)	DR-SI	84.184C	11,624	-	-	10,499	-	-	-
Drug Free Schools, IASA Title IV (584)	DR-SI	84.186	90,212	-	-	89,578	-	-	-
Evenstart Preschool (572)	EV-52,S4	84.213	132,500	-	-	121,899	-	-	-
Title VI (573)	C2-SI	84.298	140,673	-	-	86,415	-	-	-
Technology Literacy (599)	TF-24,25	84.318	78,185	-	-	59,911	-	-	-
Technology (599)		84.352A	-	-	-	17,885	-	-	-
Comprehensive School Reform (599)	RF-SI	84.332	52,334	-	-	74,307	-	-	-
Teacher Quality Enhancement (599)	QE-AI	84.336	19,486	-	-	103	-	-	-
Title III - Limited English Proficiency (551)	T3-SI	84.365	225,376	-	-	263,172	-	-	-
Improving Teacher Quality, Title IIA (590)	TR-SI	84.367	618,483	-	-	625,478	-	-	-
Smart Program (599)		93.558	-	-	-	17,405	-	-	-
Learn and Serve America (599)		94.004	1,797	-	-	1,297	-	-	-
Total U.S. Department of Education			7,458,080	-	-	7,227,903	-	-	-

# South-Western City School District

## Schedule of Receipts and Expenditures of Federal Awards Year Ended June 30, 2004

Federal Grantor/Pass through Grantor/	Program Title (Fund #)	Grantor Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. Department of Health and Human Services</b>							
Passed Through Columbus Metropolitan Area Community Action Organization(CMACAO) Admin. For Children Head Start (525)			93.600	2,338,349	-	2,150,191	-
Passed Through Ohio Department of Mental Retardation and Developmental Disabilities Medical Assistance Program/CAFS (Medicaid Cluster)			93.778	260,588	-	260,588	-
Passed Through Ohio Department of Education Refugee School Impact		RI-SI	93.576	17,200	-	21,729	-
Total U.S. Department of Health and Human Services				2,616,137	-	2,432,508	-
<b>Total Federal Assistance</b>				<b>\$ 13,035,739</b>	<b>\$ 353,085</b>	<b>\$ 12,621,933</b>	<b>\$ 353,085</b>

# South-Western City School District

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## Notes to Schedule of Receipts and Expenditures Federal Awards Year Ended June 30, 2004

### 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, 2004, the District had no significant food commodities in inventory.

# South-Western City School District

## Schedule of Findings and Questioned Costs Year Ended June 30, 2004

### 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, 2004

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

Identification of major program(s):

CFDA Number(s)	Name of Federal Program or Cluster
10.550, 10.553, 10.555, 10.559	Child Nutrition Cluster
84.010	Title I, Part A, IASA
84.027, 84.173	Special Education Cluster
84.048	Vocational Education
84.367	Improving Teacher Quality (Title IIA)
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs: \$389,251

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

# South-Western City School District

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2004

### Section II - Financial Statement Audit Findings

Reference Number	Findings
Current Year 04-1	<p><b>Finding Type</b> – Reportable condition</p> <p><b>Criteria</b> – During the year it was noted that the District had a lack of segregation of duties over the cash receipt function, while depositing, recording, and reconciling cash receipts within the Treasurer’s office.</p> <p><b>Condition</b> – The Assistant Treasurer had access to depositing cash receipts, recording the cash deposits in the general ledger system, and preparing the bank reconciliations during the year.</p> <p><b>Recommendation</b> – South-Western City School District should segregate duties of depositing, recording, and reconciling cash receipts to more employees within the Treasurer’s office.</p>
Current Year 04-2	<p><b>Finding Type</b> - Reportable condition and noncompliance condition</p> <p><b>Criteria</b> - According to ORC Section 5705.39 – The total appropriation from each fund should not exceed the total estimated revenue where it results in a negative fund balance on the <i>Schedule of Revenues, Expenditures and Changes in Fund Balance (Non-GAAP) and Actual</i>.</p> <p><b>Condition</b> - The total appropriation of the following funds exceeded the total estimated revenue, which resulted in a negative fund balance:</p> <p>All State Grant Funds and All Federal Grants Fund</p> <p><b>Context</b> – A local government participating in a grant program whereby proceeds will be received after the expenditures are incurred, it is possible that if properly budgeted, appropriations for one fiscal year will exceed the available amount on the certificate of estimated resources.</p> <p><b>Recommendation</b> – South-Western City School District should consider using an advance to prevent a negative fund balance.</p>

# South-Western City School District

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2004

### Section III - Federal Program Audit Findings

Reference Number	Findings
Current Year 04-3	<p><b>Programs</b> – Title IIA – 84.367, Special Education Cluster – 84.027, Title I - 84.010, Headstart – 93.600</p>

**Finding Type** – Reportable condition and noncompliance condition

**Criteria** – In accordance with OMB Circular A-87, Attachment B, if an employee is charged solely to one federal program, South-Western City School District is required to obtain certification twice a year, signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee

**Condition** – South-Western City School District did not obtain certifications semi-annually signed by the employee or supervisory official for employees charged solely to one federal program for a total of 33 employees broken down as follows:

Federal Grantor	CFDA #	Federal Program	Instances of noncompliance
U.S. Department of Education	84.010	Title I	7
U.S. Department of Education	84.027	Special Education Cluster	10
U.S. Department of Education	84.367	Title II- A	2
U.S. Department of Health and Human Services	93.600	Head Start	14
Total			33

**Context** – South-Western City School District did obtain certifications for these employees, however, they were only obtained once during the year. The district was able to provide other evidence/ documentation supporting the service was provided by the employees.

**Questioned costs** – None

# South-Western City School District

## Schedule of Findings and Questioned Costs (Continued) Year Ended June 30, 2004

**Cause/Effect** – Signed certifications are required as part of the documentation of the services provided by employees charged solely to one federal program.

**Recommendation** – In addition to the documentation already maintained by South-Western City School District, procedures should be implemented to identify those employees charged solely to one federal program and obtain semi-annual certifications signed by the appropriate individual

**Response** – South-Western City Schools has implemented a procedure requiring all employees who are charged solely to one federal program to sign a certification at least semi-annually each year.

Reference Number	Findings
Prior Year 03-2	<p><b>Status Indicator</b> - Not cleared</p> <p><b>Status of Condition</b> –South-Western City School District did not obtain certifications semi-annually signed by the employee or supervisory official for employees charged solely to one federal program for a total of 23 employees in accordance with OMB Circular A-87, Attachment B.</p> <p><b>Narrative</b> – See finding 04-3.</p>

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

*Grove City, Ohio*

***COMPREHENSIVE ANNUAL FINANCIAL  
REPORT***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2004***

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, 2004

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## District Service Center

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October 25, 2004

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

The fifteenth Comprehensive Annual Financial Report (CAFR) of the South-Western City School District (the District) Treasurer's Office contains financial statements, supplemental statements, and statistical information to provide complete and full disclosure of all material aspects of the District for the 2003-04 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 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 36 instruction/support facilities staffed by 1,053 non-certificated employees, 1,481 certificated full-time teaching personnel and 118 administrative employees to provide services to 20,536 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 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 4.9 percent for the period ending September 2004. This rate of unemployment falls well below the Ohio rate of unemployment of 5.7 percent and the national unemployment rate of 5.1 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 operating 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**

Financially, the District has not been on the ballot for operating dollars since 1994. In 1994, the District passed an 8.9 mill operating levy. Since that time, due to challenges resulting from House Bill 920 mentioned above, the District has seen its effective millage rate drop by 9.33 mills. The 9.33 mills lost would generate over twenty-one million dollars annually. Due to this loss of millage rate, the District has placed a 9.7 mill combined operating/permanent improvement levy on the November 2, 2004 ballot. This levy would generate roughly twenty-two million dollars annually and would last for a period of roughly five years. The decision to place the 9.7 mill levy on the November ballot was made by a group of community leaders within the District.

Continuous Improvement Plans (CIP) have been implemented in each building in support of the District's CIP. Each plan works as a blueprint in setting the direction on how individual buildings will grow academically even though their populations differ. An off year proficiency testing program, known as the TerraNova Test, was implemented during the 2002-03 school year. The results of these off year tests will provide administration and staff with the information necessary to target the population in most need of assistance and will also assist in tailoring instruction to meet the needs of each individual student.

Additionally, the District continues to grow and focus on Graduation Attendance, and Proficiency (GAP), which has been an ongoing target. To meet the initiatives of GAP, the District implemented a pilot program involving four elementary schools which targeted State mandated proficiency outcomes which is in its third year of existence. 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. As a result of the District CIP and the focus on GAP, the District has received Continuous Improvement Status from the State of Ohio Department of Education.

### **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 capital assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

At the beginning of each fiscal year, the Board of Education adopts either a temporary appropriation measure or a permanent appropriation measure for that fiscal year. If a temporary appropriation is first adopted, the permanent appropriation measure must be adopted 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 and account groups 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 general purpose 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 (STAR OHIO), 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. During fiscal year 2004, the District contracted with Ohio School Plan for general liability. General liability had a \$1,000,000 single occurrence limit and a \$3,000,000 aggregate limit with no deductible. Property and fleet insurance is with Indiana Insurance. Fleet insurance requires \$1,000 deductibles for both comprehensive and collision. Property insurance deductibles range from \$25 to \$50,000 depending upon the type of property and loss.

The District participates in the State 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 one-year plan with United Health Care that covers the period from January 1, 2004 through January 1, 2005. Premiums increased effective January 2004 by twenty-seven percent. 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 2004. During fiscal year 2004, the District negotiated a one-year renewal plan with United Health Care with a seven and a half percent increase effective January 1, 2005. The 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 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 July 2003 with an effective date of June 30, 2003. This contract provided for a 5 percent raise effective July 1, 2003 and an additional 4.5 percent and 3 percent raise effective July 1, 2004 and July 1, 2005, respectively.

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 spring of 2004, the District negotiated a three-year contract with the association. This contract commenced March 1, 2004, and expires February 29, 2007 includes pick up of the employees retirement costs of 10 % each year of the contract. Members of this organization received raises of 3.8%, 4%, and 4% 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.

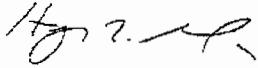
***Award*** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003.

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

Krista A. Stastyshyn	President
William G. McCarty	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	Assistant Superintendent - Business Services
Gary D. Smetzer	Assistant Superintendent - Human Resources
William Wise	Assistant Superintendent - Curriculum
Bryan Mulvany	Executive Director Data and Information Services
Jeff B. Warner	Executive Director of Communications
Pamela J. Early	Executive Director of Early Education
Harvey Nesser	Executive Director of Special Services
Roby Schottke	Executive Director of Teaching and Learning
Janice A. Collette	Personnel Director
Matthew Cygnor	Personnel Director
James Staten	Personnel Director
Scott D. Deubner	Business Manager
Sherry P. Minton	Coordinator – Career and Technical Programs

## 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
Debra L. Makarius	Payroll
Terese M. Litteral	Accounts Receivable
Deborah Berry	Accounts Payable
Kelly George	Accounts Payable
Barbara J. Lewis	Accounts Payable
Julie Raines	Fixed Assets
Sarah A. Johnson	Employee Benefits
Nancie A. Conley	Accountant
Anita M. McCreary	Accountant



# 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, 2003

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.



*Nancy L. Zjella*

President

*Jeffrey R. Emer*

Executive Director

## Independent Auditor's Report

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, 2004, 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, 2004 and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis (identified in the table of contents) is not a required part of the basic financial statements but is 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 required supplemental information and other supplemental information, as identified in the table of contents, are not a required part of the basic financial statements. The required supplemental information is information required by the Governmental Accounting Standards Board; the other supplemental information is presented for the purpose of additional analysis. The required supplemental information and the other supplemental information have 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 October 25, 2004 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 grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Plante & Moran, PLLC*

October 25, 2004

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, 2004. 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, 2004 and as of June 30, 2003 for comparison purposes:

<i>Table 1</i>		
	Governmental Activities (in thousands)	
	2004	2003
<b>Assets</b>		
Current and other assets	\$ 125,324	\$ 134,618
Capital Assets	<u>172,863</u>	<u>177,769</u>
Total Assets	<u>298,187</u>	<u>312,387</u>
<b>Liabilities</b>		
Current liabilities	94,086	93,009
Long-term liabilities	<u>143,885</u>	<u>159,609</u>
Total Liabilities	<u>237,971</u>	<u>252,618</u>
<b>Net Assets</b>		
Invested in capital assets - Net of related debt	32,771	31,576
Restricted	9,671	7,610
Unrestricted	<u>17,774</u>	<u>20,583</u>
Total Net Assets	<u>\$ 60,216</u>	<u>\$ 59,769</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 \$60,216 thousand at June 30, 2004. Capital assets, net of related debt totaling \$32,771 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 \$17,774 thousand was unrestricted.

The \$17,774 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),

South-Western City District  
Management Discussion and Analysis

the District would have \$17,774 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.

The results of this year's operations for the District as a whole are reported in the statement of activities (Table 2), which shows the changes in net assets as of June 30, 2004 and as of June 30, 2003, for comparison purposes.

<i>Table 2</i>		
	Governmental Activities (in thousands)	
	2004	2003
<b>Revenue</b>		
Program revenue:		
Charges for Services	\$ 4,638	\$ 4,475
Operating Grants	21,175	19,188
General Revenue:		
Property Taxes	94,086	76,004
Grants and Entitlements	79,733	71,897
Interest	558	1,326
Other Local Revenue	<u>3,959</u>	<u>3,807</u>
Total Revenue	<u>204,149</u>	<u>176,697</u>
<b>Functions/Program Expenses</b>		
Instruction	109,182	98,180
Support Services	73,850	68,884
Food Services	7,311	6,912
Community Services	1,400	1,603
Extracurricular Activities	3,648	3,534
Interest and Fiscal Charges	<u>8,310</u>	<u>9,208</u>
Total Expenses	<u>203,701</u>	<u>188,321</u>
<b>Increase (Decrease) in Net Assets</b>	<u>\$ 448</u>	<u>\$ (11,624)</u>

As reported in the statement of activities, the cost of all of the governmental activities this year was \$203,701 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$4,638 thousand or by other governments and organizations that

South-Western City District  
Management Discussion and Analysis

subsidized certain programs with grants and contributions in the amount of \$21,175 thousand. The remaining “public benefit” portion of the governmental activities was paid for with \$94,086 thousand in taxes, \$79,773 thousand in grants and entitlements, and with other revenues.

The District experienced an increase in net assets of \$448 thousand. The overall increase was due to the District implementing a freeze on all current expenditures that were discretionary. Due to stagnant revenues and increasing expenditures, the District implemented this strategy. Under the current funding structure in Ohio, it is necessary for school districts to periodically go back to the voting public to obtain funds to meet increasing expenditure levels. The District has taken a step in obtaining needed revenues by placing a 9.7 mill operating/permanent improvement levy on the November 2, 2004 ballot.

