

**SOUTH-WESTERN CITY SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**SINGLE AUDIT**

**JULY 1, 2005 – JUNE 30, 2006**





Mary Taylor, CPA  
Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the South-Western City School District, Franklin County, prepared by Wilson, Shannon & Snow, Inc., for the audit period July 1, 2005 through June 30, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

February 8, 2007

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

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

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

Federal Grantor/ Pass thru Grantor/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Cash Receipts	Non-Cash Receipts	Cash Disbursements	Non-Cash Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed through Ohio Department of Education:</i>						
<i>Child Nutrition Cluster:</i>						
Food Donation	N/A	10.550	\$ -	\$ 677,627	\$ -	\$ 677,627
School Breakfast Program	05-PU	10.553	700,884	-	700,884	-
National School Lunch Program	LL-P4-02,03	10.555	3,191,435	-	3,191,435	-
<i>Total Child Nutrition Cluster:</i>			<u>3,892,319</u>	<u>677,627</u>	<u>3,892,319</u>	<u>677,627</u>
Child and Adult Food Care Program	21-ML	10.558	165,849	-	165,849	-
<b>Total U.S. Department of Agriculture</b>			<u>4,058,168</u>	<u>677,627</u>	<u>4,058,168</u>	<u>677,627</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed through Ohio Department of Education:</i>						
<i>Special Education Cluster:</i>						
Special Education-Grants to States	6B-SF	84.027	4,256,615	-	4,526,747	-
Special Education-Preschool Grants	PG-S1	84.173	59,221	-	62,926	-
<i>Total Special Education Cluster:</i>			<u>4,315,836</u>	<u>-</u>	<u>4,589,673</u>	<u>-</u>
Adult Education-State Grant Program	AB-S1	84.002	121,930	-	212,657	-
Title I Grants to Local Educational Agencies	C1-S1	84.010	2,662,248	-	3,248,556	-
Migrant Education-State Grant Program	MG-S1	84.011	64,087	-	70,246	-
Vocational Education-Basic Grants to States	20-CI	84.048	369,248	-	428,981	-
Safe and Drug Free Schools and Communities-State Grants	DR-S1	84.186	78,272	-	127,999	-
Even Start-State Educational Agencies	EV-S2,S4	84.213	154,249	-	187,696	-
State Grants for Innovative Programs	C2-S1	84.298	56,585	-	58,697	-
Education Technology State Grants	TF-24,25	84.318	228,242	-	259,086	-
Advanced Placement Program	AV-TF	84.330	1,536	-	1,536	-
Comprehensive School Reform Demonstration	RF-S1	84.332	590,707	-	747,288	-
English Language Acquisition Grants	T3-S1	84.365	355,235	-	403,656	-
Mathematics and Science Partnerships	MJ-S1	84.366	69,905	-	56,989	-
Improving Teacher Quality State Grants	TR-S1	84.367	664,933	-	849,731	-
Hurricane Education Recovery Act	HR-01	84.938	22,613	-	1,838	-
<i>Total Passed through Ohio Department of Education:</i>			<u>9,755,626</u>	<u>-</u>	<u>11,244,629</u>	<u>-</u>
<i>Passed through Miami University, Ohio:</i>						
Mathematics and Science Partnerships	MJ-S1	84.366	137,387	-	174,808	-
<b>Total U.S. Department of Education</b>			<u>9,893,013</u>	<u>-</u>	<u>11,419,437</u>	<u>-</u>
<b><u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u></b>						
<i>Passed through Ohio Department of Education:</i>						
Learn & Serve America-School and Community Based Programs	SV-S1	94.004	13,685	-	20,775	-
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>						
<i>Passed through CDIP:</i>						
Head Start	N/A	93.600	1,992,706	-	1,961,755	-
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
State Children's Insurance Program	N/A	93.767	45,246	-	45,246	-
Medical Assistance Program	N/A	93.778	331,926	-	331,926	-
			<u>377,172</u>	<u>-</u>	<u>377,172</u>	<u>-</u>
<i>Passed through Ohio Department of Education:</i>						
Refugee and Entrant Assistance-Discretionary Grants	R1-S1	93.576	-	-	18,200	-
<b>Total U.S. Department of Health and Human Services</b>			<u>2,369,878</u>	<u>-</u>	<u>2,357,127</u>	<u>-</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 16,334,744</u>	<u>\$ 677,627</u>	<u>\$ 17,855,507</u>	<u>\$ 677,627</u>

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

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the activity of the District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - CHILD NUTRITION CLUSTER**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the accompanying schedule of federal awards receipts and expenditures at fair market value of the commodities received and disbursed. Monies are commingled with State grants. It is assumed federal monies are expended first. Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture.

**NOTE C - MATCHING REQUIREMENTS**

Certain Federal programs require the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal funds is not included on the Schedule.

**NOTE D - SUBRECEIPIENT**

The District passed-through to local governments or not-for-profit agencies (subrecipients) certain federal assistance received by the District from a pass-through entity. As described in Note A, the District records expenditures of federal awards to subrecipients when paid in cash.

The subrecipient has certain compliance responsibilities related to administering this federal program. Under OMB Circular A-133, the District is responsible for monitoring the subrecipient to help assure that federal awards are expended for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that performance goals are achieved. The total amount of federal assistance provided to the subrecipient by the District for the federal program is summarized below:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amounts Provided to Subrecipient</u>
Mathematics and Science Partnerships	84.366	\$174,808





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the District) as of and for the fiscal year ended June 30, 2006, and have issued our report thereon dated October 31, 2006. As disclosed within Note 4, the District adopted GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the 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 an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which we have reported to management of the District in a separate letter dated October 31, 2006.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**  
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Newark, Ohio 43055  
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FAX (740) 345-5635

South-Western City School District  
Franklin County  
Report on Internal Control Over Financial  
Reporting And On Compliance And Other  
Matters Based on an Audit Performed in  
Accordance with *Government Auditing Standards*  
Page 2

**Compliance and Other Matters**

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

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

*Wilson, Sherman & Snow, Inc.*

Newark, Ohio  
October 31, 2006



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133 AND THE SCHEDULE OF FEDERAL  
AWARDS RECEIPTS AND EXPENDITURES**

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

**Compliance**

We have audited the compliance of the South-Western City School District, Franklin County, Ohio, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2006. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular-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 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 District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2006.

*Wilson, Shannon & Snow, Inc.*

**CERTIFIED PUBLIC ACCOUNTANTS**

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South-Western City School District  
Franklin County  
Report on Compliance Applicable to Each  
Major Program and On Internal Control Over  
Compliance In Accordance with OMB Circular  
A-133 and the Schedule of Federal Awards  
Receipts and Expenditures Schedule  
Page 2

**Internal Control over Compliance**

The management of the 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 District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Federal Awards Receipts and Expenditures**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South-Western City School District, Franklin County, Ohio (the District) as of and for the fiscal year ended June 30, 2006, and have issued our report thereon dated October 31, 2006. As disclosed in Note 4, the District implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, Board of Education, the Auditor of State, and 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.

*Wilson, Shuman & Snow, Inc.*

Newark, Ohio  
October 31, 2006

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
JUNE 30, 2006**

**1. SUMMARY OF AUDITOR'S RESULTS**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Special Education Cluster, CFDA #84.027 and CFDA # 84.173; Comprehensive School Reform Demonstration, CFDA #84.332
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$555,994 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
JUNE 30, 2006**

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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

***Grove City, Ohio***

***COMPREHENSIVE ANNUAL FINANCIAL  
REPORT***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2006***

Issued by the Treasurer's Office

Catherine M. Bulgrin, Treasurer  
Karen K. New, Assistant Treasurer





South-Western City School District  
 Comprehensive Annual Financial Report  
 For the Year Ended June 30, 2006

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## District Service Center

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3805 Marlane Drive  
Grove City, Ohio 43123-3304  
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October 31, 2006

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

The seventeenth 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 2005-06 fiscal year. This report prepared by the Treasurer's office including the unqualified opinion of our independent auditors, Wilson, Shannon & Snow, Inc. for the fiscal year ended June 30, 2006 is hereby submitted. Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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 posted on our web site and copies will be sent to the Southwest Public Library, Moody's, and Standard and Poor's Financial Rating Services, banks, and any other interested parties.

### **SCHOOL DISTRICT ORGANIZATION**

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

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

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

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

The District operates 36 instruction/support facilities staffed by 1,050 non-certificated employees, 1,547 certificated full-time teaching personnel and 117 administrative employees to provide services to 20,960 students.

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

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

### **ECONOMIC CONDITION AND OUTLOOK**

The District is an independent political subdivision characterized as a "city school district" under Ohio Law, and provides educational services as mandated by state and/or federal agencies. The District is located primarily in Franklin County, Ohio southwest of, and included in parts of the City of Columbus, the State capital. The economic condition and outlook of the District has improved in recent years. The District has experienced considerable growth in both residential and commercial tax bases since 1985. Generally, the Columbus area is noted for its attractive service-based economy, cultural and educational elements. The District shares these demographic components with the resultant quality of life. Unemployment in the Franklin County Area, as listed by the Ohio Department of Job and Family Services, was 5.2 percent for the period ending September 2005. The Ohio rate of unemployment was 5.8 percent and the national unemployment rate was 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 and retail 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 millage will not be increased as a result of reappraisal or readjustment. Enacted as a result of protests from citizens who were being served markedly higher tax bills following reappraisals, this legislation has had the effect of seriously eroding the growth in revenue from local property tax and does not allow for revenue increases caused by inflationary growth of real estate property values. In other words, the 9.7 mill permanent operating/permanent improvement levy that was voted on in May 2005 and projected to generate \$21,000,000 each year will never generate more than that amount. As assessed value increases due to new homes and businesses; the 9.7 mills will decrease for each property owner until the amount generated from this voted levy equals \$21,000,000. Although the economic condition of the area continues to be great, we must constantly recognize this built-in revenue limitation. Hence, the need for a new levy materializes with increased student growth.

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**

Improving student academic achievement is the District's first and foremost concern. South-Western has implemented a program focusing on three key areas of student performance (graduation, attendance and achievement test performance). This is a district-wide effort to ensure that students are prepared to reach their full potential both in school and following graduation. The effort is paying off, with graduation rates, student attendance rates and achievement improving year after year. On the 2006 State of Ohio Report Card, South-Western earned the rating of "Continuous Improvement," and was just short of attaining an "Excellent" rating. South-Western is one of the largest districts in Ohio to achieve this level of performance.

### **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 by law no later than October 1 or once the County Auditor has completed the tax duplicate for the upcoming calendar year.

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

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

The accounting system used by the District provides interim financial reports which detail year-to-date expenditures and encumbrances versus the original appropriation plus any additional appropriations made to date. In addition to interim financial statements, each program manager is furnished 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 continues to protect its assets through a comprehensive insurance program. However, the district is exposed to various risks of loss related to torts, theft or, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 2006, 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, 2006 through January 1, 2007. Premiums increased effective January 2006 by 9.9 percent. 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 coverage and plan design. 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 and employee contributions.



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.

**OTHER INFORMATION**

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

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

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

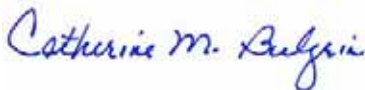
**Award** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005.

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 sixteenth consecutive year that the District has received this prestigious award. We believe our current report continues to conform to the standards required by the Certificate of Achievement Program, and we are submitting it to the GFOA for review.

**Acknowledgments** – Appreciation is extended to Karen New, Assistant Treasurer, and the Treasurer’s office staff for their dedication and support in publishing the 2006 Comprehensive Annual Financial Report on a timely basis. Sincere thanks are also extended to various administrators and employees of the School District, the Franklin County Auditor’s office staff and other outside agencies whose efforts assisted us with the fair presentation of the statistical information. Additionally, appreciation is expressed to the South-Western City School District Board of Education for their support, commitment and leadership to which the preparation of this report would not be possible.

Respectfully submitted,



Catherine M. Bulgrin  
Treasurer



R. Kirk Hamilton, Ph.D.  
Superintendent

## PRINCIPAL OFFICIALS

### Board of Education

James E. Lester	President
Gary L. Leasure	Vice President
Cathy Johnson	Member
Amy Baker	Member
William G. McCarty	Member

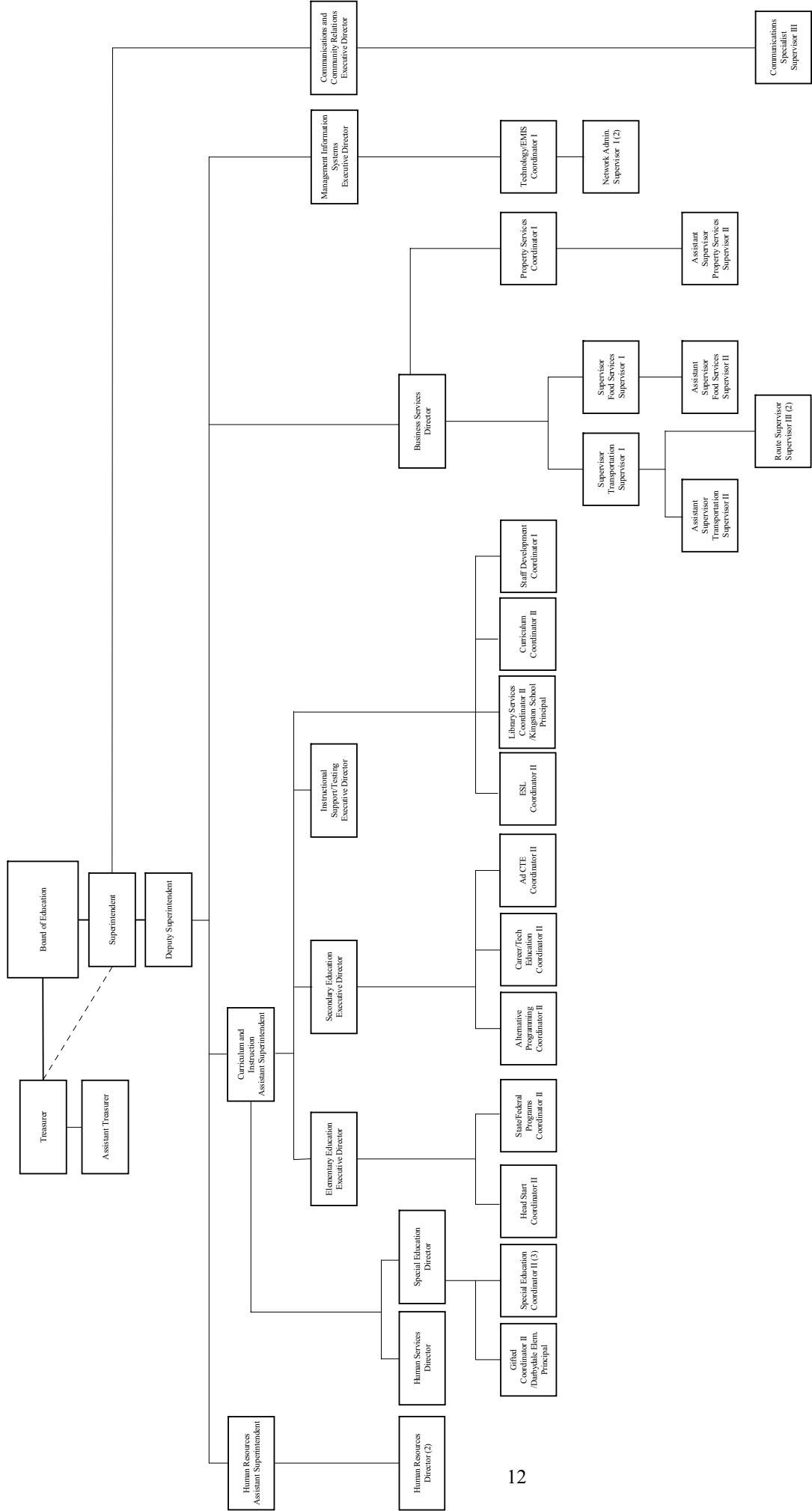
### Central Office Administrative Staff

R. Kirk Hamilton, Ph.D.	Superintendent
James H. Nelson	Deputy Superintendent
Catherine M. Bulgin	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
Patrick Callaghan	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 DEPARTMENT STAFF**

Catherine M. Bulgrin	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	Capital Assets
Sarah A. Johnson	Employee Benefits
Nancie A. Conley	Accountant
Anita M. McCreary	Accountant

# South-Western City Schools Organizational Chart



Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

South-Western  
City School District,  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

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.



*Carla E. Perry*

President

*Jeffrey R. Enow*

Executive Director

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



## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the District) as of and for the fiscal year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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, Franklin County, Ohio as of June 30, 2006 and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

As disclosed in Note 4, the District adopted GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2006 on our consideration of the District's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. 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.

*Wilson, Shannon & Snow, Inc.*

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

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consists principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables and schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Wilson, Shuman & Sons, Inc.*

Newark, Ohio  
October 31, 2006



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

This section of the South-Western City District's (the District) annual financial report presents the discussion and analysis of the District's financial performance during the year ended June 30, 2006. 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, 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 School Improvement Team (COSIT). All of the District's fiduciary activities are reported in separate statements of fiduciary net assets. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

**The District as a Whole**

Recall that the Statement of Net Assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets as of June 30, 2006 and as of June 30, 2005 for comparison purposes:

<i>Table 1</i>		
	Governmental Activities (in thousands)	
	2006	2005
<b>Assets</b>		
Current and other assets	\$ 137,157	\$ 118,019
Capital Assets	158,964	165,492
Total Assets	296,121	283,511
<b>Liabilities</b>		
Current liabilities	107,342	93,192
Long-term liabilities	154,574	146,469
Total Liabilities	261,916	239,661
<b>Net Assets</b>		
Invested in property and equipment - Net of related debt	29,645	33,551
Restricted	12,886	9,069
Unrestricted	(8,326)	1,230
Total Net Assets	\$ 34,205	\$ 43,850

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 \$34,205 thousand at June 30, 2006. Capital assets, net of related debt totaling \$29,645 thousand, compares the original cost, less depreciation of the District's capital assets to long-term debt used to finance the acquisition of those assets. Most of the debt will be repaid from voter-approved property taxes collected as the debt service comes due. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use those net assets for day-to-day operations.

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

The results of this year's operations for the District as a whole are reported in the statement of activities (Table 2), which shows the changes in net assets as of June 30, 2006 and as of June 30, 2005, for comparison purposes.

