

SOUTH-WESTERN CITY SCHOOL DISTRICT

FRANKLIN COUNTY

SINGLE AUDIT

JULY 1, 2006 – JUNE 30, 2007



Mary Taylor, CPA
Auditor of State

Board of Education
South-Western City School District
3805 Marlane Drive
Grove City, Ohio 43123-3304

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, 2006 through June 30, 2007. 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

January 14, 2008

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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, 2007**

Federal Grantor/ Pass thru Grantor/ Program Title	Pass-Through Entity Number	Federal CFDA Number	Cash Receipts	Non-Cash Receipts	Cash Disbursements	Non-Cash Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed through the Ohio Department of Education:</i>						
Food Donation	N/A	10.550	\$ -	\$ 644,719	\$ -	\$ 644,719
<i>Child Nutrition Cluster:</i>						
School Breakfast Program	05-PU	10.553	702,518	-	702,518	-
National School Lunch Program	LL-P4	10.555	3,070,606	-	3,070,606	-
<i>Total Child Nutrition Cluster:</i>			<u>3,773,124</u>	<u>644,719</u>	<u>3,773,124</u>	<u>644,719</u>
Child and Adult Food Care Program	LU-CP	10.558	161,327	-	161,327	-
Total U.S. Department of Agricultur			<u>3,934,451</u>	<u>644,719</u>	<u>3,934,451</u>	<u>644,719</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed through the Ohio Department of Education:</i>						
<i>Special Education Cluster:</i>						
Special Education-Grants to States	6B-SF	84.027	4,622,236	-	4,267,839	-
Special Education-Preschool Grants	PG-S1	84.173	58,058	-	58,890	-
<i>Total Special Education Cluster:</i>			<u>4,680,294</u>	<u>-</u>	<u>4,326,729</u>	<u>-</u>
Adult Education-State Grant Program	AB-S2	84.002	89,386	-	167,090	-
Title I Grants to Local Educational Agencies	C1-S1	84.010	3,488,802	-	3,271,271	-
Migrant Education-State Grant Program	MG-S1	84.011	58,320	-	55,636	-
Vocational Education-Basic Grants to States	20-CI	84.048	408,500	-	478,726	-
Safe and Drug Free Schools and Communities-State Grants	DR-S1	84.186	89,271	-	106,295	-
Even Start-State Educational Agencies	EV-S1	84.213	26,970	-	29,866	-
State Grants for Innovative Programs	C2-S1	84.298	39,438	-	37,543	-
Education Technology State Grants	TJ-SL	84.318	107,476	-	107,806	-
Comprehensive School Reform Demonstration	RF-CC	84.332	725,075	-	770,655	-
English Language Acquisition Grants	T3-S2	84.365	430,038	-	429,872	-
Improving Teacher Quality State Grants	TR-SP	84.367	768,985	-	786,881	-
Hurricane Education Recovery Act	HR-01	84.938	15,838	-	36,613	-
<i>Total Passed through the U.S. Department of Education:</i>			<u>10,928,393</u>	<u>-</u>	<u>10,604,983</u>	<u>-</u>
<i>Passed through the Miami University, Ohio:</i>						
Mathematics and Science Partnerships	OSCI-13 & 14-06	84.366	41,894	-	4,473	-
Total U. S Department of Education			<u>10,970,287</u>	<u>-</u>	<u>10,609,456</u>	<u>-</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>						
<i>Passed through the Ohio Department of Education:</i>						
Learn & Serve America-School and Community Based Programs	SV-S1	94.004	9,445	-	9,606	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>						
<i>Passed through the Community Development Institute (CDI):</i>						
Head Start	N/A	93.600	2,438,007	-	2,181,570	-
<i>Passed through the Ohio Department of Education:</i>						
Refugee and Entrant Assistance-Discretionary Grants	R1-S1	93.576	10,500	-	10,500	-
Total U.S. Department of Health and Human Service			<u>2,448,507</u>	<u>-</u>	<u>2,192,070</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 17,362,690</u>	<u>\$ 644,719</u>	<u>\$ 16,745,583</u>	<u>\$ 644,719</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, 2007**

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 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	\$4,473



**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, 2007, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 15, 2007, wherein we noted the District changed its capitalization threshold over capital assets. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more-than-inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Wilson, Shannon & Snow, Inc.

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

South-Western City School District
Franklin County
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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 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*.

However, we noted a certain matter of noncompliance that we have reported to the District's management in a separate letter dated December 15, 2007.

This report is intended solely for the information and use of the management, others within the District, 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, Sherman & Snow, Inc.

Newark, Ohio
December 15, 2007



**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, 2007. 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 South-Western City School District, Franklin County, 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, 2007. However, the results of our auditing procedures disclosed an instance on noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 which is described in the accompanying schedule of findings as item 2007-001.

In addition, we noted a matter of noncompliance that we have reported to the District's management in a separate letter dated December 15, 2007.

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

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A *control deficiency* in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings as item 2007-001 to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. We do not consider the deficiency described in the accompanying schedule of findings to be a material weakness.

We also noted certain internal control matters that we reported to the District's management in a separate letter dated December 15, 2007.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the District's response and, accordingly, we express no opinion on it.

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 3

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 the South-Western City School District, Franklin County, Ohio (the District) as of and for the fiscal year ended June 30, 2007, and have issued our report thereon dated December 15, 2007. As disclosed in Note 4, the District changed its capitalization threshold for reporting capital assets. 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, others within the District, 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 Sherman & Sons, Inc.

Newark, Ohio
December 15, 2007

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2007**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(I)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(I)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(ii)</i>	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	No
<i>(d)(I)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(I)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(I)(iv)</i>	Were there any other significant deficiencies reported for major federal programs?	Yes
<i>(d)(I)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(I)(vi)</i>	Are there any reportable findings under § .510?	Yes
<i>(d)(I)(vii)</i>	Major Programs (list):	Title I, CFDA #84.010, Head Start, CFDA #93.600
<i>(d)(I)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$521,709 Type B: all others
<i>(d)(I)(ix)</i>	Low Risk Auditee?	Yes

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2007**

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

None.

3. FINDINGS FOR FEDERAL AWARDS

Finding Number	2007-001
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Statement of Position 98-03, Section 320(a) and OMB Circular A-133 requires that the audit must be completed and the single audit reporting package and *Data Collection Form for Reporting on Audits of States, Local Governments and Nonprofit Organizations* must be submitted by the grantee to the Federal Audit Clearinghouse (and pass-through entities that are affected by audit findings) within 30 days after the receipt of the auditor's reports or nine (9) months after the end of the audit period, whichever is earlier. A longer period can be agreed to in advance by the cognizant or oversight agency for audit. When extensions to the report submission due date are granted, the grantee must notify the Federal Audit Clearinghouse and each pass-through entity providing federal awards.

The fiscal year 2006 audit report was dated October 31, 2006 and released by the Auditor of State on February 20, 2007. However, in a letter dated September 6, 2007 from the Federal Audit Clearinghouse, the District did not file a copy of the audited financial statements along with the data collection form. Therefore, the 2006 audit could not be accepted as complete and processed by the Federal Audit Clearinghouse.

We recommend the District take the necessary corrective action to submit the required missing components with the Federal Audit Clearinghouse so that the 2006 audit can be accepted. Furthermore, the District should develop procedures to ensure that future audit submissions to the Federal Audit Clearinghouse are complete.

Officials' Response and Corrective Action Plan:

The District has submitted the 2006 single audit reporting package to the Federal Audit Clearinghouse.

SOUTH-WESTERN CITY SCHOOL DISTRICT

Grove City, Ohio

***COMPREHENSIVE ANNUAL FINANCIAL
REPORT***

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Issued by the Treasurer's Office

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

South-Western City School District
 Comprehensive Annual Financial Report
 For the Year Ended June 30, 2007

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District Service Center

3805 Marlane Drive
Grove City, Ohio 43123-3304
(614) 801-3000
Fax: (614) 871-2781

December 15, 2007

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

The eighteenth 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 2006-07 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, 2007 is hereby submitted. Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

Copies of this report will be widely distributed throughout the District. A copy will be posted the District's website 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 942 non-certificated employees, 1,417 certificated full-time teaching personnel and 104 administrative employees to provide services to 20,993 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 5.0 percent for the period ending September 2007. The Ohio rate of unemployment was 5.9 percent and the national unemployment rate was 4.7 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. For example, the 9.7 mill permanent operating/permanent improvement levy that was approved in May 2005 and generates roughly \$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 strong, the District must constantly recognize this built-in revenue limitation.

In conjunction with the growth in jobs and construction, there has been a steady 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. The District has implemented a program focusing on three key areas of student performance (graduation, attendance and proficiency on achievement tests). This district-wide effort, known as G.A.P., ensures 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 2007 State of Ohio Report Card, the District earned the rating of "Continuous Improvement," and was just short of attaining an "Effective" rating. The District's Performance Index, which measures a district's academic growth, was high enough for the District to achieve the "Effective" rating from the State of Ohio. However, the District not only has to meet the Performance Index standards, but must also meet standards for Adequate Yearly Progress (A.Y.P.). The District missed just seven out of forty-two subgroups measured for A.Y.P. The District continues to focus on these subgroups in hopes of reaching an "Effective" rating or higher. The District is one of the largest districts in Ohio to achieve this level of performance.

FINANCIAL INFORMATION

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

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

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

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

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

All disbursements and transfers of cash between funds require appropriation authority from the Board of Education. 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.

The District changed its capitalization threshold from \$1,000 to \$5,000 during Fiscal Year 2007. This resulted in a decrease in Net Assets of \$2,206,896.

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

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 2007, 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 of Ohio Bureau of 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. On January 1, 2007, the District switched medical insurance providers from United Health Care to Aetna, Inc. 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 Aetna, Inc. that covers the period from January 1, 2007 through January 1, 2008 without a change in premium. 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.

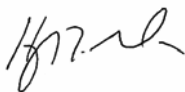
Award - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2006.

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

A Certificate of Achievement is valid for a period of one year only. This was the seventeenth 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 2007 Comprehensive Annual Financial Report on a timely basis. Sincere thanks are also extended to various administrators and employees of the School District, the Franklin County Auditor’s office staff and other outside agencies whose efforts assisted us with the fair presentation of the statistical information. Additionally, appreciation is expressed to the South-Western City School District Board of Education for their support, commitment and leadership to which the preparation of this report would not be possible.

Respectfully submitted,



Hugh W. Garside Jr.
Treasurer



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
William H. Wise, Ph.D.	Deputy Superintendent
Hugh W. Garside Jr.	Treasurer
Karen K. New	Assistant Treasurer
Gary D. Smetzer	Assistant Superintendent - Human Resources
Lois Rapp	Assistant Superintendent - Curriculum
Bryan Mulvany	Executive Director Data and Information Services
Sandra Nekoloff	Executive Director of Communications
Patrick Callaghan	Executive Director of Early Education
Roby Schottke	Executive Director of Teaching and Learning
Janice A. Collette	Personnel Director
Randy Banks	Personnel Director
James Grube	Personnel Director
Scott D. Deubner	Business Manager
Sherry P. Minton	Coordinator – Career and Technical Programs

TREASURER'S DEPARTMENT STAFF

Hugh W. Garside Jr.	Treasurer
Karen K. New	Assistant Treasurer
Carolyn A. Young	Administrative Assistant
Carolyn S. Logan	Payroll Supervisor
Janet B. Hager	Payroll
Debra L. Makarius	Payroll
Terese M. Litteral	Accounts Receivable
Deborah Berry	Accounts Payable
Barbara J. Lewis	Accounts Payable
Trixie Belew	Capital Assets
Sarah A. Johnson	Employee Benefits
Nancie A. Conley	Accountant
Anita M. McCreary	Accountant

Certificate of Achievement for Excellence in Financial Reporting

Presented to

South-Western City
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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.



President

Executive Director

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



INDEPENDENT AUDITORS' 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, 2007, 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, 2007 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 changed its capitalization threshold for reporting capital assets.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2007 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 supplementary 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 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 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 & Snow, Inc.

Newark, Ohio
December 15, 2007

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, 2007. 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, 2007 and as of June 30, 2006 for comparison purposes:

<i>Table 1</i>		
	Governmental Activities (in thousands)	
	2007	(Restated) 2006
Assets		
Current and other assets	\$ 154,298	\$ 137,157
Capital Assets	<u>149,425</u>	<u>156,758</u>
Total Assets	<u>303,723</u>	<u>293,915</u>
Liabilities		
Current liabilities	89,721	107,342
Long-term liabilities	<u>144,654</u>	<u>154,574</u>
Total Liabilities	<u>234,375</u>	<u>261,916</u>
Net Assets		
Invested in Capital Assets - Net of related debt	27,802	27,437
Restricted	17,693	12,886
Unrestricted	<u>23,853</u>	<u>(8,325)</u>
Total Net Assets	<u>\$ 69,348</u>	<u>\$ 31,998</u>

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

The District's net assets were \$69,348 thousand at June 30, 2007. Capital assets, net of related debt totaling \$27,802 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, 2007 and as of June 30, 2006, for comparison purposes.