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 \$28,046 thousand, which is a decrease of \$5,102 thousand from last year. The primary reason for the decrease is due to restricted revenue growth as compared to expenditure growth.

In the General Fund, the principal operating fund, the fund balance decreased \$5,926 thousand to \$16,292 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 increase of \$2,518 thousand due to tax collections being higher than debt service requirements for last fiscal year. 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 Improvement Fund fund balance decreased \$1,441 thousand as the District continued construction related to the 1998 bond issue. As of June 30, 2004, all projects relating to the 1998 bond issue. were completed. The \$289 thousand remaining in the Capital Improvement Fund will be used for smaller projects within the District.

Other Governmental Funds consist of special revenue funds. The decrease of \$254 thousand is due to state budget cuts, which are focused on supplemental programming.

South-Western City District  
Management Discussion and Analysis

**General Fund Budgetary Highlights**

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

There were significant revisions made to the 2003-2004 General Fund original budget. Budgeted revenues were decreased \$98 thousand primarily due to delinquent tax receipts being higher than anticipated. 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 \$5,320 thousand primarily to account for the increase in payments to community schools and health insurance as noted earlier. The amount of transfers to other funds established in the amended budget was \$1,668 thousand and represents support provided by the General Fund to other functions.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2004, the District had \$172,863 thousand invested in a broad range of capital assets, including land, improvements to land, buildings, furniture and equipment, vehicles, and buses. This amount represents a net decrease (including additions, deductions, and depreciation) of \$4,906 thousand, or 2.8 percent, from last year.

<u>Description of Capital Asset</u>	<u>2004</u>	<u>2003</u>
Land	\$ 6,768	\$ 6,768
Improvements to Land	1,748	2,040
Buildings	153,333	157,041
Furniture and Equipment	6,586	7,816
Vehicles	295	290
Buses	<u>4,133</u>	<u>3,814</u>
Total Capital Assets	<u>\$ 172,863</u>	<u>\$ 177,769</u>

This year's additions of \$18,384 thousand included costs associated with the Hayes Intermediate renovation, buses, vehicles, and technology. No new debt was issued for these additions in fiscal year 2004.

Due to fiscal constraints, the District doesn't anticipate any major capital projects for 2004-05 fiscal year. The District anticipates capital additions will be approximately \$1,983 thousand less than the 2003-2004 fiscal year. A more detailed explanation of the capital assets is presented in the notes to the financial statements.

South-Western City District  
Management Discussion and Analysis

***Debt***

At the end of this year, the District had \$138,979 thousand in bonds and note outstanding versus \$145,413 thousand in the previous year, which is a decrease of 4.5 percent. Those bonds and note consisted of the following: (in thousands)

<u>Description of General Obligation Bonds</u>	<u>2004</u>	<u>2003</u>
1986 Refunding School Facilities	\$ -	\$ 4,600
1994 School Facilities	-	26,070
1996 Bus	785	1,025
1999 School Facilities	100,174	103,400
2002 School Facilities	4,095	4,480
1994 Energy Conservation	-	300
2002 Energy Conservation	4,285	4,605
2003 Refunding Bond	28,774	-
2000 Vocational Construction	<u>866</u>	<u>933</u>
Total General Obligation Bonds	<u>\$ 138,979</u>	<u>\$ 145,413</u>

The District's general obligation bond rating was last 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 District maintained these two ratings during a credit update performed in October of 2003. 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 \$138,979 thousand is significantly below the \$236,730 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 2005 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 2005 budget was adopted in June 2004, based on an estimate of students that will be enrolled in September 2004. 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 funding is heavily dependent on the state's ability to fund local school operations. Based on early enrollment data at the start of the 2005 school year, the District anticipates that the fall student count will be close to the estimates used in creating the fiscal year 2005 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.

South-Western City District  
Management Discussion and Analysis

Since the District's revenue is heavily dependent 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. Due to this fact, during fiscal year 2003, the State cut the District's budget by roughly one million dollars, which was never replaced. Although no budget cuts are anticipated in fiscal year 2005, it is not without possibility that they could occur.

These factors, along with increasing payments to community schools have placed the District in a position where it must seek additional funds through an operating levy to maintain current programming. To combat this shortfall, the District placed a 9.7 mill operating/permanent improvement levy to be placed on the November 2, 2004 ballot. The voters did not pass this levy. Without these additional funds, the District will have to make appropriate cuts to balance the budget. The District will be looking at placing another levy on the ballot in February 2005.

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South-Western City School District  
Statement of Net Assets  
June 30, 2004

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 27,367,844
Restricted Cash and Cash Equivalents	701,825
Receivable:	
Taxes - Current	81,314,558
Taxes - Delinquent	10,479,138
Accounts	485,743
Interest	70,217
Intergovernmental - Federal	3,070,594
Loan Receivable - Fiduciary	205,695
Prepaid Items	450,550
Materials and Supplies Inventory	402,270
Unamortized Debt Issuance Costs	775,605
Capital Assets, Net of Accumulated Depreciation	172,863,072
Total Assets	<u>\$ 298,187,111</u>
<u>Liabilities</u>	
Accounts Payable	\$ 2,285,833
Contracts Payable	19,875
Payable from Restricted Assets:	
Contracts Payable - Retainage	143,927
Claims Payable	135,280
Accrued Wages and Benefits	17,524,050
Accrued Interest Payable	865,840
Deferred Revenue	63,640,049
Long-Term Liabilities:	
Due within One Year	9,470,879
Due in More than One Year	143,884,900
Total Liabilities	<u>\$ 237,970,633</u>
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	32,771,331
Restricted for:	
Debt Service	9,486,601
Capital Projects	184,109
Unrestricted	17,774,437
Total Net Assets	<u>\$ 60,216,478</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, 2004

	<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>				
<b>Instruction:</b>				
Regular	\$ 82,081,703	\$ 99,520	\$ 2,684,099	\$ (79,298,084)
Special	20,041,211	218	7,302,865	(12,738,128)
Vocational	6,665,313	117,860	2,114,189	(4,433,264)
Other	394,006	-	160,665	(233,341)
<b>Support Services:</b>				
Pupil	7,326,436	-	1,005,593	(6,320,843)
Instructional Staff	16,854,642	-	2,160,890	(14,693,752)
Board of Education	401,151	-	-	(401,151)
Administration	13,688,663	-	641,155	(13,047,508)
Fiscal	3,030,493	-	79,215	(2,951,278)
Business	1,122,396	-	-	(1,122,396)
Operations and Maintenance	15,802,554	-	472,841	(15,329,713)
Pupil Transportation	10,786,583	110,668	548,765	(10,127,150)
Central	4,837,026	-	-	(4,837,026)
Food Service	7,311,356	3,696,360	3,134,012	(480,984)
Community Services	1,399,643	11,093	796,586	(591,964)
Extracurricular Activities	3,648,003	602,334	73,867	(2,971,802)
Interest and Fiscal Charges	8,309,541	-	-	(8,309,541)
<b>Total Governmental Activities</b>	<b>203,700,720</b>	<b>4,638,053</b>	<b>21,174,742</b>	<b>(177,887,925)</b>
<b>General Revenue:</b>				
Property Taxes Levied for:				
General Purposes				77,869,586
Debt Service				16,216,513
Grants and Entitlements not Restricted to Specific Program				79,733,241
Interest				557,566
Other Local Revenue				3,959,083
<b>Total General Revenues and Extraordinary Item</b>				<b>178,335,989</b>
<b>Changes in Net Assets</b>				
Net Assets Beginning of Year				59,768,414
Net Assets End of Year				<b>\$ 60,216,478</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, 2004

	<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	\$ 17,412,806	\$ 4,606,151	\$ 308,752	\$ 4,491,600
Restricted Cash and Cash Equivalents	557,898	-	143,927	-
Receivable:				
Taxes - Current	67,545,994	13,768,564	-	-
Taxes - Delinquent	8,932,656	1,546,482	-	-
Accounts	453,126	-	-	32,617
Interest	70,217	-	-	-
Intergovernmental	513,180	-	-	2,557,414
Interfund Loan Receivable	1,198,834	-	-	-
Prepaid Items	319,620	-	-	130,930
Materials and Supplies Inventory	300,614	-	-	101,656
Total Assets	<u>\$ 97,304,945</u>	<u>\$ 19,921,197</u>	<u>\$ 452,679</u>	<u>\$ 7,314,217</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ 1,491,457	\$ -	\$ -	\$ 794,376
Contracts Payable	-	-	19,875	-
Payable from Restricted Assets:				
Contracts Payable - Retainage	-	-	143,927	-
Accrued Wages and Benefits	16,099,849	-	-	1,424,201
Compensated Absences Payable	1,025,894	-	-	-
Interfund Loans Payable	-	-	-	993,139
Deferred Revenue	62,396,117	11,981,078	-	576,709
Total Liabilities	<u>81,013,317</u>	<u>11,981,078</u>	<u>163,802</u>	<u>3,788,425</u>
Fund Balance:				
Reserved for Encumbrances	3,095,421	-	611,710	543,263
Reserved for House Bill 412	557,898	-	-	-
Reserved for Future Appropriation	14,457,606	3,333,968	-	-
Unreserved				
Designated for Capital Projects	-	-	(322,833)	-
Designated for Debt Service	-	4,606,151	-	-
Undesignated, reported in				
General Fund	(1,819,297)	-	-	-
Special Revenue Funds	-	-	-	2,982,529
Total Fund Balances	<u>16,291,628</u>	<u>7,940,119</u>	<u>288,877</u>	<u>3,525,792</u>
Total Liabilities and Fund Balances	<u>\$ 97,304,945</u>	<u>\$ 19,921,197</u>	<u>\$ 452,679</u>	<u>\$ 7,314,217</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, 2004

<u>Total Governmental Funds</u>		
	Total Governmental Fund Balances	\$ 28,046,416
\$ 26,819,309	Amounts reported for governmental activities in the statement of net assets are different because:	
701,825		
81,314,558	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	172,863,072
10,479,138		
485,743	Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	12,147,231
70,217		
3,070,594	An internal service fund is used by management to charge the cost of dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets	355,484
1,198,834		
450,550		
402,270		
<u>\$ 124,993,038</u>		
	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
\$ 2,285,833	Interest Payable	(865,840)
19,875	Compensated Absences Payable	(12,999,216)
143,927	Capital Leases Payable	(351,724)
17,524,050	General Obligation Debt	(133,827,279)
1,025,894	Energy Conservation Debt	(4,285,000)
993,139	Vocational Construction Loan	(866,666)
74,953,904		
<u>96,946,622</u>	Net Assets of Governmental Activities	<u>\$ 60,216,478</u>
	The notes to the financial statements are an integral part of this statement.	
4,250,394		
557,898		
17,791,574		
(322,833)		
4,606,151		
(1,819,297)		
<u>2,982,529</u>		
<u>28,046,416</u>		
<u>\$ 124,993,038</u>		

South-Western City School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2004

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
<b>Revenues:</b>				
<b>Local:</b>				
Taxes	\$ 75,002,555	\$ 15,758,062	\$ -	\$ -
Tuition	490,455	-	-	164,164
Interest	521,057	-	7,903	23,905
Other Local Revenue	1,401,458	1,508	346,452	6,814,043
Intergovernmental - State	81,716,404	1,563,297	-	3,577,934
Intergovernmental - Federal	941,662	-	-	13,110,374
<b>Total Revenues</b>	<u>160,073,591</u>	<u>17,322,867</u>	<u>354,355</u>	<u>23,690,420</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	73,386,722	-	4,035	3,285,443
Special	16,393,026	-	-	3,293,618
Vocational	5,001,224	-	-	481,331
Other	218,794	-	-	174,795
<b>Support Services:</b>				
Pupil	6,635,526	-	-	771,972
Instructional Staff	13,768,132	-	-	2,848,109
Board of Education	401,151	-	-	-
Administration	11,930,698	-	-	1,198,902
Fiscal	2,588,884	357,404	-	79,632
Business	1,088,251	-	-	-
Operations and Maintenance	15,207,070	-	3,673	186,370
Pupil Transportation	8,833,545	-	-	559,130
Central	2,677,134	-	-	1,045,083
Food Service	-	-	-	6,787,151
Community Services	228,175	-	4,500	801,124
Extracurricular Activities	2,071,856	-	-	1,316,391
Capital Outlay	3,954,468	-	1,781,032	1,156,467
Pass Through Grants	325,000	-	-	-
<b>Debt Services:</b>				
Principal Retirement	266,141	7,281,563	-	-
Interest and Fiscal Charges	19,322	8,348,586	-	-
<b>Total Expenditures</b>	<u>164,995,119</u>	<u>15,987,553</u>	<u>1,793,240</u>	<u>23,985,518</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,921,528)</b>	<b>1,335,314</b>	<b>(1,438,885)</b>	<b>(295,098)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	-	976,887	-	49,508
Transfers - Out	(1,018,090)	-	-	(8,305)
Proceeds from the Sale of Refunding Bonds	-	27,050,000	-	-
Premium on the Sale of Refunding Bonds	-	1,846,786	-	-
Principal Payment to Refunding Bonds Escrow Agent	-	(27,860,001)	-	-
Issuance Costs for Refunding Bonds	-	(831,005)	-	-
Proceeds from the Sale of Fixed Assets	12,859	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,005,231)</u>	<u>1,182,667</u>	<u>-</u>	<u>41,203</u>
<b>Net Change in Fund Balance</b>	<b>(5,926,759)</b>	<b>2,517,981</b>	<b>(1,438,885)</b>	<b>(253,895)</b>
<b>Fund Balances at Beginning of Year</b>	<u>22,218,387</u>	<u>5,422,138</u>	<u>1,727,762</u>	<u>3,779,687</u>
<b>Fund Balances at End of Year</b>	<u>\$ 16,291,628</u>	<u>\$ 7,940,119</u>	<u>\$ 288,877</u>	<u>\$ 3,525,792</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, 2004