<b>Table 2</b>		
	Governmental Activities (in thousands)	
	2006	2005
<b>Revenue</b>		
Program revenue:		
Charges for Services	\$ 4,970	\$ 4,655
Operating Grants	26,767	23,920
General Revenue:		
Property Taxes	94,513	82,197
Grants and Entitlements	85,382	85,291
Interest	1,787	683
Other Local Revenue	4,125	3,770
Total Revenue	217,544	200,516
<b>Functions/Program Expenses</b>		
Instruction	126,103	118,356
Support Services	80,593	77,450
Food Services	8,056	7,860
Community Services	1,384	1,649
Extracurricular Activities	3,782	3,661
Interest and Fiscal Charges	7,271	7,907
Total Expenses	227,189	216,883
<b>Change in Net Assets</b>	(9,645)	(16,367)
<b>Net Assets Beginning of Year</b>	43,850	60,217
<b>Net Assets End of Year</b>	\$ 34,205	\$ 43,850

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

As reported in the statement of activities, the cost of all of the governmental activities this year was \$227,189 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$4,970 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$26,767 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$94,513 thousand in taxes, \$85,382 thousand in grants and entitlements, and with other revenues.

The District experienced a decrease in net assets of \$9,645 thousand. One of the most significant causes to the decrease in the School District's assets can be attributed to additional costs in the District's instructional and support services due to increased student enrollment and a larger identification of special needs students.

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 \$19,237 thousand, which is an increase of \$7,438 thousand from last year. The primary reason for the increase is the revenue received from the Tax Anticipation Notes issued for the Permanent Improvement Levy.

In the General Fund, the principal operating fund, the fund balance decreased \$4,702 thousand to negative \$3,837 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 applies a reduction to the millage rate as property valuation increases, therefore, as property value increases; the actual tax collection remains virtually the same. General Fund balance is available to fund costs related to the District's operations.

The Debt Service Fund showed a fund balance increase of \$2,157 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 increased \$10,523 thousand due to the Tax Anticipation Note proceeds. The district borrowed for anticipated expenditures.

Other Governmental Funds consist of special revenue funds. The decrease of \$540 thousand is due to state budget cuts, which are focused on supplemental programming.

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

**General Fund Budgetary Highlights**

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

While there were revisions to the 2005-2006 General Fund original budget they were not significant. Budgeted revenues were decreased \$7,526 thousand primarily due to two large business tax refunds and state foundation revenue being lower than anticipated. The refunds of personal property tax revenue were from prior years and that were unanticipated coupled with a lower than normal increase in student population.

Budgeted expenditures were also decreased \$1,196 thousand primarily to account for the decrease in revenues. The amount of transfers to other funds established in the amended budget was \$2,060 thousand and represents support provided by the General Fund to other functions.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2006, the District had \$158,964 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 \$6,528 thousand, or 3.9 percent, from last year. (in thousands)

<u>Description of Capital Asset</u>	<u>2006</u>	<u>2005</u>
Land	\$ 6,768	\$ 6,768
Improvements to Land	1,175	1,446
Buildings	142,118	147,709
Furniture and Equipment	3,677	5,015
Vehicles	115	190
Buses	4,656	4,364
Construction in Progress	<u>455</u>	<u>-</u>
Total Capital Assets	<u>\$ 158,964</u>	<u>\$ 165,492</u>

This year's additions of \$2,857,006 included costs associated with the new bus purchases, a new roof at Pleasant View Middle School, and various vehicles, equipment, and technology purchases.

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

In May 2005 the District supported the passage of 9.7 mill levy designating 2 of the 9.7 mills to be used for permanent improvements. In July 2005 the District issued Tax Anticipation Notes to begin various capital improvement projects. These projects include building repairs and maintenance, purchase of textbooks, instructional technology, buses, equipment, vehicle replacement and repairs. A more detailed explanation of the capital assets is presented in the notes to the basic financial statements.

***Debt***

At the end of this year, the District had \$137,781 thousand in bonds and notes outstanding versus \$131,774 thousand in the previous year, which is an increase of 4.6 percent. Those bonds and note consisted of the following: (in thousands)

<u>Description of General Obligation Bonds</u>	<u>2006</u>	<u>2005</u>
1996 Bus	275	535
1999 School Facilities	93,320	94,713
2002 School Facilities	3,285	3,695
2002 Energy Conservation	3,620	3,955
2000 Vocational Construction	733	800
2003 Refunding School Facilities	21,789	25,419
2004 Refunding School Facilities	2,531	2,657
2006 Permanent Improvement TAN	<u>12,228</u>	<u>-</u>
Total General Obligation Bonds	<u>\$ 137,781</u>	<u>\$ 131,774</u>

The District's general obligation bond rating was reviewed in November 2006 by two independent rating firms. Both firms confirmed no change to the District's rating. Moody's credit rating is A1 and Standard and Poor's credit rating is A+. The state limits the amount of general obligation debt that schools can issue to ten percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$137,781 thousand is significantly below the \$238,848 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 basic financial statements.

**Current Issues Affecting Financial Conditions**

The District unions follow a usual bargaining cycle of the teachers union, which is the South-Western Education Association (S.W.E.A.) followed by the classified staff union the Chapter 211 of the Ohio Association of Public School Employees (O.A.P.S.E.) and lastly the administrators union, the South-Western Schools Administrators Association (S.W.A.A.). Generally, O.A.P.S.E. and the S.W.A.A. obtain the same salary increase as the teachers union.

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

The teaching or certificated staff is represented by the S.W.E.A. which is affiliated with the Ohio Education Association (O.E.A), and the National Education Association (N.E.A.). The Board has bargained with the S.W.E.A. since 1968. In July 2005 the Board and the S.W.E.A. signed a two-year agreement effective July 2005. The settlement granted the certificated staff an annual salary increase of one percent the first year and two percent the following year.

The administrators are represented by the S.W.A.A. In 2004, the Board and the S.W.A.A. signed a two-year agreement effective July 2005. The settlement granted the certificated staff an annual salary increase averaging four percent.

In 2006, the Board entered into a three-year contract extension agreement effective July 1, 2006, with Chapter 211 of the Ohio Association of Public School employees (O.A.P.S.E.) a group affiliated with A.F.S.C.M.E. The settlement granted the classified staff an annual salary increase of one percent the first year with wage reopeners for 2008 and 2009.

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding plan is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "...the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient..." The District is currently unable to determine what effect, if any, this decision will have on its future State funding and its financial operations.

Due to the unsettled issues in the school funding, management is required to plan carefully and prudently to provide the resources to meet student needs over the next several years. In conclusion, the District's system of budgeting and internal controls is well regarded.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the District's accountability for the money it receives. If you have questions or need additional financial information, contact Catherine Bulgrin, Treasurer/Chief Fiscal Officer of the South-Western City School District, 3805 Marlane Drive, Grove City, Ohio 43123 by phone (614) 801-3038 or e-mail [Catherine\\_Bulgrin@swcs.oh](mailto:Catherine_Bulgrin@swcs.oh).



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South-Western City School District  
Statement of Net Assets  
June 30, 2006

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash	
Equivalents	\$ 13,229,173
Investments	8,896,608
Receivable:	
Taxes - Current	102,732,565
Taxes - Delinquent	6,949,399
Accounts	231,546
Interest	135,783
Intergovernmental - Federal	3,509,839
Prepaid Items	329,763
Materials and Supplies Inventory	330,844
Unamortized Debt Issuance Costs	811,427
Capital Assets:	
Land	6,768,233
Construction in Progress	454,762
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>151,741,424</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>158,964,419</u>
Total Assets	<u>\$ 296,121,366</u>
<u>Liabilities</u>	
Accounts Payable	\$ 2,463,793
Contracts Payable	339,158
Accrued Wages and Benefits	19,850,750
Accrued Interest Payable	479,295
Unearned Revenue	74,819,298
Notes Payable	9,390,000
Long-Term Liabilities:	
Due within One Year	16,638,142
Due in More than One Year	<u>137,935,976</u>
Total Liabilities	<u>\$ 261,916,412</u>
<u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	29,644,575
Restricted for:	
Debt Service	10,735,253
Capital Projects	2,151,274
Unrestricted	<u>(8,326,148)</u>
Total Net Assets	<u><u>\$ 34,204,954</u></u>

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

South-Western City School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2006

	<u>Expenses</u>	<u>Program Revenues</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>
Governmental Activities:				
Instruction:				
Regular	\$ 95,115,958	\$ 102,094	\$ 2,453,815	\$ (92,560,049)
Special	22,985,555	-	9,621,061	(13,364,494)
Vocational	6,942,933	119,795	1,894,594	(4,928,544)
Other	1,058,398	-	839,016	(219,382)
Support Services:				
Pupil	8,056,141	-	721,248	(7,334,893)
Instructional Staff	19,218,501	200	3,901,057	(15,317,244)
Board of Education	268,724	-	-	(268,724)
Administration	15,558,613	-	1,006,945	(14,551,668)
Fiscal	3,321,018	-	115,368	(3,205,650)
Business	1,203,141	-	-	(1,203,141)
Operations and Maintenance	16,101,062	-	447,336	(15,653,726)
Pupil Transportation	12,722,070	151,725	679,978	(11,890,367)
Central	4,143,369	-	120,774	(4,022,595)
Food Service	8,055,603	3,868,230	3,803,610	(383,763)
Community Services	1,384,279	8,163	1,089,016	(287,100)
Extracurricular Activities	3,781,747	719,363	73,056	(2,989,328)
Interest and Fiscal Charges	7,271,315	-	-	(7,271,315)
Total Governmental Activities	<u>\$ 227,188,427</u>	<u>\$ 4,969,570</u>	<u>\$ 26,766,874</u>	<u>(195,451,983)</u>
General Revenues:				
Property Taxes Levied for:				
General Purposes				79,877,444
Debt Service				12,848,845
Capital Improvements				1,787,078
Grants and Entitlements not Restricted to Specific Programs				85,381,816
Interest				1,787,222
Other Local Revenues				4,124,726
Total General Revenues				<u>185,807,131</u>
Changes in Net Assets				(9,644,852)
Net Assets Beginning of Year				43,849,806
Net Assets End of Year				<u>\$ 34,204,954</u>

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

South-Western City School District  
Balance Sheet  
Governmental Funds  
June 30, 2006

	<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	\$ 2,430,181	\$ 5,284,375	\$ 1,909,336	\$ 3,286,827
Investments	-	-	8,896,608	-
Receivable:				
Taxes - Current	86,061,312	16,302,670	368,583	-
Taxes - Delinquent	6,038,797	901,929	8,673	-
Accounts	207,625	-	-	23,921
Interest	-	-	135,783	-
Intergovernmental	260,795	-	-	3,249,044
Interfund Loan Receivable	438,429	-	-	-
Prepaid Items	238,831	-	-	90,932
Materials and Supplies Inventory	259,749	-	-	71,095
Total Assets	<u>\$ 95,935,719</u>	<u>\$ 22,488,974</u>	<u>\$ 11,318,983</u>	<u>\$ 6,721,819</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 1,660,730	\$ -	\$ 63,387	\$ 739,676
Contracts Payable	-	-	339,158	-
Accrued Wages and Benefits	17,801,723	-	-	2,049,027
Compensated Absences Payable	1,823,830	-	-	-
Interfund Loans Payable	-	-	-	438,429
Deferred Revenue	69,096,142	12,577,492	312,549	936,759
Notes Payable	9,390,000	-	-	-
Total Liabilities	<u>99,772,425</u>	<u>12,577,492</u>	<u>715,094</u>	<u>4,163,891</u>
<u>Fund Balance:</u>				
Reserved for Encumbrances	894,152	-	349,479	263,989
Reserved for Future Appropriation	22,221,453	4,627,107	64,707	-
Reserved for Debt Service	-	5,284,375	-	-
Unreserved, reported in				
General Fund	(26,952,311)	-	-	-
Special Revenue Funds	-	-	-	2,293,939
Capital Project Fund	-	-	10,189,703	-
Total Fund Balances (Deficit)	<u>(3,836,706)</u>	<u>9,911,482</u>	<u>10,603,889</u>	<u>2,557,928</u>
Total Liabilities and Fund Balances	<u>\$ 95,935,719</u>	<u>\$ 22,488,974</u>	<u>\$ 11,318,983</u>	<u>\$ 6,721,819</u>

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

South-Western City School District  
 Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 June 30, 2006

<u>Total Governmental Funds</u>		
	Total Governmental Fund Balances	\$ 19,236,593
\$ 12,910,719	Amounts reported for governmental activities in the	
8,896,608	statement of net assets are different because:	
102,732,565	Capital assets used in governmental activities are not financial	
6,949,399	resources and therefore are not reported in the funds.	158,964,419
231,546		
135,783	Other long-term assets are not available to pay for current period	
3,509,839	expenditures and therefore are deferred in the funds.	8,103,644
438,429		
329,763	Unamortized premiums on bond and long-term note issuances are	
330,844	not recognized in the funds.	(2,692,839)
<u>\$ 136,465,495</u>		
	Unamortized bond and long-term note issuance costs are not	
	recognized in the funds.	811,427
\$ 2,463,793	An internal service fund is used by management to charge the cost	
339,158	of dental insurance to individual funds. The assets and liabilities of	
19,850,750	the internal service fund are included in governmental	
1,823,830	activities in the statement of net assets.	318,454
438,429		
82,922,942	Long-term liabilities, including bonds payable, are not due and	
9,390,000	payable in the current period and therefore are not reported	
<u>117,228,902</u>	in the funds:	
	Interest Payable	(479,295)
	Compensated Absences Payable	(14,969,156)
1,507,620	Long - Term Notes Payable	(12,227,827)
26,913,267	General Obligation Debt	(118,507,133)
5,284,375	Energy Conservation Debt	(3,620,000)
	Vocational Construction Loan	(733,333)
(26,952,311)	Net Assets of Governmental Activities	<u>\$ 34,204,954</u>
2,293,939		
10,189,703		
<u>19,236,593</u>		
<u>\$ 136,465,495</u>		

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

South-Western City School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2006

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
<b>Revenues:</b>				
Local:				
Taxes	\$ 82,455,177	\$ 13,470,957	\$ 1,778,405	\$ -
Tuition	249,116	-	-	125,934
Interest	1,542,164	-	570,703	18,759
Other Local Revenue	1,686,176	-	75,000	7,118,839
Intergovernmental - State	90,115,105	1,365,028	213,742	3,483,351
Intergovernmental - Federal	664,914	-	-	16,246,438
<b>Total Revenues</b>	<u>176,712,652</u>	<u>14,835,985</u>	<u>2,637,850</u>	<u>26,993,321</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular	83,702,053	-	1,237,939	3,215,348
Special	18,144,417	-	1,538	4,695,608
Vocational	5,265,401	-	-	557,509
Other	261,551	-	-	789,906
Support Services:				
Pupil	7,296,517	-	-	808,627
Instructional Staff	14,983,990	-	-	4,147,635
Board of Education	268,724	-	-	-
Administration	13,547,233	-	128	1,544,991
Fiscal	2,965,018	115,963	16,988	211,562
Business	1,164,905	-	107,269	-
Operations and Maintenance	15,619,433	-	11,405	236,219
Pupil Transportation	10,539,810	-	173,152	726,421
Central	2,622,704	-	-	512,409
Food Service	-	-	-	7,658,325
Community Services	247,709	-	-	825,787
Extracurricular Activities	2,288,975	-	-	1,273,493
Capital Outlay	679,825	-	2,588,895	726,875
Pass Through Grants	325,000	-	-	-
Debt Services:				
Principal Retirement	-	5,923,219	236,790	-
Interest and Fiscal Charges	327,123	7,402,925	5,854	-
Issuance Costs for Bonds and Notes	60,238	-	76,777	-
<b>Total Expenditures</b>	<u>180,310,626</u>	<u>13,442,107</u>	<u>4,456,735</u>	<u>27,930,715</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(3,597,974)</b>	<b>1,393,878</b>	<b>(1,818,885)</b>	<b>(937,394)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	-	762,988	-	396,182
Transfers - Out	(1,159,170)	-	-	-
Issuance of Notes	-	-	12,000,000	-
Premium on the Sale of Notes	-	-	341,741	-
Proceeds from the Sale of Capital Assets	54,720	-	-	1,080
<b>Total Other Financing Sources (Uses)</b>	<u>(1,104,450)</u>	<u>762,988</u>	<u>12,341,741</u>	<u>397,262</u>
<b>Net Change in Fund Balances</b>	<b>(4,702,424)</b>	<b>2,156,866</b>	<b>10,522,856</b>	<b>(540,132)</b>
<b>Fund Balances at Beginning of Year</b>	<u>865,718</u>	<u>7,754,616</u>	<u>81,033</u>	<u>3,098,060</u>
<b>Fund Balances (Deficit) at End of Year</b>	<u>\$ (3,836,706)</u>	<u>\$ 9,911,482</u>	<u>\$ 10,603,889</u>	<u>\$ 2,557,928</u>

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

South-Western City School District  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2006

<u>Total</u>		
Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$ 7,437,166
	Amounts reported for governmental activities in the statement of activities are different because:	
\$ 97,704,539		
375,050	Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$9,814,027) in the current period exceeds capital outlay, which met the capitalization criteria, (\$3,311,768).	(6,502,259)
2,131,626		
8,880,015		
95,177,226		
16,911,352		
<u>221,179,808</u>		
	In the statement of activities, only the gain and loss on the disposal of fixed assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets disposed.	(25,045)
88,155,340		
22,841,563	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(3,266,045)
5,822,910		
1,051,457		
	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.	6,160,009
8,105,144		
19,131,625		
268,724		
15,092,352		
3,309,531		
1,272,174	Proceeds and premiums from the sale of notes 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.	(12,341,741)
15,867,057		
11,439,383		
3,135,113		
7,658,325	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.	(37,554)
1,073,496		
3,562,468		
3,995,595		
325,000	Premiums on debt issuances are recognized as revenues in the governmental funds, however, they are amortized over the life of the issuance on the statement of activities.	344,400
6,160,009		
7,735,902		
137,015	Governmental Funds report expenditures for interest when it is due. In the statement of activities, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the statement of activities is due to the accrued interest on bonds.	205,605
<u>226,140,183</u>		
(4,960,375)		
	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.	(1,632,596)
1,159,170		
(1,159,170)		
12,000,000		
341,741		
55,800	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.	13,208
<u>12,397,541</u>		
7,437,166	Changes in Net Assets of Governmental Activities	<u>\$ (9,644,852)</u>
11,799,427	The notes to the basic financial statements are an integral part of this statement.	
<u>\$ 19,236,593</u>		

South-Western City School District  
Statement of Net Assets  
Internal Service Fund  
June 30, 2006

Current Assets:

Equity in Pooled Cash and Cash Equivalents	<u>\$ 318,454</u>
Total Current Assets	<u>\$ 318,454</u>

Total Current Liabilities	<u>\$ -</u>
---------------------------	-------------

Net Assets

Unrestricted	<u>\$ 318,454</u>
Total Net Assets	<u><u>\$ 318,454</u></u>

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



South-Western City School District  
Statement of Revenues, Expenses and  
Changes in Fund Net Assets  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2006

Operating Revenues:	
Total Operating Revenues	<u>\$ -</u>
Operating Expenses:	
Total Operating Expenses	<u>-</u>
Operating Loss	-
Non-Operating Revenues:	
Interest	<u>13,208</u>
Total Non-Operating Revenues	<u>13,208</u>
Change in Net Assets	13,208
Net Assets Beginning of Year	<u>305,246</u>
Net Assets End of Year	<u>\$ 318,454</u>

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

South-Western City School District  
Statement of Cash Flows  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2006

Increase in Cash and Cash Equivalents

Cash Flows from Investing Activities:	
Interest	<u>\$ 13,208</u>
Net Cash Provided by Investing Activities	<u>13,208</u>
Net Increase in Cash and Cash Equivalents	13,208
Cash and Cash Equivalents Beginning of Year	<u>305,246</u>
Cash and Cash Equivalents End of Year	<u><u>\$ 318,454</u></u>

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

South-Western City School District  
Statement of Fiduciary Net Assets  
Agency Fund  
June 30, 2006

Assets:

Equity in Pooled Cash and Cash Equivalents	\$	4,220,798
Accounts Receivable		215,829
Intergovernmental Receivable		<u>300,049</u>
Total Assets	\$	<u><u>4,736,676</u></u>

Liabilities:

Accounts Payable	\$	368,564
Due to Other Governments		1,607,189
Accrued Wages and Benefits		326
Undistributed Money		<u>2,760,597</u>
Total Liabilities	\$	<u><u>4,736,676</u></u>

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**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 1,050 non-certificated employees, 1,547 certificated full time teaching personnel and 117 administrative employees to provide services to approximately 20,960 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 2006 the District operated 17 elementary schools, five intermediate schools, five middle schools, four comprehensive high schools and one career academy high school.