Table 2		
Governmental Activities (in thousands)		
	2007	(Restated) 2006
	<u>2007</u>	<u>2006</u>
Revenue		
Program revenue:		
Charges for Services	\$ 4,751	\$ 4,970
Operating Grants	28,441	26,767
General Revenue:		
Property Taxes	119,898	94,513
Grants and Entitlements	91,399	85,382
Interest	3,136	1,787
Other Local Revenue	<u>3,820</u>	<u>4,125</u>
Total Revenue	<u>251,445</u>	<u>217,544</u>
Functions/Program Expenses		
Instruction	123,830	127,470
Support Services	71,085	81,239
Food Services	7,770	8,144
Community Services	1,927	1,445
Extracurricular Activities	3,997	3,827
Interest and Fiscal Charges	<u>5,486</u>	<u>7,271</u>
Total Expenses	<u>214,095</u>	<u>229,396</u>
Change in Net Assets	37,350	(11,852)
Net Assets Beginning of Year	<u>31,998</u>	<u>43,850</u>
Net Assets End of Year	<u>\$ 69,348</u>	<u>\$ 31,998</u>

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 fiscal year is \$214,095 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$4,751 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$28,441 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$119,898 thousand in taxes, \$91,399 thousand in grants and entitlements, and with other revenues.

The District experienced an increase in net assets of \$37,350 thousand. This increase was realized particularly due to budgetary reductions of over \$14,000 thousand from the previous fiscal year. Additionally, the increase in net assets can be attributed to a full year collection of the 9.7 mill operating and permanent improvement levy in fiscal year 2006-07. In Ohio, taxes are assessed and collected by calendar year. The 9.7 mill levy was passed in May of 2005, resulting in a half year collection in fiscal year 2005-06 and a full year collection in fiscal year 2006-07.

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 fiscal year 2006-07, the governmental funds reported a combined fund balance of \$47,845 thousand, which is an increase of \$28,609 thousand from previous fiscal year. The primary reason for this increase was two fold. First, the collection of a full year of property taxes related to the passage of the 9.7 mill operating and permanent improvement levy in May of 2005. Second, the budgetary reductions implemented in fiscal year 2006-07 to stabilize the District's long-range financial health.

The General Fund balance increased \$25,878 thousand to \$22,041 thousand. As discussed above, the primary reason for the increase in fund balance was due to increased tax collections and budgetary reductions.

The Debt Service Fund balance increased \$4,826 thousand to \$14,738 thousand due to higher than anticipated tax collections and savings realized by refunding existing debt as discussed in further detail in Note 14 of the Basic Financial Statements. The Debt Service Fund balance is reserved and can only be used to pay debt service obligations of the District.

The Capital Improvement Fund balance decreased \$2,720 thousand to \$7,884 thousand due to the implementation of much needed capital purchases such as HVAC system upgrades at two schools, additional buses, and technology equipment upgrades.

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

The Other Governmental Funds balance increased \$625 thousand to \$3,183 thousand due to the District continuing to seek additional funds through outside grant sources. Other Governmental Funds consist of special revenue funds and a capital project fund.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted prior to June 30, 2007.

Revisions made to the original 2006-2007 General Fund budget were insignificant. Budgeted revenues were increased \$3,400 thousand primarily additional Poverty Based Assistance revenue received from the State and two large business tax refunds. Budgeted expenditures were decreased \$4,207 thousand as a cost saving measure for future fiscal periods.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2007, the District had \$149,425 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 \$9,539 thousand, or 6.0 percent, from last year. Additionally, the District increased its capitalization threshold from \$1,000 to \$5,000 which caused a decrease of \$2,206 thousand. This restatement is discussed in further detail in Note 4 of the Basic Financial Statements.

<u>Description of Capital Asset</u>	<u>2007</u>	<u>(Restated) 2006</u>
Land	\$ 6,752	\$ 6,752
Improvements to Land	977	1,165
Buildings	136,663	141,977
Furniture and Equipment	906	1,510
Vehicles	151	115
Buses	3,936	4,784
Construction in Progress	<u>40</u>	<u>455</u>
Total Capital Assets	<u>\$ 149,425</u>	<u>\$ 156,758</u>

This year's additions of \$952,988 included costs associated with the improvements in HVAC systems at two schools, and various vehicles, equipment, and technology purchases. A more detailed explanation of the District's capital assets can be located in Note 8 to the basic financial statements.

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

Debt

At the end of this year, the District had \$127,916 thousand in bonds and notes outstanding versus \$137,781 thousand in the previous year, which is a decrease of 7.2 percent. Those bonds and notes consisted of the following: (in thousands)

<u>Description of G.O. Bonds and Note</u>	<u>2007</u>	<u>2006</u>
1996 Bus	-	275
1999 School Facilities	13,565	93,320
2002 School Facilities	2,865	3,285
2002 Energy Conservation	3,275	3,620
2000 Vocational Construction	667	733
2003 Refunding School Facilities	18,059	21,789
2004 Refunding School Facilities	1,790	2,531
2006 Refunding School Facilities	77,930	-
2006 Refunding Capital Appreciation Bonds	1,391	-
2006 Permanent Improvement TAN	<u>8,374</u>	<u>12,228</u>
Total General Obligation Bonds	<u>\$ 127,916</u>	<u>\$ 137,781</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 \$127,916 thousand is significantly below the \$238,286 thousand statutorily imposed limit.

Other obligations include accrued vacation pay, sick leave, and capital leases. A more detailed explanation of the long-term liabilities is presented in Note 14 to Basic Financial Statements.

Current Issues Affecting Financial Conditions

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

S.W.E.A. is affiliated with the Ohio Education Association (O.E.A), and the National Education Association (N.E.A.). The Board has bargained with the S.W.E.A. since 1968. In July 2005, the Board and S.W.E.A. signed a two-year agreement effective July 1, 2005 through June 30, 2007. The settlement granted the certificated staff an annual salary increase of one percent the first year and two percent the following year.

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

In 2006, the Board entered into a three-year contract extension 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.

In 2004, the Board and S.W.A.A. signed a three-year agreement effective March 1, 2004 through February 28, 2007. The settlement granted the administrative staff annual salary increases of four and a half percent in the first year and four percent in each of the next two years.

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 school funding, management is required to carefully plan to provide the resources to meet student needs over the next several years.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions or need additional financial information, please feel free to contact:

Hugh W. Garside Jr.
Treasurer/Chief Fiscal Officer
Voice: (614) 801-3038
Email: hugh.garside@swcs.us

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

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South-Western City School District
Statement of Net Assets
June 30, 2007

	Governmental <u>Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash	
Equivalents	\$ 36,495,867
Receivable:	
Taxes - Current	100,761,187
Taxes - Delinquent	9,618,966
Accounts	269,102
Interest	364,443
Intergovernmental	3,474,636
Materials and Supplies Inventory	409,607
Unamortized Debt Issuance Costs	2,903,478
Capital Assets:	
Land	6,751,905
Construction in Progress	39,673
Depreciable Capital Assets, Net of Accumulated Depreciation	142,633,753
Total Capital Assets, Net of Accumulated Depreciation	<u>149,425,331</u>
Total Assets	<u>\$ 303,722,617</u>
 <u>Liabilities</u>	
Accounts Payable	\$ 1,868,404
Contracts Payable	716,359
Accrued Wages and Benefits	18,890,324
Accrued Interest Payable	256,574
Unearned Revenue	61,524,337
Notes Payable	6,465,000
Long-Term Liabilities:	
Due within One Year	16,474,852
Due in More than One Year	128,178,999
Total Liabilities	<u>\$ 234,374,849</u>
 <u>Net Assets</u>	
Invested in Capital Assets, Net of Related Debt	27,802,364
Restricted for:	
Debt Service	16,056,801
Capital Projects	1,635,508
Unrestricted	23,853,095
Total Net Assets	<u>\$ 69,347,768</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, 2007

	<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	\$ 91,155,349	\$ 111,180	\$ 2,475,202	\$ (88,568,967)
Special	25,337,011	-	11,052,377	(14,284,634)
Vocational	6,283,046	133,119	1,889,840	(4,260,087)
Other	1,054,636	-	729,248	(325,388)
Support Services:				
Pupil	8,011,862	-	845,556	(7,166,306)
Instructional Staff	13,972,865	467	3,879,357	(10,093,041)
Board of Education	51,971	-	-	(51,971)
Administration	15,618,324	-	959,359	(14,658,965)
Fiscal	3,626,102	-	44,562	(3,581,540)
Business	666,937	-	-	(666,937)
Operations and Maintenance	14,711,400	-	588,539	(14,122,861)
Pupil Transportation	10,908,037	326,268	493,116	(10,088,653)
Central	3,517,936	-	174,905	(3,343,031)
Food Service	7,769,587	3,425,763	4,089,007	(254,817)
Community Services	1,926,744	10,484	1,220,211	(696,049)
Extracurricular Activities	3,996,761	743,352	-	(3,253,409)
Interest and Fiscal Charges	5,486,093	-	-	(5,486,093)
Total Governmental Activities	<u>\$ 214,094,661</u>	<u>\$ 4,750,633</u>	<u>\$ 28,441,279</u>	<u>(180,902,749)</u>
General Revenues:				
Property Taxes Levied for:				
General Purposes				100,123,160
Debt Service				19,774,851
Grants and Entitlements not Restricted to Specific Programs				91,398,564
Interest				3,135,902
Other Local Revenues				3,819,982
Total General Revenues				<u>218,252,459</u>
Changes in Net Assets				37,349,710
Net Assets Beginning of Year (Restated)				31,998,058
Net Assets End of Year				<u>\$ 69,347,768</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, 2007

	<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	\$ 15,162,556	\$ 7,849,396	\$ 8,585,154	\$ 4,580,307
Receivable:				
Taxes - Current	84,488,236	15,818,062	454,889	-
Taxes - Delinquent	8,220,021	1,397,254	1,691	-
Accounts	249,146	-	-	19,956
Interest	364,443	-	-	-
Intergovernmental	232,782	-	-	3,241,854
Interfund Loan Receivable	528,421	-	-	-
Materials and Supplies Inventory	320,421	-	-	89,186
Total Assets	<u>\$ 109,566,026</u>	<u>\$ 25,064,712</u>	<u>\$ 9,041,734</u>	<u>\$ 7,931,303</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 1,081,947	\$ -	\$ 23,589	\$ 762,868
Contracts Payable	-	-	716,359	-
Accrued Wages and Benefits	16,897,478	-	-	1,992,846
Compensated Absences Payable	2,497,247	-	-	-
Interfund Loans Payable	-	-	-	528,421
Deferred Revenue	60,583,451	10,327,007	418,048	1,464,051
Notes Payable	6,465,000	-	-	-
Total Liabilities	<u>87,525,123</u>	<u>10,327,007</u>	<u>1,157,996</u>	<u>4,748,186</u>
<u>Fund Balance:</u>				
Reserved for Encumbrances	2,485,204	-	1,741,845	243,970
Reserved for Future Appropriation	32,310,009	6,888,309	38,532	-
Reserved for Debt Service	-	7,849,396	-	-
Unreserved, reported in				
General Fund	(12,754,310)	-	-	-
Special Revenue Funds	-	-	-	2,895,628
Capital Project Fund	-	-	6,103,361	43,519
Total Fund Balances	<u>22,040,903</u>	<u>14,737,705</u>	<u>7,883,738</u>	<u>3,183,117</u>
Total Liabilities and Fund Balances	<u>\$ 109,566,026</u>	<u>\$ 25,064,712</u>	<u>\$ 9,041,734</u>	<u>\$ 7,931,303</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, 2007

Total Governmental Funds		
	Total Governmental Fund Balances	\$ 47,845,463
\$ 36,177,413	Amounts reported for governmental activities in the statement of net assets are different because:	
100,761,187		
9,618,966	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	149,425,331
269,102		
364,443		
3,474,636	Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	11,268,220
528,421		
409,607		
\$ 151,603,775	Unamortized premiums on bond and long-term note issuances are not recognized in the funds.	(3,619,011)
\$ 1,868,404	Unamortized bond and long-term note issuance costs are not recognized in the funds.	2,903,478
716,359		
18,890,324	An internal service fund is used by management to charge the cost of dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.	318,454
2,497,247		
528,421		
72,792,557		
6,465,000		
103,758,312	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
4,471,019	Interest Payable	(256,574)
39,236,850	Compensated Absences Payable	(14,240,197)
7,849,396	Long - Term Notes Payable	(8,373,913)
	General Obligation Debt	(111,981,817)
(12,754,310)	Energy Conservation Debt	(3,275,000)
2,895,628	Vocational Construction Loan	(666,666)
6,146,880	Net Assets of Governmental Activities	\$ 69,347,768
47,845,463		
\$ 151,603,775		