	<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (5,101,558)</b>
	Amounts reported for governmental activities in the statement of activities are different because:	
<p>\$ 90,760,617          654,619          552,865          8,563,461          86,857,635  <u>14,052,036</u>  <u>201,441,233</u></p>	<p>Governmental funds report capital outlays as expenditures. However, in the statements of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (10,036,525) in the current period exceeds capital outlay, which met the capitalization criteria, (\$5,419,016).</p>	(4,617,509)
<p>76,676,200          19,686,644          5,482,555          393,589</p>	<p>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 from the change in fund balances by the cost of the assets disposed.</p>	(288,597)
<p>7,407,498          16,616,241          401,151          13,129,600          3,025,920          1,088,251          15,397,113          9,392,675          3,722,217          6,787,151          1,033,799          3,388,247          6,891,967          325,000</p>	<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	3,328,444
<p>7,407,498          16,616,241          401,151          13,129,600          3,025,920          1,088,251          15,397,113          9,392,675          3,722,217          6,787,151          1,033,799          3,388,247          6,891,967          325,000</p>	<p>Long-term debt proceeds provide current financial resource to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>	35,331,350
<p>7,407,498          16,616,241          401,151          13,129,600          3,025,920          1,088,251          15,397,113          9,392,675          3,722,217          6,787,151          1,033,799          3,388,247          6,891,967          325,000</p>	<p>Proceeds and premiums from the sale of bonds in the statement of revenues, expenditures, and changes in fund balance that are reported as other financing sources are not reported as revenues in the statement of activities.</p>	(28,896,786)
<p>7,407,498          16,616,241          401,151          13,129,600          3,025,920          1,088,251          15,397,113          9,392,675          3,722,217          6,787,151          1,033,799          3,388,247          6,891,967          325,000</p>	<p>Debt Issuance costs reported in the statement of revenues, expenditures, and changes in fund balances that are reported as expenditures are not reported as expenses in the statement of activities.</p>	831,005
<p>7,407,498          16,616,241          401,151          13,129,600          3,025,920          1,088,251          15,397,113          9,392,675          3,722,217          6,787,151          1,033,799          3,388,247          6,891,967          325,000</p>	<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	(330,497)
<p>7,407,498          16,616,241          401,151          13,129,600          3,025,920          1,088,251          15,397,113          9,392,675          3,722,217          6,787,151          1,033,799          3,388,247          6,891,967          325,000</p>	<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of internal services funds is reported with governmental activities.</p>	192,212
<p>7,407,498          16,616,241          401,151          13,129,600          3,025,920          1,088,251          15,397,113          9,392,675          3,722,217          6,787,151          1,033,799          3,388,247          6,891,967          325,000</p>	<p>Changes in Net Assets of Governmental Activities</p>	<u>\$ 448,064</u>
<p>(5,320,197)</p>	<p>The notes to the financial statements are an integral part of this statement.</p>	
<p>1,026,395          (1,026,395)          27,050,000          1,846,786          (27,860,001)          (831,005)          12,859  <u>218,639</u></p>		
<p>(5,101,558)</p>		
<p>33,147,974  <u>\$ 28,046,416</u></p>		

South-Western City School District  
Statement of Net Assets  
Internal Service Fund  
June 30, 2004

Current Assets:

Equity in Pooled Cash and Cash Equivalents	<u>\$ 548,535</u>
Total Current Assets	<u>\$ 548,535</u>

Current Liabilities:

Claims Payable	\$ 135,280
Deferred Revenue	<u>57,771</u>
Total Current Liabilities	<u>\$ 193,051</u>

Net Assets

Unrestricted	<u>\$ 355,484</u>
Total Net Assets	<u>\$ 355,484</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, 2004

Operating Revenues:	
Charges for Services	\$ 1,945,607
Charges to Employees	<u>9,402</u>
Total Operating Revenues	<u>1,955,009</u>
Operating Expenses:	
Claims	1,655,449
Purchased Services	<u>112,049</u>
Total Operating Expenses	<u>1,767,498</u>
Operating Income	187,511
Non-Operating Revenues:	
Interest	<u>4,701</u>
Total Non-Operating Revenues	<u>4,701</u>
Change in Net Assets	192,212
Net Assets Beginning of Year	<u>163,272</u>
Net Assets End of Year	<u>\$ 355,484</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, 2004

Increase in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Cash Received from Customers	\$ 1,884,227
Cash Received from Employees	9,402
Cash Payments for Claims	(1,640,716)
Cash Payments to Suppliers for Goods and Services	<u>(112,049)</u>
Net Cash Provided by Operating Activities	<u>140,864</u>

Cash Flows from Investing Activities:

Interest	4,701
Net Cash Provided by Investing Activities	<u>4,701</u>

Net Increase in Cash and Cash Equivalents	145,565
Cash and Cash Equivalents Beginning of Year	<u>402,970</u>
Cash and Cash Equivalents End of Year	<u>\$ 548,535</u>

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities:

Operating Income	\$ 187,511
------------------	------------

Adjustments to Reconcile Operating Income to Net

Cash Provided by Operating Activities:

Changes in Assets and Liabilities:

Increase in Claims Payable	16,793
Decrease in Deferred Revenue	<u>(63,440)</u>
Net Cash Provided by Operating Activities	<u>\$ 140,864</u>

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



South-Western City School District  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2004

Assets:

Equity in Pooled Cash and Cash Equivalents	\$	4,576,906
Accounts Receivable		168,259
Intergovernmental Receivable		342,384
Total Assets	\$	<u>5,087,549</u>

Liabilities:

Accounts Payable	\$	2,033,571
Accrued Wages and Benefits		1,564
Interfund Loans Payable		205,695
Undistributed Money		2,537,599
Deferred Revenue		309,120
Total Liabilities	\$	<u>5,087,549</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, 2004*

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The South-Western City School District (the "District") operates under a locally elected five-member board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District's thirty-six instructional/support facilities and one leased facility staffed by 1,053 non-certificated employees, 1,481 certificated full time teaching personnel and 118 administrative employees to provide services to approximately 20,536 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 sixth largest in the state of Ohio (among 612 school districts) in terms of enrollment and the second largest (behind the Columbus City School District) in Franklin County. During fiscal year 2004 the District operated 17 elementary schools, five intermediate schools, five middle schools, four comprehensive high schools and one career academy high school.

**Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For 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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

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

**B. Fund Accounting (continued)**

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

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

Proprietary Fund

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

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

Fiduciary Funds

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

Agency Funds - Agency Funds are used to account for student activities, 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 total net assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

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

**D. Basis of Accounting**

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

**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, 2004, but which were levied to finance fiscal year 2005 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.

**Operating and Nonoperating Revenues and Expenses**

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

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

Expenditures/Expenses

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

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

E. 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. 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 2004, 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 2004. 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, 2004.

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 2004 amounted to \$521,057, which includes \$141,780 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.

F. Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2004, 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, 2004*

**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. Capital Assets and Depreciation**

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$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

**J. 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, 2004.

The entire compensated absence liability is reported on the government-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, 2004*

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

**K. 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.

**L. 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.

**M. 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.

**NOTE 3 -REQUIRED INDIVIDUAL FUND DISCLOSURES**

The Food Service Special Revenue fund has a deficit fund balance of \$181,141 at June 30, 2004. An increase in participation and lowering operating costs helped off set the deficit that existed from fiscal year 2003 in the amount of \$281,235. Four calamity days occurred during fiscal year 2004 that resulted in a loss of revenues over \$140,000.

**NOTE 4 - 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.



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**NOTE 4 - CASH AND CASH EQUIVALENTS (continued)**

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.

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 \$7,353,478 and the bank balance was \$7,379,701. 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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**NOTE 4 - CASH AND CASH EQUIVALENTS (continued)**

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 <u>Value</u>	Fair <u>Value</u>
Government Securities	\$ 13,942,967	\$ -	\$ 13,942,967	\$ 13,899,357
STAR Ohio	-	-	10,646,130	10,646,130
Repurchase Agreements	-	704,000	704,000	704,000
Total	<u>\$ 13,942,967</u>	<u>\$ 704,000</u>	<u>\$ 25,293,097</u>	<u>\$ 25,249,487</u>

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/ <u>Deposits</u>	<u>Investments</u>
GASB Statement 9	\$ 32,646,575	\$ -
Investments:		
Governmental Securities	(13,942,967)	13,942,967
Repurchase Agreements	(704,000)	704,000
STAR OHIO	<u>(10,646,130)</u>	<u>10,646,130</u>
GASB Statement 3	<u>\$ 7,353,478</u>	<u>\$ 25,293,097</u>

**NOTE 5 - 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 25 percent of true value (with certain exceptions) and on real property at 35 percent of true value. 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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

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

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, 2004 are available to finance fiscal year 2004 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which become measurable as of June 30, 2004. 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 \$14,457,606 in the General Fund and \$3,333,968 in the Bond Retirement Fund, which is recognized as revenue.

The assessed values upon which the fiscal year 2004 taxes were collected are:

	<u>2003 Second Half Collection</u>		<u>2004 First Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 1,944,307,560	82.64%	\$ 1,995,580,630	84.30%
Public Utility Real and Personal	80,866,810	3.44%	85,902,440	3.63%
Tangible Personal Property	<u>327,412,336</u>	<u>13.92%</u>	<u>285,817,957</u>	<u>12.07%</u>
Total Assessed Value	<u><u>2,352,586,706</u></u>	<u><u>100%</u></u>	<u><u>2,367,301,027</u></u>	<u><u>100%</u></u>
Tax rate per \$1,000 of Assessed Valuation	\$ 56.44		\$ 56.48	

**NOTE 6 - RECEIVABLES**

Receivables at June 30, 2004 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:

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**NOTE 6 – RECEIVABLES (continued)**

Governmental Activities:	
General Fund	
Federal ROTC Reimbursement	\$ 36,734
Medicare	298,065
E-Rate	178,381
NonMajor Governmental Fund	
Food Service Federal Reimbursement	400,172
Auxiliary Modular Grant	231,159
Career Grant	14,489
State Head Start Grant	95,263
Public Preschool Grant	22,495
Student Intervention Grant	135,367
Entry Year - Grove City Christian	2,200
ABLE	63,716
Migrant Children Grant	14,638
IDEA - B Grant	223,884
Perkins Grant	222,003
Federal Head Start Grant	297,287
Title III	94,395
Title I Grant	478,179
EvenStart Grant	32,478
CSRD Grant	29,994
Title V Grant	35,206
Safe and Drug Free Grant	16,147
Title II-A	107,577
SMART Grant	40,575
Learn and Serve Grant	190
Agency Fund	
State OMAP Grant	313,264
Federal OMAP Grant	29,120
Total Intergovernmental Receivable	<u>\$ 3,412,978</u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**NOTE 6 – RECEIVABLES (continued)**

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent Property Taxes	\$ 10,479,138	\$ 63,522,984
Grant payments received prior to meeting all eligibility requirements	834,717	117,065
	\$ 11,313,855	\$ 63,640,049

**NOTE 7 – CAPITAL ASSETS**

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

	<u>Balance 6/30/2003</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2004</u>
<b>Governmental Activities</b>				
<b>Non-Depreciable:</b>				
Land	\$ 6,768,233	\$ -	\$ -	\$ 6,768,233
Construction in Progress	10,698,989	2,464,426	12,964,945	198,470
Total Non-Depreciable	17,467,222	2,464,426	12,964,945	6,966,703
<b>Depreciable:</b>				
Improvements to Land	5,778,489	36,178	87,107	5,727,560
Buildings	190,784,936	12,942,240	625,385	203,101,791
Furniture and Equipment	21,418,473	1,505,134	1,566,061	21,357,546
Vehicles	1,502,626	130,953	22,422	1,611,157
Buses	9,943,968	1,305,030	543,864	10,705,134
Total Depreciable	229,428,492	15,919,535	2,844,839	242,503,188
<b>Accumulated Depreciation:</b>				
Improvements to Land	3,737,519	329,921	87,107	3,980,333
Buildings	44,443,455	5,951,940	428,419	49,966,976
Furniture and Equipment	13,601,985	2,644,164	1,474,430	14,771,719
Vehicles	1,213,132	125,005	22,422	1,315,715
Buses	6,130,445	985,495	543,864	6,572,076
Total Accumulated Depreciation	69,126,536	10,036,525	2,556,242	76,606,819
Net Depreciable Capital Assets	160,301,956	5,883,010	288,597	165,896,369
Net Governmental Activities Capital Assets	\$ 177,769,178	\$ 8,347,436	\$ 13,253,542	\$ 172,863,072

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

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

Depreciation Expense was charged to governmental functions as follows:

Instruction:

Regular	\$ 4,870,480
Special	117,146
Vocational	1,040,451

Support Services:

Pupil	8,480
Instructional Staff	196,593
Administration	469,854
Fiscal	4,406
Business	504
Operations and Maintenance	224,929
Transportation	1,082,899
Central	1,023,111
Food Service	519,184
Community Services	266,381
Extracurricular	212,107
Total Depreciation Expense	<u>\$ 10,036,525</u>

**NOTE 8 - 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.

As of July 1, 2003 the plan members required contribution was 10% 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, 2004, 2003, and 2002, were \$6,551,883, \$5,889,527, and \$5,315,358, respectively, equal to the required contributions for each year.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
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**NOTE 8 - DEFINED BENEFIT PENSION PLANS (continued)**

**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. Effective July 1, 2001, members have three plan options. The defined benefit plan is established under Chapter 3307 of the Revised Code. The defined contribution plan is established under Sections 3307.80 to 3307.89 of the Revised Code. A combined plan allows members to allocate their contribution with the employer contribution used to fund a defined benefit payment. 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.

As of July 1, 2003 the plan members required contribution was 10% 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 for employees. The District's contributions to STRS for the years ending June 30, 2004, 2003, and 2002, were \$20,933,364, \$18,701,662, and \$16,918,736, respectively, equal to the required contributions for each year.

**NOTE 9 - 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, 2003, 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 \$3,925,006 during the 2004 fiscal year. As of June 30, 2003, (the date of the most recent information available) the balance in the health care reserve fund was \$2,800,000,000. For the year ended June 30, 2003, the net health care costs paid by STRS were \$352,301,000 and there were 108,294 eligible benefit recipients for the System as a whole.

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, 2003, employer contributions to fund health care benefits were 5.83 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, prorated for partial service credit. For fiscal year 2003, the minimum pay has been established as \$14,500. 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.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**NOTE 9 - POSTEMPLOYMENT BENEFITS (continued)**

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, 2003 were \$204,930,737 and the target level was \$307,400,000. At June 30, 2003, the Retirement System's net assets available for payment of health care benefits was \$303,600,000. The number of participants currently receiving health care benefits is approximately 50,000. The District's actual contributions for the 2004 fiscal year were \$2,728,204.

**NOTE 10 - RISK MANAGEMENT**

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

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 2003	\$ 86,602	\$ 1,648,138	\$ 1,616,253	\$ 118,487
Fiscal Year 2004	118,487	1,672,242	1,655,449	135,280

**NOTE 11 - CAPITALIZED LEASES**

The District entered into no new capital leases during fiscal year 2004. In the past the District entered into lease agreements to acquire a building, computers, 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 2004 fiscal year totaled \$199,474. Assets acquired through capital lease are as follows: Building \$350,000, Equipment \$374,688, Vehicles \$33,998.

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, 2004.