Reporting Entity

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

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

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

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**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, 2006*

**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. The District entered into a fully insured dental program in fiscal year 2005 and the District maintains this fund in the event the District would become self-insured in the future.

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, 2006*

**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.

Unearned Revenue

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

Property taxes (should not include delinquent) for which there is an enforceable legal claim as of June 30, 2006, but which were levied to finance fiscal year 2007 operations, have been recorded as unearned revenue.

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

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. This fund is inactive at June 30, 2006.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**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. Budgetary Data

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

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

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

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding year as reported by the District Treasurer. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts set forth in the original and final Amended Certificate issued for fiscal year 2006, respectively.

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

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

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

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the year by supplemental appropriations which either reallocated, increased or decreased the original appropriation amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2006.



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

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

E. Budgetary Data (continued)

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

F. Cash and Cash Equivalents/Investments

The District maintains a cash and investment pool used by all funds, except 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 "Cash and Cash Equivalents" on the financial statements.

During fiscal year 2006, 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 2006. 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, 2006.

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 2006 amounted to \$1,542,164, which includes \$472,327 assigned from other District Funds.

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

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

G. Inventory

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

H. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2006, 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, 2006*

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

**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, 2006.

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

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

The total liability for vacation and severance payments has been calculated using pay rates in effect at June 30, 2006, and reduced to the maximum payment allowed by labor contracts and/or statute, plus any additional salary related payments.

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**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.

**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, debt services and property tax advances.

**N. Net Assets**

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

The District applies restricted resources first when an expense is incurred for purposes of which both restricted and unrestricted net assets are available.

**O. Parochial Schools**

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

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

P. Estimates

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

Q. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2006.

**NOTE 3 - CENTRAL OHIO SCHOOL IMPROVEMENT TEAM (COSIT)**

The District serves as the fiscal agent for Central Ohio School Improvement Team (COSIT) responsible for deploying professional development and technical assistance activities and services for the Ohio Improvement Planning Framework and surrounding school districts within the region through the Ohio Department of Education. The District serves strictly as fiscal agent and is not financial accountable for COSIT operations. The agreement between the District and the COSIT states the District shall serve as fiscal agent and will be compensated based on services performed. During fiscal year 2006, the District received \$117,192 for services provided. Additional information can be obtained from the Treasurer of the South-Western City School District located at 3805 Marlane Drive, Grove City, Ohio 43123.

**NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLE**

The District has implemented Governmental Accounting Standards Board (GASB) Statement No. 44, Economic Condition Reporting: The Statistical Section. Implementation of GASB 44 has no impact on the District’s financial position or results of operations.

**NOTE 5 - CASH AND CASH EQUIVALENTS/INVESTMENTS**

Deposits

At year-end, the carrying amount of the District’s deposits were \$299,679 and the bank balance was \$310,236. Of the bank balance, \$100,000 was covered by federal deposit insurance coverage. The remaining amounts were uninsured and uncollateralized as defined by the GASB because the collateral pledged by the financial institution or their trust department or agents is not in the District’s name. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC.

Investment Type	Fair Value	Investment Maturities	
			6 months or less
Repurchase Agreement	\$ 10,617,000	\$	10,617,000
STAR Ohio	6,533,292		6,533,292
FHLMC Notes	7,901,258		7,901,258
FNMA Notes	995,350		995,350
	<u>\$ 26,046,900</u>	<u>\$</u>	<u>26,046,900</u>

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**NOTE 5 - CASH AND CASH EQUIVALENTS (continued)**

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

Credit Risk: The District's investments in FHLMC and the FNMA notes were each rated Aaa by Moody's Investor Services. STAR Ohio is rated AAAM by Moody's Investor Services.

Concentration of Credit Risk: The District places no limit on the amount that may be invested in any one issuer. The following table includes the percentage of each investment type held by the District at June 30, 2006:

Investment Type	Fair Value	% of Total
Repurchase Agreement	\$ 10,617,000	40.76%
STAR Ohio	6,533,292	25.08%
FHLMC Notes	7,901,258	30.33%
FNMA Notes	995,350	3.82%
	<u>\$ 26,046,900</u>	<u>100.00%</u>

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within 5 years of the date of the related repurchase agreement. State laws do not require security for public deposits and investments to be maintained in the District's name. During 2006, the District and public depositories complied with the provisions of these statutes.

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

**Reconciliation of Cash and Investment to the Statement of Net Assets:** The following is a reconciliation of cash and investments to the Statement of Net Assets as of June 30, 2006:

Investments (summarized above)	\$ 26,046,900
Carrying Amount of District's Deposits	299,679
Agency Fund - Cash and Cash Equivalents	(4,220,798)
Total Governmental Activities - Cash and Cash Equivalents and Investments	<u>\$ 22,125,781</u>

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**NOTE 6 - 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 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, 2006 are available to finance fiscal year 2006 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, 2006. 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 \$22,221,453 in the General Fund, \$4,627,107 in the Debt Service Fund and \$64,707 in the Capital Improvement Fund, which is recognized as revenue. The assessed values upon which the fiscal year 2006 Taxes were collected are:

	2005 Second		2006 First	
	Half Collection		Half Collection	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 2,058,122,350	84.33%	\$ 2,356,337,430	88.79%
Public Utility Real and Personal	87,646,630	3.59%	85,769,830	3.23%
Tangible Personal Property	294,803,262	12.08%	211,762,887	7.98%
Total Assessed Value	<u>2,440,572,242</u>	<u>100%</u>	<u>2,653,870,147</u>	<u>100%</u>
Tax rate per \$1,000 of Assessed Valuation	\$ 55.23		\$ 64.67	

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**NOTE 7 - RECEIVABLES**

Receivables at June 30, 2006 consisted of taxes, accounts (rent and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs and the current year guarantee of federal funds. A summary of receivables reported on the state of nest assets follows:

Governmental Activities:	
Property Taxes - Current	\$ 102,732,565
Property Taxes - Delinquent	6,949,399
Accounts	231,546
Interest	135,783
Intergovernmental - Federal	<u>3,509,839</u>
Total	<u><u>\$ 113,559,132</u></u>

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

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

	<u>Deferred</u>	<u>Unearned</u>
Delinquent Property Taxes	\$ 6,949,399	\$ 74,819,298
Grant payments received prior to meeting all eligibility requirements	<u>1,154,245</u>	<u>-</u>
	<u><u>\$ 8,103,644</u></u>	<u><u>\$ 74,819,298</u></u>

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**NOTE 8 – CAPITAL ASSETS**

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

	Balance <u>6/30/2005</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2006</u>
<b>Governmental Activities</b>				
Non-Depreciable:				
Land	\$ 6,768,233	\$ -	\$ -	\$ 6,768,233
Construction in Progress	-	795,184	(340,422)	454,762
Total Non-Depreciable	<u>6,768,233</u>	<u>795,184</u>	<u>(340,422)</u>	<u>7,222,995</u>
Depreciable:				
Improvements to Land	5,756,397	50,331	(14,692)	5,792,036
Buildings	203,846,725	493,047	-	204,339,772
Furniture and Equipment	21,810,959	1,039,940	(1,311,596)	21,539,303
Vehicles	1,422,337	19,640	(59,145)	1,382,832
Buses	11,616,343	1,254,048	(658,816)	12,211,575
Total Depreciable	<u>244,452,761</u>	<u>2,857,006</u>	<u>(2,044,249)</u>	<u>245,265,518</u>
Accumulated Depreciation:				
Improvements to Land	(4,311,218)	320,739	(14,692)	(4,617,265)
Buildings	(56,137,801)	6,084,077	-	(62,221,878)
Furniture and Equipment	(16,796,223)	2,354,063	(1,288,523)	(17,861,763)
Vehicles	(1,231,992)	92,699	(57,173)	(1,267,518)
Buses	(7,252,037)	962,449	(658,816)	(7,555,670)
Total Accumulated Depreciation	<u>(85,729,271)</u>	<u>9,814,027</u>	<u>(2,019,204)</u>	<u>(93,524,094)</u>
Net Depreciable Capital Assets	<u>158,723,490</u>	<u>(6,957,021)</u>	<u>25,045</u>	<u>151,741,424</u>
Net Governmental Activities Capital Assets	<u>\$ 165,491,723</u>	<u>\$ (6,161,837)</u>	<u>\$ (315,377)</u>	<u>\$ 158,964,419</u>



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**NOTE 8 – CAPITAL ASSETS (continued)**

Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 4,939,612
Special	126,712
Vocational	1,012,702
Other	618
Support Services:	
Pupil	6,324
Instructional Staff	150,038
Administration	484,785
Fiscal	3,433
Operations and Maintenance	191,510
Transportation	1,049,110
Central	985,485
Food Service	391,913
Community Services	271,212
Extracurricular	200,573
Total Depreciation Expense	<u>\$ 9,814,027</u>

**NOTE 9 - 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 defined benefit pension plan. SERS provides retirement benefits and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Columbus, Ohio 43215-3476 or by calling (614) 222-5853.

Plan members are required contribution 10 percent of their annual covered salary and the South-Western City School District is required to contribute an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2005, 10.57 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2004, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2006, 2005, and 2004 were \$7,369,603, \$7,167,185, and \$6,551,883; 100 percent has been contributed for each fiscal year.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)**

**B. State Teachers Retirement System**

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of services, or an allowance based on the members contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

A DB or Combined Plan member with five or more years credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of these active members who die before retirement may qualify for survivor benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

For the fiscal year ended June 30, 2006, plan members were required to contribution 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's contributions to STRS for the years ending June 30, 2006, 2005, and 2004, were \$23,266,460, \$22,466,400, and \$20,933,364, respectively, equal to the required contributions for each year.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**NOTE 10 - POSTEMPLOYMENT BENEFITS**

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS Ohio), and to retired non-certificated employees and their dependents through the School Employees Retirement System (SERS). 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. Both Systems are funded on a pay-as-you-go basis.

STRS retirees who participated in the DB or combined plans and their dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. All benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$969,436 for fiscal year 2006.

STRS pays health care benefits from the Health Care Stabilization Fund. As of June 30, 2005, (the latest information available) the balance in the Fund was \$3,300,000,000. For the year ended June 30, 2005, the net health care costs paid by STRS were \$254,780,000 and there were 115,395 eligible benefit recipients for the System as a whole.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, disability and survivor benefits recipients. All retirees and beneficiaries are required to pay a portion of their premium for health care. The portion is based on years of service, Medicare eligibility, and retirement status. Premiums may be reduced for retirees whose household income falls below the poverty level.

After the allocation of basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2005, employer contributions to fund health care benefits were 3.43 percent of covered payroll, a decrease of 1.48 percent from fiscal year 2004. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2005, the minimum pay was established at \$27,400. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2006 fiscal year, the District paid \$1,805,553 to fund health care benefits including the surcharge.

The surcharge, 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. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2005 (the latest information available), were \$178,221,113 and the target level was \$267,331,669. At June 30, 2005, SERS had net assets available for payment of health care benefits of \$267,500,000. SERS has approximately 58,000 participants currently receiving health care benefits.

**NOTE 11 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to property loss, torts, errors and omissions, workers' compensation as well as medical benefits provided to employees. The District has purchased commercial insurance for property loss, torts, errors and omissions, workers' compensation, health, life and vision insurance claims. The District is self-insured for 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.

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**NOTE 11 - RISK MANAGEMENT (continued)**

As of January 1, 2005 the District is participating in a fully insured dental insurance program. The claims liability is for actual claims that have been incurred since the end of the fiscal year. This amount is recorded in the self-insurance internal service fund. As of January 1, 2005 the District is participating in a fully insured dental insurance program. Changes in the estimated liability of the past two fiscal years is 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 2005	\$ 135,280	\$ 839,462	\$ 972,322	\$ 2,420
Fiscal Year 2006	2,420	-	2,420	-

**NOTE 12 - CAPITALIZED LEASES**

The District entered into no new capital leases during fiscal year 2006. In the past the District entered into lease agreements to acquire a building, computers, furniture, equipment and vehicles. All capital lease obligations have been paid as of June 30, 2006.

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 2006 fiscal year totaled \$170,123. Assets acquired through capital lease are as follows: Building \$350,000 and Equipment \$374,688.

**NOTE 13 - COMPENSATED ABSENCES**

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

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

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

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

**NOTE 14 – NOTES PAYABLE**

The District issued a \$9,390,000 Tax Anticipation Note (TAN) in anticipation of the receipt of the 7.7 mill operating levy passed by the voters in May 2005. The TAN was issued to finance the general operating costs of the District and will be repaid over the next three years. The average coupon is 4.16%. Principal and interest requirements are listed below:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Fiscal Year 2007	\$ 2,925,000	\$ 326,262	\$ 3,251,262
Fiscal Year 2008	3,170,000	211,675	3,381,675
Fiscal Year 2009	<u>3,295,000</u>	<u>74,138</u>	<u>3,369,138</u>
Total	<u>\$ 9,390,000</u>	<u>\$ 612,075</u>	<u>\$ 10,002,075</u>

**NOTE 15- LONG-TERM DEBT**

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

During fiscal year 2006, the District issued a \$12,000,000 Tax Anticipation Note for the Permanent Improvement Levy passed by the voters in May 2005. The District recorded an additional liability in the amount of \$341,741 to record the unamortized premium on these bonds. The Permanent Improvement Tax Anticipation Note meets the criteria as a long-term liability and has been recorded as a component of long-term debt.

The following is a description of the District's Bonds and Long-Term Note outstanding at June 30, 2006:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired in 2006</u>	<u>Bonds/Notes Outstanding 6/30/2006</u>
1996 Bus	4.08%	12/1/2006	2,260,000	260,000	275,000
1999 School Facilities	4.94%	12/1/2026	119,499,621	1,393,219	93,319,999
2002 School Facilities	3.86%	12/1/2012	4,690,000	410,000	3,285,000
2002 Energy Conservation	3.86%	12/1/2014	4,775,000	335,000	3,620,000
2000 Vocational Construction	0%	12/31/2016	1,000,000	66,667	733,333
2003 Refunding School Facilities	4.24%	12/1/2013	28,896,786	3,629,678	21,789,311
2004 Refunding School Facilities	2.20%	6/1/2007	2,683,191	125,808	2,530,662
2006 PI Tax Anticipation Note	4.00%	12/1/2008	<u>12,000,000</u>	<u>113,914</u>	<u>12,227,827</u>
Total Long-Term Bonds and Notes Payable			<u>\$ 175,804,598</u>	<u>\$ 6,334,286</u>	<u>\$ 137,781,132</u>

Amortization of premium on the 2003 Refunding School Facilities Bond for fiscal year 2006 was \$184,678. The balance of unamortized premium on the bonds is \$1,354,311 and is included in the total bonds outstanding at June 30, 2006.

Amortization of premium on the 2004 Refunding School Facilities Bonds for fiscal year 2006 was \$45,808. The balance of unamortized premium on the bonds is \$110,701 and is included in the total bonds outstanding at June 30, 2006.

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

The 2006 Permanent Improvement Tax Anticipation Note includes \$341,741 premium received when the notes were sold and \$113,914 in amortization of premium for fiscal year 2006. The balance of unamortized premium on the notes is \$227,827 and is included in the total notes outstanding at June 30, 2006.

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

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 13,651,628	\$ 6,106,718	\$ 19,758,346
2008	10,126,666	5,355,087	15,481,753
2009	7,976,667	5,012,801	12,989,468
2010	6,511,666	4,714,985	11,226,651
2011	6,786,667	4,433,290	11,219,957
2012-2016	29,668,334	17,608,753	47,277,087
2017-2021	24,101,666	11,810,757	35,912,423
2022-2026	30,310,000	5,384,125	35,694,125
2027	6,954,999	165,180	7,120,179
Total	<u>\$ 136,088,293</u>	<u>\$ 60,591,696</u>	<u>\$ 196,679,989</u>

The above amortization schedule (principal payments) does not include the \$1,692,839 in unamortized premium on the 2003 and 2004 bond issues and the 2006 note issue.

The District's voted legal debt margin was \$113,295,008 with an unvoted debt margin of \$2,653,870 at June 30, 2006.

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

In 1994, the District defeased a General Obligation Construction Bond and an Energy Conservation Long-Term Note by placing enough money in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased debt are not included in the District's financial statements. At June 30, 2006 the balance in the irrevocable trust account is \$2,686,280 and the principal outstanding is \$2,400,000.

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2006**

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

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

	Balance at <u>June 30, 2005</u>	Issued/ <u>Transferred</u>	<u>Retired</u>	Balance at <u>June 30, 2006</u>	Amounts Due <u>In One Year</u>
General Obligation Bonds Payable	\$ 127,018,677	\$ -	\$ 5,818,705	\$ 121,199,972	\$ 9,499,961
Energy Conservation Bonds Payable	3,955,000	-	335,000	3,620,000	345,000
Long-Term Notes Payable	800,000	12,341,741	180,581	12,961,160	3,806,667
Compensated Absences	14,524,804	10,991,798	8,723,616	16,792,986	2,986,514
Capital Leases	170,123	-	170,123	-	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 146,468,604</u>	<u>\$ 23,333,539</u>	<u>\$ 15,228,025</u>	<u>\$ 154,574,118</u>	<u>\$ 16,638,142</u>

Compensated absences of \$2,986,514 include \$1,162,684 for vacation and personal leave, which is estimated to be used in the next fiscal year.

**NOTE 16- INTERFUND TRANSACTIONS**

Interfund Balances at June 30, 2006 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 438,429	\$ -
Non-Major Funds:		
Food Service Fund	-	21,567
Other Grants	-	2,464
Athletic/Music Fund	-	67,930
Other State Grants	-	31,871
Other Federal Grants	-	314,597
Total	<u>\$ 438,429</u>	<u>\$ 438,429</u>

The primary purpose of the interfund balances is to cover anticipated negative cash balances in specific funds where revenues were not received or to cover costs in specific funds where revenues were not received by June 30. These interfund balances will be repaid once the anticipated revenues are received. All interfund balances are expected to be repaid within one year.