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, 2007

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Other Governmental Funds</u>
Revenues:				
Local:				
Taxes	\$ 97,941,936	\$ 19,286,508	\$ -	\$ -
Tuition	429,181	-	-	46,205
Interest	3,132,439	-	-	3,463
Other Local Revenue	1,596,145	-	75,000	6,751,378
Intergovernmental - State	94,282,123	2,248,975	3,138	5,539,062
Intergovernmental - Federal	435,957	-	-	16,833,285
Total Revenues	<u>197,817,781</u>	<u>21,535,483</u>	<u>78,138</u>	<u>29,173,393</u>
Expenditures:				
Current:				
Instruction:				
Regular	82,452,329	-	189,780	3,021,424
Special	19,283,067	-	-	5,743,697
Vocational	4,447,255	-	-	690,330
Other	292,139	-	-	766,682
Support Services:				
Pupil	7,293,549	-	-	905,979
Instructional Staff	10,236,204	-	-	4,033,247
Board of Education	51,971	-	-	-
Administration	13,785,355	-	-	1,406,930
Fiscal	3,352,389	200,783	26,744	44,669
Business	537,369	-	119,694	-
Operations and Maintenance	13,961,839	-	5,598	400,268
Pupil Transportation	9,465,938	-	46,347	494,246
Central	2,074,761	-	1,437	493,038
Food Service	-	-	-	7,490,713
Community Services	273,923	-	-	1,249,261
Extracurricular Activities	2,429,755	-	-	1,195,241
Capital Outlay	522,707	-	2,342,022	676,655
Pass Through Grants	325,000	-	-	-
Debt Services:				
Principal Retirement	-	11,860,000	66,667	-
Interest and Fiscal Charges	326,263	5,416,704	-	-
Issuance Costs for Refunding Bonds	-	2,324,738	-	-
Total Expenditures	<u>171,111,813</u>	<u>19,802,225</u>	<u>2,798,289</u>	<u>28,612,380</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,705,968	1,733,258	(2,720,151)	561,013
Other Financing Sources (Uses):				
Transfers - In	-	764,183	-	64,176
Transfers - Out	(828,359)	-	-	-
Sale of Refunding Bonds	-	76,914,989	-	-
Premium on the Sale of Refunding Bonds	-	2,328,792	-	-
Principal Payment to Refunding Bond Escrow Agent	-	(76,914,999)	-	-
Total Other Financing Sources (Uses)	<u>(828,359)</u>	<u>3,092,965</u>	<u>-</u>	<u>64,176</u>
Net Change in Fund Balances	25,877,609	4,826,223	(2,720,151)	625,189
Fund Balances (Deficit) at Beginning of Year	(3,836,706)	9,911,482	10,603,889	2,557,928
Fund Balances at End of Year	<u>\$ 22,040,903</u>	<u>\$ 14,737,705</u>	<u>\$ 7,883,738</u>	<u>\$ 3,183,117</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, 2007

<u>Total</u>		
Governmental Funds	Net Change in Fund Balances - Total Governmental Funds	\$ 28,608,870
	Amounts reported for governmental activities in the statement of activities are different because:	
\$ 117,228,444		
475,386	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 (\$7,870,091) in the current period exceeds capital outlay, which met the capitalization criteria, (\$537,899).	(7,332,192)
3,135,902		
8,422,523		
102,073,298		
17,269,242		
<u>248,604,795</u>		
	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	3,164,576
	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.	88,841,666
85,663,533		
25,026,764		
5,137,585		
1,058,821		
8,199,528	Proceeds and premiums from the sale of bonds in the statement of revenues, expenditures, and changes in fund balance that are reported as other financing sources are not reported as revenues in the statement of activities.	(79,243,781)
14,269,451		
51,971		
15,192,285		
3,624,585	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.	2,092,051
657,063		
14,367,705		
10,006,531		
2,569,236	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.	402,620
7,490,713		
1,523,184		
3,624,996		
3,541,384	Accretion on capital appreciation bonds is an expenditures in the governmental funds but is allocated as an expense over the life of the bonds.	(135,780)
325,000		
11,926,667	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.	222,721
5,742,967		
2,324,738		
<u>222,324,707</u>		
26,280,088	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.	728,959
828,359		
(828,359)		
76,914,989	Changes in Net Assets of Governmental Activities	<u>\$ 37,349,710</u>
2,328,792		
(76,914,999)	The notes to the basic financial statements are an integral part of this statement.	
<u>2,328,782</u>		
28,608,870		
19,236,593		
<u>\$ 47,845,463</u>		

South-Western City School District
Statement of Net Assets
Internal Service Fund
June 30, 2007

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, 2007

Operating Revenues:	
Total Operating Revenues	<u>\$ -</u>
Operating Expenses:	
Total Operating Expenses	<u>-</u>
Change in Net Assets	-
Net Assets Beginning of Year	<u>318,454</u>
Net Assets 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 Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2007

Increase in Cash and Cash Equivalents

Cash Flows from Investing Activities:	
Interest	\$ -
Net Cash Provided by Investing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	-
Cash and Cash Equivalents Beginning of Year	<u>318,454</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, 2007

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 3,608,528
Accounts Receivable	<u>176,681</u>
Total Assets	<u>\$ 3,785,209</u>

<u>Liabilities:</u>	
Accounts Payable	\$ 39,475
Due to Other Governments	1,632,424
Undistributed Money	<u>2,113,310</u>
Total Liabilities	<u>\$ 3,785,209</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, 2007*

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 942 non-certificated employees, 1,417 certificated full time teaching personnel and 104 administrative employees to provide services to approximately 20,993 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 2007 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, 2007*

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. It is the policy of the District not to allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient for the goods or services offered by the program and grants, contributions and interest that are restricted to meeting the operational requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited expectations. The comparison of direct expense with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

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

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities 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, 2007*

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, 2007*

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 basis 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, 2007, but which were levied to finance fiscal year 2008 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, 2007.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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 2007, 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 2007.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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. 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 2007, 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 2007. 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, 2007.

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 2007 amounted to \$3,132,439, which includes \$1,655,076 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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. 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 \$5,000 and a useful life of at least 5 years. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, with the exception of land, 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

I. Compensated Absences

Vacation and personal leave benefits are accrued as a liability as the benefits are earned if the employee's right to receive compensation 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, 2007.

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, 2007, 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, 2007*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, 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.

K. Interfund Transactions

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

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

L. 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.

M. 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. The District did not have net assets restricted by enabling legislation at June 30, 2007.

N. Parochial Schools

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Estimates

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

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2007.

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. The agreement expired on June 30, 2006. All activity reflected on the financial statements for this program, reflect costs associated with paying final obligations. During fiscal year 2007, the District did not receive any compensation 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

During fiscal year 2007 the District increased its capitalization threshold from \$1,000 to \$5,000. This change had the following impact on the net assets at July 1, 2006.

Net Assets at July 1, 2006	\$ 34,204,954
Implementation of new capitalization threshold	<u>(2,206,896)</u>
Restated Net Assets, July 1, 2006	<u><u>\$ 31,998,058</u></u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 5 - CASH AND CASH EQUIVALENTS/INVESTMENTS

Deposits

At year-end, the carrying amount of the District's deposits was \$223,549 and the bank balance was \$252,417. 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	7 to 12 months	13 to 18 months
Repurchase Agreement	\$ 15,075,000	\$ 15,075,000	\$ -	\$ -
STAR Ohio	16,277	16,277	-	-
FHLMC Notes	6,944,142	6,944,142	-	-
FNMA Notes	16,846,302	14,848,989	1,997,313	-
FHLB Notes	999,125	-	-	999,125
	<u>\$ 39,880,846</u>	<u>\$ 36,884,408</u>	<u>\$ 1,997,313</u>	<u>\$ 999,125</u>

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

Credit Risk: The District's investments in FHLMC, FNMA and the FHLB notes were each rated Aaa by Moody's Investor Services. STAR Ohio is rated AAAM by Moody's Investor Services. The District's repurchase agreement is secured by underlying securities guaranteed by the United States Government.

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, 2007:

Investment Type	Fair Value	% of Total
Repurchase Agreement	\$ 15,075,000	37.80%
STAR Ohio	16,277	0.04%
FHLMC Notes	6,944,142	17.41%
FNMA Notes	16,846,302	42.24%
FHLB Notes	999,125	2.51%
	<u>\$ 39,880,846</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 does not require security for public deposits and investments to be maintained in the District's name. During 2007, the District and public depositories complied with the provisions of these statutes.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 6 - PROPERTY TAXES (continued)

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, 2007, are available to finance fiscal year 2007 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes personal property and public utility taxes, and the late June personal property settlement which are measurable as of June 30, 2007 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 and the late personal property tax settlement were levied to finance current fiscal year operations.

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

Accrued property taxes receivable represents delinquent taxes outstanding and real property, personal property and public utility taxes, which become measurable as of June 30, 2007. 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 \$32,310,009 in the General Fund, \$6,888,309 in the Debt Service Fund and \$38,532 in the Capital Improvement Fund, which is recognized as revenue. The assessed values upon which the fiscal year 2007 Taxes were collected are:

	<u>2006 Second</u>		<u>2007 First</u>	
	<u>Half Collection</u>		<u>Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 2,356,337,430	88.79%	\$ 2,404,408,410	90.81%
Public Utility Real and Personal	85,769,830	3.23%	74,180,020	2.80%
Tangible Personal Property	<u>211,762,887</u>	<u>7.98%</u>	<u>169,030,582</u>	<u>6.39%</u>
Total Assessed Value	<u>\$ 2,653,870,147</u>	<u>100%</u>	<u>\$ 2,647,619,012</u>	<u>100%</u>
Tax rate per \$1,000 of Assessed Valuation	\$ 64.67		\$ 64.55	

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 7 - RECEIVABLES

Receivables at June 30, 2007 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 statement of net assets follows:

Governmental Activities:	
Property Taxes – Current	\$ 100,761,187
Property Taxes – Delinquent	9,618,966
Accounts	269,102
Interest	364,443
Intergovernmental	<u>3,474,636</u>
Total	<u>\$ 114,488,334</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	\$ 9,618,966	\$ 61,524,337
Grant payments received prior to meeting all eligibility requirements	<u>1,649,254</u>	<u>-</u>
	<u>\$ 11,268,220</u>	<u>\$ 61,524,337</u>

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 8 – CAPITAL ASSETS

The capital asset balances of the governmental activities have been restated due to a change in the District's capital asset policy (see Note 4 for details), which decreased net capital assets from \$158,964,419 to \$156,757,523 at July 1, 2006. A summary of capital asset activity during the fiscal year follows:

	Restated Balance			Balance
	<u>6/30/2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2007</u>
Governmental Activities				
Non-Depreciable:				
Land	\$ 6,751,905	\$ -	\$ -	\$ 6,751,905
Construction in Progress	454,762	236,574	(651,663)	39,673
Total Non-Depreciable	<u>7,206,667</u>	<u>236,574</u>	<u>(651,663)</u>	<u>6,791,578</u>
Depreciable:				
Improvements to Land	5,603,033	39,944	-	5,642,977
Buildings	204,009,040	619,370	-	204,628,410
Furniture and Equipment	8,860,455	184,966	(128,004)	8,917,417
Vehicles	1,350,311	108,708	(52,900)	1,406,119
Buses	12,211,575	-	(1,643,252)	10,568,323
Total Depreciable	<u>232,034,414</u>	<u>952,988</u>	<u>(1,824,156)</u>	<u>231,163,246</u>
Accumulated Depreciation:				
Improvements to Land	(4,437,641)	(227,933)	-	(4,665,574)
Buildings	(62,032,854)	(5,932,246)	-	(67,965,100)
Furniture and Equipment	(7,349,794)	(789,138)	128,004	(8,010,928)
Vehicles	(1,235,065)	(73,061)	52,900	(1,255,226)
Buses	(7,428,204)	(847,713)	1,643,252	(6,632,665)
Total Accumulated Depreciation	<u>(82,483,558)</u>	<u>(7,870,091)</u>	<u>1,824,156</u>	<u>(88,529,493)</u>
Net Depreciable Capital Assets	<u>149,550,856</u>	<u>(6,917,103)</u>	<u>-</u>	<u>142,633,753</u>
Net Governmental Activities Capital Assets	<u>\$ 156,757,523</u>	<u>\$ (6,680,529)</u>	<u>\$ (651,663)</u>	<u>\$ 149,425,331</u>

Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 4,341,911
Special	52,626
Vocational	722,459
Support Services:	
Instructional Staff	34,363
Administration	304,504
Fiscal	2,118
Operations and Maintenance	135,751
Transportation	914,155
Central	850,654
Food Service	290,870
Community Services	47,808
Extracurricular	172,872
Total Depreciation Expense	<u>\$ 7,870,091</u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

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 2006, 10.58 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2005, 10.57 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, 2007, 2006, and 2005 were \$6,821,435, \$7,369,603, and \$7,167,185; 100 percent has been contributed for each fiscal year.

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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 9 - DEFINED BENEFIT PENSION PLANS (continued)

For the fiscal year ended June 30, 2007, plan members were required to contribute 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, 2007, 2006, and 2005, were \$22,451,238, \$23,266,460, and \$22,466,400, respectively, equal to the required contributions for each year.

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, 2006, 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 \$935,468 for fiscal year 2007.

STRS pays health care benefits from the Health Care Stabilization Fund. As of June 30, 2006, (the latest information available) the balance in the Fund was \$3,500,000,000. For the year ended June 30, 2006, the net health care costs paid by STRS were \$282,743,000 and there were 119,184 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, 2006, employer contributions to fund health care benefits were 3.42 percent of covered payroll, a decrease of .01 percent from fiscal year 2005. 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 2006, the minimum pay was established at \$35,800. However, the surcharge is capped at 2 percent of each employer's SERS salaries. For the 2007 fiscal year, the District paid \$1,666,408,34 to fund health care benefits including the surcharge.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 10 - POSTEMPLOYMENT BENEFITS (continued)

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, 2006 (the latest information available), were \$158,751,207 and the target level for the health care fund is 150% of the projected claims less premium contributions for the next fiscal year. At June 30, 2006, SERS had net assets available for payment of health care benefits of \$295,600,000. SERS has approximately 59,492 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.

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 with no activity during fiscal year 2007:

	Balance at <u>July 1</u>	Current Year <u>Claims</u>	Claim <u>Payments</u>	Balance at <u>June 30</u>
Fiscal Year 2006	\$ 2,420	\$ -	\$ 2,420	\$ -

NOTE 12 - COMPENSATED ABSENCES

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

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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 12 - COMPENSATED ABSENCES (continued)

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

NOTE 13 – 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 mature on December 1, 2008. The average coupon is 4.16%. The remaining principal and interest requirements are listed below:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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>\$ 6,465,000</u>	<u>\$ 285,813</u>	<u>\$ 6,750,813</u>

NOTE 14- 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 2007, the District issued \$76,914,989 of general obligation bonds for a current refunding of general obligation bonds. The District recorded an additional liability in the amount of \$2,328,792 to record the unamortized premium on these bonds. This refunding was undertaken to take advantage of reduced interest rates. The total debt service payments were reduced by \$12,458,684 and the present value of this reduction resulted in an economic gain of \$2,768,733.