<u>Fiscal year Ending June 30</u>	
2005	193,553
2006	176,061
Total Minimum Lease Payments	369,614
Less: Amount Representing Interest	(17,890)
Present Value of Minimum Payments	\$ 351,724



*South-Western City School District, Ohio  
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For the Fiscal Year Ended June 30, 2004*

**NOTE 12 - COMPENSATED ABSENCES**

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

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

**NOTE 13 - 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.

During fiscal year 2004, the District issued \$27,050,000 of general obligation bonds for a current refunding of \$27,860,001 of general obligation bonds. The District recorded an additional liability in the amount of \$1,846,786 to record the unamortized premium on these bonds. This refunding was undertaken to take advantage of lower interest rates. The total debt service payments were reduced by \$2,139,244 and the economic gain was \$1,840,059.

The following is a description of the District's Bonds and Long-Term Note outstanding at June 30, 2004:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired in 2004</u>	<u>Bonds Outstanding 6/30/2004</u>
1994 Refunding School Facilities	4.75%	12/1/2006	\$ 8,999,989	\$ 4,600,000	\$ -
1994 School Facilities	6.00%	12/1/2013	35,000,000	26,070,001	-
1996 Bus	4.08%	12/1/2006	2,260,000	240,000	785,000
1999 School Facilities	4.94%	12/1/2026	119,499,621	3,226,563	100,173,612
2002 School Facilities	3.86%	12/1/2012	4,690,000	385,000	4,095,000
1994 Energy Conservation	5.10%	6/1/2004	2,322,000	300,000	-
2002 Energy Conservation	3.86%	12/1/2014	4,775,000	320,000	4,285,000
2000 Vocational Construction	0%	12/31/2016	1,000,000	66,667	866,666
2003 Refunding School Facilities	4.24%	12/1/2013	28,896,786	123,119	28,773,667
<b>Total Long-Term Bonds and Notes Payable</b>			<b>\$ 207,443,396</b>	<b>\$ 35,331,350</b>	<b>\$ 138,978,945</b>

The 2003 Refunding School Facilities Bond includes \$1,846,786 premium received when the bonds were sold and \$123,119 in amortization of premium for fiscal year 2004. The balance of unamortized premium on the bonds is \$1,723,667 and is included in the total bonds outstanding at June 30, 2004.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**NOTE 13 - LONG-TERM DEBT (continued)**

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

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 7,177,061	\$ 8,221,806	\$ 15,398,867
2006	5,909,884	7,072,329	12,982,213
2007	7,491,667	5,421,439	12,913,106
2008	6,076,666	5,189,636	11,266,302
2009	6,266,667	4,970,575	11,237,242
2010-2014	34,203,333	20,531,954	54,735,287
2015-2019	22,575,000	14,001,181	36,576,181
2020-2024	27,630,000	8,134,850	35,764,850
2025-2027	19,925,000	1,449,105	21,374,105
Total	<u>\$ 137,255,278</u>	<u>\$ 74,992,875</u>	<u>\$ 212,248,153</u>

The above amortization schedule (principal payments) does not include the \$1,723,667 in unamortized premium on the 2003 bond issue.

The District's voted legal debt margin was \$80,014,813 with an unvoted debt margin of \$2,367,301 at June 30, 2004.

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 District's financial statements. At June 30, 2004 the balance in the irrevocable trust account is \$4,058,312 and the principal outstanding is \$3,600,000.

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

	<u>Balance at June 30, 2003</u>	<u>Issued/ Transferred</u>	<u>Retired</u>	<u>Balance at June 30, 2004</u>	<u>Amounts Due In One Year</u>
General Obligation Bonds Payable	\$ 139,575,176	\$ 28,896,786	\$ 34,644,683	\$ 133,827,279	\$ 6,780,394
Energy Conservation Bonds Payable	4,905,000	-	620,000	4,285,000	330,000
Long-Term Notes Payable	933,333	-	66,667	866,666	66,667
Compensated Absences	13,644,491	8,449,001	8,068,382	14,025,110	2,112,217
Capital Leases	551,198	-	199,474	351,724	181,601
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 159,609,198</u>	<u>\$ 37,345,787</u>	<u>\$ 43,599,206</u>	<u>\$ 153,355,779</u>	<u>\$ 9,470,879</u>

Compensated absences of \$2,112,217 include \$1,086,323 for vacation and personal leave, which is estimated to be used in the next fiscal year.

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**NOTE 14- INTERFUND TRANSACTIONS**

Interfund Balances at June 30, 2004 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 1,198,834	\$ -
Non-Major Funds:		
Food Service Fund	-	327,810
Other Grants	-	5,219
Athletic/Music Fund	-	87,524
Other State Grants	-	296,008
Other Federal Grants	-	276,578
Fiduciary Funds:		
Teacher Development Agency Fund	-	180,484
Student Activity Fund	-	25,211
Total	<u>\$ 1,198,834</u>	<u>\$ 1,198,834</u>

Interfund balances represent routine and temporary cash flow assistance from the General fund until the amounts are collected.

**NOTE 15 – CONTINGENCIES**

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2004.

B. Litigation

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

**NOTE 16- SIGNIFICANT CONTRACTUAL OBLIGATIONS**

Below is a list of the significant contractual obligations the District is obligated for as of June 30, 2004:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Inca Enterprises	Pre-K Center – General Trades	\$ 151,154
General Maintenance	J.C Sommer Elementary - Roof	104,093
Edwin H. Davis	Buses	909,150
Center City International Trucks	Buses	303,925

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**NOTE 17 - SCHOOL FUNDING**

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

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

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

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

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

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

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

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

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2004*

**NOTE 18- 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, 2004	\$ -	\$ -	\$ 557,898	\$ 557,898
Current Year Set-aside Requirement	2,898,099	2,898,099	-	5,796,198
Qualifying Disbursements	<u>(4,025,712)</u>	<u>(4,438,600)</u>	<u>-</u>	<u>(8,464,312)</u>
Total	<u>\$ (1,127,614)</u>	<u>\$ (1,540,501)</u>	<u>\$ 557,898</u>	<u>\$ (2,110,216)</u>
Cash Balance Carried Forward to FY2005	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 557,898</u>	<u>\$ 557,898</u>

**NOTE 19 - SUBSEQUENT EVENTS**

A new Pre-Kindergarten Center to house 8 Handicapped Preschool classrooms was opened in September 2004. The Pre-Kindergarten Center is located in a site that was used for classroom space in the past.

The District’s 9.7 mill operating levy failed at the November 2, 2004 election. The board has approved a 9.7 mill operating levy on the February 8, 2005 ballot.

**REQUIRED SUPPLEMENTAL INFORMATION**

**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 below is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual is presented for each major governmental fund to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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

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

		<u>General</u>
GAAP Basis	\$	(5,926,759)
Adjustments:		
Revenue Accruals		(7,910,825)
Expenditure Accruals		(6,874,663)
Encumbrances		4,647,175
Operating Transfers		(620,148)
Advances		443,691
Budget Basis	\$	<u>(16,241,529)</u>

**BUDGETARY CITATION**

According to Ohio Revised Code Section 5705.39, the total appropriation from each fund should not exceed the total estimated revenue. The District is in violation of this code section for the *All State Grants Fund*, and *All Federal Grants Fund*. When grants are awarded, the entire amount is appropriated, however, the revenue may be received over two fiscal years. If this is the case, appropriations will exceed estimated revenues. It is the District's practice not to decrease appropriations to match revenues received at fiscal year end, due to the opportunity that is created to over appropriate in future years.

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, 2004

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues:</b>				
Local:				
Taxes	\$ 69,307,781	\$ 67,264,781	\$ 67,303,216	\$ 38,435
Tuition	499,318	489,000	481,456	(7,544)
Interest	500,000	641,000	641,125	125
Other Local Revenue	1,991,219	1,447,424	1,453,510	6,086
Intergovernmental - State	79,733,091	81,313,372	81,718,334	404,962
Intergovernmental - Federal	230,000	564,000	565,125	1,125
<b>Total Revenues</b>	<u>152,261,409</u>	<u>151,719,577</u>	<u>152,162,766</u>	<u>443,189</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular				
Salaries and Wages	54,796,549	52,797,596	52,797,596	-
Fringe Benefits	14,324,598	13,855,049	13,855,049	-
Purchased Services	3,326,493	4,417,172	4,377,629	39,543
Supplies and Materials	1,916,497	2,022,552	1,905,689	116,863
Miscellaneous	15,277	86,253	5,266	80,987
<b>Total Regular</b>	<u>74,379,414</u>	<u>73,178,622</u>	<u>72,941,229</u>	<u>237,393</u>
Special				
Salaries and Wages	10,377,066	10,570,920	10,570,920	-
Fringe Benefits	2,892,974	2,994,456	2,994,456	-
Purchased Services	2,564,271	2,720,335	2,703,438	16,897
Supplies and Materials	171,457	173,446	163,528	9,918
Miscellaneous	-	50	50	-
<b>Total Special</b>	<u>16,005,768</u>	<u>16,459,207</u>	<u>16,432,392</u>	<u>26,815</u>
Vocational				
Salaries and Wages	3,637,124	3,551,695	3,551,695	-
Fringe Benefits	909,665	924,702	924,702	-
Purchased Services	12,700	119,533	118,785	748
Supplies and Materials	117,141	747,221	696,324	50,897
Miscellaneous	4,900	34,016	-	34,016
<b>Total Vocational</b>	<u>4,681,530</u>	<u>5,377,167</u>	<u>5,291,506</u>	<u>85,661</u>
Other				
Salaries and Wages	182,937	157,106	157,106	-
Fringe Benefits	24,566	38,920	38,920	-
Supplies and Materials	19,000	19,000	6,911	12,089
<b>Total Other</b>	<u>226,503</u>	<u>215,026</u>	<u>202,937</u>	<u>12,089</u>
<b>Total Instruction</b>	<u>95,293,215</u>	<u>95,230,022</u>	<u>94,868,064</u>	<u>361,958</u>
<b>Support Services:</b>				
Pupil				
Salaries and Wages	5,332,034	5,244,937	5,244,937	-
Fringe Benefits	1,334,849	1,334,301	1,334,301	-
Purchased Services	57,682	30,085	24,696	5,389
Supplies and Materials	56,023	70,826	67,442	3,384
<b>Total Pupil</b>	<u>6,780,588</u>	<u>6,680,149</u>	<u>6,671,376</u>	<u>8,773</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, 2004  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>				
Salaries and Wages	9,476,060	8,911,746	8,911,746	-
Fringe Benefits	2,976,325	2,935,375	2,935,375	-
Purchased Services	250,188	273,930	247,231	26,699
Supplies and Materials	545,207	699,468	682,124	17,344
Miscellaneous	4,000	3,314	3,265	49
<b>Total Instructional Staff</b>	<u>13,251,780</u>	<u>12,823,833</u>	<u>12,779,741</u>	<u>44,092</u>
<b>Board of Education</b>				
Salaries and Wages	15,000	12,670	12,670	-
Fringe Benefits	200	2,190	2,190	-
Purchased Services	243,000	235,067	233,928	1,139
Supplies and Materials	4,000	3,441	897	2,544
Miscellaneous	185,000	160,900	157,849	3,051
<b>Total Board of Education</b>	<u>447,200</u>	<u>414,268</u>	<u>407,534</u>	<u>6,734</u>
<b>Administration</b>				
Salaries and Wages	7,530,590	7,428,476	7,428,476	-
Fringe Benefits	2,521,882	2,575,894	2,575,894	-
Purchased Services	1,110,424	966,916	861,792	105,124
Supplies and Materials	119,490	123,035	100,050	22,985
Miscellaneous	979,711	959,476	947,357	12,119
<b>Total Administration</b>	<u>12,262,097</u>	<u>12,053,797</u>	<u>11,913,569</u>	<u>140,228</u>
<b>Fiscal</b>				
Salaries and Wages	1,157,567	955,040	955,040	-
Fringe Benefits	200,886	219,084	219,084	-
Purchased Services	381,000	309,016	286,538	22,478
Supplies and Materials	11,000	12,119	9,516	2,603
Miscellaneous	1,177,500	1,188,223	1,159,792	28,431
<b>Total Fiscal</b>	<u>2,927,953</u>	<u>2,683,482</u>	<u>2,629,970</u>	<u>53,512</u>
<b>Business</b>				
Salaries and Wages	338,134	347,555	347,555	-
Fringe Benefits	117,244	120,660	120,660	-
Purchased Services	635,100	640,725	630,989	9,736
Supplies and Materials	63,400	93,017	76,847	16,170
Miscellaneous	13,500	15,071	13,941	1,130
<b>Total Business</b>	<u>1,167,378</u>	<u>1,217,028</u>	<u>1,189,992</u>	<u>27,036</u>
<b>Operations and Maintenance</b>				
Salaries and Wages	6,699,693	7,140,967	7,140,967	-
Fringe Benefits	2,103,947	2,247,446	2,247,446	-
Purchased Services	4,341,360	5,263,125	5,015,365	247,760
Supplies and Materials	794,888	1,020,185	1,020,124	61
Miscellaneous	52,000	7,000	2,584	4,416
<b>Total Operations and Maintenance</b>	<u>13,991,888</u>	<u>15,678,723</u>	<u>15,426,486</u>	<u>252,237</u>
<b>Pupil Transportation</b>				
Salaries and Wages	4,567,371	5,212,332	5,212,332	-
Fringe Benefits	1,753,932	1,954,222	1,954,222	-
Purchased Services	556,000	702,368	684,897	17,471
Supplies and Materials	884,852	897,581	868,217	29,364
Miscellaneous	1,000	-	-	-
<b>Total Pupil Transportation</b>	<u>7,763,155</u>	<u>8,766,503</u>	<u>8,719,668</u>	<u>46,835</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2004  
(continued)