Interfund balances between governmental funds are eliminated on the government-wide financial statements, no internal balances at June 30, 2006 are reported on the statement of net assets.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**NOTE 16- INTERFUND TRANSACTIONS (continued)**

Interfund transfer for the year ended June 30, 2006, consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to:	
debt service major fund	\$ 762,988
Transfers from general fund to:	
nonmajor governmental funds	396,182

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

**NOTE 17 – 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, 2006.

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 18 - SIGNIFICANT CONTRACTUAL OBLIGATIONS**

The District had only one significant contractual obligation as of June 30, 2006, which is listed below:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
Neibert Enterprises, Inc.	Roof Replacement at Pleasant View Middle School	\$ 227,384



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2006*

**NOTE 19 - 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, 2006**

**NOTE 20 - SUBSTITUTE HOUSE BILL 412**

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Totals</u>
Set aside Cash Balance as of June 30, 2005	\$ (1,492,223)	\$ -	\$ (1,492,223)
Current Year Set-aside Requirement	3,134,600	3,134,600	6,269,200
Qualifying Off-Sets	(4,565,520)	(9,148,176)	(13,713,696)
Qualifying Disbursements	<u>(2,421,157)</u>	<u>(820,976)</u>	<u>(3,242,133)</u>
Total	<u>\$ (5,344,300)</u>	<u>\$ (6,834,552)</u>	<u>\$ (12,178,852)</u>
Cash Balance Carried Forward to FY2007	<u>\$ (5,344,300)</u>	<u>\$ (6,834,552)</u>	<u>\$ (12,178,852)</u>

The District had qualifying disbursements during the year that reduced the set-aside amounts below zero for the textbook reserve and this extra amount may be used to reduce the set-aside requirement for future years. The negative amount is therefore, presented as being carried forward to the next fiscal year. During fiscal year 2006, the District issued \$12,000,000 in permanent improvement tax anticipation notes of which the purpose of such notes could be used for textbooks and capital improvements. Those proceeds may be used to reduce the capital acquisition below zero for future years. Therefore, the District has qualifying off-sets related to this note issuance along with other qualifying off-sets of \$4,565,520 in the textbook reserve and \$9,148,176 in the capital acquisition reserve. This negative amount is presented as being carried forward to the next fiscal year for the capital acquisition reserve.

**NOTE 21 - SUBSEQUENT EVENTS**

The Board of Education approved the issuance of advance refunding bonds in an amount not to exceed \$83,305,000 to partially refund 1999 School Facilities Bonds. The issuance is scheduled for December 2006.

The District's 1 percent earned income tax levy failed at the November 7, 2006 election. No decision about future levies has been made.

## **REQUIRED SUPPLEMENTAL INFORMATION**

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2006

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local:				
Taxes	\$ 80,724,440	\$ 75,186,139	\$ 75,186,139	\$ -
Tuition	306,416	262,296	243,221	(19,075)
Interest	650,000	1,281,266	1,281,266	-
Other Local Revenue	1,347,425	1,633,232	1,618,432	(14,800)
Intergovernmental - State	93,298,110	90,115,105	90,115,105	-
Intergovernmental - Federal	480,000	801,958	801,958	-
Total Revenues	<u>176,806,391</u>	<u>169,279,996</u>	<u>169,246,121</u>	<u>(33,875)</u>
Expenditures:				
Current:				
Instruction:				
Regular				
Salaries and Wages	59,697,491	57,995,143	57,995,143	-
Fringe Benefits	17,754,858	16,969,671	16,969,671	-
Purchased Services	6,264,587	6,964,369	6,964,169	200
Supplies and Materials	806,949	824,508	795,949	28,559
Miscellaneous	87,979	606	606	-
Total Regular	<u>84,611,864</u>	<u>82,754,297</u>	<u>82,725,538</u>	<u>28,759</u>
Special				
Salaries and Wages	12,385,106	11,953,749	11,953,749	-
Fringe Benefits	3,900,263	3,815,973	3,815,973	-
Purchased Services	2,434,129	2,827,123	2,827,123	-
Supplies and Materials	113,125	93,644	93,644	-
Miscellaneous	150	144	144	-
Total Special	<u>18,832,773</u>	<u>18,690,633</u>	<u>18,690,633</u>	<u>-</u>
Vocational				
Salaries and Wages	3,753,742	3,667,277	3,667,277	-
Fringe Benefits	1,067,749	1,029,912	1,029,912	-
Purchased Services	16,660	372,360	372,360	-
Supplies and Materials	134,271	931,493	916,033	15,460
Miscellaneous	13,126	-	-	-
Total Vocational	<u>4,985,548</u>	<u>6,001,042</u>	<u>5,985,582</u>	<u>15,460</u>
Other				
Salaries and Wages	197,810	191,181	191,181	-
Fringe Benefits	45,243	54,167	54,167	-
Supplies and Materials	19,000	12,577	12,577	-
Total Other	<u>262,053</u>	<u>257,925</u>	<u>257,925</u>	<u>-</u>
Total Instruction	<u>108,692,238</u>	<u>107,703,897</u>	<u>107,659,678</u>	<u>44,219</u>
Support Services:				
Pupil				
Salaries and Wages	5,882,915	5,801,136	5,801,136	-
Fringe Benefits	1,675,695	1,612,950	1,612,950	-
Purchased Services	36,685	19,293	18,793	500
Supplies and Materials	54,481	50,136	50,136	-
Total Pupil	<u>7,649,776</u>	<u>7,483,515</u>	<u>7,483,015</u>	<u>500</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, 2006  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>				
Salaries and Wages	10,389,210	9,720,157	9,720,157	-
Fringe Benefits	3,995,414	3,773,827	3,773,827	-
Purchased Services	202,856	194,275	194,275	-
Supplies and Materials	482,476	442,610	442,610	-
Miscellaneous	3,300	3,179	3,179	-
<b>Total Instructional Staff</b>	<u>15,073,256</u>	<u>14,134,048</u>	<u>14,134,048</u>	<u>-</u>
<b>Board of Education</b>				
Salaries and Wages	16,000	19,190	19,190	-
Fringe Benefits	11,616	3,179	3,179	-
Purchased Services	259,800	224,195	224,195	-
Supplies and Materials	4,000	886	886	-
Miscellaneous	164,445	23,014	23,014	-
<b>Total Board of Education</b>	<u>455,861</u>	<u>270,464</u>	<u>270,464</u>	<u>-</u>
<b>Administration</b>				
Salaries and Wages	8,194,517	8,182,376	8,182,376	-
Fringe Benefits	3,157,478	3,135,513	3,135,513	-
Purchased Services	971,171	1,048,959	1,048,959	-
Supplies and Materials	123,459	95,612	95,612	-
Miscellaneous	998,908	1,019,723	1,019,723	-
<b>Total Administration</b>	<u>13,445,533</u>	<u>13,482,183</u>	<u>13,482,183</u>	<u>-</u>
<b>Fiscal</b>				
Salaries and Wages	1,062,415	1,261,897	1,261,897	-
Fringe Benefits	238,391	264,759	264,759	-
Purchased Services	293,500	337,766	337,766	-
Supplies and Materials	8,000	9,733	9,733	-
Miscellaneous	1,220,000	1,136,895	1,136,895	-
<b>Total Fiscal</b>	<u>2,822,306</u>	<u>3,011,050</u>	<u>3,011,050</u>	<u>-</u>
<b>Business</b>				
Salaries and Wages	319,836	318,250	318,250	-
Fringe Benefits	125,102	111,610	111,610	-
Purchased Services	489,119	327,853	327,853	-
Supplies and Materials	82,715	47,276	47,276	-
Miscellaneous	9,500	58,042	58,042	-
<b>Total Business</b>	<u>1,026,272</u>	<u>863,031</u>	<u>863,031</u>	<u>-</u>
<b>Operations and Maintenance</b>				
Salaries and Wages	7,986,043	7,645,494	7,645,494	-
Fringe Benefits	2,891,734	2,664,403	2,664,403	-
Purchased Services	4,398,651	4,688,883	4,688,883	-
Supplies and Materials	859,466	1,060,735	1,060,735	-
Miscellaneous	4,000	3,180	3,180	-
<b>Total Operations and Maintenance</b>	<u>16,139,894</u>	<u>16,062,695</u>	<u>16,062,695</u>	<u>-</u>
<b>Pupil Transportation</b>				
Salaries and Wages	5,473,499	5,913,671	5,913,671	-
Fringe Benefits	2,527,957	2,542,092	2,542,092	-
Purchased Services	739,452	561,853	561,853	-
Supplies and Materials	1,062,700	1,461,112	1,461,112	-
<b>Total Pupil Transportation</b>	<u>9,803,608</u>	<u>10,478,728</u>	<u>10,478,728</u>	<u>-</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, 2006  
(continued)

	Original Budget	Final Budget	Actual	Variance
Central				
Salaries and Wages	1,535,426	1,555,066	1,555,066	-
Fringe Benefits	539,722	537,645	537,645	-
Purchased Services	607,439	455,691	455,691	-
Supplies and Materials	128,500	159,142	159,142	-
Miscellaneous	43,000	25,709	2,148	23,561
Total Central	<u>2,854,087</u>	<u>2,733,253</u>	<u>2,709,692</u>	<u>23,561</u>
Total Support Services	<u>69,270,593</u>	<u>68,518,967</u>	<u>68,494,906</u>	<u>24,061</u>
Community Services				
Salaries and Wages	78,448	206,086	206,086	-
Fringe Benefits	25,109	45,570	45,570	-
Purchased Services	30,900	4,319	4,319	-
Supplies and Materials	6,000	20	20	-
Miscellaneous	645	-	-	-
Total Community Services	<u>141,102</u>	<u>255,995</u>	<u>255,995</u>	<u>-</u>
Extracurricular Activities				
Salaries and Wages	1,839,941	1,875,674	1,875,674	-
Fringe Benefits	376,066	347,557	347,557	-
Purchased Services	-	67,907	67,907	-
Total Extracurricular Activities	<u>2,216,007</u>	<u>2,291,138</u>	<u>2,291,138</u>	<u>-</u>
Miscellaneous	35,000	-	-	-
Capital Outlay	1,008,284	1,010,221	1,008,508	1,713
Pass Through Grants	325,000	325,000	325,000	-
Debt Service:				
Interest and Fiscal Charges	-	327,123	327,123	-
Issuance Costs for Notes	-	60,238	60,238	-
Total Expenditures	<u>181,688,224</u>	<u>180,492,579</u>	<u>180,422,586</u>	<u>69,993</u>
Excess of Revenues Over (Under) Expenditures	(4,881,833)	(11,212,583)	(11,176,465)	36,118
Other Financing Sources (Uses):				
Operating Transfers - In	-	30,000	54,281	24,281
Operating Transfers - Out	(1,460,000)	(2,059,736)	(2,059,736)	-
Advances - In	-	1,062,340	1,062,340	-
Advances - Out	-	(438,429)	(438,429)	-
Proceeds from Sale of Capital Assets	-	6,274	868	(5,406)
Issuance of Notes	9,497,000	9,390,000	9,390,000	-
Premium on Sale of Notes	-	267,452	267,452	-
Total Other Financing Sources (Uses)	<u>8,037,000</u>	<u>8,257,901</u>	<u>8,276,776</u>	<u>18,875</u>
Net Change in Fund Balances	3,155,167	(2,954,682)	(2,899,689)	54,993
Fund Balance at Beginning of Year	680,413	680,413	680,413	-
Prior Year Encumbrances Appropriated	2,402,190	2,402,190	2,402,190	-
Fund Balance at End of Year	<u>\$ 6,237,770</u>	<u>\$ 127,921</u>	<u>\$ 182,914</u>	<u>\$ 54,993</u>

**South-Western City School District, Ohio**  
**Required Supplemental Information**  
**For the Fiscal Year Ended June 30, 2006**

**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	\$	(4,702,424)
Adjustments:		
Revenue Accruals		(7,466,531)
Expenditure Accruals		(2,258,797)
Encumbrances		2,146,837
Operating Transfers		(846,285)
Advances		623,911
Issuance of Notes		9,657,452
Sale of Capital Assets		(53,852)
Budget Basis	\$	<u>(2,899,689)</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 13,110,296	\$ 13,110,296	\$ -
Intergovernmental - State	<u>1,365,028</u>	<u>1,365,028</u>	<u>-</u>
Total Revenues	<u>14,475,324</u>	<u>14,475,324</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	<u>130,000</u>	<u>115,963</u>	<u>14,037</u>
Total Fiscal	<u>130,000</u>	<u>115,963</u>	<u>14,037</u>
Total Support Services	<u>130,000</u>	<u>115,963</u>	<u>14,037</u>
Debt Service:			
Principal Retirement	5,970,135	5,923,219	46,916
Interest and Fiscal Charges	<u>7,460,990</u>	<u>7,402,925</u>	<u>58,065</u>
Total Expenditures	<u>13,561,125</u>	<u>13,442,107</u>	<u>119,018</u>
Excess of Revenues Over Expenditures	914,199	1,033,217	119,018
Other Financing Sources:			
Operating Transfers - In	<u>762,988</u>	<u>762,988</u>	<u>-</u>
Total Other Financing Sources:	<u>762,988</u>	<u>762,988</u>	<u>-</u>
Net Change in Fund Balances	1,677,187	1,796,205	119,018
Fund Balance at Beginning of Year	<u>3,488,170</u>	<u>3,488,170</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,165,357</u>	<u>\$ 5,284,375</u>	<u>\$ 119,018</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 1,713,698	\$ 1,713,698	\$ -
Interest	304,411	304,411	-
Other Local Revenue	75,000	75,000	-
Intergovernmental - State	213,742	213,742	-
Total Revenues	<u>2,306,851</u>	<u>2,306,851</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	132,047	131,886	161
Supplies and Materials	1,232,693	1,209,882	22,811
Total Regular	<u>1,364,740</u>	<u>1,341,768</u>	<u>22,972</u>
Special			
Supplies and Materials	1,544	1,538	6
Total Special	<u>1,544</u>	<u>1,538</u>	<u>6</u>
Vocational			
Purchased Services	66,667	66,667	-
Total Vocational	<u>66,667</u>	<u>66,667</u>	<u>-</u>
Total Instruction	<u>1,432,951</u>	<u>1,409,973</u>	<u>22,978</u>
Support Services:			
Administration			
Supplies and Materials	128	128	-
Total Administration	<u>128</u>	<u>128</u>	<u>-</u>
Fiscal			
Purchased Services	4,000	4,000	-
Miscellaneous	13,988	13,988	-
Total Fiscal	<u>17,988</u>	<u>17,988</u>	<u>-</u>
Business			
Purchased Services	117,020	107,269	9,751
Total Business	<u>117,020</u>	<u>107,269</u>	<u>9,751</u>
Operations and Maintenance			
Purchased Services	3,409	3,409	-
Supplies and Materials	9,039	9,039	-
Total Operations and Maintenance	<u>12,448</u>	<u>12,448</u>	<u>-</u>

(continued)

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Capital Improvements Fund  
 For the Fiscal Year Ended June 30, 2006  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Pupil Transportation			
Purchased Services	147,972	147,972	-
Supplies and Materials	<u>83,959</u>	<u>83,959</u>	<u>-</u>
Total Pupil Transportation	<u>231,931</u>	<u>231,931</u>	<u>-</u>
Total Support Services	<u>379,515</u>	<u>369,764</u>	<u>9,751</u>
Capital Outlay	4,813,125	2,963,118	1,850,007
Debt Service:			
Issuance Costs for Notes	<u>76,777</u>	<u>76,777</u>	<u>-</u>
Total Expenditures	<u>6,702,368</u>	<u>4,819,632</u>	<u>1,882,736</u>
Excess of Revenues Over (Under) Expenditures	(4,395,517)	(2,512,781)	1,882,736
Other Financing Sources:			
Issuance of Notes	12,000,000	12,000,000	-
Premium on Sale of Notes	<u>341,741</u>	<u>341,741</u>	<u>-</u>
Total Other Financing Sources:	<u>12,341,741</u>	<u>12,341,741</u>	<u>-</u>
Net Change in Fund Balances	7,946,224	9,828,960	1,882,736
Fund Balance at Beginning of Year	25,130	25,130	-
Prior Year Encumbrances Appropriated	<u>70,171</u>	<u>70,171</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,041,525</u>	<u>\$ 9,924,261</u>	<u>\$ 1,882,736</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, Public School Preschool, Alternative Education, Poverty Based Assistance, Data Communication, and SchoolNet Training.

### All Federal Grants

To account for all federal grant programs which include: Adult Basic Education, Title 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.