The bond issue consisted of serial, term and capital appreciation bonds. The serial bonds were issued with varying interest rates of 4.00 – 4.75 percent and will mature each year through 2023 with the exception of 2016 when the capital appreciation bonds will be redeemed. The term bonds mature in the year 2026, with an interest rate of 4.25 percent with mandatory sinking fund redemptions to occur on December 1 in the years 2024 through 2026.

The capital appreciation bonds will mature December 1, 2016. These bonds were purchased at a discount at the time of issuance and at maturity all compound interest is paid and the bondholder collects the face value. Interest is earned and compounded semi-annually, the value of the bonds will increase each year. The maturity amount of these bonds is \$3,385,000. The fiscal year 2007 accretion amount is \$135,780.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007

NOTE 14 - LONG-TERM DEBT (continued)

The following is a description of the District's Bonds and Long-Term Note outstanding at June 30, 2007:

<u>Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Retired/Accreted in 2007</u>	<u>Bonds Outstanding 6/30/2007</u>
1996 Bus	4.08%	12/1/2006	2,260,000	(275,000)	-
1999 School Facilities	4.94%	12/1/2026	119,499,621	(79,754,999)	13,565,000
2002 School Facilities	3.86%	12/1/2012	4,690,000	(420,000)	2,865,000
2002 Energy Conservation	3.86%	12/1/2014	4,775,000	(345,000)	3,275,000
2000 Vocational Construction	0%	12/31/2016	1,000,000	(66,667)	666,666
2003 Refunding School Facilities	4.24%	12/1/2013	28,896,786	(3,729,678)	18,059,633
2004 Refunding School Facilities	2.20%	6/1/2007	2,683,191	(740,808)	1,789,854
2006 Refunding School Facilities	4.02%	12/1/2027	77,988,782	(58,220)	77,930,572
2006 Refunding Capital Appreciation Bonds	4.02%	12/1/2016	1,254,989	135,780	1,390,769
2006 PI Tax Anticipation Note	4.00%	12/1/2008	12,000,000	(3,853,914)	8,373,913
Total Long-Term Bonds and Notes Payable			<u>\$ 255,048,369</u>	<u>\$ (89,108,506)</u>	<u>\$ 127,916,407</u>

Amortization of premium on the 2003 Refunding School Facilities Bond for fiscal year 2007 was \$184,678. The balance of unamortized premium on the bonds is \$1,169,633 and is included in the total bonds outstanding at June 30, 2007.

Amortization of premium on the 2004 Refunding School Facilities Bonds for fiscal year 2007 was \$45,808. The balance of unamortized premium on the bonds is \$64,893 and is included in the total bonds outstanding at June 30, 2007.

Amortization of premium on the 2006 Permanent Improvement Tax Anticipation Note for fiscal year 2007 was \$113,914. The balance of unamortized premium on the bonds is \$113,913 and is included in the total bonds outstanding at June 30, 2007.

The 2006 Refunding School Facilities Bonds include \$2,328,792 premium received when the bonds were sold and \$58,220 in amortization of premium for fiscal year 2007. The balance of the unamortized premium on the bonds is \$2,270,572 and is included in the total bonds outstanding at June 30, 2007.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 14 - LONG-TERM DEBT (continued)

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>
2008	\$ 12,401,628	\$ 5,046,818	\$ 17,448,446
2009	12,976,667	4,228,493	17,205,160
2010	9,811,666	3,971,678	13,783,344
2011	10,386,667	3,551,983	13,938,650
2012	11,081,665	3,090,577	14,172,242
2013-2017	26,198,323	12,631,495	38,829,818
2018-2022	18,390,000	7,217,414	25,607,414
2023-2027	22,915,000	2,563,870	25,478,870
Total	\$ 124,161,616	\$ 42,302,328	\$ 166,463,944

The above amortization schedule (principal payments) does not include the \$3,619,011 in unamortized premium on the 2003, 2004 and 2006 bond issues and the 2006 note issue. The accretion of \$135,780 on the 2006 Refunding School Facilities Capital Appreciation Bonds is also not accounted for in this schedule.

The District's voted legal debt margin was \$118,743,217 with an unvoted debt margin of \$2,647,619 at June 30, 2007.

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, 2007 the balance in the irrevocable trust account is \$1,991,596 and the principal outstanding is \$1,800,000.

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

	<u>Balance at June 30, 2006</u>	<u>Issued/ Transferred</u>	<u>Retired</u>	<u>Balance at June 30, 2007</u>	<u>Amounts Due In One Year</u>
General Obligation Bonds Payable	\$ 121,199,972	\$ 79,379,561	\$ 84,978,705	\$ 115,600,828	\$ 7,929,961
Energy Conservation Bonds Payable	3,620,000	-	345,000	3,275,000	355,000
Long-Term Notes Payable	12,961,160	-	3,920,581	9,040,579	4,116,667
Compensated Absences	16,792,986	8,766,317	8,821,859	16,737,444	4,073,224
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 154,574,118</u>	<u>\$ 88,145,878</u>	<u>\$ 98,066,145</u>	<u>\$ 144,653,851</u>	<u>\$ 16,474,852</u>

Compensated absences of \$4,073,224 include \$1,575,977 for vacation and personal leave, which is estimated to be used in the next fiscal year. Compensated absences are liquidated by the General and nonmajor special revenue funds.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 15 - INTERFUND TRANSACTIONS

Interfund Balances at June 30, 2007 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 528,421	\$ -
Non-Major Funds:		
Other Grants	-	659
Athletic/Music Fund	-	103,014
Other State Grants	-	50,346
Other Federal Grants	-	<u>374,402</u>
Total	<u>\$ 528,421</u>	<u>\$ 528,421</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, 2007 are reported on the statement of net assets.

Interfund transfer for the year ended June 30, 2007, consisted of the following, as reported on the fund statements:

	Amount
Transfers from general fund to:	
debt service major fund	\$ 764,183
Transfers from general fund to:	
nonmajor governmental funds	64,176

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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 16 – 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, 2007.

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 17 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

The District had significant contractual obligation as of June 30, 2007, which are listed below:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
B & B Roofing, Inc.	Roof Project at Monterey Elementary	\$131,031
Edwin H. Davis and Sons	Buses	1,120,475
Vec Systems, Inc.	Roof Project Finland Middle School, Finland Elementary School, Prairie Norton Elementary and West Franklin Elementary	124,322
Dell Computers	Computers	164,056
Bruner Corporation	HVAC Project at Westland High School and Grove City High School	219,500

NOTE 18 - 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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2007*

NOTE 18 - SCHOOL FUNDING (continued)

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.

NOTE 19 - 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, 2006	\$ (5,344,300)	\$ (6,834,552)	\$ (12,178,852)
Current Year Set-aside Requirement	3,211,350	3,211,350	6,422,700
Qualifying Disbursements	<u>(1,799,567)</u>	<u>(751,378)</u>	<u>(2,550,945)</u>
Total	<u>\$ (3,932,517)</u>	<u>\$ (4,374,580)</u>	<u>\$ (8,307,097)</u>
Cash Balance Carried Forward to FY2008	<u>\$ (3,932,517)</u>	<u>\$ (4,374,580)</u>	<u>\$ (8,307,097)</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. This negative amount is presented as being carried forward to the next fiscal year for the capital acquisition reserve.

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, 2007

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local:				
Taxes	\$ 86,061,312	\$ 85,916,985	\$ 88,853,380	\$ 2,936,395
Tuition	282,000	299,060	435,056	135,996
Interest	1,500,000	1,600,000	2,409,472	809,472
Other Local Revenue	1,044,500	1,828,002	1,540,608	(287,394)
Intergovernmental - State	92,577,297	95,202,772	94,282,123	(920,649)
Intergovernmental - Federal	400,000	418,502	431,687	13,185
Total Revenues	<u>181,865,109</u>	<u>185,265,321</u>	<u>187,952,326</u>	<u>2,687,005</u>
Expenditures:				
Current:				
Instruction:				
Regular				
Salaries and Wages	57,319,804	56,138,508	56,138,508	-
Fringe Benefits	17,312,590	16,327,027	16,327,027	-
Purchased Services	8,308,555	9,230,186	8,739,764	490,422
Supplies and Materials	697,326	792,072	688,551	103,521
Miscellaneous	129,966	31,819	108	31,711
Total Regular	<u>83,768,241</u>	<u>82,519,612</u>	<u>81,893,958</u>	<u>625,654</u>
Special				
Salaries and Wages	12,750,331	11,751,969	11,751,969	-
Fringe Benefits	4,177,492	3,793,026	3,793,026	-
Purchased Services	2,913,684	4,663,016	4,438,242	224,774
Supplies and Materials	71,247	73,208	65,182	8,026
Miscellaneous	150	-	-	-
Total Special	<u>19,912,904</u>	<u>20,281,219</u>	<u>20,048,419</u>	<u>232,800</u>
Vocational				
Salaries and Wages	3,245,888	3,048,388	3,048,388	-
Fringe Benefits	955,092	844,051	844,051	-
Purchased Services	231,348	469,800	458,595	11,205
Supplies and Materials	647,721	851,154	801,439	49,715
Miscellaneous	14,875	1,781	-	1,781
Total Vocational	<u>5,094,924</u>	<u>5,215,174</u>	<u>5,152,473</u>	<u>62,701</u>
Other				
Salaries and Wages	207,619	217,045	217,045	-
Fringe Benefits	52,092	66,884	66,884	-
Supplies and Materials	19,000	19,000	15,699	3,301
Total Other	<u>278,711</u>	<u>302,929</u>	<u>299,628</u>	<u>3,301</u>
Total Instruction	<u>109,054,780</u>	<u>108,318,934</u>	<u>107,394,478</u>	<u>924,456</u>
Support Services:				
Pupil				
Salaries and Wages	5,268,050	5,579,025	5,579,025	-
Fringe Benefits	1,503,271	1,516,756	1,516,756	-
Purchased Services	37,453	33,857	25,333	8,524
Supplies and Materials	47,972	50,939	48,068	2,871
Total Pupil	<u>6,856,746</u>	<u>7,180,577</u>	<u>7,169,182</u>	<u>11,395</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, 2007
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff				
Salaries and Wages	8,162,051	6,765,348	6,760,885	4,463
Fringe Benefits	3,496,122	2,706,643	2,705,549	1,094
Purchased Services	157,817	147,848	119,011	28,837
Supplies and Materials	336,253	315,834	300,489	15,345
Miscellaneous	3,379	3,879	3,629	250
Total Instructional Staff	<u>12,155,622</u>	<u>9,939,552</u>	<u>9,889,563</u>	<u>49,989</u>
Board of Education				
Salaries and Wages	25,000	18,660	18,660	-
Fringe Benefits	4,135	2,957	2,957	-
Purchased Services	228,616	4,608	3,562	1,046
Supplies and Materials	500	3,760	3,760	-
Miscellaneous	19,196	27,769	23,717	4,052
Total Board of Education	<u>277,447</u>	<u>57,754</u>	<u>52,656</u>	<u>5,098</u>
Administration				
Salaries and Wages	8,389,337	8,181,280	8,181,280	-
Fringe Benefits	3,249,268	3,129,419	3,129,419	-
Purchased Services	2,416,194	1,370,502	1,302,580	67,922
Supplies and Materials	92,181	92,054	71,245	20,809
Miscellaneous	1,027,160	1,026,696	1,016,728	9,968
Total Administration	<u>15,174,140</u>	<u>13,799,951</u>	<u>13,701,252</u>	<u>98,699</u>
Fiscal				
Salaries and Wages	702,114	1,029,537	1,029,537	-
Fringe Benefits	737,613	565,670	565,670	-
Purchased Services	428,898	371,346	335,678	35,668
Supplies and Materials	10,760	9,062	7,876	1,186
Miscellaneous	1,428,988	1,687,359	1,518,841	168,518
Total Fiscal	<u>3,308,373</u>	<u>3,662,974</u>	<u>3,457,602</u>	<u>205,372</u>
Business				
Salaries and Wages	178,426	182,316	182,316	-
Fringe Benefits	77,182	63,059	63,059	-
Purchased Services	312,517	617,471	587,080	30,391
Supplies and Materials	66,320	42,997	32,146	10,851
Miscellaneous	57,138	65,444	54,311	11,133
Total Business	<u>691,583</u>	<u>971,287</u>	<u>918,912</u>	<u>52,375</u>
Operations and Maintenance				
Salaries and Wages	7,150,955	6,782,632	6,782,632	-
Fringe Benefits	2,615,790	2,372,265	2,372,265	-
Purchased Services	4,579,220	4,703,365	4,698,727	4,638
Supplies and Materials	1,011,796	1,017,387	1,010,855	6,532
Miscellaneous	4,000	4,000	3,830	170
Total Operations and Maintenance	<u>15,361,761</u>	<u>14,879,649</u>	<u>14,868,309</u>	<u>11,340</u>
Pupil Transportation				
Salaries and Wages	4,871,332	5,574,178	5,574,178	-
Fringe Benefits	2,423,136	2,361,874	2,361,874	-
Purchased Services	724,123	820,394	763,821	56,573
Supplies and Materials	1,559,465	1,472,784	1,190,522	282,262
Total Pupil Transportation	<u>9,578,056</u>	<u>10,229,230</u>	<u>9,890,395</u>	<u>338,835</u>