	Original Budget	Final Budget	Actual	Variance
Central				
Salaries and Wages	1,348,641	1,492,418	1,492,418	-
Fringe Benefits	409,472	457,676	457,676	-
Purchased Services	707,007	786,511	748,483	38,028
Supplies and Materials	145,500	208,096	195,411	12,685
Miscellaneous	6,000	4,359	2,619	1,740
Total Central	<u>2,616,620</u>	<u>2,949,060</u>	<u>2,896,607</u>	<u>52,453</u>
Total Support Services	<u>61,208,659</u>	<u>63,266,843</u>	<u>62,634,943</u>	<u>631,900</u>
Community Services				
Salaries and Wages	70,507	185,620	185,620	-
Fringe Benefits	20,848	38,476	38,476	-
Purchased Services	33,764	32,928	1,551	31,377
Supplies and Materials	7,100	7,675	1,040	6,635
Miscellaneous	650	650	-	650
Total Community Services	<u>132,869</u>	<u>265,349</u>	<u>226,687</u>	<u>38,662</u>
Extracurricular Activities				
Salaries and Wages	2,138,140	1,721,396	1,721,396	-
Fringe Benefits	63,302	315,837	315,837	-
Purchased Services	1,128	640	640	-
Supplies and Materials	2,652	34,414	34,283	131
Total Extracurricular Activities	<u>2,205,222</u>	<u>2,072,287</u>	<u>2,072,156</u>	<u>131</u>
Miscellaneous	35,000	-	-	-
Capital Outlay	2,702,662	7,146,633	7,095,757	50,876
Pass Through Grants	325,000	325,000	325,000	-
Total Expenditures	<u>161,902,627</u>	<u>168,306,134</u>	<u>167,222,607</u>	<u>1,083,527</u>
Excess of Revenues Over (Under) Expenditures	(9,641,218)	(16,586,557)	(15,059,841)	1,526,716
Other Financing Sources (Uses):				
Operating Transfers - In	-	15,000	30,161	15,161
Operating Transfers - Out	(1,560,133)	(1,695,940)	(1,668,399)	27,541
Advances - In	-	1,683,834	1,684,359	525
Advances - Out	-	(120,668)	(1,240,668)	(1,120,000)
Proceeds from Sale of Fixed Assets	-	12,859	12,859	-
Total Other Financing Sources (Uses)	<u>(1,560,133)</u>	<u>(104,915)</u>	<u>(1,181,688)</u>	<u>(1,076,773)</u>
Net Change in Fund Balances	(11,201,351)	(16,691,472)	(16,241,529)	449,943
Fund Balance at Beginning of Year	31,242,342	24,247,309	24,247,309	-
Prior Year Encumbrances Appropriated	4,926,632	5,329,553	5,329,553	-
Fund Balance at End of Year	<u>\$ 24,967,623</u>	<u>\$ 12,885,390</u>	<u>\$ 13,335,333</u>	<u>\$ 449,943</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 13,521,745	\$ 13,944,776	\$ 423,031
Other Local Revenue	-	1,508	1,508
Intergovernmental - State	1,563,000	1,563,297	297
Total Revenues	<u>15,084,745</u>	<u>15,509,581</u>	<u>424,836</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	364,780	357,404	7,376
Total Fiscal	<u>364,780</u>	<u>357,404</u>	<u>7,376</u>
Total Support Services	<u>364,780</u>	<u>357,404</u>	<u>7,376</u>
Debt Service:			
Principal Retirement	7,281,563	7,281,563	-
Interest and Fiscal Charges	8,427,337	8,348,586	78,751
Total Expenditures	<u>16,073,680</u>	<u>15,987,553</u>	<u>86,127</u>
Excess of Revenues Over (Under) Expenditures	(988,935)	(477,972)	510,963
Other Financing Sources:			
Operating Transfers - In	977,800	976,887	(913)
Proceeds from the Sale of Bonds	205,000	205,780	780
Total Other Financing Sources:	<u>1,182,800</u>	<u>1,182,667</u>	<u>(133)</u>
Net Change in Fund Balances	193,865	704,695	510,830
Fund Balance at Beginning of Year	3,901,457	3,901,457	-
Fund Balance at End of Year	<u>\$ 4,095,322</u>	<u>\$ 4,606,152</u>	<u>\$ 510,830</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 6,000	\$ 8,434	\$ 2,434
Other Local Revenue	347,976	346,452	(1,524)
Total Revenues	<u>353,976</u>	<u>354,886</u>	<u>910</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	26,460	26,460	-
Total Regular	<u>26,460</u>	<u>26,460</u>	<u>-</u>
Total Instruction	<u>26,460</u>	<u>26,460</u>	<u>-</u>
Support Services:			
Operations and Maintenance			
Purchased Services	7,734	2,597	5,137
Supplies and Materials	10,000	1,356	8,644
Total Operations and Maintenance	<u>17,734</u>	<u>3,953</u>	<u>13,781</u>
Total Support Services	<u>17,734</u>	<u>3,953</u>	<u>13,781</u>
Community Services			
Purchased Services	4,500	4,500	-
Total Community Services	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Capital Outlay	2,560,472	2,508,273	52,199
Total Expenditures	<u>2,609,166</u>	<u>2,543,186</u>	<u>65,980</u>
Excess of Revenues Over (Under) Expenditures	(2,255,190)	(2,188,300)	66,890
Other Financing Uses:			
Advances - Out	(3,024)	(3,024)	-
Total Other Financing Uses	<u>(3,024)</u>	<u>(3,024)</u>	<u>-</u>
Net Change in Fund Balances	(2,258,214)	(2,191,324)	66,890
Fund Balance at Beginning of Year	190,607	190,607	-
Prior Year Encumbrances Appropriated	2,219,271	2,219,271	-
Fund Balance at End of Year	<u>\$ 151,664</u>	<u>\$ 218,554</u>	<u>\$ 66,890</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, and Summer Intervention.

### 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, CSRD, Title VI-R, 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, 2004

	<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	\$ 715,519	\$ 571,922	\$ 628,923	\$ 998,909
Receivable:				
Accounts	7,724	5,568	6,661	-
Intergovernmental	-	-	-	500,973
Prepaid Items	-	2,270	-	18,599
Materials and Supplies Inventory	-	-	8,853	-
Total Assets	<u>\$ 723,243</u>	<u>\$ 579,760</u>	<u>\$ 644,437</u>	<u>\$ 1,518,481</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts Payable	\$ 52,587	\$ 21,314	\$ 42,218	\$ 222,576
Accrued Wages and Benefits	560	8,527	459	173,792
Interfund Loans Payable	-	5,219	87,524	296,008
Deferred Revenue	-	-	-	179,024
Total Liabilities	<u>53,147</u>	<u>35,060</u>	<u>130,201</u>	<u>871,400</u>
Fund Balance:				
Reserved for Encumbrances	67,746	16,652	88,862	255,901
Unreserved, Undesignated, reported in Special Revenue Funds	<u>602,350</u>	<u>528,048</u>	<u>425,374</u>	<u>391,180</u>
Total Fund Balances	<u>670,096</u>	<u>544,700</u>	<u>514,236</u>	<u>647,081</u>
Total Liabilities and Fund Balances	<u>\$ 723,243</u>	<u>\$ 579,760</u>	<u>\$ 644,437</u>	<u>\$ 1,518,481</u>

<u>All Federal Grants</u>	<u>Food Service</u>	<u>Insurance Reserve</u>	<u>Vocational Rotary</u>	<u>Total Nonmajor Funds</u>
\$ 825,742	\$ 191,268	\$ 519,299	\$ 40,018	\$ 4,491,600
-	12,664	-	-	32,617
1,656,269	400,172	-	-	2,557,414
42,837	67,224	-	-	130,930
-	92,803	-	-	101,656
<u>\$ 2,524,848</u>	<u>\$ 764,131</u>	<u>\$ 519,299</u>	<u>\$ 40,018</u>	<u>\$ 7,314,217</u>
\$ 264,119	\$ 190,365	\$ 295	\$ 902	794,376
865,060	375,803	-	-	1,424,201
276,578	327,810	-	-	993,139
338,391	59,294	-	-	576,709
<u>1,744,148</u>	<u>953,272</u>	<u>295</u>	<u>902</u>	<u>3,788,425</u>
113,724	-	378	-	543,263
666,976	(189,141)	518,626	39,116	2,982,529
780,700	(189,141)	519,004	39,116	3,525,792
<u>\$ 2,524,848</u>	<u>\$ 764,131</u>	<u>\$ 519,299</u>	<u>\$ 40,018</u>	<u>\$ 7,314,217</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, 2004