South-Western City School District  
 Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2006

	<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	\$ 826,732	\$ 341,928	\$ 720,218	\$ 748,757
Receivable:				
Accounts	17,447	2,474	2,147	-
Intergovernmental	-	-	-	51,517
Prepaid Items	-	-	-	3,035
Materials and Supplies Inventory	-	-	16,240	-
<b>Total Assets</b>	<b><u><u>\$ 844,179</u></u></b>	<b><u><u>\$ 344,402</u></u></b>	<b><u><u>\$ 738,605</u></u></b>	<b><u><u>\$ 803,309</u></u></b>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 43,274	\$ 4,010	\$ 20,258	\$ 180,173
Accrued Wages and Benefits	669	11,332	-	200,313
Interfund Loans Payable	-	2,464	67,930	31,871
Unearned Revenue	-	2,474	-	9,709
<b>Total Liabilities</b>	<b><u><u>43,943</u></u></b>	<b><u><u>20,280</u></u></b>	<b><u><u>88,188</u></u></b>	<b><u><u>422,066</u></u></b>
<u>Fund Balance:</u>				
Reserved for Encumbrances	39,546	3,523	88,077	21,758
Unreserved, reported in				
Special Revenue Funds	760,690	320,599	562,340	359,485
<b>Total Fund Balances</b>	<b><u><u>800,236</u></u></b>	<b><u><u>324,122</u></u></b>	<b><u><u>650,417</u></u></b>	<b><u><u>381,243</u></u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u><u>\$ 844,179</u></u></b>	<b><u><u>\$ 344,402</u></u></b>	<b><u><u>\$ 738,605</u></u></b>	<b><u><u>\$ 803,309</u></u></b>



<u>All Federal Grants</u>	<u>Food Service</u>	<u>Insurance Reserve</u>	<u>Vocational Rotary</u>	<u>Total Nonmajor Funds</u>
\$ 347,678	\$ 165,771	\$ 105,789	\$ 29,954	\$ 3,286,827
-	1,853	-	-	23,921
2,748,181	449,346	-	-	3,249,044
29,051	58,846	-	-	90,932
-	51,059	-	3,796	71,095
<u>\$ 3,124,910</u>	<u>\$ 726,875</u>	<u>\$ 105,789</u>	<u>\$ 33,750</u>	<u>\$ 6,721,819</u>
\$ 464,378	\$ 22,826	\$ 4,342	\$ 415	739,676
1,315,193	521,520	-	-	2,049,027
314,597	21,567	-	-	438,429
924,576	-	-	-	936,759
<u>3,018,744</u>	<u>565,913</u>	<u>4,342</u>	<u>415</u>	<u>4,163,891</u>
96,939	3,237	10,878	31	263,989
9,227	157,725	90,569	33,304	2,293,939
<u>106,166</u>	<u>160,962</u>	<u>101,447</u>	<u>33,335</u>	<u>2,557,928</u>
<u>\$ 3,124,910</u>	<u>\$ 726,875</u>	<u>\$ 105,789</u>	<u>\$ 33,750</u>	<u>\$ 6,721,819</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, 2006

	Public School <u>Support</u>	Other <u>Grants</u>	Athletic/ <u>Music</u>	All State <u>Grants</u>
Revenues:				
Local:				
Tuition	\$ 13,700	\$ 112,234	\$ -	\$ -
Interest	6,226	-	5,471	-
Other Local Revenue	1,010,575	386,327	1,563,482	-
Intergovernmental - State	-	-	-	3,327,872
Intergovernmental - Federal	936	-	-	-
Total Revenues	<u>1,031,437</u>	<u>498,561</u>	<u>1,568,953</u>	<u>3,327,872</u>
Current:				
Instruction:				
Regular	341,175	461,823	152,814	977,762
Special	1,330	76,868	-	263,331
Vocational	10,247	2,074	-	-
Other	11,675	-	-	702,452
Support Services:				
Pupil	20	118,712	-	44,140
Instructional Staff	24,402	74,366	18,308	264,715
Administration	487,008	12,190	5,762	16,040
Fiscal	-	559	-	41,989
Operations and Maintenance	-	6,212	-	90,278
Pupil Transportation	-	8,776	-	41,524
Central	6,681	-	-	394,890
Food Service	-	-	-	-
Community Services	-	4,275	-	645,476
Extracurricular Activities	2,464	11,277	1,249,655	-
Capital Outlay	112,487	25,955	61,868	102,672
Total Expenditures	<u>997,489</u>	<u>803,087</u>	<u>1,488,407</u>	<u>3,585,269</u>
Excess of Revenues Over (Under) Expenditures	33,948	(304,526)	80,546	(257,397)
Other Financing Sources (Uses):				
Transfers - In	32,076	-	17,703	346,403
Proceeds from Sales of Capital Assets	1,080	-	-	-
Total Other Financing Sources (Uses)	<u>33,156</u>	<u>-</u>	<u>17,703</u>	<u>346,403</u>
Net Change in Fund Balance	67,104	(304,526)	98,249	89,006
Fund Balances at Beginning of Year	733,132	628,648	552,168	292,237
Fund Balances at End of Year	<u>\$ 800,236</u>	<u>\$ 324,122</u>	<u>\$ 650,417</u>	<u>\$ 381,243</u>

All Federal <u>Grants</u>	Food <u>Service</u>	Insurance <u>Reserve</u>	Vocational <u>Rotary</u>	School Net <u>Plus</u>	Total Nonmajor <u>Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,934
-	1,945	5,117	-	-	18,759
114,748	3,955,132	31,999	56,576	-	7,118,839
-	155,479	-	-	-	3,483,351
12,599,316	3,646,186	-	-	-	16,246,438
<u>12,714,064</u>	<u>7,758,742</u>	<u>37,116</u>	<u>56,576</u>	<u>-</u>	<u>26,993,321</u>
1,272,680	-	2,180	3,022	3,892	3,215,348
4,354,079	-	-	-	-	4,695,608
502,952	-	-	42,236	-	557,509
75,779	-	-	-	-	789,906
645,755	-	-	-	-	808,627
3,765,644	-	-	200	-	4,147,635
1,003,604	2,337	18,050	-	-	1,544,991
169,014	-	-	-	-	211,562
139,729	-	-	-	-	236,219
676,121	-	-	-	-	726,421
-	-	110,838	-	-	512,409
-	7,658,325	-	-	-	7,658,325
176,036	-	-	-	-	825,787
-	-	9,400	697	-	1,273,493
379,646	11,178	-	321	32,748	726,875
<u>13,161,039</u>	<u>7,671,840</u>	<u>140,468</u>	<u>46,476</u>	<u>36,640</u>	<u>27,930,715</u>
(446,975)	86,902	(103,352)	10,100	(36,640)	(937,394)
-	-	-	-	-	396,182
-	-	-	-	-	1,080
-	-	-	-	-	397,262
(446,975)	86,902	(103,352)	10,100	(36,640)	(540,132)
553,141	74,060	204,799	23,235	36,640	3,098,060
<u>\$ 106,166</u>	<u>\$ 160,962</u>	<u>\$ 101,447</u>	<u>\$ 33,335</u>	<u>\$ -</u>	<u>\$ 2,557,928</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 10,800	\$ 13,700	\$ 2,900
Interest	630	6,226	5,596
Other Local Revenue	1,046,542	1,003,032	(43,510)
Intergovernmental - Federal	-	936	936
Total Revenues	<u>1,057,972</u>	<u>1,023,894</u>	<u>(34,078)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	6,653	6,653	-
Fringe Benefits	1,096	1,096	-
Purchased Services	30,300	23,144	7,156
Supplies and Materials	418,040	354,888	63,152
Total Regular	<u>456,089</u>	<u>385,781</u>	<u>70,308</u>
Special			
Supplies and Materials	350	334	16
Purchased Services	1,000	996	4
Total Special	<u>1,350</u>	<u>1,330</u>	<u>20</u>
Vocational			
Salaries and Wages	100	100	-
Fringe Benefits	17	17	-
Purchased Services	9,050	912	8,138
Supplies and Materials	11,986	9,218	2,768
Total Vocational	<u>21,153</u>	<u>10,247</u>	<u>10,906</u>
Other			
Salaries and Wages	7,497	7,497	-
Fringe Benefits	1,239	1,239	-
Supplies and Materials	4,000	2,985	1,015
Total Other	<u>12,736</u>	<u>11,721</u>	<u>1,015</u>
Total Instruction	<u>491,328</u>	<u>409,079</u>	<u>82,249</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, 2006  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Support Services:</b>			
<b>Pupil</b>			
Purchased Services	279	90	189
Supplies and Materials	255	-	255
<b>Total Pupil</b>	<u>534</u>	<u>90</u>	<u>444</u>
<b>Instructional Staff</b>			
Salaries and Wages	7,396	7,396	-
Fringe Benefits	1,202	1,202	-
Purchased Services	35,128	9,453	25,675
Supplies and Materials	21,372	8,180	13,192
Miscellaneous	100	-	100
<b>Total Instructional Staff</b>	<u>65,198</u>	<u>26,231</u>	<u>38,967</u>
<b>Administration</b>			
Salaries and Wages	2,747	2,747	-
Fringe Benefits	442	442	-
Purchased Services	57,844	28,385	29,459
Supplies and Materials	585,414	492,846	92,568
Miscellaneous	1,000	110	890
<b>Total Administration</b>	<u>647,447</u>	<u>524,530</u>	<u>122,917</u>
<b>Central</b>			
Purchased Services	11,634	10,186	1,448
<b>Total Central</b>	<u>11,634</u>	<u>10,186</u>	<u>1,448</u>
<b>Total Support Services</b>	<u>724,813</u>	<u>561,037</u>	<u>163,776</u>
<b>Community Services</b>			
Supplies and Materials	781	-	781
<b>Total Community Services</b>	<u>781</u>	<u>-</u>	<u>781</u>
<b>Extracurricular Activities</b>			
Salaries and Wages	400	400	-
Fringe Benefits	65	65	-
Purchased Services	2,776	1,728	1,048
Supplies and Materials	3,215	271	2,944
<b>Total Extracurricular Activities</b>	<u>6,456</u>	<u>2,464</u>	<u>3,992</u>
Capital Outlay	152,397	123,628	28,769
<b>Total Expenditures</b>	<u>1,375,775</u>	<u>1,096,208</u>	<u>279,567</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, 2006  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(317,803)	(72,314)	245,489
Other Financing Sources:			
Operating Transfers - In	-	34,078	34,078
Total Other Financing Sources	<u>-</u>	<u>34,078</u>	<u>34,078</u>
Net Change in Fund Balances	(317,803)	(38,236)	279,567
Fund Balance at Beginning of Year	689,866	689,866	-
Prior Year Encumbrances Appropriated	90,645	90,645	-
Fund Balance at End of Year	<u>\$ 462,708</u>	<u>\$ 742,275</u>	<u>\$ 279,567</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 148,207	\$ 112,234	\$ (35,973)
Other Local Revenue	<u>395,815</u>	<u>392,785</u>	<u>(3,030)</u>
Total Revenues	<u>544,022</u>	<u>505,019</u>	<u>(39,003)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	296,861	247,571	49,290
Fringe Benefits	84,432	76,872	7,560
Purchased Services	50,208	36,026	14,182
Supplies and Materials	<u>242,066</u>	<u>114,709</u>	<u>127,357</u>
Total Regular	<u>673,567</u>	<u>475,178</u>	<u>198,389</u>
Special			
Salaries and Wages	45,686	43,373	2,313
Fringe Benefits	18,632	18,249	383
Purchased Services	1,015	1,015	-
Supplies and Materials	<u>17,151</u>	<u>6,921</u>	<u>10,230</u>
Total Special	<u>82,484</u>	<u>69,558</u>	<u>12,926</u>
Vocational			
Purchased Services	1,500	733	767
Supplies and Materials	<u>2,083</u>	<u>1,341</u>	<u>742</u>
Total Vocational	<u>3,583</u>	<u>2,074</u>	<u>1,509</u>
Total Instruction	<u>759,634</u>	<u>546,810</u>	<u>212,824</u>
Support Services:			
Pupil			
Salaries and Wages	119,366	100,761	18,605
Fringe Benefits	20,019	16,687	3,332
Purchased Services	52	52	-
Supplies and Materials	<u>351</u>	<u>351</u>	<u>-</u>
Total Pupil	<u>139,788</u>	<u>117,851</u>	<u>21,937</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, 2006  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	79,549	49,386	30,163
Fringe Benefits	14,263	9,172	5,091
Purchased Services	58,209	19,525	38,684
Supplies and Materials	6,757	3,657	3,100
<b>Total Instructional Staff</b>	<u>158,778</u>	<u>81,740</u>	<u>77,038</u>
<b>Administration</b>			
Salaries and Wages	9,269	9,269	-
Fringe Benefits	2,479	2,479	-
Purchased Services	541	541	-
<b>Total Administration</b>	<u>12,289</u>	<u>12,289</u>	<u>-</u>
<b>Fiscal</b>			
Miscellaneous	559	559	-
<b>Total Fiscal</b>	<u>559</u>	<u>559</u>	<u>-</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	5,215	5,215	-
Fringe Benefits	763	763	-
Purchased Services	1,500	1,500	-
<b>Total Operations and Maintenance</b>	<u>7,478</u>	<u>7,478</u>	<u>-</u>
<b>Pupil Transportation</b>			
Salaries and Wages	2,000	2,000	-
Fringe Benefits	1,650	1,650	-
Supplies and Materials	5,126	5,126	-
<b>Total Pupil Transportation</b>	<u>8,776</u>	<u>8,776</u>	<u>-</u>
<b>Total Support Services</b>	<u>327,668</u>	<u>228,693</u>	<u>98,975</u>
<b>Community Services</b>			
Salaries and Wages	200	-	200
Fringe Benefits	33	-	33
Purchased Services	181	181	-
Supplies and Materials	4,494	4,494	-
<b>Total Community Services</b>	<u>4,908</u>	<u>4,675</u>	<u>233</u>
<b>Extracurricular Activities</b>			
Salaries and Wages	15,347	9,704	5,643
Fringe Benefits	2,567	1,573	994
<b>Total Extracurricular Activities</b>	<u>17,914</u>	<u>11,277</u>	<u>6,637</u>
Miscellaneous	1,212	1,212	-
Capital Outlay	42,250	28,110	14,140
<b>Total Expenditures</b>	<u>1,153,586</u>	<u>820,777</u>	<u>332,809</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, 2006  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(609,564)	(315,758)	293,806
Other Financing Sources (Uses):			
Advances - In	2,464	2,464	-
Advances - Out	<u>(5,274)</u>	<u>(5,274)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(2,810)</u>	<u>(2,810)</u>	<u>-</u>
Net Change in Fund Balances	(612,374)	(318,568)	293,806
Fund Balance at Beginning of Year	629,368	629,368	-
Prior Year Encumbrances Appropriated	<u>23,596</u>	<u>23,596</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 40,590</u>	<u>\$ 334,396</u>	<u>\$ 293,806</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 400	\$ 5,471	\$ 5,071
Other Local Revenue	<u>1,548,237</u>	<u>1,561,951</u>	<u>13,714</u>
Total Revenues	<u>1,548,637</u>	<u>1,567,422</u>	<u>18,785</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	125,737	111,247	14,490
Supplies and Materials	<u>53,384</u>	<u>42,478</u>	<u>10,906</u>
Total Regular	<u>179,121</u>	<u>153,725</u>	<u>25,396</u>
Total Instruction	<u>179,121</u>	<u>153,725</u>	<u>25,396</u>
Support Services:			
Instructional Staff			
Purchased Services	320	234	86
Supplies and Materials	<u>22,687</u>	<u>18,112</u>	<u>4,575</u>
Total Instructional Staff	<u>23,007</u>	<u>18,346</u>	<u>4,661</u>
Administration			
Purchased Services	13,469	5,786	7,683
Supplies and Materials	<u>800</u>	<u>730</u>	<u>70</u>
Total Administration	<u>14,269</u>	<u>6,516</u>	<u>7,753</u>
Total Support Services	<u>37,276</u>	<u>24,862</u>	<u>12,414</u>
Extracurricular Activities			
Salaries and Wages	49,931	49,931	-
Fringe Benefits	8,182	8,182	-
Purchased Services	301,746	253,807	47,939
Supplies and Materials	1,203,327	1,003,378	199,949
Miscellaneous	<u>314</u>	<u>150</u>	<u>164</u>
Total Extracurricular Activities	<u>1,563,500</u>	<u>1,315,448</u>	<u>248,052</u>
Miscellaneous			
Capital Outlay	-	-	-
Capital Outlay	<u>156,156</u>	<u>123,491</u>	<u>32,665</u>
Total Expenditures	<u>1,936,053</u>	<u>1,617,526</u>	<u>318,527</u>
Excess of Revenues Over (Under) Expenditures	(387,416)	(50,104)	337,312