(continued)

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2007
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Central				
Salaries and Wages	1,500,087	1,331,010	1,331,010	-
Fringe Benefits	515,185	451,874	451,874	-
Purchased Services	515,343	583,935	355,647	228,288
Supplies and Materials	69,991	55,367	53,195	2,172
Miscellaneous	42,908	6,375	6,313	62
Total Central	<u>2,643,514</u>	<u>2,428,561</u>	<u>2,198,039</u>	<u>230,522</u>
Total Support Services	<u>66,047,242</u>	<u>63,149,535</u>	<u>62,145,910</u>	<u>1,003,625</u>
Community Services				
Salaries and Wages	276,987	191,198	191,198	-
Fringe Benefits	44,816	43,308	43,308	-
Purchased Services	22,691	22,211	2,081	20,130
Supplies and Materials	5,700	5,180	1,505	3,675
Miscellaneous	645	645	-	645
Total Community Services	<u>350,839</u>	<u>262,542</u>	<u>238,092</u>	<u>24,450</u>
Extracurricular Activities				
Salaries and Wages	2,139,579	1,873,796	1,873,796	-
Fringe Benefits	425,448	343,851	343,851	-
Purchased Services	8,101	215,741	214,740	1,001
Total Extracurricular Activities	<u>2,573,128</u>	<u>2,433,388</u>	<u>2,432,387</u>	<u>1,001</u>
Miscellaneous	35,000	35,000	-	35,000
Capital Outlay	1,382,568	1,036,982	998,938	38,044
Pass Through Grants	325,000	325,000	325,000	-
Debt Service:				
Interest and Fiscal Charges	2,925,000	2,925,000	2,925,000	-
Issuance Costs for Notes	326,263	326,263	326,263	-
Total Expenditures	<u>183,019,820</u>	<u>178,812,644</u>	<u>176,786,068</u>	<u>2,026,576</u>
Excess of Revenues Over (Under) Expenditures	(1,154,711)	6,452,677	11,166,258	4,713,581
Other Financing Sources (Uses):				
Operating Transfers - In	15,000	15,000	60,370	45,370
Operating Transfers - Out	(1,590,000)	(2,627,562)	(1,877,449)	750,113
Advances - In	500,000	573,668	573,668	-
Advances - Out	-	(1,098,994)	(1,098,994)	-
Total Other Financing Sources (Uses)	<u>(1,075,000)</u>	<u>(3,137,888)</u>	<u>(2,342,405)</u>	<u>795,483</u>
Net Change in Fund Balances	(2,229,711)	3,314,789	8,823,853	5,509,064
Fund Balance at Beginning of Year	182,914	182,914	182,914	-
Prior Year Encumbrances Appropriated	2,146,837	2,146,837	2,146,837	-
Fund Balance at End of Year	<u>\$ 100,040</u>	<u>\$ 5,644,540</u>	<u>\$ 11,153,604</u>	<u>\$ 5,509,064</u>

*South-Western City School District, Ohio
Required Supplemental Information
For the Fiscal Year Ended June 30, 2007*

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	\$ 25,877,609
Adjustments:	
Revenue Accruals	(9,865,455)
Expenditure Accruals	(9,216,111)
Encumbrances	3,541,856
Operating Transfers	(988,720)
Advances	(525,326)
Budget Basis	<u><u>\$ 8,823,853</u></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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 17,397,979	\$ 17,025,306	\$ (372,673)
Intergovernmental - State	<u>2,159,000</u>	<u>2,248,975</u>	<u>89,975</u>
Total Revenues	<u>19,556,979</u>	<u>19,274,281</u>	<u>(282,698)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	<u>220,000</u>	<u>200,783</u>	<u>19,217</u>
Total Fiscal	<u>220,000</u>	<u>200,783</u>	<u>19,217</u>
Total Support Services	<u>220,000</u>	<u>200,783</u>	<u>19,217</u>
Debt Service:			
Principal Retirement	13,409,236	11,860,000	1,549,236
Interest and Fiscal Charges	6,050,718	5,416,704	634,014
Issuance Costs for Refunding Bonds	<u>2,328,782</u>	<u>2,324,738</u>	<u>4,044</u>
Total Expenditures	<u>22,008,736</u>	<u>19,802,225</u>	<u>2,206,511</u>
Excess of Revenues Over (Under) Expenditures	(2,451,757)	(527,944)	1,923,813
Other Financing Sources:			
Operating Transfers - In	764,183	764,183	-
Sale of Refunding Bonds	76,914,989	76,914,989	-
Premium on Sale of Refunding Bonds	2,328,792	2,328,792	-
Principal Payment to Refunding Bonds Escrow Agent	<u>(76,914,999)</u>	<u>(76,914,999)</u>	<u>-</u>
Total Other Financing Sources:	<u>3,092,965</u>	<u>3,092,965</u>	<u>-</u>
Net Change in Fund Balances	641,208	2,565,021	1,923,813
Fund Balance at Beginning of Year	<u>5,284,375</u>	<u>5,284,375</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 5,925,583</u>	<u>\$ 7,849,396</u>	<u>\$ 1,923,813</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 53,940	\$ 26,175	\$ (27,765)
Other Local Revenue	75,000	75,000	-
Intergovernmental - State	-	3,138	3,138
Total Revenues	<u>128,940</u>	<u>104,313</u>	<u>(24,627)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	283,143	228,199	54,944
Total Regular	<u>283,143</u>	<u>228,199</u>	<u>54,944</u>
Vocational			
Purchased Services	66,667	66,667	-
Total Vocational	<u>66,667</u>	<u>66,667</u>	<u>-</u>
Total Instruction	<u>349,810</u>	<u>294,866</u>	<u>54,944</u>
Support Services:			
Fiscal			
Purchased Services	1,000	1,000	-
Miscellaneous	46,000	26,744	19,256
Total Fiscal	<u>47,000</u>	<u>27,744</u>	<u>19,256</u>
Business			
Purchased Services	136,006	119,694	16,312
Total Business	<u>136,006</u>	<u>119,694</u>	<u>16,312</u>
Operations and Maintenance			
Purchased Services	24,000	24,000	-
Total Operations and Maintenance	<u>24,000</u>	<u>24,000</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, 2007
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Pupil Transportation			
Supplies and Materials	71,527	71,527	-
Total Pupil Transportation	<u>71,527</u>	<u>71,527</u>	<u>-</u>
Central			
Supplies and Materials	5,000	1,436	3,564
Total Central	<u>5,000</u>	<u>1,436</u>	<u>3,564</u>
Total Support Services	<u>283,533</u>	<u>244,401</u>	<u>39,132</u>
Capital Outlay	4,573,533	4,122,709	450,824
Total Expenditures	<u>5,206,876</u>	<u>4,661,976</u>	<u>544,900</u>
Net Change in Fund Balances	(5,077,936)	(4,557,663)	520,273
Fund Balance at Beginning of Year	9,924,261	9,924,261	-
Prior Year Encumbrances Appropriated	751,174	751,174	-
Fund Balance at End of Year	<u>\$ 5,597,499</u>	<u>\$ 6,117,772</u>	<u>\$ 520,273</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
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007

	<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	\$ 1,038,018	\$ 374,712	\$ 737,036	\$ 766,646
Receivable:				
Accounts	10,921	180	4,242	-
Intergovernmental	-	-	-	136,649
Materials and Supplies Inventory	-	-	16,606	-
Total Assets	<u>\$ 1,048,939</u>	<u>\$ 374,892</u>	<u>\$ 757,884</u>	<u>\$ 903,295</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	\$ 32,406	\$ 24,667	\$ 33,181	\$ 392,389
Accrued Wages and Benefits	17,649	7,502	-	133,977
Interfund Loans Payable	-	659	103,014	50,346
Deferred Revenue	-	180	-	21,873
Total Liabilities	<u>50,055</u>	<u>33,008</u>	<u>136,195</u>	<u>598,585</u>
<u>Fund Balance:</u>				
Reserved for Encumbrances	76,374	13,783	30,543	82,732
Unreserved, reported in				
Special Revenue Funds	922,510	328,101	591,146	221,978
Capital Project Fund	-	-	-	-
Total Fund Balances	<u>998,884</u>	<u>341,884</u>	<u>621,689</u>	<u>304,710</u>
Total Liabilities and Fund Balances	<u>\$ 1,048,939</u>	<u>\$ 374,892</u>	<u>\$ 757,884</u>	<u>\$ 903,295</u>

<u>All Federal Grants</u>	<u>Food Service</u>	<u>Insurance Reserve</u>	<u>Vocational Rotary</u>	<u>School Net Plus</u>	<u>Total Nonmajor Funds</u>
\$ 1,038,118	\$ 573,095	\$ 218	\$ 8,945	\$ 43,519	\$ 4,580,307
-	4,613	-	-	-	19,956
2,661,659	443,546	-	-	-	3,241,854
-	68,089	-	4,491	-	89,186
<u>\$ 3,699,777</u>	<u>\$ 1,089,343</u>	<u>\$ 218</u>	<u>\$ 13,436</u>	<u>\$ 43,519</u>	<u>\$ 7,931,303</u>
\$ 259,292	\$ 19,614	\$ -	\$ 1,319	\$ -	762,868
1,321,649	512,069	-	-	-	1,992,846
374,402	-	-	-	-	528,421
1,441,998	-	-	-	-	1,464,051
<u>3,397,341</u>	<u>531,683</u>	<u>-</u>	<u>1,319</u>	<u>-</u>	<u>4,748,186</u>
38,625	975	-	938	-	243,970
263,811	556,685	218	11,179	-	2,895,628
-	-	-	-	43,519	43,519
<u>302,436</u>	<u>557,660</u>	<u>218</u>	<u>12,117</u>	<u>43,519</u>	<u>3,183,117</u>
<u>\$ 3,699,777</u>	<u>\$ 1,089,343</u>	<u>\$ 218</u>	<u>\$ 13,436</u>	<u>\$ 43,519</u>	<u>\$ 7,931,303</u>

South-Western City School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2007