	Public School <u>Support</u>	Other <u>Grants</u>	Athletic/ <u>Music</u>	All State <u>Grants</u>
Revenues:				
Local:				
Tuition	\$ 7,125	\$ 157,039	\$ -	\$ -
Interest	7,564	-	6,873	-
Other Local Revenue	1,028,955	363,982	1,550,603	5,451
Intergovernmental - State	1,800	-	-	3,454,826
Intergovernmental - Federal	-	-	-	-
Total Revenues	<u>1,045,444</u>	<u>521,021</u>	<u>1,557,476</u>	<u>3,460,277</u>
Current:				
Instruction:				
Regular	347,489	167,750	159,947	1,077,903
Special	874	42,563	-	97,405
Vocational	7,986	8,609	967	-
Other	16,598	-	-	229
Support Services:				
Pupil	521	78,865	-	128,013
Instructional Staff	37,810	82,857	15,518	735,830
Administration	532,466	4,408	1,493	55,458
Fiscal	-	446	-	73,326
Operations and Maintenance	-	19,928	-	15,591
Pupil Transportation	-	8,796	-	151,944
Central	9,921	-	-	132,699
Food Service	-	-	-	-
Community Services	-	4,538	-	659,555
Extracurricular Activities	11,308	7,012	1,294,427	-
Capital Outlay	87,424	151,894	129,246	301,831
Total Expenditures	<u>1,052,397</u>	<u>577,666</u>	<u>1,601,598</u>	<u>3,429,784</u>
Excess of Revenues Over (Under) Expenditures	(6,953)	(56,645)	(44,122)	30,493
Other Financing Sources (Uses):				
Transfers - In	29,496	-	20,012	-
Transfers - Out	-	-	(8,305)	-
Total Other Financing Sources (Uses)	<u>29,496</u>	<u>-</u>	<u>11,707</u>	<u>-</u>
Net Change in Fund Balance	22,543	(56,645)	(32,415)	30,493
Fund Balances at Beginning of Year	647,553	601,345	546,651	616,588
Fund Balances at End of Year	<u>\$ 670,096</u>	<u>\$ 544,700</u>	<u>\$ 514,236</u>	<u>\$ 647,081</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,164
-	299	9,169	-	-	23,905
-	3,788,454	26,145	50,453	-	6,814,043
-	121,308	-	-	-	3,577,934
<u>10,097,969</u>	<u>3,012,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,110,374</u>
<u>10,097,969</u>	<u>6,922,466</u>	<u>35,314</u>	<u>50,453</u>	<u>-</u>	<u>23,690,420</u>
1,527,662	-	2,404	-	2,288	3,285,443
3,152,558	-	-	218	-	3,293,618
415,067	-	-	48,702	-	481,331
157,968	-	-	-	-	174,795
564,573	-	-	-	-	771,972
1,976,094	-	-	-	-	2,848,109
585,697	-	19,380	-	-	1,198,902
5,860	-	-	-	-	79,632
150,851	-	-	-	-	186,370
398,390	-	-	-	-	559,130
-	-	902,463	-	-	1,045,083
-	6,787,151	-	-	-	6,787,151
137,031	-	-	-	-	801,124
-	-	3,000	644	-	1,316,391
<u>396,696</u>	<u>43,221</u>	<u>-</u>	<u>-</u>	<u>46,155</u>	<u>1,156,467</u>
<u>9,468,447</u>	<u>6,830,372</u>	<u>927,247</u>	<u>49,564</u>	<u>48,443</u>	<u>23,985,518</u>
629,522	92,094	(891,933)	889	(48,443)	(295,098)
-	-	-	-	-	49,508
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,305)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,203</u>
629,522	92,094	(891,933)	889	(48,443)	(253,895)
151,178	(281,235)	1,410,937	38,227	48,443	3,779,687
<u>\$ 780,700</u>	<u>\$ (189,141)</u>	<u>\$ 519,004</u>	<u>\$ 39,116</u>	<u>\$ -</u>	<u>\$ 3,525,792</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ -	\$ 7,125	\$ 7,125
Interest	1,695	7,564	5,869
Other Local Revenue	1,070,480	1,021,518	(48,962)
Intergovernmental - State	-	1,800	1,800
Total Revenues	<u>1,072,175</u>	<u>1,038,007</u>	<u>(34,168)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	1,816	1,816	-
Fringe Benefits	300	300	-
Purchased Services	34,908	27,114	7,794
Supplies and Materials	389,850	346,985	42,865
Total Regular	<u>426,874</u>	<u>376,215</u>	<u>50,659</u>
Special			
Supplies and Materials	900	874	26
Total Special	<u>900</u>	<u>874</u>	<u>26</u>
Vocational			
Purchased Services	702	580	122
Supplies and Materials	10,025	7,406	2,619
Total Vocational	<u>10,727</u>	<u>7,986</u>	<u>2,741</u>
Other			
Salaries and Wages	13,265	13,265	-
Fringe Benefits	2,194	2,194	-
Purchased Services	8	8	-
Supplies and Materials	5,000	3,277	1,723
Total Other	<u>20,467</u>	<u>18,744</u>	<u>1,723</u>
Total Instruction	<u>458,968</u>	<u>403,819</u>	<u>55,149</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, 2004  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Salaries and Wages	217	217	-
Fringe Benefits	36	36	-
Supplies and Materials	500	268	232
Total Pupil	<u>753</u>	<u>521</u>	<u>232</u>
Instructional Staff			
Salaries and Wages	12,389	12,389	-
Fringe Benefits	2,256	2,256	-
Purchased Services	18,338	9,944	8,394
Supplies and Materials	29,450	13,221	16,229
Miscellaneous	24	24	-
Total Instructional Staff	<u>62,457</u>	<u>37,834</u>	<u>24,623</u>
Administration			
Salaries and Wages	4,856	4,856	-
Fringe Benefits	784	784	-
Purchased Services	67,465	48,476	18,989
Supplies and Materials	657,912	549,378	108,534
Miscellaneous	940	570	370
Total Administration	<u>731,957</u>	<u>604,064</u>	<u>127,893</u>
Central			
Purchased Services	12,266	10,185	2,081
Total Central	<u>12,266</u>	<u>10,185</u>	<u>2,081</u>
Total Support Services	<u>807,433</u>	<u>652,604</u>	<u>154,829</u>
Extracurricular Activities			
Salaries and Wages	800	800	-
Fringe Benefits	133	133	-
Purchased Services	1,313	585	728
Supplies and Materials	13,362	10,040	3,322
Total Extracurricular Activities	<u>15,608</u>	<u>11,558</u>	<u>4,050</u>
Capital Outlay	149,910	104,427	45,483
Total Expenditures	<u>1,431,919</u>	<u>1,172,408</u>	<u>259,511</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, 2004  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(359,744)	(134,401)	225,343
Other Financing Sources (Uses):			
Operating Transfers - In	-	34,899	34,899
Advances - Out	<u>(2,825)</u>	<u>(2,825)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,825)</u>	<u>32,074</u>	<u>34,899</u>
Net Change in Fund Balances	(362,569)	(102,327)	260,242
Fund Balance at Beginning of Year	585,292	585,292	-
Prior Year Encumbrances Appropriated	<u>111,397</u>	<u>111,397</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 334,120</u>	<u>\$ 594,362</u>	<u>\$ 260,242</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 152,078	\$ 158,860	\$ 6,782
Other Local Revenue	372,951	366,557	(6,394)
Total Revenues	<u>525,029</u>	<u>525,417</u>	<u>388</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	109,985	56,454	53,531
Fringe Benefits	18,497	9,529	8,968
Purchased Services	33,123	17,359	15,764
Supplies and Materials	247,015	89,176	157,839
Total Regular	<u>408,620</u>	<u>172,518</u>	<u>236,102</u>
Special			
Salaries and Wages	30,033	27,791	2,242
Fringe Benefits	12,784	12,156	628
Purchased Services	1,740	1,123	617
Supplies and Materials	45,639	2,461	43,178
Total Special	<u>90,196</u>	<u>43,531</u>	<u>46,665</u>
Vocational			
Purchased Services	1,750	497	1,253
Supplies and Materials	14,157	11,659	2,498
Total Vocational	<u>15,907</u>	<u>12,156</u>	<u>3,751</u>
Other			
Purchased Services	700	-	700
Supplies and Materials	500	-	500
Total Other	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total Instruction	<u>515,923</u>	<u>228,205</u>	<u>287,718</u>
Support Services:			
Pupil			
Salaries and Wages	84,363	70,691	13,672
Fringe Benefits	13,970	11,501	2,469
Purchased Services	600	221	379
Supplies and Materials	5,528	2,935	2,593
Total Pupil	<u>104,461</u>	<u>85,348</u>	<u>19,113</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, 2004  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	81,073	51,474	29,599
Fringe Benefits	16,357	10,683	5,674
Purchased Services	43,159	16,478	26,681
Supplies and Materials	19,828	2,318	17,510
<b>Total Instructional Staff</b>	<u>160,417</u>	<u>80,953</u>	<u>79,464</u>
<b>Administration</b>			
Salaries and Wages	598	598	-
Fringe Benefits	132	132	-
Purchased Services	5,907	3,292	2,615
Supplies and Materials	478	-	478
Miscellaneous	756	270	486
<b>Total Administration</b>	<u>7,871</u>	<u>4,292</u>	<u>3,579</u>
<b>Fiscal</b>			
Miscellaneous	1,260	446	814
<b>Total Fiscal</b>	<u>1,260</u>	<u>446</u>	<u>814</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	97	-	97
Fringe Benefits	16	-	16
Purchased Services	24,813	21,358	3,455
<b>Total Operations and Maintenance</b>	<u>24,926</u>	<u>21,358</u>	<u>3,568</u>
<b>Pupil Transportation</b>			
Salaries and Wages	278	278	-
Fringe Benefits	42	42	-
Supplies and Materials	31,400	8,588	22,812
<b>Total Pupil Transportation</b>	<u>31,720</u>	<u>8,908</u>	<u>22,812</u>
<b>Total Support Services</b>	<u>330,655</u>	<u>201,305</u>	<u>129,350</u>
<b>Community Services</b>			
Salaries and Wages	1,000	1,000	-
Fringe Benefits	163	163	-
Supplies and Materials	6,520	4,780	1,740
<b>Total Community Services</b>	<u>7,683</u>	<u>5,943</u>	<u>1,740</u>
<b>Extracurricular Activities</b>			
Salaries and Wages	9,315	6,020	3,295
Fringe Benefits	1,534	992	542
Supplies and Materials	400	-	400
<b>Total Extracurricular Activities</b>	<u>11,249</u>	<u>7,012</u>	<u>4,237</u>
Miscellaneous	5,420	5,420	-
Capital Outlay	309,543	279,999	29,544
<b>Total Expenditures</b>	<u>1,180,473</u>	<u>727,884</u>	<u>452,589</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Other Grants Fund  
 For the Fiscal Year Ended June 30, 2004  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(655,444)	(202,467)	452,977
Other Financing Sources (Uses):			
Advances - In	5,219	5,219	-
Advances - Out	<u>(2,752)</u>	<u>(2,752)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,467</u>	<u>2,467</u>	<u>-</u>
Net Change in Fund Balances	(652,977)	(200,000)	452,977
Fund Balance at Beginning of Year	448,702	448,702	-
Prior Year Encumbrances Appropriated	<u>285,426</u>	<u>285,426</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 81,151</u>	<u>\$ 534,128</u>	<u>\$ 452,977</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 610	\$ 6,873	\$ 6,263
Other Local Revenue	1,497,139	1,548,596	51,457
Total Revenues	<u>1,497,749</u>	<u>1,555,469</u>	<u>57,720</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	154,763	119,988	34,775
Supplies and Materials	50,768	44,289	6,479
Total Regular	<u>205,531</u>	<u>164,277</u>	<u>41,254</u>
Vocational			
Purchased Services	967	967	-
Total Vocational	<u>967</u>	<u>967</u>	<u>-</u>
Total Instruction	<u>206,498</u>	<u>165,244</u>	<u>41,254</u>
Support Services:			
Instructional Staff			
Supplies and Materials	21,201	15,625	5,576
Total Instructional Staff	<u>21,201</u>	<u>15,625</u>	<u>5,576</u>
Administration			
Purchased Services	5,117	1,033	4,084
Supplies and Materials	3,370	712	2,658
Total Administration	<u>8,487</u>	<u>1,745</u>	<u>6,742</u>
Total Support Services	<u>29,688</u>	<u>17,370</u>	<u>12,318</u>
Extracurricular Activities			
Salaries and Wages	39,367	39,367	-
Fringe Benefits	6,246	6,246	-
Purchased Services	318,870	241,207	77,663
Supplies and Materials	1,279,031	1,053,773	225,258
Miscellaneous	11,789	224	11,565
Total Extracurricular Activities	<u>1,655,303</u>	<u>1,340,817</u>	<u>314,486</u>
Capital Outlay	222,744	191,634	31,110
Total Expenditures	<u>2,114,233</u>	<u>1,715,065</u>	<u>399,168</u>
Excess of Revenues Over (Under) Expenditures	(616,484)	(159,596)	456,888 (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, 2004  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Operating Transfers - In	19,000	60,012	41,012
Operating Transfers - Out	(33,305)	(33,305)	-
Advances - In	87,524	87,524	-
Advances - Out	(61,727)	(61,727)	-
Total Other Financing Sources (Uses)	<u>11,492</u>	<u>52,504</u>	<u>41,012</u>
Net Change in Fund Balances	(604,992)	(107,092)	497,900
Fund Balance at Beginning of Year	514,269	514,269	-
Prior Year Encumbrances Appropriated	91,495	91,495	-
Fund Balance at End of Year	<u>\$ 772</u>	<u>\$ 498,672</u>	<u>\$ 497,900</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 5,451	\$ 5,451	\$ -
Intergovernmental - State	3,502,931	3,497,077	(5,854)
Total Revenues	<u>3,508,382</u>	<u>3,502,528</u>	<u>(5,854)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	583,417	437,005	146,412
Fringe Benefits	158,394	133,739	24,655
Purchased Services	429,283	429,283	-
Supplies and Materials	156,484	145,005	11,479
Total Regular	<u>1,327,578</u>	<u>1,145,032</u>	<u>182,546</u>
Special			
Salaries and Wages	70,855	57,899	12,956
Fringe Benefits	29,134	25,712	3,422
Supplies and Materials	7,205	7,201	4
Total Special	<u>107,194</u>	<u>90,812</u>	<u>16,382</u>
Other			
Supplies and Materials	1,143	229	914
Total Other	<u>1,143</u>	<u>229</u>	<u>914</u>
Total Instruction	<u>1,435,915</u>	<u>1,236,073</u>	<u>199,842</u>
Support Services:			
Pupil			
Salaries and Wages	75,202	68,691	6,511
Fringe Benefits	29,754	27,901	1,853
Purchased Services	9,646	9,505	141
Supplies and Materials	19,286	18,775	511
Total Pupil	<u>133,888</u>	<u>124,872</u>	<u>9,016</u>
Instructional Staff			
Salaries and Wages	599,307	523,488	75,819
Fringe Benefits	159,534	146,751	12,783
Purchased Services	201,563	51,137	150,426
Supplies and Materials	10,151	9,392	759
Total Instructional Staff	<u>970,555</u>	<u>730,768</u>	<u>239,787</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, 2004  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Administration</b>			
Salaries and Wages	48,431	46,012	2,419
Fringe Benefits	13,844	13,005	839
Purchased Services	15	15	-
Supplies and Materials	936	758	178
<b>Total Administration</b>	<u>63,226</u>	<u>59,790</u>	<u>3,436</u>
<b>Fiscal</b>			
Miscellaneous	89,326	73,326	16,000
<b>Total Fiscal</b>	<u>89,326</u>	<u>73,326</u>	<u>16,000</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	6,530	6,530	-
Fringe Benefits	3,626	3,626	-
Purchased Services	4,915	4,915	-
<b>Total Operations and Maintenance</b>	<u>15,071</u>	<u>15,071</u>	<u>-</u>
<b>Pupil Transportation</b>			
Salaries and Wages	125,724	91,822	33,902
Fringe Benefits	53,297	37,611	15,686
Supplies and Materials	17,713	17,713	-
<b>Total Pupil Transportation</b>	<u>196,734</u>	<u>147,146</u>	<u>49,588</u>
<b>Central</b>			
Salaries and Wages	45,500	41,277	4,223
Fringe Benefits	13,363	13,182	181
Purchased Services	118,094	92,912	25,182
Supplies and Materials	22,576	21,436	1,140
<b>Total Central</b>	<u>199,533</u>	<u>168,807</u>	<u>30,726</u>
<b>Total Support Services</b>	<u>1,668,333</u>	<u>1,319,780</u>	<u>348,553</u>
<b>Community Services</b>			
Salaries and Wages	340,115	279,539	60,576
Fringe Benefits	78,420	65,282	13,138
Purchased Services	9,491	8,019	1,472
Supplies and Materials	553,656	428,800	124,856
Miscellaneous	2,500	2,186	314
<b>Total Community Services</b>	<u>984,182</u>	<u>783,826</u>	<u>200,356</u>
Miscellaneous	63,050	63,050	-
Capital Outlay	666,354	607,895	58,459
<b>Total Expenditures</b>	<u>4,817,834</u>	<u>4,010,624</u>	<u>807,210</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,309,452)	(508,096)	801,356 (continued)

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, 2004  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Advances - In	296,008	296,008	-
Advances - Out	<u>(177,352)</u>	<u>(177,352)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>118,656</u>	<u>118,656</u>	<u>-</u>
 Net Change in Fund Balances	 (1,190,796)	 (389,440)	 801,356
 Fund Balance at Beginning of Year	 483,684	 483,684	 -
Prior Year Encumbrances Appropriated	<u>429,448</u>	<u>429,448</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (277,664)</u>	<u>\$ 523,692</u>	<u>\$ 801,356</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, 2004

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental - Federal	\$ 10,066,413	\$ 10,101,042	\$ 34,629
Total Revenues	<u>10,066,413</u>	<u>10,101,042</u>	<u>34,629</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	1,436,954	1,085,766	351,188
Fringe Benefits	501,865	374,110	127,755
Purchased Services	16,334	9,354	6,980
Supplies and Materials	60,815	42,961	17,854
Total Regular	<u>2,015,968</u>	<u>1,512,191</u>	<u>503,777</u>
Special			
Salaries and Wages	2,362,973	1,872,168	490,805
Fringe Benefits	632,491	509,669	122,822
Purchased Services	16,917	12,353	4,564
Supplies and Materials	779,042	766,371	12,671
Total Special	<u>3,791,423</u>	<u>3,160,561</u>	<u>630,862</u>
Vocational			
Salaries and Wages	108,730	94,397	14,333
Fringe Benefits	24,604	21,352	3,252
Purchased Services	168,902	168,902	-
Supplies and Materials	288,332	288,332	-
Total Vocational	<u>590,568</u>	<u>572,983</u>	<u>17,585</u>
Other			
Salaries and Wages	111,489	97,961	13,528
Fringe Benefits	29,263	25,493	3,770
Purchased Services	17,075	10,080	6,995
Supplies and Materials	34,600	31,300	3,300
Total Other	<u>192,427</u>	<u>164,834</u>	<u>27,593</u>
Total Instruction	<u>6,590,386</u>	<u>5,410,569</u>	<u>1,179,817</u>
Support Services:			
Pupil			
Salaries and Wages	469,453	362,354	107,099
Fringe Benefits	146,565	112,424	34,141
Purchased Services	31,720	20,319	11,401
Supplies and Materials	60,724	58,005	2,719
Total Pupil	<u>708,462</u>	<u>553,102</u>	<u>155,360</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, 2004  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	1,318,329	1,000,555	317,774
Fringe Benefits	400,441	322,721	77,720
Purchased Services	426,181	340,781	85,400
Supplies and Materials	309,810	260,362	49,448
Miscellaneous	25	25	-
<b>Total Instructional Staff</b>	<u>2,454,786</u>	<u>1,924,444</u>	<u>530,342</u>
<b>Administration</b>			
Salaries and Wages	519,439	411,778	107,661
Fringe Benefits	172,633	140,274	32,359
Purchased Services	24,301	16,978	7,323
Supplies and Materials	26,185	23,417	2,768
Miscellaneous	2,885	2,755	130
<b>Total Administration</b>	<u>745,443</u>	<u>595,202</u>	<u>150,241</u>
<b>Fiscal</b>			
Salaries and Wages	3,940	3,940	-
Fringe Benefits	1,112	1,112	-
Miscellaneous	2,578	808	1,770
<b>Total Fiscal</b>	<u>7,630</u>	<u>5,860</u>	<u>1,770</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	105,186	73,203	31,983
Fringe Benefits	36,257	24,617	11,640
Purchased Services	52,645	46,492	6,153
Supplies and Materials	5,679	5,676	3
<b>Total Operations and Maintenance</b>	<u>199,767</u>	<u>149,988</u>	<u>49,779</u>
<b>Pupil Transportation</b>			
Salaries and Wages	272,952	199,767	73,185
Fringe Benefits	118,673	91,408	27,265
Purchased Services	41,809	29,486	12,323
Supplies and Materials	70,776	59,434	11,342
<b>Total Pupil Transportation</b>	<u>504,210</u>	<u>380,095</u>	<u>124,115</u>
<b>Total Support Services</b>	<u>4,620,298</u>	<u>3,608,691</u>	<u>1,011,607</u>
<b>Community Services</b>			
Salaries and Wages	94,673	86,161	8,512
Fringe Benefits	24,390	22,845	1,545
Purchased Services	15,028	10,445	4,583
Supplies and Materials	19,196	18,617	579
<b>Total Community Services</b>	<u>153,287</u>	<u>138,068</u>	<u>15,219</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, 2004  
 (continued)