(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, 2006  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Operating Transfers - In	38,000	19,215	(18,785)
Operating Transfers - Out	(1,512)	(1,512)	-
Advances - In	67,930	67,930	-
Advances - Out	(62,824)	(62,824)	-
Total Other Financing Sources (Uses)	<u>41,594</u>	<u>22,809</u>	<u>(18,785)</u>
Net Change in Fund Balances	(345,822)	(27,295)	318,527
Fund Balance at Beginning of Year	584,496	584,496	-
Prior Year Encumbrances Appropriated	53,909	53,909	-
Fund Balance at End of Year	<u>\$ 292,583</u>	<u>\$ 611,110</u>	<u>\$ 318,527</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental - State	\$ 3,889,090	\$ 3,834,750	\$ (54,340)
Total Revenues	<u>3,889,090</u>	<u>3,834,750</u>	<u>(54,340)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	446,234	359,006	87,228
Fringe Benefits	99,412	84,767	14,645
Purchased Services	582,948	582,300	648
Supplies and Materials	41,374	36,071	5,303
Total Regular	<u>1,169,968</u>	<u>1,062,144</u>	<u>107,824</u>
Special			
Salaries and Wages	203,993	202,935	1,058
Fringe Benefits	56,023	55,499	524
Purchased Services	86	-	86
Supplies and Materials	4,686	4,077	609
Total Special	<u>264,788</u>	<u>262,511</u>	<u>2,277</u>
Other			
Salaries and Wages	553,517	553,517	-
Fringe Benefits	148,935	148,935	-
Total Other	<u>702,452</u>	<u>702,452</u>	<u>-</u>
Total Instruction	<u>2,137,208</u>	<u>2,027,107</u>	<u>110,101</u>
Support Services:			
Pupil			
Salaries and Wages	33,757	33,521	236
Fringe Benefits	13,426	13,265	161
Purchased Services	4,449	4,376	73
Supplies and Materials	1,156	1,057	99
Total Pupil	<u>52,788</u>	<u>52,219</u>	<u>569</u>
Instructional Staff			
Salaries and Wages	225,245	218,722	6,523
Fringe Benefits	57,221	55,976	1,245
Purchased Services	34,316	30,214	4,102
Supplies and Materials	15,112	14,028	1,084
Total Instructional Staff	<u>331,894</u>	<u>318,940</u>	<u>12,954</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, 2006  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Administration			
Salaries and Wages	13,368	13,368	-
Fringe Benefits	4,584	4,506	78
Purchased Services	1,191	389	802
Supplies and Materials	11	-	11
Total Administration	<u>19,154</u>	<u>18,263</u>	<u>891</u>
Fiscal			
Miscellaneous	41,989	41,989	-
Total Fiscal	<u>41,989</u>	<u>41,989</u>	<u>-</u>
Operations and Maintenance			
Salaries and Wages	73,748	73,641	107
Fringe Benefits	16,960	16,945	15
Total Operations and Maintenance	<u>90,708</u>	<u>90,586</u>	<u>122</u>
Pupil Transportation			
Salaries and Wages	21,919	21,842	77
Fringe Benefits	10,121	10,045	76
Supplies and Materials	11,909	9,698	2,211
Total Pupil Transportation	<u>43,949</u>	<u>41,585</u>	<u>2,364</u>
Central			
Salaries and Wages	45,136	45,136	-
Fringe Benefits	15,330	15,324	6
Purchased Services	402,643	325,238	77,405
Total Central	<u>463,109</u>	<u>385,698</u>	<u>77,411</u>
Total Support Services	<u>1,043,591</u>	<u>949,280</u>	<u>94,311</u>
Community Services			
Salaries and Wages	310,050	263,386	46,664
Fringe Benefits	76,520	64,219	12,301
Purchased Services	35,082	26,355	8,727
Supplies and Materials	704,517	477,731	226,786
Miscellaneous	900	-	900
Total Community Services	<u>1,127,069</u>	<u>831,691</u>	<u>295,378</u>
Miscellaneous	40,489	40,086	403
Capital Outlay	206,765	156,455	50,310
Total Expenditures	<u>4,555,122</u>	<u>4,004,619</u>	<u>550,503</u>
Excess of Revenues Over (Under) Expenditures	(666,032)	(169,869)	496,163 (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, 2006  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Operating Transfers - In	346,403	346,403	-
Advances - In	31,871	31,871	-
Advances - Out	<u>(318,940)</u>	<u>(318,940)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>59,334</u>	<u>59,334</u>	<u>-</u>
Net Change in Fund Balances	(606,698)	(110,535)	496,163
Fund Balance at Beginning of Year	321,069	321,069	-
Prior Year Encumbrances Appropriated	<u>336,321</u>	<u>336,321</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 50,692</u>	<u>\$ 546,855</u>	<u>\$ 496,163</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 114,748	\$ 114,748	\$ -
Intergovernmental - Federal	14,858,377	12,103,603	(2,754,774)
Total Revenues	<u>14,973,125</u>	<u>12,218,351</u>	<u>(2,754,774)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	920,226	781,936	138,290
Fringe Benefits	355,943	301,384	54,559
Purchased Services	2,027	1,271	756
Supplies and Materials	163,564	161,173	2,391
Total Regular	<u>1,441,760</u>	<u>1,245,764</u>	<u>195,996</u>
Special			
Salaries and Wages	3,256,438	2,792,527	463,911
Fringe Benefits	974,888	819,475	155,413
Purchased Services	122,189	121,055	1,134
Supplies and Materials	627,384	625,325	2,059
Total Special	<u>4,980,899</u>	<u>4,358,382</u>	<u>622,517</u>
Vocational			
Salaries and Wages	234,865	153,928	80,937
Fringe Benefits	65,165	40,915	24,250
Purchased Services	168,920	168,920	-
Supplies and Materials	145,087	139,212	5,875
Total Vocational	<u>614,037</u>	<u>502,975</u>	<u>111,062</u>
Other			
Salaries and Wages	87,113	85,665	1,448
Fringe Benefits	16,062	14,052	2,010
Purchased Services	17,926	17,920	6
Supplies and Materials	33,674	33,650	24
Total Other	<u>154,775</u>	<u>151,287</u>	<u>3,488</u>
Total Instruction	<u>7,191,471</u>	<u>6,258,408</u>	<u>933,063</u>
Support Services:			
Pupil			
Salaries and Wages	461,194	390,241	70,953
Fringe Benefits	165,314	141,079	24,235
Purchased Services	106,059	78,473	27,586
Supplies and Materials	40,050	39,592	458
Total Pupil	<u>772,617</u>	<u>649,385</u>	<u>123,232</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, 2006  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	2,275,133	1,737,464	537,669
Fringe Benefits	736,647	589,107	147,540
Purchased Services	1,174,569	1,045,174	129,395
Supplies and Materials	469,936	446,053	23,883
Miscellaneous	750	507	243
<b>Total Instructional Staff</b>	<u>4,657,035</u>	<u>3,818,305</u>	<u>838,730</u>
<b>Administration</b>			
Salaries and Wages	815,026	699,915	115,111
Fringe Benefits	304,431	254,813	49,618
Purchased Services	31,106	28,631	2,475
Supplies and Materials	19,503	19,280	223
Miscellaneous	2,800	2,800	-
<b>Total Administration</b>	<u>1,172,866</u>	<u>1,005,439</u>	<u>167,427</u>
<b>Fiscal</b>			
Miscellaneous	169,188	169,014	174
<b>Total Fiscal</b>	<u>169,188</u>	<u>169,014</u>	<u>174</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	72,724	69,891	2,833
Fringe Benefits	29,195	27,654	1,541
Purchased Services	47,807	43,231	4,576
Supplies and Materials	1,301	1,301	-
<b>Total Operations and Maintenance</b>	<u>151,027</u>	<u>142,077</u>	<u>8,950</u>
<b>Pupil Transportation</b>			
Salaries and Wages	311,122	300,342	10,780
Fringe Benefits	148,899	136,605	12,294
Purchased Services	211,882	146,236	65,646
Supplies and Materials	86,805	76,308	10,497
<b>Total Pupil Transportation</b>	<u>758,708</u>	<u>659,491</u>	<u>99,217</u>
<b>Total Support Services</b>	<u>7,681,441</u>	<u>6,443,711</u>	<u>1,237,730</u>
<b>Community Services</b>			
Salaries and Wages	149,085	122,343	26,742
Fringe Benefits	42,722	36,727	5,995
Purchased Services	21,262	7,362	13,900
Supplies and Materials	21,147	11,624	9,523
<b>Total Community Services</b>	<u>234,216</u>	<u>178,056</u>	<u>56,160</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, 2006  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Miscellaneous	302,332	302,332	-
Capital Outlay	502,933	488,245	14,688
Total Expenditures	<u>15,912,393</u>	<u>13,670,752</u>	<u>2,241,641</u>
Excess of Revenues Over (Under) Expenditures	(939,268)	(1,452,401)	(513,133)
Other Financing Sources (Uses):			
Advances - In	314,597	314,597	-
Advances - Out	(255,259)	(255,259)	-
Total Other Financing Sources (Uses)	<u>59,338</u>	<u>59,338</u>	<u>-</u>
Net Change in Fund Balances	(879,930)	(1,393,063)	(513,133)
Fund Balance at Beginning of Year	621,108	621,108	-
Prior Year Encumbrances Appropriated	571,539	571,539	-
Fund Balance at End of Year	<u>\$ 312,717</u>	<u>\$ (200,416)</u>	<u>\$ (513,133)</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ -	\$ 1,731	\$ 1,731
Other Local Revenue	3,757,510	3,539,084	(218,426)
Intergovernmental - State	140,000	155,479	15,479
Intergovernmental - Federal	3,422,151	3,623,367	201,216
Total Revenues	<u>7,319,661</u>	<u>7,319,661</u>	<u>-</u>
Expenditures:			
Current:			
Support Services:			
Administration			
Purchased Services	3,550	3,509	41
Total Administration	<u>3,550</u>	<u>3,509</u>	<u>41</u>
Total Support Services	<u>3,550</u>	<u>3,509</u>	<u>41</u>
Community Services			
Salaries and Wages	3,007,844	3,007,844	-
Fringe Benefits	1,177,852	1,177,852	-
Purchased Services	180,628	179,053	1,575
Supplies and Materials	2,817,791	2,740,534	77,257
Miscellaneous	213	213	-
Total Community Services	<u>7,184,328</u>	<u>7,105,496</u>	<u>78,832</u>
Miscellaneous	209	209	-
Capital Outlay	11,551	11,178	373
Total Expenditures	<u>7,199,638</u>	<u>7,120,392</u>	<u>79,414</u>
Excess of Revenues Over Expenditures	120,023	199,269	79,414
Other Financing Sources (Uses):			
Advances - In	21,567	21,567	-
Advances - Out	(93,095)	(93,095)	-
Total Other Financing Sources (Uses)	<u>(71,528)</u>	<u>(71,528)</u>	<u>-</u>
Net Change in Fund Balances	48,495	127,741	79,414
Fund Balance at Beginning of Year	1	1	-
Prior Year Encumbrances Appropriated	14,139	14,139	-
Fund Balance at End of Year	<u>\$ 62,635</u>	<u>\$ 141,881</u>	<u>\$ 79,414</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 3,400	\$ 5,168	\$ 1,768
Other Local Revenue	<u>30,770</u>	<u>29,002</u>	<u>(1,768)</u>
Total Revenues	<u>34,170</u>	<u>34,170</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	125	117	8
Supplies and Materials	1,535	985	550
Miscellaneous	<u>1,113</u>	<u>1,113</u>	<u>-</u>
Total Regular	<u>2,773</u>	<u>2,215</u>	<u>558</u>
Total Instruction	<u>2,773</u>	<u>2,215</u>	<u>558</u>
Support Services:			
Administration			
Purchased Services	1,000	249	751
Supplies and Materials	25,811	19,519	6,292
Miscellaneous	<u>1,083</u>	<u>583</u>	<u>500</u>
Total Administration	<u>27,894</u>	<u>20,351</u>	<u>7,543</u>
Central			
Purchased Services	171,661	123,140	48,521
Supplies and Materials	<u>1,000</u>	<u>779</u>	<u>221</u>
Total Central	<u>172,661</u>	<u>123,919</u>	<u>48,742</u>
Total Support Services	<u>200,555</u>	<u>144,270</u>	<u>56,285</u>
Extracurricular Activities			
Miscellaneous	<u>13,400</u>	<u>13,400</u>	<u>-</u>
Total Extracurricular Activities	<u>13,400</u>	<u>13,400</u>	<u>-</u>
Total Expenditures	<u>216,728</u>	<u>159,885</u>	<u>56,843</u>
Net Change in Fund Balances	(182,558)	(125,715)	56,843
Fund Balance at Beginning of Year	203,039	203,039	-
Prior Year Encumbrances Appropriated	<u>10,537</u>	<u>10,537</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 31,018</u>	<u>\$ 87,861</u>	<u>\$ 56,843</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, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 56,295	\$ 56,295	\$ -
Total Revenues	<u>56,295</u>	<u>56,295</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	3,100	3,051	49
Total Regular	<u>3,100</u>	<u>3,051</u>	<u>49</u>
Vocational			
Supplies and Materials	57,802	47,343	10,459
Total Vocational	<u>57,802</u>	<u>47,343</u>	<u>10,459</u>
Total Instruction	<u>57,802</u>	<u>47,343</u>	<u>10,459</u>
Support Services:			
Instructional Staff			
Purchased Services	200	200	-
Total Instructional Staff	<u>200</u>	<u>200</u>	<u>-</u>
Total Support Services	<u>200</u>	<u>200</u>	<u>-</u>
Extracurricular Activities			
Supplies and Materials	1,500	697	803
Total Extracurricular Activities	<u>1,500</u>	<u>697</u>	<u>803</u>
Capital Outlay	<u>571</u>	<u>321</u>	<u>250</u>
Total Expenditures	<u>63,173</u>	<u>51,612</u>	<u>11,512</u>
Net Change in Fund Balances	(6,878)	4,683	11,512
Fund Balance at Beginning of Year	24,070	24,070	-
Prior Year Encumbrances Appropriated	474	474	-
Fund Balance at End of Year	<u>\$ 17,666</u>	<u>\$ 29,227</u>	<u>\$ 11,512</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 School Net Plus Fund  
 For the Fiscal Year Ended June 30, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	<u>3,892</u>	<u>3,892</u>	<u>-</u>
Total Regular	<u>3,892</u>	<u>3,892</u>	<u>-</u>
Total Instruction	<u>3,892</u>	<u>3,892</u>	<u>-</u>
Capital Outlay	<u>64,212</u>	<u>64,212</u>	<u>-</u>
Total Expenditures	<u>68,104</u>	<u>68,104</u>	<u>-</u>
Net Change in Fund Balances	(68,104)	(68,104)	-
Fund Balance at Beginning of Year	36,640	36,640	-
Prior Year Encumbrances Appropriated	<u>31,464</u>	<u>31,464</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</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. As of January 2005 the District has adopted a fully insured dental insurance program.

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, 2006

	<u>Final Budget</u>	<u>Actual</u>	Variance
Revenues:			
Interest	\$ 3,000	\$ 13,208	\$ 10,208
Total Revenues	<u>3,000</u>	<u>13,208</u>	<u>10,208</u>
Expenses:			
Purchased Services	53,516	3,050	50,466
Total Expenses	<u>53,516</u>	<u>3,050</u>	<u>50,466</u>
Changes in Net Assets	(50,516)	10,158	60,674
Net Assets at Beginning of Year	304,780	304,780	-
Prior Year Encumbrances Appropriated	3,516	3,516	-
Net Assets at End of Year	<u>\$ 257,780</u>	<u>\$ 318,454</u>	<u>\$ 60,674</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 School Improvement Team (COSIT). The Treasurer of the District receives these monies, as directed by the COSIT.



South-Western City School District  
 Combining Balance Sheet  
 All Agency Funds  
 June 30, 2006

	<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	\$ 322,458	\$ 3,822,955	\$ 75,385	\$ 4,220,798
Accounts Receivable	1,862	185,701	28,266	215,829
Intergovernmental Receivable	-	-	300,049	300,049
Total Assets	<u>\$ 324,320</u>	<u>\$ 4,008,656</u>	<u>\$ 403,700</u>	<u>\$ 4,736,676</u>
<u>Liabilities:</u>				
Accounts Payable	\$ 32,141	\$ 7,342	\$ 329,081	\$ 368,564
Due to Other Governments	-	1,607,189	-	1,607,189
Accrued Wages and Benefits	-	326	-	326
Undistributed Money	292,179	2,393,799	74,619	2,760,597
Total Liabilities	<u>\$ 324,320</u>	<u>\$ 4,008,656</u>	<u>\$ 403,700</u>	<u>\$ 4,736,676</u>

South-Western City School District  
Combining Statement of Changes in Assets and Liabilities  
All Agency Funds  
For the Fiscal Year Ended June 30, 2006

	Beginning Balance June 30, 2005	Additions	Deductions	Ending Balance June 30, 2006
<u>Student Activity:</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 317,631	\$ 74,787	\$ 69,960	\$ 322,458
Accounts Receivable	-	1,862	-	1,862
Total Assets	<u>\$ 317,631</u>	<u>\$ 76,649</u>	<u>\$ 69,960</u>	<u>\$ 324,320</u>
Liabilities:				
Accounts Payable	\$ 27,602	\$ 32,141	\$ 27,602	\$ 32,141
Interfund Loans Payable	40,496	-	40,496	-
Undistributed Money	249,533	44,508	1,862	292,179
Total Liabilities	<u>\$ 317,631</u>	<u>\$ 76,649</u>	<u>\$ 69,960</u>	<u>\$ 324,320</u>
<u>District Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 3,894,174	\$ 1,670,935	\$ 1,742,154	\$ 3,822,955
Accounts Receivable	176,929	185,701	176,929	185,701
Total Assets	<u>\$ 4,071,103</u>	<u>\$ 1,856,636</u>	<u>\$ 1,919,083</u>	<u>\$ 4,008,656</u>
Liabilities:				
Accounts Payable	\$ 28,727	\$ 7,342	\$ 28,727	\$ 7,342
Due to Other Governments	1,406,107	1,607,189	1,406,107	1,607,189
Accrued Wages and Benefits	691	326	691	326
Undistributed Money	2,635,578	241,779	483,558	2,393,799
Total Liabilities	<u>\$ 4,071,103</u>	<u>\$ 1,856,636</u>	<u>\$ 1,919,083</u>	<u>\$ 4,008,656</u>
<u>Teacher Development</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 1,093,109	\$ 766	\$ 1,018,490	\$ 75,385
Accounts Receivable	124,459	28,266	124,459	28,266
Intergovernmental Receivable	174,514	300,049	174,514	300,049
Total Assets	<u>\$ 1,392,082</u>	<u>\$ 329,081</u>	<u>\$ 1,317,463</u>	<u>\$ 403,700</u>
Liabilities:				
Accounts Payable	\$ 651,305	\$ 329,081	\$ 651,305	\$ 329,081
Accrued Wages and Benefits	1,122	-	1,122	-
Interfund Loans Payable	286,452	-	286,452	-
Unearned Revenue	124,702	-	124,702	-
Undistributed Money	328,501	-	253,882	74,619
Total Liabilities	<u>\$ 1,392,082</u>	<u>\$ 329,081</u>	<u>\$ 1,317,463</u>	<u>\$ 403,700</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, 2006  
(continued)

	Beginning Balance <u>June 30, 2005</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2006</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 5,304,914	\$ 1,746,488	\$ 2,830,604	\$ 4,220,798
Receivable:				
Accounts	301,388	215,829	301,388	215,829
Intergovernmental	174,514	300,049	174,514	300,049
Total Assets	<u>\$ 5,780,816</u>	<u>\$ 2,262,366</u>	<u>\$ 3,306,506</u>	<u>\$ 4,736,676</u>
Liabilities:				
Accounts Payable	\$ 707,634	\$ 368,564	\$ 707,634	\$ 368,564
Due to Other Governments	1,406,107	1,607,189	1,406,107	1,607,189
Accrued Wages and Benefits	1,813	326	1,813	326
Interfund Loans Payable	326,948	-	326,948	-
Unearned Revenue	124,702	-	124,702	-
Undistributed Money	3,213,612	286,287	739,302	2,760,597
Total Liabilities	<u>\$ 5,780,816</u>	<u>\$ 2,262,366</u>	<u>\$ 3,306,506</u>	<u>\$ 4,736,676</u>

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## **STATISTICAL SECTION**

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

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Governmental Activities:					
Instruction:					
Regular	\$ 95,115,958	\$ 89,164,246	\$ 82,081,703	\$ 74,732,291	\$ 67,162,034
Special	22,985,555	22,254,484	20,041,211	17,426,432	14,219,025
Vocational	6,942,933	6,544,444	6,665,313	5,621,047	5,358,669
Other	1,058,398	393,079	394,006	400,389	386,970
Support Services:					
Pupil	8,056,141	8,184,349	7,326,436	7,336,804	6,140,323
Instructional Staff	19,218,501	18,230,029	16,854,642	15,114,537	12,920,806
Board of Education	268,724	364,457	401,151	479,880	224,840
Administration	15,558,613	14,662,677	13,688,663	13,370,445	12,052,299
Fiscal	3,321,018	2,684,904	3,030,493	2,605,574	2,776,595
Business	1,203,141	1,020,572	1,122,396	983,121	1,121,398
Operations and Maintenance	16,101,062	15,922,071	15,802,554	14,399,188	13,064,806
Pupil Transportation	12,722,070	11,993,324	10,786,583	9,493,708	9,188,997
Central	4,143,369	4,386,542	4,837,026	4,850,405	3,994,815
Food Service	8,055,603	7,860,418	7,311,356	6,911,601	6,084,887
Community Services	1,384,279	1,649,082	1,399,643	1,602,684	1,574,075
Extracurricular Activities	3,781,747	3,661,136	3,648,003	3,534,018	3,336,233
Interest and Fiscal Charges	7,271,315	7,907,100	8,309,541	9,208,077	7,480,589
Total Governmental Activities Expenses	<u>\$ 227,188,427</u>	<u>\$ 216,882,914</u>	<u>\$ 203,700,720</u>	<u>\$ 188,070,201</u>	<u>\$ 167,087,361</u>