	Public School <u>Support</u>	Other <u>Grants</u>	Athletic/ <u>Music</u>	All State <u>Grants</u>
Revenues:				
Local:				
Tuition	\$ 24,986	\$ 21,219	\$ -	\$ -
Interest	-	-	-	-
Other Local Revenue	1,154,729	344,432	1,372,103	-
Intergovernmental - State	12,825	-	-	5,234,207
Intergovernmental - Federal	-	-	-	-
Total Revenues	<u>1,192,540</u>	<u>365,651</u>	<u>1,372,103</u>	<u>5,234,207</u>
Current:				
Instruction:				
Regular	432,962	140,467	120,020	1,115,624
Special	219	1,133	-	1,421,051
Vocational	9,968	1,996	-	-
Other	27,700	2,977	-	630,835
Support Services:				
Pupil	323	63,061	-	56,598
Instructional Staff	43,725	88,956	19,735	100,495
Administration	414,816	-	1,936	14,488
Fiscal	-	-	-	43,626
Operations and Maintenance	121	-	-	193,255
Pupil Transportation	-	1,130	-	901
Central	7,673	-	-	415,551
Food Service	-	-	-	-
Community Services	790	259	-	1,097,125
Extracurricular Activities	15,211	7,516	1,167,356	-
Capital Outlay	85,560	40,394	110,784	221,191
Total Expenditures	<u>1,039,068</u>	<u>347,889</u>	<u>1,419,831</u>	<u>5,310,740</u>
Excess of Revenues Over (Under) Expenditures	153,472	17,762	(47,728)	(76,533)
Other Financing Sources:				
Transfers - In	45,176	-	19,000	-
Total Other Financing Sources	<u>45,176</u>	<u>-</u>	<u>19,000</u>	<u>-</u>
Net Change in Fund Balance	198,648	17,762	(28,728)	(76,533)
Fund Balances at Beginning of Year	800,236	324,122	650,417	381,243
Fund Balances at End of Year	<u>\$ 998,884</u>	<u>\$ 341,884</u>	<u>\$ 621,689</u>	<u>\$ 304,710</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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,205
-	3,463	-	-	-	3,463
-	3,822,461	8,784	48,869	-	6,751,378
-	156,894	-	-	135,136	5,539,062
<u>12,904,635</u>	<u>3,928,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,833,285</u>
<u>12,904,635</u>	<u>7,911,468</u>	<u>8,784</u>	<u>48,869</u>	<u>135,136</u>	<u>29,173,393</u>
1,157,805	-	674	97	53,775	3,021,424
4,321,294	-	-	-	-	5,743,697
609,704	-	-	68,662	-	690,330
101,682	-	3,488	-	-	766,682
785,997	-	-	-	-	905,979
3,779,800	-	-	536	-	4,033,247
944,871	938	29,881	-	-	1,406,930
1,043	-	-	-	-	44,669
206,892	-	-	-	-	400,268
492,215	-	-	-	-	494,246
-	-	69,814	-	-	493,038
-	7,490,713	-	-	-	7,490,713
151,087	-	-	-	-	1,249,261
-	-	4,366	792	-	1,195,241
<u>155,975</u>	<u>23,119</u>	<u>1,790</u>	<u>-</u>	<u>37,842</u>	<u>676,655</u>
<u>12,708,365</u>	<u>7,514,770</u>	<u>110,013</u>	<u>70,087</u>	<u>91,617</u>	<u>28,612,380</u>
196,270	396,698	(101,229)	(21,218)	43,519	561,013
-	-	-	-	-	64,176
-	-	-	-	-	64,176
196,270	396,698	(101,229)	(21,218)	43,519	625,189
106,166	160,962	101,447	33,335	-	2,557,928
<u>\$ 302,436</u>	<u>\$ 557,660</u>	<u>\$ 218</u>	<u>\$ 12,117</u>	<u>\$ 43,519</u>	<u>\$ 3,183,117</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 13,900	\$ 24,986	\$ 11,086
Other Local Revenue	986,100	1,145,695	159,595
Intergovernmental - State	-	12,825	12,825
Total Revenues	<u>1,000,000</u>	<u>1,183,506</u>	<u>183,506</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	16,909	16,909	-
Fringe Benefits	2,740	2,740	-
Purchased Services	37,357	23,577	13,780
Supplies and Materials	510,984	423,746	87,238
Total Regular	<u>567,990</u>	<u>466,972</u>	<u>101,018</u>
Special			
Supplies and Materials	219	219	-
Purchased Services	500	-	500
Total Special	<u>719</u>	<u>219</u>	<u>500</u>
Vocational			
Purchased Services	4,795	1,003	3,792
Supplies and Materials	15,705	11,382	4,323
Total Vocational	<u>20,500</u>	<u>12,385</u>	<u>8,115</u>
Other			
Salaries and Wages	17,145	17,145	-
Fringe Benefits	2,820	2,820	-
Supplies and Materials	7,054	4,740	2,314
Total Other	<u>27,019</u>	<u>24,705</u>	<u>2,314</u>
Total Instruction	<u>616,228</u>	<u>504,281</u>	<u>111,947</u>
Support Services:			
Pupil			
Salaries and Wages	281	281	-
Fringe Benefits	42	42	-
Purchased Services	200	-	200
Supplies and Materials	200	-	200
Total Pupil	<u>723</u>	<u>323</u>	<u>400</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, 2007
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	13,460	13,460	-
Fringe Benefits	2,199	2,199	-
Purchased Services	14,800	100	14,700
Supplies and Materials	35,852	11,411	24,441
Miscellaneous	312	311	1
Total Instructional Staff	<u>66,623</u>	<u>27,481</u>	<u>39,142</u>
Administration			
Salaries and Wages	1,615	1,615	-
Fringe Benefits	262	262	-
Purchased Services	96,031	56,434	39,597
Supplies and Materials	548,785	425,811	122,974
Miscellaneous	3,430	2,880	550
Total Administration	<u>650,123</u>	<u>487,002</u>	<u>163,121</u>
Operations and Maintenance			
Salaries and Wages	104	104	-
Fringe Benefits	17	17	-
Total Operations and Maintenance	<u>121</u>	<u>121</u>	<u>-</u>
Central			
Purchased Services	12,003	9,454	2,549
Total Central	<u>12,003</u>	<u>9,454</u>	<u>2,549</u>
Total Support Services	<u>729,593</u>	<u>524,381</u>	<u>205,212</u>
Community Services			
Supplies and Materials	1,760	790	970
Total Community Services	<u>1,760</u>	<u>790</u>	<u>970</u>
Extracurricular Activities			
Salaries and Wages	332	332	-
Fringe Benefits	54	54	-
Purchased Services	4,590	2,867	1,723
Supplies and Materials	21,422	11,784	9,638
Miscellaneous	2,816	320	2,496
Total Extracurricular Activities	<u>29,214</u>	<u>15,357</u>	<u>13,857</u>
Capital Outlay	131,438	93,454	37,984
Total Expenditures	<u>1,508,233</u>	<u>1,138,263</u>	<u>369,970</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, 2007
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(508,233)	45,243	553,476
Other Financing Sources:			
Operating Transfers - In	-	48,800	48,800
Total Other Financing Sources	<u>-</u>	<u>48,800</u>	<u>48,800</u>
Net Change in Fund Balances	(508,233)	94,043	602,276
Fund Balance at Beginning of Year	742,275	742,275	-
Prior Year Encumbrances Appropriated	82,150	82,150	-
Fund Balance at End of Year	<u>\$ 316,192</u>	<u>\$ 918,468</u>	<u>\$ 602,276</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 50,000	\$ 21,219	\$ (28,781)
Other Local Revenue	<u>346,340</u>	<u>344,432</u>	<u>(1,908)</u>
Total Revenues	<u>396,340</u>	<u>365,651</u>	<u>(30,689)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	86,262	37,618	48,644
Fringe Benefits	16,353	7,559	8,794
Purchased Services	28,311	12,972	15,339
Supplies and Materials	<u>211,218</u>	<u>92,283</u>	<u>118,935</u>
Total Regular	<u>342,144</u>	<u>150,432</u>	<u>191,712</u>
Special			
Salaries and Wages	5,409	5,409	-
Fringe Benefits	2,027	2,027	-
Supplies and Materials	<u>16,694</u>	<u>29</u>	<u>16,665</u>
Total Special	<u>24,130</u>	<u>7,465</u>	<u>16,665</u>
Vocational			
Purchased Services	1,015	1,015	-
Supplies and Materials	<u>1,218</u>	<u>1,218</u>	<u>-</u>
Total Vocational	<u>2,233</u>	<u>2,233</u>	<u>-</u>
Other			
Salaries and Wages	8,070	2,557	5,513
Fringe Benefits	<u>1,327</u>	<u>420</u>	<u>907</u>
Total Other	<u>9,397</u>	<u>2,977</u>	<u>6,420</u>
Total Instruction	<u>377,904</u>	<u>163,107</u>	<u>214,797</u>
Support Services:			
Pupil			
Salaries and Wages	75,178	53,154	22,024
Fringe Benefits	<u>12,783</u>	<u>8,773</u>	<u>4,010</u>
Total Pupil	<u>87,961</u>	<u>61,927</u>	<u>26,034</u>
Instructional Staff			
Salaries and Wages	79,510	56,203	23,307
Fringe Benefits	13,124	9,154	3,970
Purchased Services	50,933	21,928	29,005
Supplies and Materials	<u>4,949</u>	<u>2,672</u>	<u>2,277</u>
Total Instructional Staff	<u>148,516</u>	<u>89,957</u>	<u>58,559</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, 2007
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Operations and Maintenance			
Salaries and Wages	201	201	-
Fringe Benefits	33	33	-
Total Operations and Maintenance	<u>234</u>	<u>234</u>	<u>-</u>
Pupil Transportation			
Salaries and Wages	970	970	-
Fringe Benefits	160	160	-
Total Pupil Transportation	<u>1,130</u>	<u>1,130</u>	<u>-</u>
Total Support Services	<u>237,841</u>	<u>153,248</u>	<u>84,593</u>
Community Services			
Salaries and Wages	400	-	400
Fringe Benefits	66	-	66
Purchased Services	500	-	500
Supplies and Materials	754	500	254
Total Community Services	<u>1,720</u>	<u>500</u>	<u>1,220</u>
Extracurricular Activities			
Salaries and Wages	12,279	6,455	5,824
Fringe Benefits	2,033	1,061	972
Total Extracurricular Activities	<u>14,312</u>	<u>7,516</u>	<u>6,796</u>
Capital Outlay	65,017	45,103	19,914
Total Expenditures	<u>696,794</u>	<u>369,474</u>	<u>327,320</u>
Excess of Revenues Over (Under) Expenditures	(300,454)	(3,823)	296,631
Other Financing Sources (Uses):			
Advances - In	659	659	-
Advances - Out	(2,464)	(2,464)	-
Total Other Financing Sources (Uses)	<u>(1,805)</u>	<u>(1,805)</u>	<u>-</u>
Net Change in Fund Balances	(302,259)	(5,628)	296,631
Fund Balance at Beginning of Year	334,396	334,396	-
Prior Year Encumbrances Appropriated	7,533	7,533	-
Fund Balance at End of Year	<u>\$ 39,670</u>	<u>\$ 336,301</u>	<u>\$ 296,631</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 20	\$ -	\$ (20)
Other Local Revenue	1,578,716	1,371,501	(207,215)
Total Revenues	<u>1,578,736</u>	<u>1,371,501</u>	<u>(207,235)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	147,156	105,044	42,112
Supplies and Materials	27,409	15,076	12,333
Total Regular	<u>174,565</u>	<u>120,120</u>	<u>54,445</u>
Total Instruction	<u>174,565</u>	<u>120,120</u>	<u>54,445</u>
Support Services:			
Instructional Staff			
Purchased Services	100	-	100
Supplies and Materials	21,809	19,960	1,849
Total Instructional Staff	<u>21,909</u>	<u>19,960</u>	<u>1,949</u>
Administration			
Purchased Services	6,852	2,125	4,727
Supplies and Materials	365	65	300
Total Administration	<u>7,217</u>	<u>2,190</u>	<u>5,027</u>
Total Support Services	<u>29,126</u>	<u>22,150</u>	<u>6,976</u>
Extracurricular Activities			
Salaries and Wages	48,130	48,130	-
Fringe Benefits	7,866	7,866	-
Purchased Services	412,563	360,524	52,039
Supplies and Materials	1,103,265	790,003	313,262
Miscellaneous	108	58	50
Total Extracurricular Activities	<u>1,571,932</u>	<u>1,206,581</u>	<u>365,351</u>
Miscellaneous	250	-	250
Capital Outlay	170,279	113,138	57,141
Total Expenditures	<u>1,946,152</u>	<u>1,461,989</u>	<u>484,163</u>
Excess of Revenues Over (Under) Expenditures	(367,416)	(90,488)	276,928

(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, 2007
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Operating Transfers - In	19,000	19,000	-
Operating Transfers - Out	(3,624)	(3,624)	-
Advances - In	103,014	103,014	-
Advances - Out	<u>(67,930)</u>	<u>(67,930)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>50,460</u>	<u>50,460</u>	<u>-</u>
 Net Change in Fund Balances	 (316,956)	 (40,028)	 276,928
 Fund Balance at Beginning of Year	 611,110	 611,110	 -
Prior Year Encumbrances Appropriated	<u>103,098</u>	<u>103,098</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 397,252</u>	<u>\$ 674,180</u>	<u>\$ 276,928</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental - State	\$ 5,306,557	\$ 5,164,873	\$ (141,684)
Total Revenues	<u>5,306,557</u>	<u>5,164,873</u>	<u>(141,684)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	369,107	323,897	45,210
Fringe Benefits	91,385	81,224	10,161
Purchased Services	750,640	748,814	1,826
Supplies and Materials	45,219	44,701	518
Total Regular	<u>1,256,351</u>	<u>1,198,636</u>	<u>57,715</u>
Special			
Salaries and Wages	1,144,767	1,132,952	11,815
Fringe Benefits	279,900	274,030	5,870
Purchased Services	1,261	1,061	200
Supplies and Materials	12,288	11,938	350
Total Special	<u>1,438,216</u>	<u>1,419,981</u>	<u>18,235</u>
Other			
Salaries and Wages	645,000	496,877	148,123
Fringe Benefits	157,704	133,263	24,441
Supplies and Materials	699	695	4
Total Other	<u>803,403</u>	<u>630,835</u>	<u>172,568</u>
Total Instruction	<u>3,497,970</u>	<u>3,249,452</u>	<u>248,518</u>
Support Services:			
Pupil			
Salaries and Wages	50,695	47,980	2,715
Fringe Benefits	11,580	10,573	1,007
Purchased Services	814	549	265
Supplies and Materials	330	330	-
Total Pupil	<u>63,419</u>	<u>59,432</u>	<u>3,987</u>
Instructional Staff			
Salaries and Wages	104,299	77,981	26,318
Fringe Benefits	19,132	14,329	4,803
Purchased Services	25,475	7,605	17,870
Supplies and Materials	8,161	7,996	165
Total Instructional Staff	<u>157,067</u>	<u>107,911</u>	<u>49,156</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, 2007
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Administration			
Salaries and Wages	11,226	9,681	1,545
Fringe Benefits	3,788	3,023	765
Purchased Services	1,427	1,348	79
Supplies and Materials	164	162	2
Miscellaneous	516	516	-
Total Administration	<u>17,121</u>	<u>14,730</u>	<u>2,391</u>
Fiscal			
Miscellaneous	43,626	43,626	-
Total Fiscal	<u>43,626</u>	<u>43,626</u>	<u>-</u>
Operations and Maintenance			
Salaries and Wages	162,165	162,012	153
Fringe Benefits	31,867	31,388	479
Purchased Services	145	132	13
Total Operations and Maintenance	<u>194,177</u>	<u>193,532</u>	<u>645</u>
Pupil Transportation			
Salaries and Wages	77	77	-
Fringe Benefits	76	76	-
Supplies and Materials	2,617	2,617	-
Total Pupil Transportation	<u>2,770</u>	<u>2,770</u>	<u>-</u>
Central			
Salaries and Wages	47,575	47,575	-
Fringe Benefits	16,020	16,020	-
Purchased Services	388,101	387,745	356
Supplies and Materials	3,240	3,240	-
Total Central	<u>454,936</u>	<u>454,580</u>	<u>356</u>
Total Support Services	<u>933,116</u>	<u>876,581</u>	<u>56,535</u>
Community Services			
Salaries and Wages	345,372	307,622	37,750
Fringe Benefits	80,061	70,066	9,995
Purchased Services	31,124	30,162	962
Supplies and Materials	846,832	839,955	6,877
Miscellaneous	900	-	900
Total Community Services	<u>1,304,289</u>	<u>1,247,805</u>	<u>56,484</u>
Miscellaneous	3,640	3,634	6
Capital Outlay	272,117	266,731	5,386
Total Expenditures	<u>6,011,132</u>	<u>5,644,203</u>	<u>366,929</u>
Excess of Revenues Over (Under) Expenditures	(704,575)	(479,330)	225,245