	Final <u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Miscellaneous	169,415	169,415	-
Capital Outlay	466,581	435,863	30,718
Total Expenditures	<u>11,999,967</u>	<u>9,762,606</u>	<u>2,237,361</u>
Excess of Revenues Over (Under) Expenditures	(1,933,554)	338,436	2,271,990
Other Financing Sources (Uses):			
Advances - In	276,578	276,578	-
Advances - Out	(680,289)	(680,289)	-
Total Other Financing Sources (Uses)	<u>(403,711)</u>	<u>(403,711)</u>	<u>-</u>
Net Change in Fund Balances	(2,337,265)	(65,275)	2,271,990
Fund Balance at Beginning of Year	82,286	82,286	-
Prior Year Encumbrances Appropriated	431,382	431,382	-
Fund Balance at End of Year	<u>\$ (1,823,597)</u>	<u>\$ 448,393</u>	<u>\$ 2,271,990</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ -	\$ 299	\$ 299
Other Local Revenue	3,522,000	3,451,460	(70,540)
Intergovernmental - State	95,000	134,865	39,865
Intergovernmental - Federal	2,946,853	2,977,559	30,706
Total Revenues	<u>6,563,853</u>	<u>6,564,183</u>	<u>330</u>
Expenditures:			
Current:			
Community Services			
Salaries and Wages	2,672,763	2,672,763	-
Fringe Benefits	918,285	918,285	-
Purchased Services	155,411	153,911	1,500
Supplies and Materials	2,511,803	2,508,433	3,370
Miscellaneous	203	203	-
Total Community Services	<u>6,258,465</u>	<u>6,253,595</u>	<u>4,870</u>
Capital Outlay	44,915	43,221	1,694
Total Expenditures	<u>6,303,380</u>	<u>6,296,816</u>	<u>6,564</u>
Excess of Revenues Over (Under) Expenditures	260,473	267,367	6,894
Other Financing Sources (Uses):			
Advances - In	327,810	327,810	-
Advances - Out	(653,337)	(653,337)	-
Total Other Financing Sources (Uses)	<u>(325,527)</u>	<u>(325,527)</u>	<u>-</u>
Net Change in Fund Balances	(65,054)	(58,160)	6,894
Fund Balance at Beginning of Year	14,258	14,258	-
Prior Year Encumbrances Appropriated	50,832	50,832	-
Fund Balance at End of Year	<u>\$ 36</u>	<u>\$ 6,930</u>	<u>\$ 6,894</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 7,665	\$ 9,350	\$ 1,685
Other Local Revenue	27,335	26,219	(1,116)
Total Revenues	<u>35,000</u>	<u>35,569</u>	<u>569</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	1,555	543	1,012
Supplies and Materials	2,094	810	1,284
Miscellaneous	1,700	1,051	649
Total Regular	<u>5,349</u>	<u>2,404</u>	<u>2,945</u>
Total Instruction	<u>5,349</u>	<u>2,404</u>	<u>2,945</u>
Support Services:			
Administration			
Purchased Services	1,949	1,000	949
Supplies and Materials	28,494	18,980	9,514
Miscellaneous	875	404	471
Total Administration	<u>31,318</u>	<u>20,384</u>	<u>10,934</u>
Central			
Purchased Services	903,100	901,580	1,520
Supplies and Materials	1,000	883	117
Total Central	<u>904,100</u>	<u>902,463</u>	<u>1,637</u>
Total Support Services	<u>935,418</u>	<u>922,847</u>	<u>12,571</u>
Extracurricular Activities			
Miscellaneous	5,400	3,000	2,400
Total Extracurricular Activities	<u>5,400</u>	<u>3,000</u>	<u>2,400</u>
Capital Outlay	610	-	610
Total Expenditures	<u>946,777</u>	<u>928,251</u>	<u>18,526</u>
Net Change in Fund Balances	(911,777)	(892,682)	19,095
Fund Balance at Beginning of Year	1,408,112	1,408,112	-
Prior Year Encumbrances Appropriated	3,044	3,044	-
Fund Balance at End of Year	<u>\$ 499,379</u>	<u>\$ 518,474</u>	<u>\$ 19,095</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	61,750	50,453	(11,297)
Total Revenues	<u>61,750</u>	<u>50,453</u>	<u>(11,297)</u>
Expenditures:			
Current:			
Instruction:			
Special			
Supplies and Materials	2,724	218	2,506
Total Special	<u>2,724</u>	<u>218</u>	<u>2,506</u>
Vocational			
Purchased Services	2,300	446	1,854
Supplies and Materials	64,926	49,596	15,330
Total Vocational	<u>67,226</u>	<u>50,042</u>	<u>17,184</u>
Total Instruction	<u>69,950</u>	<u>50,260</u>	<u>19,690</u>
Total Support Services	<u>69,950</u>	<u>50,260</u>	<u>19,690</u>
Extracurricular Activities			
Supplies and Materials	750	644	106
Total Extracurricular Activities	<u>750</u>	<u>644</u>	<u>106</u>
Capital Outlay	2,500	-	2,500
Total Expenditures	<u>73,200</u>	<u>50,904</u>	<u>22,296</u>
Excess of Revenues Over (Under) Expenditures	(11,450)	(451)	10,999
Other Financing Uses:			
Operating Transfers - Out	(11,750)	-	(11,750)
Total Other Financing Uses	<u>(11,750)</u>	<u>-</u>	<u>(11,750)</u>
Net Change in Fund Balances	(23,200)	(451)	22,749
Fund Balance at Beginning of Year	38,049	38,049	-
Prior Year Encumbrances Appropriated	2,281	2,281	-
Fund Balance at End of Year	<u>\$ 17,130</u>	<u>\$ 39,879</u>	<u>\$ 22,749</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental - State	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	2,817	2,817	-
Total Regular	<u>2,817</u>	<u>2,817</u>	<u>-</u>
Total Instruction	<u>2,817</u>	<u>2,817</u>	<u>-</u>
Capital Outlay	<u>52,747</u>	<u>52,747</u>	<u>-</u>
Total Expenditures	<u>55,564</u>	<u>55,564</u>	<u>-</u>
Net Change in Fund Balances	(55,564)	(55,564)	-
Fund Balance at Beginning of Year	48,443	48,443	-
Prior Year Encumbrances Appropriated	<u>7,121</u>	<u>7,121</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 Net Assets - Budget (Non-GAAP) and Actual  
 Health Self Insurance Fund  
 For the Fiscal Year Ended June 30, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$ 1,854,500	\$ 1,884,227	\$ 29,727
Charges to Employees	-	9,402	9,402
Interest	5,000	4,701	(299)
Total Revenues	<u>1,859,500</u>	<u>1,898,330</u>	<u>38,830</u>
Expenses:			
Purchased Services	<u>1,745,503</u>	<u>1,727,322</u>	<u>18,181</u>
Total Expenses	<u>1,745,503</u>	<u>1,727,322</u>	<u>18,181</u>
Changes in Net Assets	113,997	171,008	57,011
Net Assets at Beginning of Year	431,642	431,642	-
Net Assets at End of Year	<u>\$ 545,639</u>	<u>\$ 602,650</u>	<u>\$ 57,011</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, 2004

	<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	\$ 300,903	\$ 3,214,427	\$ 1,061,576	\$ 4,576,906
Accounts Receivable	2,246	166,013	-	168,259
Intergovernmental Receivable	-	-	342,384	342,384
Total Assets	<u>\$ 303,149</u>	<u>\$ 3,380,440</u>	<u>\$ 1,403,960</u>	<u>\$ 5,087,549</u>
<u>Liabilities:</u>				
Accounts Payable	\$ 26,124	\$ 1,231,114	\$ 776,333	\$ 2,033,571
Accrued Wages and Benefits	-	-	1,564	1,564
Interfund Loans Payable	25,211	-	180,484	205,695
Undistributed Money	251,814	2,149,326	136,459	2,537,599
Deferred Revenue	-	-	309,120	309,120
Total Liabilities	<u>\$ 303,149</u>	<u>\$ 3,380,440</u>	<u>\$ 1,403,960</u>	<u>\$ 5,087,549</u>

South-Western City School District  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2004

	Beginning Balance <u>June 30, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2004</u>
<u>Student Activity:</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 319,948	\$ 49,089	\$ 68,134	\$ 300,903
Accounts Receivable	1,383	2,246	1,383	2,246
Total Assets	<u>\$ 321,331</u>	<u>\$ 51,335</u>	<u>\$ 69,517</u>	<u>\$ 303,149</u>
Liabilities:				
Accounts Payable	\$ 17,425	\$ 26,124	\$ 17,425	\$ 26,124
Interfund Loans Payable	38,029	25,211	38,029	25,211
Undistributed Money	265,877	-	14,063	251,814
Total Liabilities	<u>\$ 321,331</u>	<u>\$ 51,335</u>	<u>\$ 69,517</u>	<u>\$ 303,149</u>
<u>District Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 3,146,056	\$ 1,065,101	\$ 996,730	\$ 3,214,427
Accounts Receivable	144,051	166,013	144,051	166,013
Total Assets	<u>\$ 3,290,107</u>	<u>\$ 1,231,114</u>	<u>\$ 1,140,781</u>	<u>\$ 3,380,440</u>
Liabilities:				
Accounts Payable	\$ 749,403	\$ 1,231,114	\$ 749,403	\$ 1,231,114
Interfund Loans Payable	23,190	-	23,190	-
Undistributed Money	2,517,514	-	368,188	2,149,326
Total Liabilities	<u>\$ 3,290,107</u>	<u>\$ 1,231,114</u>	<u>\$ 1,140,781</u>	<u>\$ 3,380,440</u>
<u>Teacher Development</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 1,196,052	\$ 925,117	\$ 1,059,593	\$ 1,061,576
Intergovernmental Receivable	-	342,384	-	342,384
Total Assets	<u>\$ 1,196,052</u>	<u>\$ 1,267,501</u>	<u>\$ 1,059,593</u>	<u>\$ 1,403,960</u>
Liabilities:				
Accounts Payable	\$ 220,134	\$ 776,333	\$ 220,134	\$ 776,333
Accrued Wages and Benefits	1,456	1,564	1,456	1,564
Interfund Loans Payable	-	180,484	-	180,484
Deferred Revenue	-	309,120	-	309,120
Undistributed Money	974,462	-	838,003	136,459
Total Liabilities	<u>\$ 1,196,052</u>	<u>\$ 1,267,501</u>	<u>\$ 1,059,593</u>	<u>\$ 1,403,960</u>

(continued)

South-Western City School District  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2004  
(continued)

	Beginning Balance <u>June 30, 2003</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2004</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 4,662,056	\$ 2,039,307	\$ 2,124,457	\$ 4,576,906
Receivable:				
Accounts	145,434	168,259	145,434	168,259
Intergovernmental	-	342,384	-	342,384
Total Assets	<u>\$ 4,807,490</u>	<u>\$ 2,549,950</u>	<u>\$ 2,269,891</u>	<u>\$ 5,087,549</u>
Liabilities:				
Accounts Payable	\$ 986,962	\$ 2,033,571	\$ 986,962	\$ 2,033,571
Accrued Wages and Benefits	1,456	1,564	1,456	1,564
Interfund Loans Payable	61,219	205,695	61,219	205,695
Deferred Revenue	-	309,120	-	309,120
Undistributed Money	3,757,853	-	1,220,254	2,537,599
Total Liabilities	<u>\$ 4,807,490</u>	<u>\$ 2,549,950</u>	<u>\$ 2,269,891</u>	<u>\$ 5,087,549</u>

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## STATISTICAL SECTION

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

	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996	Fiscal 1995
<b>Instruction:</b>										
Regular	\$ 73,386,722	\$ 66,732,252	\$ 58,041,395	\$ 54,132,589	\$ 50,533,336	\$ 47,490,805	\$ 45,173,936	\$ 42,683,610	\$ 39,922,094	\$ 37,094,734
Special	16,393,026	14,311,498	11,815,665	10,828,745	9,323,302	9,684,269	8,219,162	8,135,577	6,073,950	5,573,931
Vocational	5,001,224	4,678,304	4,008,708	3,836,439	3,795,074	3,717,091	3,621,744	3,534,832	3,486,900	3,411,456
Other	218,794	164,925	145,456	117,047	111,936	102,405	62,922	72,219	988,834	790,621
<b>Support Services:</b>										
Pupil	6,635,526	6,419,711	5,279,781	5,054,682	4,775,095	4,403,439	4,265,340	3,970,682	3,791,883	3,554,236
Instructional Staff	13,768,132	12,108,275	9,738,960	9,144,722	7,868,800	7,454,951	6,779,116	5,934,357	5,747,840	5,288,899
Board of Education	401,151	479,880	224,840	220,905	198,957	204,843	202,947	190,188	212,642	242,581
Administration	11,930,698	11,740,003	10,322,615	9,553,137	8,697,820	7,931,227	7,008,561	6,796,032	6,288,392	5,808,049
Fiscal	2,588,884	2,404,228	2,407,363	2,595,935	2,321,657	2,699,919	2,112,083	1,937,283	2,498,294	2,475,435
Business	1,088,251	974,415	892,459	819,113	727,262	832,269	510,486	584,603	510,541	534,637
Operations and Maintenance	15,207,070	13,926,549	12,239,655	11,742,314	12,155,861	8,584,160	7,752,638	7,673,496	6,827,854	5,980,482
Pupil Transportation	8,833,545	8,035,413	6,869,883	6,302,708	5,184,355	5,212,170	3,928,342	3,757,958	3,637,803	3,554,154
Central	2,677,134	2,499,380	2,089,229	1,937,416	1,835,522	1,885,573	1,839,888	1,459,915	1,135,676	981,563
Community Services	228,175	258,400	228,750	209,574	271,779	-	-	-	-	-
Extracurricular Activities	2,071,856	2,130,030	505,182	341,656	356,441	315,465	313,878	257,789	248,118	234,371
Miscellaneous	-	-	-	177,695	127,567	117,798	-	53,403	79,307	260,273
Capital Outlay	3,954,468	3,580,906	4,384,965	2,165,623	1,883,656	1,868,051	2,541,252	1,325,828	756,576	378,569
Pass Through Grants	325,000	325,000	325,000	325,000	300,000	300,000	348,606	-	-	-
Debt Service	285,463	283,722	365,893	359,177	398,951	450,013	395,806	711,586	422,864	312,900
<b>Total Expenditures</b>	<b>\$ 164,995,119</b>	<b>\$ 151,052,891</b>	<b>\$ 129,885,799</b>	<b>\$ 119,864,477</b>	<b>\$ 110,887,371</b>	<b>\$ 103,254,448</b>	<b>\$ 95,076,707</b>	<b>\$ 89,099,358</b>	<b>\$ 82,629,568</b>	<b>\$ 76,476,891</b>