Source: School District Comprehensive Annual Financial Report

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

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Program Revenue:					
Governmental Activities:					
Charges for Services and Sales					
Instruction:					
Regular	\$ 102,094	\$ 296,625	\$ 99,520	\$ 90,991	\$ 53,915
Special			218	-	-
Vocational	119,795	105,895	117,860	104,890	66,637
Support Services:					
Instructional Staff	200	-	-	1,645	-
Pupil Transportation	151,725	111,106	110,668	86,725	269,782
Food Service	3,868,230	3,489,028	3,696,360	3,660,907	3,579,946
Community Services	8,163	5,806	11,093	12,908	11,884
Extracurricular Activities	719,363	646,568	602,334	516,805	647,287
Operating Grants, Contributions and Interest	26,766,874	23,919,727	21,174,742	19,187,788	14,875,976
Total Governmental Activities Program Revenues	<u>\$ 31,736,444</u>	<u>\$ 28,574,755</u>	<u>\$ 25,812,795</u>	<u>\$ 23,662,659</u>	<u>\$ 19,505,427</u>
Net (Expenses)/Revenue					
Governmental Activities	<u>\$ (195,451,983)</u>	<u>\$ (188,308,159)</u>	<u>\$ (177,887,925)</u>	<u>\$ (164,407,542)</u>	<u>\$ (147,581,934)</u>
General Revenues and Other Changes in Net Assets					
General Revenues:					
Property Taxes Levied for:					
General Purposes	79,877,444	69,546,730	77,869,586	63,347,264	60,805,216
Debt Service	12,848,845	12,649,989	16,216,513	12,656,333	11,778,244
Capital Improvement	1,787,078	-	-	-	-
Grants and Entitlements not Restricted to Specific Programs	85,381,816	85,291,437	79,733,241	71,897,461	69,158,685
Interest	1,787,222	683,103	557,566	1,325,709	3,013,344
Gain (Loss) on Sale of Capital Assets	-	-	-	(249,682)	31,094
Other Local Revenues	4,124,726	3,770,288	3,959,083	3,806,825	3,763,736
Extraordinary Item - Loss on Demolition of a Middle School	-	-	-	-	(911,297)
Total Governmental Activities	<u>185,807,131</u>	<u>171,941,547</u>	<u>178,335,989</u>	<u>152,783,910</u>	<u>147,639,022</u>
Changes in Net Assets	<u>(9,644,852)</u>	<u>(16,366,672)</u>	<u>448,064</u>	<u>(11,623,632)</u>	<u>57,088</u>

Source: School District Comprehensive Annual Financial Report

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

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997
<b>General Fund</b>										
Reserved	\$ 23,115,605	\$ 18,652,243	\$ 18,110,925	\$ 10,959,764	\$ 12,502,248	\$ 21,146,387	\$ 23,271,000	\$ 17,736,408	\$ 12,946,490	\$ 13,990,823
Unreserved	(26,952,311)	(17,786,525)	(1,819,297)	11,258,623	19,661,008	13,348,022	7,564,619	5,505,215	5,314,820	(704,974)
<b>Total General Fund</b>	<b>\$ (3,836,706)</b>	<b>\$ 865,718</b>	<b>\$ 16,291,628</b>	<b>\$ 22,218,387</b>	<b>\$ 32,163,256</b>	<b>\$ 34,494,409</b>	<b>\$ 30,835,619</b>	<b>\$ 23,241,623</b>	<b>\$ 18,261,310</b>	<b>\$ 13,285,849</b>
<b>All Other Governmental Funds</b>										
Reserved	10,589,657	8,883,326	9,095,092	7,610,736	20,319,970	34,839,905	34,986,377	7,360,502	4,686,936	5,626,205
Unreserved, reported in:										
Special Revenue Funds	2,293,939	2,045,128	2,982,529	3,132,737	5,394,642	3,392,478	3,502,759	3,009,708	2,363,656	1,985,671
Capital Projects Fund	10,189,703	5,255	(322,833)	186,114	452,626	10,270,441	48,603,993	111,063,822	1,579,816	2,914,866
<b>Total All Other Governmental Funds</b>	<b>\$ 23,073,299</b>	<b>\$ 10,933,709</b>	<b>\$ 11,754,788</b>	<b>\$ 10,929,587</b>	<b>\$ 26,167,238</b>	<b>\$ 48,502,824</b>	<b>\$ 87,093,129</b>	<b>\$ 121,434,032</b>	<b>\$ 8,630,408</b>	<b>\$ 10,526,742</b>

Source: School District Comprehensive Annual Financial Report



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

	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003
<b>Revenues:</b>				
<b>Local:</b>				
Taxes	\$ 97,704,539	\$ 82,535,286	\$ 90,760,617	\$ 77,155,165
Tuition	375,050	368,660	654,619	447,352
Interest	2,131,626	677,084	552,865	1,235,857
Other Local Revenue	8,880,015	8,629,817	8,563,461	8,069,568
Intergovernmental - State	95,177,226	93,309,641	86,857,635	79,435,912
Intergovernmental - Federal	16,911,352	15,360,857	14,052,036	11,760,295
<b>Total Revenues</b>	<b>\$ 221,179,808</b>	<b>\$ 200,881,345</b>	<b>\$ 201,441,233</b>	<b>\$ 178,104,149</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	88,155,340	83,740,124	76,676,200	70,347,045
Special	22,841,563	22,031,826	19,686,644	17,278,494
Vocational	5,822,910	5,354,160	5,482,555	5,056,922
Other	1,051,457	392,127	393,589	400,116
<b>Support Services:</b>				
Pupil	8,105,144	8,159,650	7,407,498	7,298,688
Instructional Staff	19,131,625	18,004,035	16,616,241	14,651,432
Board of Education	268,724	364,457	401,151	479,880
Administration	15,092,352	14,049,517	13,129,600	13,079,993
Fiscal	3,309,531	2,674,852	3,025,920	2,585,782
Business	1,272,174	990,089	1,088,251	974,415
Operations and Maintenance	15,867,057	15,505,621	15,397,113	14,081,200
Pupil Transportation	11,439,383	10,473,546	9,392,675	8,436,396
Central	3,135,113	3,291,104	3,722,217	3,788,910
Food Service	7,658,325	7,318,639	6,787,151	6,468,178
Community Services	1,073,496	1,303,382	1,033,799	1,280,030
Extracurricular Activities	3,562,468	3,424,234	3,388,247	3,288,580
Capital Outlay	3,995,595	4,201,895	6,891,967	18,802,710
Pass Through Grants	325,000	325,000	325,000	325,000
<b>Debt Services:</b>				
Principal Retirement	6,160,009	7,358,661	7,547,704	6,199,702
Interest and Fiscal Charges	7,735,902	8,189,624	8,367,908	8,871,883
Issuance Costs for Bonds and Notes	137,015	183,191	831,005	-
<b>Total Expenditures</b>	<b>226,140,183</b>	<b>217,335,734</b>	<b>207,592,435</b>	<b>203,695,356</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(4,960,375)</b>	<b>(16,454,389)</b>	<b>(6,151,202)</b>	<b>(25,591,207)</b>
<b>Other Financing Sources (Uses):</b>				
Transfers - In	1,160,563	809,380	1,026,395	954,278
Transfers - Out	(1,160,563)	(809,380)	(1,026,395)	(954,278)
Issuance of Refunding Bonds	-	2,499,961	27,050,000	-
Issuance of Vocational Construction Note	-	-	-	-
Issuance of General Obligation Bonds	-	-	-	-
Issuance of Tax Anticipation Notes	12,000,000	-	-	-
Premium on the Sale of Refunding Bonds	-	183,230	1,846,786	-
Premium on the Sale of Bond Anticipation Notes	-	-	-	-
Premium on the Sale of Tax Anticipation Notes	341,741	-	-	-
Principal Payment to Refunding Bonds Escrow Agent	-	(2,500,000)	(27,860,001)	-
Premium on the Sale of General Obligation Bonds	-	-	-	-
Proceeds from the Inception of Capital Lease	-	-	-	408,687
Proceeds from the Sale of Capital Assets	55,800	24,209	12,859	-
<b>Total Other Financing Sources (Uses)</b>	<b>12,397,541</b>	<b>207,400</b>	<b>1,049,644</b>	<b>408,687</b>
<b>Net Change in Fund Balances</b>	<b>7,437,166</b>	<b>(16,246,989)</b>	<b>(5,101,558)</b>	<b>(25,182,520)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>6.74%</b>	<b>7.97%</b>	<b>9.10%</b>	<b>8.87%</b>

Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998	Fiscal 1997
\$ 69,962,989	\$ 77,291,353	\$ 82,099,746	\$ 66,138,929	\$ 58,061,683	\$ 54,764,027
568,600	488,073	308,146	129,855	345,858	372,713
3,446,592	9,268,000	8,554,298	2,928,364	1,703,041	1,878,802
7,877,264	3,895,680	3,105,480	2,676,284	2,945,271	2,316,248
72,388,325	61,726,476	55,468,100	52,253,360	49,183,103	43,074,452
10,904,582	7,767,903	6,627,609	5,698,012	5,319,498	5,092,790
<u>\$ 165,148,352</u>	<u>\$ 160,437,485</u>	<u>\$ 156,163,379</u>	<u>\$ 129,824,804</u>	<u>\$ 117,558,454</u>	<u>\$107,499,032</u>
62,311,817	57,803,942	52,493,256	49,551,828	46,672,008	44,039,664
14,055,510	12,840,347	11,315,354	11,315,827	10,038,736	9,834,204
4,287,337	4,028,273	3,969,895	3,912,743	3,742,260	3,716,694
386,941	561,260	507,178	559,926	546,398	526,248
6,089,388	5,939,439	5,671,070	5,249,227	5,106,314	4,589,528
12,453,610	11,670,981	10,535,219	9,765,122	8,977,937	8,324,871
224,840	220,905	198,957	204,843	202,947	190,188
11,566,312	10,649,009	9,782,392	8,946,683	8,146,173	7,807,167
2,761,547	2,789,050	2,406,035	3,915,735	2,186,236	2,064,466
892,459	819,113	727,262	832,269	510,486	585,103
12,397,397	11,879,176	12,328,989	8,720,583	7,879,423	7,791,583
7,139,082	6,565,782	5,437,269	5,421,816	4,252,887	4,062,314
2,640,109	2,549,988	2,779,049	2,575,117	1,940,873	1,558,825
5,995,382	1,243,808	-	-	-	-
923,273	2,483,023	929,697	695,233	555,297	446,998
2,946,151	177,695	2,374,572	2,222,344	2,054,652	1,817,599
39,364,423	50,001,642	47,071,386	11,551,689	6,905,323	9,891,944
325,000	325,000	300,000	300,000	348,606	-
7,077,359	6,061,399	6,149,786	2,556,170	2,794,802	2,243,399
7,179,549	8,078,330	8,112,731	4,470,756	2,090,302	2,215,907
-	-	-	-	-	-
<u>201,017,486</u>	<u>196,688,162</u>	<u>183,090,097</u>	<u>132,767,911</u>	<u>114,951,660</u>	<u>111,706,702</u>
(35,869,134)	(36,250,677)	(26,926,718)	(2,943,107)	2,606,794	(4,207,670)
19,843,222	17,673,067	17,093,000	3,704,303	10,789,041	3,892,061
(19,843,222)	(17,665,778)	(17,327,680)	(4,039,700)	(7,520,221)	(4,159,366)
-	-	-	-	-	-
-	1,000,000	-	-	-	-
9,465,000	-	-	120,575,006	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,700	1,915	-	271	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	9,420	-	-
-	19,860	105,750	67,264	735,520	470,524
69,153	40,412	58,225	50,252	21,088	85,960
<u>9,534,153</u>	<u>1,072,261</u>	<u>(68,790)</u>	<u>120,366,545</u>	<u>4,025,699</u>	<u>289,179</u>
<u>(26,334,981)</u>	<u>(35,178,416)</u>	<u>(26,995,508)</u>	<u>117,423,438</u>	<u>6,632,493</u>	<u>(3,918,491)</u>
9.67%	10.67%	11.71%	6.15%	4.74%	4.58%

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

Collection Year	Tangible						Collection Year		
	Real Property (1)		Personal Property (2)		Public Utility (3)			Total	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value			
2006	\$ 2,356,337,430	\$ 6,732,392,657	\$ 211,762,887	\$ 962,558,577	\$ 85,769,830	\$ 115,789,271	\$ 2,653,870,147	\$ 7,810,740,505	2006
2005	2,058,122,350	5,880,349,571	294,803,262	1,281,753,313	87,646,630	118,322,951	2,440,572,242	7,280,425,835	2005
2004	1,995,790,380	5,702,258,229	285,817,957	1,190,908,154	85,692,690	115,685,132	2,367,301,027	7,008,851,514	2004
2003	1,944,520,110	5,555,771,743	327,412,336	1,309,649,344	80,654,260	108,883,251	2,352,586,706	6,974,304,338	2003
2002	1,740,984,660	4,974,241,886	312,181,478	1,248,725,912	77,011,450	103,965,458	2,130,177,588	6,326,933,255	2002
2001	1,686,914,280	4,819,755,086	320,534,386	1,282,137,544	94,580,280	127,683,378	2,102,028,946	6,229,576,008	2001
2000	1,602,009,470	4,577,169,914	290,640,778	1,162,563,112	95,575,700	129,027,195	1,988,225,948	5,868,760,221	2000
1999	1,351,762,160	3,862,177,600	286,032,773	1,144,131,092	91,164,590	123,072,197	1,728,959,523	5,129,380,889	1999
1998	1,303,642,930	3,724,694,085	276,769,393	1,107,077,572	90,550,140	122,242,689	1,670,962,463	4,954,014,346	1998
1997	1,249,075,420	3,568,786,914	249,281,118	997,124,472	89,660,060	121,041,081	1,588,016,598	4,686,952,467	1997

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 35% of estimated actual value.

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
2005/2006 (1)	\$ 111,827,574	\$ 7,460,906	\$ 119,288,480	\$ 105,497,851	94.34%	\$ 6,114,565	\$111,612,416	93.57%	\$ 6,949,399	2005/2006
2004/2005 (1)	\$ 87,226,531	\$ 7,222,650	\$ 94,449,181	\$ 82,722,065	94.84%	\$ 3,819,146	\$ 86,541,211	91.63%	\$ 10,140,571	2004/2005
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	5,482,545	95,319,579	79,192,486	88.15%	3,147,122	82,339,608	86.38%	5,431,851	1999/2000
1998/1999 (1)	75,816,300	4,890,024	80,706,324	74,698,742	98.53%	2,824,094	77,522,836	96.06%	5,514,324	1998/1999
1997/1998 (1)	65,222,021	5,970,823	71,192,844	63,612,455	97.53%	2,850,394	66,462,849	93.36%	5,349,378	1997/1998
1996/1997 (1)	63,457,650	5,057,702	68,515,352	61,642,680	97.14%	2,293,063	63,935,743	93.32%	5,757,230	1996/1997

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  
 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	Franklin County	City of Columbus	City of Grove City	General Fund	Bond Fund	Permanent Improvement	Harrisburg Township	Pleasant Township	Harrisburg- Pleasant Township	Prairie Township	
				Fund	Fund																				
2005/2006	18.44 (12.64) (15.65)	3.14 (3.14) (3.14)	4.20 (4.20) (4.20)	53.80 (23.79) (37.90)	5.02 (5.02) (5.02)	2.00 (1.74) (1.90)	3.85 (3.85) (3.85)	1.00 (1.00) (1.00)	0.00	0.00	0.60 (0.60) (0.60)	18.05 (11.64) (17.64)	20.20 (8.41) (9.39)	18.70 (10.33) (10.40)	18.30 (9.93) (10.00)	18.20 (12.81) (15.45)									
2004/2005	18.44	3.14	4.20	46.10	5.28	0.00	3.85	1.00	0.00	0.60	18.05	20.20	18.70	18.30	14.50										
2003/2004	17.64	3.14	4.20	46.10	6.48	0.00	3.85	1.00	0.00	0.60	13.05	20.20	18.70	18.30	14.20										
2002/2003	17.64	3.14	4.30	46.10	6.44	0.00	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	0.00	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	0.00	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	0.00	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	0.00	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	0.00	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	0.00	3.90	5.00	1.20	5.60	13.05	20.20	16.20	20.80	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  
Principal Taxpayers  
December 31, 2005

	Total Assessed <u>Valuation</u>	% of Total Assessed <u>Valuation</u>
<u>Public Utilities</u>		
Columbus Southern Power Company	\$ 54,340,770	2.05%
Ohio Bell Telephone Co.	11,702,560	0.44%
Columbia Gas of Ohio Inc.	5,100,490	0.19%
 <u>Real Estate</u>		
Big Lots Stores Inc.	\$ 14,856,000	0.56%
Wingates LLC	12,351,550	0.47%
PCCP IRG Columbus LLC	12,250,010	0.46%
Distribution Funding III	8,888,090	0.33%
Dispatch Printing Co.	8,750,000	0.33%
M/I Homes of Central Ohio	6,582,310	0.25%
Solid Waste Authority	6,092,990	0.23%
Security Capital	5,724,190	0.22%
Realty Associates Fund V	5,688,180	0.21%
Parkway Village LLC	4,970,000	0.19%
 <u>Tangible Personal Property</u>		
Wal Mart Stores East LP	\$ 13,618,185	0.51%
Masterfoods USA	12,039,750	0.45%
Big Lots Stores Inc.	11,551,673	0.44%
Dispatch Printing Company	8,293,710	0.31%
Ohio Machinery Co.	6,221,063	0.23%
Sears Roebuck & Company	6,031,545	0.23%
Delphi Automotive Systems LLC	5,965,013	0.22%
Tosoh S M D Inc.	5,549,693	0.21%
Shelly Holding Company	4,208,273	0.16%
International Business Machines Corp	3,120,608	0.12%
All Others	<u>2,419,973,494</u>	<u>91.19%</u>
Total Assessed Valuation	<u><u>\$ 2,653,870,147</u></u>	<u><u>100.00%</u></u>

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

Year	(1) Net Bonded Debt	(1) Tax Anticipation Notes	(1) Bond Anticipation Notes	Total Primary Government	(2) Percentage of Personal Income	(3) Per Capita	(4) Per ADM
2006	\$ 120,268,930	\$ 21,617,827	\$ -	\$ 141,886,757	not available	\$ 1,094.13	\$ 6,769.41
2005	127,504,793	-	-	127,504,793	not available	993.66	6,111.53
2004	133,506,128	-	-	133,506,128	5.70%	1,057.09	6,501.08
2003	140,578,720	-	-	140,578,720	6.23%	1,119.99	6,941.82
2002	147,398,554	-	-	147,398,554	7.27%	1,186.90	7,473.81
2001	144,018,852	-	65,400,000	209,418,852	10.30%	1,736.94	10,981.59
2000	151,126,004	-	7,500,000	158,626,004	8.01%	1,658.71	8,531.03
1999	154,417,376	-	8,500,000	162,917,376	8.78%	1,703.59	8,939.72
1998	38,221,876	-	-	38,221,876	2.16%	399.68	2,059.59
1997	40,140,488	-	-	40,140,488	2.55%	419.74	2,203.10

Sources:

(1) Per District records

(2) Personal Income provided by Ohio Department of Taxation

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

(4) ADM per District records



South-Western City School District  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Collection Years