(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, 2007
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):			
Advances - In	50,346	50,346	-
Advances - Out	<u>(31,871)</u>	<u>(31,871)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>18,475</u>	<u>18,475</u>	<u>-</u>
Net Change in Fund Balances	(686,100)	(460,855)	225,245
Fund Balance at Beginning of Year	546,855	546,855	-
Prior Year Encumbrances Appropriated	<u>201,900</u>	<u>201,900</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 62,655</u>	<u>\$ 287,900</u>	<u>\$ 225,245</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 162	\$ 162	\$ -
Intergovernmental - Federal	<u>15,814,754</u>	<u>13,492,027</u>	<u>(2,322,727)</u>
Total Revenues	<u>15,814,916</u>	<u>13,492,189</u>	<u>(2,322,727)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	950,352	812,470	137,882
Fringe Benefits	346,029	296,868	49,161
Purchased Services	1,723	1,373	350
Supplies and Materials	<u>112,610</u>	<u>110,921</u>	<u>1,689</u>
Total Regular	<u>1,410,714</u>	<u>1,221,632</u>	<u>189,082</u>
Special			
Salaries and Wages	3,605,243	3,038,105	567,138
Fringe Benefits	1,066,258	893,560	172,698
Purchased Services	16,058	9,757	6,301
Supplies and Materials	<u>481,105</u>	<u>406,044</u>	<u>75,061</u>
Total Special	<u>5,168,664</u>	<u>4,347,466</u>	<u>821,198</u>
Vocational			
Salaries and Wages	320,805	274,586	46,219
Fringe Benefits	92,679	78,851	13,828
Purchased Services	118,838	111,629	7,209
Supplies and Materials	<u>140,372</u>	<u>137,080</u>	<u>3,292</u>
Total Vocational	<u>672,694</u>	<u>602,146</u>	<u>70,548</u>
Other			
Salaries and Wages	97,076	78,282	18,794
Fringe Benefits	16,057	12,726	3,331
Purchased Services	2,468	2,468	-
Supplies and Materials	<u>11,736</u>	<u>11,732</u>	<u>4</u>
Total Other	<u>127,337</u>	<u>105,208</u>	<u>22,129</u>
Total Instruction	<u>7,379,409</u>	<u>6,276,452</u>	<u>1,102,957</u>
Support Services:			
Pupil			
Salaries and Wages	548,031	471,058	76,973
Fringe Benefits	181,666	155,830	25,836
Purchased Services	279,781	188,460	91,321
Supplies and Materials	<u>10,468</u>	<u>10,411</u>	<u>57</u>
Total Pupil	<u>1,019,946</u>	<u>825,759</u>	<u>194,187</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, 2007
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	2,620,492	2,123,276	497,216
Fringe Benefits	867,546	684,599	182,947
Purchased Services	1,000,625	857,414	143,211
Supplies and Materials	405,303	393,092	12,211
Miscellaneous	1,405	439	966
Total Instructional Staff	<u>4,895,371</u>	<u>4,058,820</u>	<u>836,551</u>
Administration			
Salaries and Wages	833,742	693,668	140,074
Fringe Benefits	289,080	240,946	48,134
Purchased Services	17,080	16,813	267
Supplies and Materials	6,992	6,992	-
Miscellaneous	1,566	1,566	-
Total Administration	<u>1,148,460</u>	<u>959,985</u>	<u>188,475</u>
Fiscal			
Miscellaneous	181,970	1,043	180,927
Total Fiscal	<u>181,970</u>	<u>1,043</u>	<u>180,927</u>
Operations and Maintenance			
Salaries and Wages	130,426	116,661	13,765
Fringe Benefits	53,378	46,343	7,035
Purchased Services	47,669	45,758	1,911
Supplies and Materials	3,369	3,365	4
Total Operations and Maintenance	<u>234,842</u>	<u>212,127</u>	<u>22,715</u>
Pupil Transportation			
Salaries and Wages	311,917	286,435	25,482
Fringe Benefits	149,786	135,779	14,007
Purchased Services	13,048	10,784	2,264
Supplies and Materials	71,955	71,955	-
Total Pupil Transportation	<u>546,706</u>	<u>504,953</u>	<u>41,753</u>
Total Support Services	<u>8,027,295</u>	<u>6,562,687</u>	<u>1,464,608</u>
Community Services			
Salaries and Wages	99,357	83,896	15,461
Fringe Benefits	21,130	17,792	3,338
Purchased Services	48,548	30,381	18,167
Supplies and Materials	61,073	30,681	30,392
Total Community Services	<u>230,108</u>	<u>162,750</u>	<u>67,358</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, 2007
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Miscellaneous	2,048	2,048	-
Capital Outlay	<u>216,903</u>	<u>173,873</u>	<u>43,030</u>
Total Expenditures	<u>15,855,763</u>	<u>13,177,810</u>	<u>2,677,953</u>
Excess of Revenues Over (Under) Expenditures	(40,847)	314,379	355,226
Other Financing Sources (Uses):			
Advances - In	382,171	374,402	(7,769)
Advances - Out	<u>(314,597)</u>	<u>(314,597)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>67,574</u>	<u>59,805</u>	<u>(7,769)</u>
Net Change in Fund Balances	26,727	374,184	347,457
Fund Balance at Beginning of Year	(200,416)	(200,416)	-
Prior Year Encumbrances Appropriated	<u>548,096</u>	<u>548,096</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 374,407</u>	<u>\$ 721,864</u>	<u>\$ 347,457</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ -	\$ 3,677	\$ 3,677
Other Local Revenue	3,546,540	3,400,202	(146,338)
Intergovernmental - State	150,000	156,894	6,894
Intergovernmental - Federal	<u>3,666,200</u>	<u>3,934,450</u>	<u>268,250</u>
Total Revenues	<u>7,362,740</u>	<u>7,495,223</u>	<u>132,483</u>
Expenditures:			
Current:			
Support Services:			
Administration			
Purchased Services	<u>2,861</u>	<u>1,798</u>	<u>1,063</u>
Total Administration	<u>2,861</u>	<u>1,798</u>	<u>1,063</u>
Total Support Services	<u>2,861</u>	<u>1,798</u>	<u>1,063</u>
Community Services			
Salaries and Wages	3,016,610	3,016,610	-
Fringe Benefits	1,152,660	1,152,660	-
Purchased Services	161,201	155,272	5,929
Supplies and Materials	2,740,243	2,732,522	7,721
Miscellaneous	<u>6,213</u>	<u>213</u>	<u>6,000</u>
Total Community Services	<u>7,076,927</u>	<u>7,057,277</u>	<u>19,650</u>
Miscellaneous	162	162	-
Capital Outlay	<u>28,220</u>	<u>27,470</u>	<u>750</u>
Total Expenditures	<u>7,108,170</u>	<u>7,086,707</u>	<u>21,463</u>
Excess of Revenues Over Expenditures	254,570	408,516	153,946
Other Financing Uses:			
Advances - Out	<u>(21,567)</u>	<u>(21,567)</u>	<u>-</u>
Total Other Financing Uses	<u>(21,567)</u>	<u>(21,567)</u>	<u>-</u>
Net Change in Fund Balances	233,003	386,949	153,946
Fund Balance at Beginning of Year	141,881	141,881	-
Prior Year Encumbrances Appropriated	<u>23,676</u>	<u>23,676</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 398,560</u>	<u>\$ 552,506</u>	<u>\$ 153,946</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 1,000	\$ -	\$ (1,000)
Other Local Revenue	<u>27,660</u>	<u>11,878</u>	<u>(15,782)</u>
Total Revenues	<u>28,660</u>	<u>11,878</u>	<u>(16,782)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	<u>727</u>	<u>727</u>	<u>-</u>
Total Regular	<u>727</u>	<u>727</u>	<u>-</u>
Other			
Purchased Services	<u>4,647</u>	<u>3,488</u>	<u>1,159</u>
Total Other	<u>4,647</u>	<u>3,488</u>	<u>1,159</u>
Total Instruction	<u>5,374</u>	<u>4,215</u>	<u>1,159</u>
Support Services:			
Administration			
Purchased Services	2,160	528	1,632
Supplies and Materials	33,384	30,396	2,988
Miscellaneous	<u>246</u>	<u>246</u>	<u>-</u>
Total Administration	<u>35,790</u>	<u>31,170</u>	<u>4,620</u>
Central			
Purchased Services	68,466	68,247	219
Supplies and Materials	<u>1,567</u>	<u>1,567</u>	<u>-</u>
Total Central	<u>70,033</u>	<u>69,814</u>	<u>219</u>
Total Support Services	<u>105,823</u>	<u>100,984</u>	<u>4,839</u>
Extracurricular Activities			
Miscellaneous	<u>10,900</u>	<u>7,366</u>	<u>3,534</u>
Total Extracurricular Activities	<u>10,900</u>	<u>7,366</u>	<u>3,534</u>
Capital Outlay	<u>1,790</u>	<u>1,790</u>	<u>-</u>
Total Expenditures	<u>123,887</u>	<u>114,355</u>	<u>9,532</u>
Net Change in Fund Balances	(95,227)	(102,477)	(7,250)
Fund Balance at Beginning of Year	87,861	87,861	-
Prior Year Encumbrances Appropriated	<u>14,834</u>	<u>14,834</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 7,468</u>	<u>\$ 218</u>	<u>\$ (7,250)</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Other Local Revenue	\$ 62,050	\$ 49,615	\$ (12,435)
Total Revenues	<u>62,050</u>	<u>49,615</u>	<u>(12,435)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	211	125	86
Total Regular	<u>211</u>	<u>125</u>	<u>86</u>
Vocational			
Supplies and Materials	85,674	70,682	14,992
Total Vocational	<u>85,674</u>	<u>70,682</u>	<u>14,992</u>
Total Instruction	<u>85,885</u>	<u>70,807</u>	<u>15,078</u>
Support Services:			
Instructional Staff			
Salaries and Wages	419	419	-
Fringe Benefits	69	69	-
Supplies and Materials	48	48	-
Total Instructional Staff	<u>536</u>	<u>536</u>	<u>-</u>
Total Support Services	<u>536</u>	<u>536</u>	<u>-</u>
Extracurricular Activities			
Supplies and Materials	1,500	792	708
Total Extracurricular Activities	<u>1,500</u>	<u>792</u>	<u>708</u>
Miscellaneous			
Miscellaneous	465	465	-
Total Expenditures	<u>88,386</u>	<u>72,600</u>	<u>15,786</u>
Net Change in Fund Balances	(26,336)	(22,985)	3,351
Fund Balance at Beginning of Year	29,227	29,227	-
Prior Year Encumbrances Appropriated	446	446	-
Fund Balance at End of Year	<u>\$ 3,337</u>	<u>\$ 6,688</u>	<u>\$ 3,351</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental - State	\$ 135,136	\$ 135,136	-
Total Revenues	<u>135,136</u>	<u>135,136</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	59,243	53,775	5,468
Total Regular	<u>59,243</u>	<u>53,775</u>	<u>5,468</u>
Total Instruction	<u>59,243</u>	<u>53,775</u>	<u>5,468</u>
Capital Outlay	75,893	37,842	38,051
Total Expenditures	<u>135,136</u>	<u>91,617</u>	<u>43,519</u>
Net Change in Fund Balances	-	43,519	43,519
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 43,519</u>	<u>\$ 43,519</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, 2007

	<u>Final Budget</u>	<u>Actual</u>	Variance
Revenues:			
Total Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenses:			
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Net Assets	-	-	-
Net Assets at Beginning of Year	<u>318,453</u>	<u>318,453</u>	<u>-</u>
Net Assets at End of Year	<u>\$ 318,453</u>	<u>\$ 318,453</u>	<u>\$ -</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. As of July 1, 2006 this program was transferred to the Education Service Center of Franklin County. Program closing costs are reflected in this year's financial statements.