Source: School District Comprehensive Annual Financial Report



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

	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997	Fiscal 1996	Fiscal 1995
Revenues										
Taxes	\$ 75,002,555	\$ 64,314,881	\$ 58,597,390	\$ 64,147,057	\$ 66,579,291	\$ 60,154,425	\$ 54,057,378	\$ 50,172,388	\$ 52,521,120	\$ 45,082,777
Tuition	490,455	263,531	393,119	370,993	206,029	116,264	340,628	366,903	194,253	417,810
Interest	521,057	1,061,385	1,944,485	3,436,812	2,656,159	2,067,933	1,539,023	1,462,480	1,064,080	706,935
Intergovernmental - State	81,716,404	73,895,778	67,340,648	55,556,934	50,154,517	47,416,508	43,705,799	39,695,247	37,205,452	32,315,797
Intergovernmental - Federal	941,662	616,432	535,899	381,051	306,305	262,415	223,198	325,201	99,162	68,527
Other	1,401,458	1,501,510	1,458,789	1,414,068	755,685	429,325	565,630	264,275	294,136	357,985
Total Revenues	\$ 160,073,591	\$ 141,653,517	\$ 130,270,330	\$ 125,306,915	\$ 120,657,986	\$ 110,446,870	\$ 100,431,656	\$ 92,286,494	\$ 91,378,203	\$ 78,949,831

Source: School District Comprehensive Annual Financial Report

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
2003/2004 (1)	\$ 88,953,867	\$ 9,929,033	\$ 98,882,900	\$ 84,340,638	94.81%	\$ 6,254,525	\$ 90,595,163	91.62%	\$ 10,479,138	2003/2004
2002/2003 (1)	86,458,902	7,337,196	93,796,098	81,512,004	94.28%	5,145,762	86,657,766	92.39%	7,153,656	2002/2003
2001/2002 (1)	85,132,756	8,745,197	93,877,953	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	5,482,345	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

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		
	Assessed Value	Estimated		Assessed Value	Estimated		Assessed Value	Estimated		Assessed Value	Estimated	
		Actual Value	Value		Actual Value	Value		Actual Value	Value		Actual Value	Value
2004	\$ 1,995,790,380	\$ 5,702,258,229	\$ 1,190,908,154	\$ 285,817,957	\$ 1,190,908,154	\$ 85,692,690	\$ 171,385,380	\$ 2,367,301,027	\$ 7,064,551,763	2004		
2003	1,944,520,110	5,555,771,743	1,309,649,344	327,412,336	1,309,649,344	80,654,260	161,308,520	2,352,586,706	7,026,729,607	2003		
2002	1,740,984,660	4,974,241,886	1,248,725,912	312,181,478	1,248,725,912	77,011,450	154,022,900	2,130,177,588	6,376,990,698	2002		
2001	1,686,914,280	4,819,755,086	1,282,137,544	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	1,162,563,112	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	1,144,131,092	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	1,107,077,572	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	997,124,472	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	933,360,824	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	924,774,984	231,193,746	924,774,984	109,326,320	217,484,574	1,408,203,076	4,192,782,444	1995		

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 for collection years 1995 through 2003 is 25%. Starting in collection year 2004, the assessed value will decrease 1% per year until it is completely phased out.
- (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 General Fund	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										
2003/2004	17.64 (13.24) (15.01)	3.14 (3.14) (3.14)	4.20 (4.20) (4.20)	46.10 (19.68) (32.02)	6.48 (6.48) (6.48)	3.85 (3.85) (3.85)	1.00 (1.00) (1.00)	0.00 0.00 0.00	0.60 (0.60) (0.60)	13.05 (8.27) (12.92)	20.20 (9.64) (10.24)	18.70 (11.48) (11.64)	18.30 (11.08) (11.24)	14.20 (10.50) (13.07)	
2002/2003	17.64	3.14	4.30	46.10	6.44	3.90	1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20	
2001/2002	17.64	3.14	4.40	46.10	6.61	3.90	1.00	1.20	0.60	13.05	20.20	16.20	15.80	14.20	
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	

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
2004	119,708	20,536	\$ 2,367,301,027	\$ 138,112,279	\$ 4,606,151	\$ 133,506,128	5.64%	\$ 1,115.26	\$ 6,501.08
2003	119,708	20,251	2,352,586,706	144,480,176	3,901,456	140,578,720	5.98%	\$ 1,174.35	\$ 6,941.82
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

(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, 2004

Assessed Valuation	\$	2,367,301,027	
Bonded Debt Limit - 9% of Assessed Value	\$	213,057,092	
Amount of Debt Applicable to 9% Debt Limit:		<u>133,042,279</u>	
9% Voted Debt Margin			<u>\$ 80,014,813</u>
Bonded Debt Limit - .10% of Assessed Value	\$	2,367,301	
Amount of Debt Applicable to .10% Debt Limit		<u>-</u>	
.10% Unvoted Debt Margin			<u>\$ 2,367,301</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, 2004

<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	\$ 138,112,279	100.00%	\$ 138,112,279
Franklin County	143,154,117	9.56%	13,685,534
City of Columbus	283,748,348	6.90%	19,578,636
City of Grove City	17,001,000	100.00%	17,001,000
Total Net Overlapping Debt	<u>\$ 582,015,744</u>		<u>\$ 188,377,449</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 2004 collection year

Source: Franklin County Auditor

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Percent of Debt Service to General Fund Expenditures</u>
2004	\$ 6,421,563	\$ 8,122,880	\$ 14,544,443	\$ 164,995,119	8.82%
2003	5,247,129	8,588,707	13,835,836	151,052,891	9.16%
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%

Source: School District Financial Records



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

Collection Year	New Construction (1)			Total New Construction	Real Property	Property Value (2)		Collection Year
	Agricultural/Residential	Commercial/Industrial				Tangible Personal	Public Utility(4)	
2004			\$ -	\$ 1,995,790,380	\$ 285,817,957	\$ 85,692,690	2004	
2003	38,281,050	12,795,380	51,076,430	5,555,771,743	1,309,649,344	161,308,520	2003	
2002	45,122,230	16,047,580	61,169,810	4,974,241,886	1,248,725,912	154,022,900	2002	
2001	39,851,280	27,273,130	67,124,410	4,819,755,086	1,282,137,544	189,160,560	2001	
2000	42,823,980	24,486,650	67,310,630	4,577,169,914	1,162,563,112	191,151,400	2000	
1999	31,709,480	7,787,500	39,496,980	3,862,177,600	1,144,131,092	182,329,180	1999	
1998	33,047,870	16,398,100	49,445,970	3,724,694,085	1,107,077,572	181,100,280	1998	
1997	31,055,330	15,471,280	46,526,610	3,568,786,914	997,124,472	179,330,120	1997	
1996	35,245,180	12,823,230	48,068,410	3,213,318,657	933,360,824	179,169,940	1996	
1995	31,338,200	10,134,190	41,472,390	3,050,522,886	924,774,984	217,484,574	1995	

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, 2003

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

South-Western City School District  
 Ten Year Attendance Data

<u>School Year End</u>	<u>Number Of Graduates</u>	<u>Elementary Schools Enrollment</u>	(1) <u>Intermediate Schools Enrollment</u>	<u>Middle Schools Enrollment</u>	<u>High Schools Enrollment</u>	<u>Total Enrollment</u>
2004	1,087	8,044	3,299	3,329	5,864	20,536
2003	1,090	7,895	3,231	3,403	5,722	20,251
2002	978	7,731	3,157	3,173	5,661	19,722
2001	856	7,619	3,118	2,985	5,348	19,070
2000	996	9,064	N/A	4,273	5,257	18,594
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

Source: Education Management Information System

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

South-Western City School District  
 Certified Staff by Training  
 as of April 2004

	<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		13	1	27	28	69
Percentage of Total		19.34%	1.44%	38.24%	40.98%	100.00%
<u>High School</u>						
Number	3	199	2	195	80	479
Percentage of Total	0.63%	41.58%	0.42%	40.77%	16.61%	100.00%
<u>Middle School</u>						
Number		105	6	105	32	247
Percentage of Total		42.31%	2.43%	42.31%	12.96%	100.00%
<u>Elementary</u>						
Number		297	9	253	70	628
Percentage of Total		47.25%	1.43%	40.25%	11.07%	100.00%
<u>Federal Programs</u>						
Number		28	0	22	8	58
Percentage of Total		48.93%	0.00%	38.18%	12.90%	100.00%
<u>Total</u>						
Number	3	642	18	601	217	1,481
Percentage of Total	0.20%	43.35%	1.22%	40.58%	14.65%	100.00%

Source: School district personnel records.

South-Western City School District  
 Schedule of Property and Casualty Insurance in Force  
 June 30, 2004

Company	Policy Period		Coverage	Liability Limits	Deductible	Annual Premium
	From	To				
Ohio School Plan	07/01/03	07/01/04	General Liability	\$1,000,000/\$3,000,000	\$0	\$ 134,148
			Fire	\$500,000/fire	\$0	
			Medical Expense Limit	\$10,000/person	\$0	
			Employee Benefits	\$1,000,000/\$3,000,000	\$0	
			Educational Legal Liability	\$1,000,000/\$2,000,000	\$10,000	
Indiana	07/01/03	07/01/04	Fleet	\$2,000,000	\$1,000 Comprehensive \$1,000 Collision	\$ 189,678
Indiana	07/01/03	07/01/04	Property/Building Content	Replacement Cost	\$10,000	\$ 219,199
			Flood Coverage	\$1,000,000	\$50,000	
			Boiler/Machinery	\$301,004,000	\$1,000	
			Employee Dishonesty	\$50,000	\$0	
			Inland Marine			
			Photography Equipment	\$115,115	\$250	
			Musical Instruments	\$1,597,899	\$250	
			School Band Uniforms	\$100,000	\$250	
			Athletic Equipment	\$408,436	\$25	
			Mobile Phones	\$35,000	\$100	
			Cellular Phones	\$4,040	\$100	
			Mobile Radios	\$157,075	\$100	
			Contractor's Equipment	\$736,370	\$250	

Source: School district records.

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

<u>Year</u>	<u>State Basic Aid Per Pupil (1) (3)</u>	<u>Percentage Change</u>	<u>Actual State Basic Aid Per Pupil Received</u>	<u>Percentage Change</u>	<u>South-Western Cost Per Pupil in ADM (2)</u>	<u>Percentage Increase</u>
2003/2004	\$ 5,058	2.2%	\$ 3,415	5.0%	8,515	3.3%
2002/2003	4,949	2.8%	3,253	10.2%	8,243	9.4%
2001/2002	4,814	12.1%	2,952	16.9%	7,533	2.4%
2000/2001	4,294	6.0%	2,525	14.5%	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%

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, 2003  
 (Actual Dollars Expended by Year)

	Grade Level	South-Western City School District	State Average for All School Districts	Franklin County Average
Elementary School				
1990-91	K	4,029	4,386	4,741
1991-92	1	4,202	4,473	4,835
1992-93	2	4,466	4,437	5,068
1993-94	3	4,695	4,640	5,426
1994-95	4	4,732	4,758	5,299
1995-96	5	4,879	4,940	5,626
Secondary School				
Enter Middle School				
1996-97	6	5,087	5,113	5,635
1997-98	7	5,275	5,369	6,046
1998-99 (1)	8	6,546	6,642	7,167
Enter High School				
1999-00 (1)	9	6,890	7,057	7,636
2000-01 (1)	10	7,354	7,602	8,222
2001-02 (1)	11	7,354	7,602	8,222
2002-03 (1)	12	8,243	8,441	9,111
Total		<u>\$ 73,752</u>	<u>\$ 75,460</u>	<u>\$ 83,034</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
Hayes (Hayes Technical)	Basic	1966	1981,1982,1986, 2003	58,677	10.80	520
	Modular	1991		4,150		



		<u>Original Construction</u>	<u>Addition (s) Date (s)</u>	<u>Building Area (Sq. Ft.)</u>	<u>Acreage</u>	<u>Student Capacity</u>
<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>						
Central Crossing	Basic	2002		260,716	63.40	1,880
Franklin Heights	Basic	1955	1956, 1957, 1963 1974, 1975, 1976 1986, 1997	152,983	37.02	1,172
Grove City	Basic	1970	1971, 1976, 1983 1985, 2000	198,348	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 Annex	Basic	1950		10,000	1.17	60
South-Western Career Academy	Basic	2002		130,156	25.10	750
<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>						
District Service Center	Basic	1981	1989, 1995, 2002	70,000	9.51	<u>Occupancy</u> 350
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
Bostic Center - Head Start	Basic	1973	2003	13,105	2.60	115

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

Percentage of Students Passing:	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997
<u>3rd Grade</u>	73.0%	N/A	N/A	N/A	N/A	N/A	N/A
<u>4th Grade</u>							
Citizenship	46.3%	51.3%	54.8%	49.0%	59.9%	43.9%	35.6%
Mathematics	58.5%	53.3%	56.3%	42.1%	57.6%	26.0%	24.4%
Reading	65.2%	65.2%	49.6%	48.6%	51.8%	35.7%	41.4%
Writing	69.2%	75.9%	76.5%	75.1%	62.8%	52.3%	58.8%
Science	50.3%	48.0%	43.5%	33.8%	40.6%	33.9%	27.7%
<u>6th Grade</u>							
Citizenship	69.7%	66.7%	69.1%	61.5%	69.3%	51.6%	54.6%
Mathematics	62.2%	46.6%	59.9%	39.0%	41.2%	33.3%	39.6%
Reading	61.9%	59.7%	55.6%	40.8%	44.7%	39.0%	35.0%
Writing	89.4%	85.8%	84.6%	75.1%	78.1%	82.1%	34.1%
Science	56.5%	60.3%	56.9%	39.8%	35.4%	34.4%	30.2%
<u>9th Grade</u>							
Citizenship	94.2%	80.7%	80.6%	77.5%	76.5%	75.3%	77.2%
Mathematics	87.2%	70.1%	69.7%	64.9%	62.4%	61.3%	63.9%
Reading	96.6%	87.2%	89.2%	86.7%	86.4%	86.0%	88.1%
Writing	96.8%	88.5%	90.1%	90.0%	89.5%	84.9%	82.5%
Science	89.8%	74.2%	77.3%	72.5%	68.8%	64.0%	N/A
<u>12th Grade</u>							
Citizenship	N/A	89.1%	62.9%	89.4%	52.8%	44.0%	38.9%
Mathematics	N/A	80.1%	56.7%	80.2%	49.8%	41.9%	30.2%
Reading	N/A	92.7%	66.2%	95.3%	62.0%	50.3%	47.7%
Writing	N/A	92.2%	85.1%	96.2%	72.1%	71.4%	49.5%
Science	N/A	84.4%	64.0%	85.0%	53.6%	38.1%	36.1%
<u>Student Attendance Rate</u>	94.4%	94.1%	93.0%	93.9%	94.1%	94.3%	94.7%
<u>Average Number of Students per Teacher</u>	N/A	15.9	19.2	18.6	19.0	20.9	21.5

Source: State of Ohio School District Report Card. Information for fiscal year 2004 not available at this time.



**Auditor of State  
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**SOUTHWESTERN CITY SCHOOL DISTRICT  
FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
DECEMBER 23, 2004**