Year	(1) Assessed Value	(2) Gross Bonded Debt	(2) Less Debt Service Funds	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	(3) Net Bonded Debt Per Capita	(4) Net Bonded Debt Per ADM
2006	\$2,653,870,147	\$ 125,553,305	\$ 5,284,375	\$ 120,268,930	4.53%	\$ 927.43	\$ 5,738.02
2005	2,440,572,242	131,773,677	4,268,884	127,504,793	5.22%	993.66	6,111.53
2004	2,367,301,027	138,112,279	4,606,151	133,506,128	5.64%	1,057.09	6,501.08
2003	2,352,586,706	144,480,176	3,901,456	140,578,720	5.98%	1,119.99	6,941.82
2002	2,130,177,588	150,412,305	3,013,751	147,398,554	6.92%	1,186.90	7,473.81
2001	2,102,028,946	147,692,665	3,673,813	144,018,852	6.85%	1,194.50	7,552.12
2000	1,988,225,948	153,444,448	2,318,444	151,126,004	7.60%	1,580.29	8,127.68
1999	1,728,959,523	159,265,330	4,847,954	154,417,376	8.93%	1,614.70	8,473.30
1998	1,670,962,463	41,901,816	3,679,940	38,221,876	2.29%	399.68	2,059.59
1997	1,588,016,598	44,719,803	4,579,315	40,140,488	2.53%	419.74	2,203.10

Sources:

(1) Franklin County Auditor

(2) Per District records

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

(4) ADM per District records

South-Western City School District  
 Computation of Direct and Overlapping General Obligation Bonded Debt  
 December 31, 2005

<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	\$ 125,553,305	100.00%	\$ 125,553,305
Franklin County	144,596,863	9.41%	13,606,565
City of Columbus	283,748,348	6.81%	19,323,262
City of Grove City	28,186,000	100.00%	28,186,000
Total Net Overlapping Debt	<u>\$ 582,084,516</u>		<u>\$ 186,669,132</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 2006 collection year

Source: Franklin County Auditor

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

Assessed Valuation	\$ 2,653,870,147								
Bonded Debt Limit - 9% of Assessed Value	\$ 238,848,313								
Amount of Debt Applicable to 9% Debt Limit:	<u>125,553,305</u>								
9% Voted Debt Margin		\$ 113,295,008							
Bonded Debt Limit - .10% of Assessed Value	\$ 2,653,870								
Amount of Debt Applicable to .10% Debt Limit	<u>-</u>								
.10% Unvoted Debt Margin		\$ 2,653,870							

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Debt Limit	\$ 238,848,313	\$ 219,651,502	\$ 213,057,092	\$ 211,732,804	\$ 191,715,983	\$ 189,182,605	\$ 178,940,335	\$ 232,838,719	\$ 150,386,622	\$ 142,921,494
Total Net Debt Applicable to Limit	<u>125,553,305</u>	<u>126,483,677</u>	<u>133,042,279</u>	<u>138,550,175</u>	<u>143,797,304</u>	<u>151,862,665</u>	<u>157,146,448</u>	<u>164,237,330</u>	<u>37,679,816</u>	<u>39,529,816</u>
Legal Debt Margin	\$ 113,295,008	\$ 93,167,825	\$ 80,014,813	\$ 73,182,629	\$ 47,918,679	\$ 37,319,940	\$ 21,793,887	\$ 68,601,389	\$ 112,706,806	\$ 103,391,678
Total Net Debt Applicable to the Limit										
as a Percentage of Debt Limit	52.57%	57.58%	62.44%	65.44%	75.01%	80.27%	87.82%	70.54%	25.06%	27.66%

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  
 Staffing Statistics - Full Time Equivalents (FTE) by Type and Function  
 Last Two Years

	<u>2006</u>	<u>2005</u>
Teaching Staff		
Elementary	469.90	471.45
Intermediate	200.10	198.01
Middle	230.13	230.25
High	404.90	405.10
Special Schools	33.00	31.00
Tutors	64.00	58.90
Non-Public Teachers	3.60	3.60
Preschool Programs	12.60	7.60
Administrators		
Buildings/Departments	117.00	118.00
Other Positions		
Psychologists	12.50	12.50
Nurses	9.40	9.40
Speech	18.00	18.00
OT/PT	5.80	4.20
Sign Interpreter	1.00	2.00
Social Worker	0.80	2.80
Counselors	29.00	29.00
Library Media Specialists	4.00	4.00
Specialists	10.20	10.20
Support Staff		
Technology	13.00	13.00
Aides	329.63	334.53
Accounting	9.00	9.00
Clerical	126.00	127.50
Custodial	141.50	140.00
Maintenance	37.00	39.00
Mechanics	10.00	10.00
Bus Drivers	181.00	176.00
Food Service Transporters	3.00	3.00
Cooks	138.81	136.64
Hall Monitors	45.50	45.00
Rec Center	15.00	15.00
OT Assistant	1.00	1.00
Total	<u>2,676.37</u>	<u>2,665.68</u>

**Function**

Instructional	
Regular	1,037.16
Special	312.60
Vocational	61.00
Support Services	
Pupil	124.05
Instructional Staff	343.93
Administration	155.50
Fiscal	13.00
Business	4.00
Operation and Maintenance	202.75
Pupil Transportation	225.00
Central	26.00
Food Service	145.23
Community Services	21.40
Extracurricular Activities	4.75
Total	<u>2,676.37</u>

Source: School District Records

Note: Staffing statistics are not readily reportable in this format for historical years.  
 Note: Staffing statistics by function were not available prior to 2006.

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

	<u>2006</u>	<u>2005</u>
Function-Governmental Activities		
Instruction and Support Services - Pupils		
Enrollment		
Graduates	1,153	1,113
% of Students with IEP	12.5%	11.9%
% of Limited English Proficient Students	6.6%	6.0%
Student Attendance	94.1%	94.0%
Fiscal		
Purchase Orders Processed	15,110	15,049
Nonpayroll Checks Issued	17,829	19,250
Operations and Maintenance		
Work Orders Completed	5,400	4,950
District Square Footage Maintained by Staff	2.8 million	2.8 million
District Acreage Maintained by Staff	610	610
Pupil Transportation		
Average Number of Students Transported Each Day	17,337	17,748
Average Daily Miles driven Each Day	15,702	14,526
Food Service		
Meals Served to Students:		
Breakfast	66,356	61,197
Lunch	262,559	264,736
Number of Free and Reduced Students	9,378	9,334
Extracurricular Activities		
High School Varsity Teams	65	65

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

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

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

<u>Year</u>	<u>State Basic Aid Per Pupil (1)</u>	<u>Percentage Change</u>	<u>Actual State Basic Aid Per Pupil Received</u>	<u>Percentage Change</u>	<u>South-Western Cost Per Pupil in ADM (2)</u>	<u>Percentage Increase</u>
2005/2006	\$ 5,283	2.2%	\$ 3,604	0.4%	\$ 10,170	11.3%
2004/2005	5,169	2.2%	3,591	5.1%	9,140	7.3%
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	n/a	1,607	n/a	5,087	n/a

Source: School district financial records.  
 Ohio Department of Education

- (1) Actual state revenue increase percent is less than reflected. This chart shows statewide per student allotment which is then adjusted for individual school district characteristics.
- (2) Previous years information for General Fund only. Beginning in fiscal year 1999, the Ohio Department of Education does not provide expenditure per pupil information for the General Fund only. Information for fiscal year 1998-99 is expenditure per pupil information for all funds.

South-Western City School District  
 General Fund - Operating Expenditures Necessary to Educate  
 a District Student for Graduation in June, 2005  
 (Actual Dollars Expended by Year)

	Grade	South-Western	State Average	Franklin County
	Level	City School	for All	Average
		District	School Districts	
1992-93	K	4,466	4,437	5,068
1993-94	1	4,695	4,640	5,426
1994-95	2	4,732	4,758	5,299
1995-96	3	4,879	4,940	5,626
1996-97	4	5,087	5,113	5,635
1997-98	5	5,275	5,369	6,046
1998-99 (1)	6	6,546	6,642	7,167
1999-00 (1)	7	6,890	7,057	7,636
2000-01 (1)	8	7,354	7,602	8,222
2001-02 (1)	9	7,354	7,602	8,222
2002-03 (1)	10	8,243	7,904	9,082
2003-04 (1)	11	8,515	8,287	9,384
2004-05 (1)	12	9,140	8,404	9,714
Total		<u>\$ 83,176</u>	<u>\$ 82,755</u>	<u>\$ 92,527</u>

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

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

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

	<u>2006</u>	<u>2005</u>
Governmental Activities		
Instruction		
Land	\$ 4,842,386	4,796,435
Buildings	137,839,860	137,589,568
Improvements to Land	361,506	357,126
Furniture and Equipment	7,050,728	6,780,004
Vehicle	1,287	1,287
Special		
Land	7,417	7,417
Buildings	1,012,170	1,012,170
Improvements to Land	45,775	45,775
Furniture and Equipment	725,751	718,700
Vocational		
Land	994,583	994,583
Buildings	18,182,809	18,182,809
Improvements to Land	40,880	40,880
Furniture and Equipment	2,986,434	3,211,734
Other		
Furniture and Equipment	3,090	1,791
Support Services:		
Pupil		
Furniture and Equipment	52,250	64,061
Instructional Staff		
Furniture and Equipment	1,360,235	1,303,720
Administration		
Land	570,242	570,242
Buildings	5,152,951	5,152,951
Improvements to Land	491,320	491,320
Furniture and Equipment	2,205,930	2,151,479
Fiscal		
Furniture and Equipment	27,456	28,413
Business		
Furniture and Equipment	3,846	3,846
Operations and Maintenance		
Land	20,376	20,376
Buildings	108,584	108,584
Improvements to Land	20,508	20,508
Furniture and Equipment	1,300,089	1,327,302
Vehicle	1,007,864	1,037,907
Transportation		
Land	172,546	172,546
Buildings	1,129,142	1,129,142
Improvements to Land	477,504	477,504
Furniture and Equipment	197,793	234,850
Vehicle	120,721	120,721
Buses	12,211,575	11,616,342
Central		
Land	6,635	6,635
Buildings	30,426,316	30,386,518
Improvements to Land	3,596,310	3,596,310
Furniture and Equipment	1,190,357	1,553,675
Vehicle	68,173	68,173
Food Service		
Buildings	22,213	22,213
Improvements to Land	1,800	1,800
Furniture and Equipment	3,404,810	3,372,736
Vehicle	182,712	182,712
Community Services		
Land	200,000	200,000
Buildings	7,345,236	7,142,280
Improvements to Land	256,979	271,670
Furniture and Equipment	443,474	460,408
Extracurricular Activities		
Buildings	3,120,490	3,120,490
Improvements to Land	453,502	453,502
Furniture and Equipment	587,061	598,242
Vehicle	2,075	11,537
Total	<u>\$ 252,033,751</u>	<u>\$ 251,220,994</u>

Source: District Fixed Asset Records

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



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South-Western City School District  
Facility Inventory

		Original Construction	Addition (s) Date (s)	Building Area (Sq. Ft.)	Acreage	Student Capacity
<b><u>Elementary Schools</u></b>						
Alton Hall	Basic	1960	1961, 1964, 1996	36,958	9.09	500
	Portable	1977		1,718		
	Portable	1989		1,596		
	Portable	1995		1,596		
Buckeye Woods	Basic	1995		68,000	19.11	725
Darbydale	Basic	1958		31,143	7.12	249
	Portable (1)	1977		1,704		
Darby Woods	Basic	1995		68,000	8.80	725
East Franklin	Basic	1956	1963, 1997	36,638	6.28	450
Finland	Basic	1964	1995	36,636	8.60	475
Harmon	Basic	1950	1997	43,362	11.29	500
	Portable (1)	1953		3,336		
Harrisburg	Basic	1939	1951	16,390	2.90	175
	Portable (1)	1967		793		
Highland Park	Basic	1969	1997	42,002	14.59	525
Monterey	Basic	1956	1995	36,636	10.11	475
	Portables (2)	1990		3,192		
North Franklin	Basic	1920	1938	38,387	2.00	425
Prairie Lincoln	Basic	1956	1961, 1962	43,058	19.41	525
	Portable (1)	1995		1,596		
Prairie Norton	Basic	1950		39,721	10.90	575
	Portable (1)	1967		793		
	Portable (1)	1995		1,596		
Richard Avenue	Basic	1957		44,718	10.44	525
J. C. Sommer	Basic	1956	1959	36,964	8.70	561
	Portable (2)	1967		1,586		
Stiles	Basic	1963	1995	36,636	10.77	475
	Portable (2)	1988		3,192		
West Franklin	Basic	1955	1997	47,813	9.70	575
<b><u>Intermediate Schools</u></b>						
Franklin Woods	Basic	2000		87,981	21.45	800
Galloway Ridge	Basic	2000		87,981	6.51	800
Holt Crossing	Basic	2000		87,981	20.70	800
Park Street	Basic	2000		87,981	12.71	800
Hayes	Basic	1966	1981,1982,1986, 2003	58,677	10.85	520
	Modular	1991		4,150		

		<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	14.93	725
	Portable (2)	1964		1,668		
Finland	Basic	1964	1975, 1995	91,098	17.30	786
	Portable (1)	1989		1,596		
	Portable (1)	1991		1,596		
Jackson	Basic	2001		99,597	28.14	800
Norton	Basic	1953	1995	87,204	15.00	680
	Portable (1)	1964		1,668		
	Portable (1)	1990		1,596		
Pleasant View	Basic	1958	1963	138,702	39.88	924
<b><u>High Schools</u></b>						
Central Crossing	Basic	2002		260,716	63.81	1,880
Franklin Heights	Basic	1955	1956, 1957, 1963 1974, 1975, 1976 1986, 1997	152,983	37.02	1,172
Grove City	Basic	1970	1971, 1976, 1983 1985, 2000	198,348	52.30	1,843
Westland	Basic	1970	1971, 1976, 1982 1985, 2000	197,154	51.79	1,861
<b><u>Additional Schools</u></b>						
Kingston	Basic	1949		13,180	2.00	70
Preschool Center	Basic	1950	2004	10,000	0.75	60
South-Western Career Academy	Basic	2002		130,156	22.10	750
<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	3.30	350
Darbydale Distribution		1930-1940		4,170	1.63	5
Transportation		1986		16,594	13.00	109
2 Houses - offices		1960 est		5,000	1.00	8
Norton Road Head Start		1975		4,300	0.70	46
Stiles Family Center		1994		4,510	1.20	206
Tech Services - Garage		1960 est		2,000	0.50	3
Bostic Center - Head Start	Basic	1973	2003	13,105	1.61	115

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

Percentage of Students Passing:	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal	Fiscal
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997		
<u>3rd Grade</u>												
Reading	68.0%	70.2%	73.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	71.7%	63.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>4th Grade</u>												
Citizenship	N/A	59.2%	46.3%	51.3%	60.9%	54.8%	49.0%	59.9%	43.9%	35.6%		
Reading	73.3%	70.8%	65.2%	65.2%	63.2%	49.6%	48.6%	51.8%	35.7%	41.4%		
Mathematics	76.1%	65.3%	58.5%	53.3%	58.3%	56.3%	42.1%	57.6%	26.0%	24.4%		
Writing	84.4%	77.9%	69.2%	75.9%	78.1%	76.5%	75.1%	62.8%	52.3%	58.8%		
Science	N/A	50.0%	50.3%	48.0%	52.6%	43.5%	33.8%	40.6%	33.9%	27.7%		
<u>5th Grade</u>												
Reading	72.5%	72.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	64.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>6th Grade</u>												
Citizenship	N/A	76.3%	69.7%	66.7%	68.4%	69.1%	61.5%	69.3%	51.6%	54.6%		
Reading	82.1%	67.4%	61.9%	59.7%	48.9%	55.6%	40.8%	44.7%	39.0%	35.0%		
Mathematics	68.6%	57.2%	62.2%	46.6%	52.8%	59.9%	39.0%	41.2%	33.3%	39.6%		
Writing	N/A	84.9%	89.4%	85.8%	85.4%	84.6%	75.1%	78.1%	82.1%	34.1%		
Science	N/A	65.8%	56.5%	60.3%	52.7%	56.9%	39.8%	35.4%	34.4%	30.2%		
<u>7th Grade</u>												
Reading	78.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	60.4%	59.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>8th Grade</u>												
Reading	77.1%	74.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	68.7%	63.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>9th Grade</u>												
Citizenship	N/A	N/A	94.2%	80.7%	78.1%	80.6%	77.5%	76.5%	75.3%	77.2%		
Reading	N/A	N/A	96.6%	87.2%	86.6%	89.2%	86.7%	86.4%	86.0%	88.1%		
Mathematics	N/A	N/A	87.2%	70.1%	67.3%	69.7%	64.9%	62.4%	61.3%	63.9%		
Writing	N/A	N/A	96.8%	88.5%	85.6%	90.1%	90.0%	89.5%	84.9%	82.5%		
Science	N/A	N/A	89.8%	74.2%	71.1%	77.3%	72.5%	68.8%	64.0%	N/A		
<u>10th Grade</u>												
Social Studies	77.8%	77.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Reading	89.0%	91.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	84.7%	79.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Writing	88.3%	82.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	69.1%	71.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Student Attendance Rate</u>	94.1%	94.0%	94.4%	94.1%	93.0%	93.0%	93.9%	94.1%	94.3%	94.7%		

Source: State of Ohio School District Report Card.

South-Western City School District  
 Ten Year Attendance Data

School Year End	Number Of Graduates	Elementary Schools Enrollment	(1)	Middle Schools Enrollment	High Schools Enrollment	Total Enrollment
			Intermediate Schools Enrollment			
2006	1,153	8,065	3,197	3,322	6,376	20,960
2005	1,113	8,035	3,308	3,339	6,181	20,863
2004	1,087	8,044	3,299	3,329	5,864	20,536
2003	1,090	7,895	3,231	3,403	5,722	20,251
2002	978	7,731	3,157	3,173	5,661	19,722
2001	856	7,619	3,118	2,985	5,348	19,070
2000	996	9,064	N/A	4,273	5,257	18,594
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

Source: Education Management Information System

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

South-Western City School District  
 Demographics  
 Last Ten Years

Year	(1) Estimated Population	(2) Average Daily Membership	(3) Average Federal Adjusted Gross Income	(3) Total Federal Adjusted Gross Income	(4) Unemployment Rate
2006	129,680	20,960	not available	not available	5.40%
2005	128,318	20,863	not available	not available	5.70%
2004	126,296	20,536	39,987	2,343,506,651	5.80%
2003	125,518	20,251	39,414	2,254,819,336	5.50%
2002	124,188	19,722	40,001	2,027,779,253	4.80%
2001	120,568	19,070	39,470	2,032,526,629	3.00%
2000	95,632	18,594	39,069	1,980,153,523	2.80%
1999	95,632	18,224	37,567	1,855,706,169	2.80%
1998	95,632	18,558	36,611	1,769,444,488	2.80%
1997	95,632	18,220	34,177	1,571,820,759	2.70%

Sources:

- (1) Ohio Municipal Advisory Council and Mid Ohio Regional Planning Commission
- (2) Per District records
- (3) Ohio Department of Taxation
- (4) June Data of Ohio Bureau of Employment Services or Ohio Department of Jobs and Family Services. Specific employment figures for the School District are not available. Unemployment percentages presented are for Franklin County.

South-Western City School District  
Principal Employers  
January 2005

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

Source: Mid Ohio Regional Planning Commission

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**Mary Taylor, CPA**  
Auditor of State

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

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**FEBRUARY 20, 2007**