South-Western City School District
 Combining Balance Sheet
 All Agency Funds
 June 30, 2007

	<u>Student Activity</u>	<u>District Agency</u>	<u>Total</u>
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$ 357,511	\$ 3,251,017	\$ 3,608,528
Accounts Receivable	-	176,681	176,681
Total Assets	<u>\$ 357,511</u>	<u>\$ 3,427,698</u>	<u>\$ 3,785,209</u>
 <u>Liabilities:</u>			
Accounts Payable	\$ 36,990	\$ 2,485	\$ 39,475
Due to Other Governments	-	1,632,424	1,632,424
Undistributed Money	320,521	1,792,789	2,113,310
Total Liabilities	<u>\$ 357,511</u>	<u>\$ 3,427,698</u>	<u>\$ 3,785,209</u>

South-Western City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2007

	Beginning Balance <u>June 30, 2006</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2007</u>
<u>Student Activity:</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 322,458	\$ 451,174	\$ 416,121	\$ 357,511
Accounts Receivable	1,862	-	1,862	-
Total Assets	<u>\$ 324,320</u>	<u>\$ 451,174</u>	<u>\$ 417,983</u>	<u>\$ 357,511</u>
Liabilities:				
Accounts Payable	\$ 32,141	\$ 36,990	\$ 32,141	\$ 36,990
Undistributed Money	292,179	414,184	385,842	320,521
Total Liabilities	<u>\$ 324,320</u>	<u>\$ 451,174</u>	<u>\$ 417,983</u>	<u>\$ 357,511</u>
<u>District Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 3,822,955	\$ 41,209,660	\$ 41,781,598	\$ 3,251,017
Accounts Receivable	185,701	176,681	185,701	176,681
Total Assets	<u>\$ 4,008,656</u>	<u>\$ 41,386,341</u>	<u>\$ 41,967,299</u>	<u>\$ 3,427,698</u>
Liabilities:				
Accounts Payable	\$ 7,342	\$ 2,485	\$ 7,342	\$ 2,485
Due to Other Governments	1,607,189	1,632,424	1,607,189	1,632,424
Accrued Wages and Benefits	326	-	326	-
Undistributed Money	2,393,799	39,751,432	40,352,442	1,792,789
Total Liabilities	<u>\$ 4,008,656</u>	<u>\$ 41,386,341</u>	<u>\$ 41,967,299</u>	<u>\$ 3,427,698</u>
<u>Teacher Development</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 75,385	\$ 328,314	\$ 403,699	\$ -
Accounts Receivable	28,266	-	28,266	-
Intergovernmental Receivable	300,049	-	300,049	-
Total Assets	<u>\$ 403,700</u>	<u>\$ 328,314</u>	<u>\$ 732,014</u>	<u>\$ -</u>
Liabilities:				
Accounts Payable	\$ 329,081	\$ -	\$ 329,081	\$ -
Undistributed Money	74,619	328,314	402,933	-
Total Liabilities	<u>\$ 403,700</u>	<u>\$ 328,314</u>	<u>\$ 732,014</u>	<u>\$ -</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, 2007
(continued)

	Beginning Balance <u>June 30, 2006</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2007</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 4,220,798	\$ 41,989,148	\$ 42,601,418	\$ 3,608,528
Receivable:				
Accounts	215,829	176,681	215,829	176,681
Intergovernmental	300,049	-	300,049	-
Total Assets	<u>\$ 4,736,676</u>	<u>\$ 42,165,829</u>	<u>\$ 43,117,296</u>	<u>\$ 3,785,209</u>
Liabilities:				
Accounts Payable	\$ 368,564	\$ 39,475	\$ 368,564	\$ 39,475
Due to Other Governments	1,607,189	1,632,424	1,607,189	1,632,424
Accrued Wages and Benefits	326	-	326	-
Undistributed Money	2,760,597	40,493,930	41,141,217	2,113,310
Total Liabilities	<u>\$ 4,736,676</u>	<u>\$ 42,165,829</u>	<u>\$ 43,117,296</u>	<u>\$ 3,785,209</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	100
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	106
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	110
<u>Operating Information</u> These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	114
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	124

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 for the year ended June 30, 2002; schedules presenting government-wide information include information beginning in that year.

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

	(Restated) (1)					
	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Governmental Activities:						
Instruction:						
Regular	\$ 91,155,349	\$ 96,226,789	\$ 89,164,246	\$ 82,081,703	\$ 74,732,291	\$ 67,162,034
Special	25,337,011	23,014,050	22,254,484	20,041,211	17,426,432	14,219,025
Vocational	6,283,046	7,170,672	6,544,444	6,665,313	5,621,047	5,358,669
Other	1,054,636	1,058,537	393,079	394,006	400,389	386,970
Support Services:						
Pupil	8,011,862	8,057,563	8,184,349	7,326,436	7,336,804	6,140,323
Instructional Staff	13,972,865	19,252,242	18,230,029	16,854,642	15,114,537	12,920,806
Board of Education	51,971	268,724	364,457	401,151	479,880	224,840
Administration	15,618,324	15,667,633	14,662,677	13,688,663	13,370,445	12,052,299
Fiscal	3,626,102	3,321,790	2,684,904	3,030,493	2,605,574	2,776,595
Business	666,937	1,203,141	1,020,572	1,122,396	983,121	1,121,398
Operations and Maintenance	14,711,400	16,144,129	15,922,071	15,802,554	14,399,188	13,064,806
Pupil Transportation	10,908,037	12,957,996	11,993,324	10,786,583	9,493,708	9,188,997
Central	3,517,936	4,364,987	4,386,542	4,837,026	4,850,405	3,994,815
Food Service	7,769,587	8,143,737	7,860,418	7,311,356	6,911,601	6,084,887
Community Services	1,926,744	1,445,270	1,649,082	1,399,643	1,602,684	1,574,075
Extracurricular Activities	3,996,761	3,826,852	3,661,136	3,648,003	3,534,018	3,336,233
Interest and Fiscal Charges	5,486,093	7,271,315	7,907,100	8,309,541	9,208,077	7,480,589
Total Governmental Activities Expenses	\$ 214,094,661	\$ 229,395,427	\$ 216,882,914	\$ 203,700,720	\$ 188,070,201	\$ 167,087,361

Source: School District Comprehensive Annual Financial Report

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

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

	(Restated) (1)					
	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002
Program Revenue:						
Governmental Activities:						
Charges for Services and Sales						
Instruction:						
Regular	\$ 111,180	\$ 102,094	\$ 296,625	\$ 99,520	\$ 90,991	\$ 53,915
Special				218	-	-
Vocational	133,119	119,795	105,895	117,860	104,890	66,637
Support Services:						
Instructional Staff	467	200	-	-	1,645	-
Pupil Transportation	326,268	151,725	111,106	110,668	86,725	269,782
Food Service	3,425,763	3,868,230	3,489,028	3,696,360	3,660,907	3,579,946
Community Services	10,484	8,163	5,806	11,093	12,908	11,884
Extracurricular Activities	743,352	719,363	646,568	602,334	516,805	647,287
Operating Grants, Contributions and Interest	28,441,279	26,766,874	23,919,727	21,174,742	19,187,788	14,875,976
Total Governmental Activities Program Revenues	\$ 33,191,912	\$ 31,736,444	\$ 28,574,755	\$ 25,812,795	\$ 23,662,659	\$ 19,505,427
Net (Expenses)/Revenue						
Governmental Activities	\$ (180,902,749)	\$ (197,658,983)	\$ (188,308,159)	\$ (177,887,925)	\$ (164,407,542)	\$ (147,581,934)
General Revenues and Other Changes in Net Assets						
General Revenues:						
Property Taxes Levied for:						
General Purposes	100,123,160	79,877,444	69,546,730	77,869,586	63,347,264	60,805,216
Debt Service	19,774,851	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	91,398,564	85,381,816	85,291,437	79,733,241	71,897,461	69,158,685
Interest	3,135,902	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	3,819,982	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	218,252,459	185,807,131	171,941,547	178,335,989	152,783,910	147,639,022
Changes in Net Assets	37,349,710	(11,851,852)	(16,366,672)	448,064	(11,623,632)	57,088

Source: School District Comprehensive Annual Financial Report

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

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

	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998
General Fund										
Reserved	\$ 34,795,213	\$ 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
Unreserved	(12,754,310)	(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
Total General Fund	\$ 22,040,903	\$ (3,836,706)	\$ 865,718	\$ 16,291,628	\$ 22,218,387	\$ 32,163,256	\$ 34,494,409	\$ 30,835,619	\$ 23,241,623	\$ 18,261,310
All Other Governmental Funds										
Reserved	16,762,052	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
Unreserved, reported in:										
Special Revenue Funds	2,895,628	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
Capital Projects Fund	6,146,880	10,189,703	5,255	(322,833)	186,114	452,626	10,270,441	48,603,993	111,063,822	1,579,816
Total All Other Governmental Funds	\$ 25,804,560	\$ 23,073,299	\$ 10,933,709	\$ 11,754,788	\$ 10,929,587	\$ 26,167,238	\$ 48,502,824	\$ 87,093,129	\$ 121,434,032	\$ 8,630,408

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 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004
Revenues:				
Local:				
Taxes	\$ 117,228,444	\$ 97,704,539	\$ 82,535,286	\$ 90,760,617
Tuition	475,386	375,050	368,660	654,619
Interest	3,135,902	2,131,626	677,084	552,865
Other Local Revenue	8,422,523	8,880,015	8,629,817	8,563,461
Intergovernmental - State	102,073,298	95,177,226	93,309,641	86,857,635
Intergovernmental - Federal	17,269,242	16,911,352	15,360,857	14,052,036
Total Revenues	<u>\$ 248,604,795</u>	<u>\$ 221,179,808</u>	<u>\$ 200,881,345</u>	<u>\$ 201,441,233</u>
Expenditures:				
Current:				
Instruction:				
Regular	85,663,533	88,155,340	83,740,124	76,676,200
Special	25,026,764	22,841,563	22,031,826	19,686,644
Vocational	5,137,585	5,822,910	5,354,160	5,482,555
Other	1,058,821	1,051,457	392,127	393,589
Support Services:				
Pupil	8,199,528	8,105,144	8,159,650	7,407,498
Instructional Staff	14,269,451	19,131,625	18,004,035	16,616,241
Board of Education	51,971	268,724	364,457	401,151
Administration	15,192,285	15,092,352	14,049,517	13,129,600
Fiscal	3,624,585	3,309,531	2,674,852	3,025,920
Business	657,063	1,272,174	990,089	1,088,251
Operations and Maintenance	14,367,705	15,867,057	15,505,621	15,397,113
Pupil Transportation	10,006,531	11,439,383	10,473,546	9,392,675
Central	2,569,236	3,135,113	3,291,104	3,722,217
Food Service	7,490,713	7,658,325	7,318,639	6,787,151
Community Services	1,523,184	1,073,496	1,303,382	1,033,799
Extracurricular Activities	3,624,996	3,562,468	3,424,234	3,388,247
Capital Outlay	3,541,384	3,995,595	4,201,895	6,891,967
Pass Through Grants	325,000	325,000	325,000	325,000
Debt Services:				
Principal Retirement	11,926,667	6,160,009	7,358,661	7,547,704
Interest and Fiscal Charges	5,742,967	7,735,902	8,189,624	8,367,908
Issuance Costs for Bonds and Notes	2,324,738	137,015	183,191	831,005
Total Expenditures	<u>222,324,707</u>	<u>226,140,183</u>	<u>217,335,734</u>	<u>207,592,435</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,280,088	(4,960,375)	(16,454,389)	(6,151,202)
Other Financing Sources (Uses):				
Transfers - In	828,359	1,160,563	809,380	1,026,395
Transfers - Out	(828,359)	(1,160,563)	(809,380)	(1,026,395)
Issuance of Refunding Bonds	76,914,989	-	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	2,328,792	-	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	(76,914,999)	-	(2,500,000)	(27,860,001)
Premium on the Sale of General Obligation Bonds	-	-	-	-
Inception of Capital Lease	-	-	-	-
Sale of Capital Assets	-	55,800	24,209	12,859
Total Other Financing Sources (Uses)	<u>2,328,782</u>	<u>12,397,541</u>	<u>207,400</u>	<u>1,049,644</u>
Net Change in Fund Balances	<u>28,608,870</u>	<u>7,437,166</u>	<u>(16,246,989)</u>	<u>(5,101,558)</u>
Debt Service as a Percentage of Noncapital Expenditures	10.06%	6.74%	7.97%	9.10%

Source: School District Comprehensive Annual Financial Report

Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998
\$ 77,155,165	\$ 69,962,989	\$ 77,291,353	\$ 82,099,746	\$ 66,138,929	\$ 58,061,683
447,352	568,600	488,073	308,146	129,855	345,858
1,235,857	3,446,592	9,268,000	8,554,298	2,928,364	1,703,041
8,069,568	7,877,264	3,895,680	3,105,480	2,676,284	2,945,271
79,435,912	72,388,325	61,726,476	55,468,100	52,253,360	49,183,103
11,760,295	10,904,582	7,767,903	6,627,609	5,698,012	5,319,498
<u>\$ 178,104,149</u>	<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>
70,347,045	62,311,817	57,803,942	52,493,256	49,551,828	46,672,008
17,278,494	14,055,510	12,840,347	11,315,354	11,315,827	10,038,736
5,056,922	4,287,337	4,028,273	3,969,895	3,912,743	3,742,260
400,116	386,941	561,260	507,178	559,926	546,398
7,298,688	6,089,388	5,939,439	5,671,070	5,249,227	5,106,314
14,651,432	12,453,610	11,670,981	10,535,219	9,765,122	8,977,937
479,880	224,840	220,905	198,957	204,843	202,947
13,079,993	11,566,312	10,649,009	9,782,392	8,946,683	8,146,173
2,585,782	2,761,547	2,789,050	2,406,035	3,915,735	2,186,236
974,415	892,459	819,113	727,262	832,269	510,486
14,081,200	12,397,397	11,879,176	12,328,989	8,720,583	7,879,423
8,436,396	7,139,082	6,565,782	5,437,269	5,421,816	4,252,887
3,788,910	2,640,109	2,549,988	2,779,049	2,575,117	1,940,873
6,468,178	5,995,382	1,243,808	-	-	-
1,280,030	923,273	2,483,023	929,697	695,233	555,297
3,288,580	2,946,151	177,695	2,374,572	2,222,344	2,054,652
18,802,710	39,364,423	50,001,642	47,071,386	11,551,689	6,905,323
325,000	325,000	325,000	300,000	300,000	348,606
6,199,702	7,077,359	6,061,399	6,149,786	2,556,170	2,794,802
8,871,883	7,179,549	8,078,330	8,112,731	4,470,756	2,090,302
-	-	-	-	-	-
<u>203,695,356</u>	<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>
(25,591,207)	(35,869,134)	(36,250,677)	(26,926,718)	(2,943,107)	2,606,794
954,278	19,843,222	17,673,067	17,093,000	3,704,303	10,789,041
(954,278)	(19,843,222)	(17,665,778)	(17,327,680)	(4,039,700)	(7,520,221)
-	-	-	-	-	-
-	-	1,000,000	-	-	-
-	9,465,000	-	-	120,575,006	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,700	1,915	-	271
-	-	-	-	-	-
-	-	-	-	9,420	-
408,687	-	19,860	105,750	67,264	735,520
-	69,153	40,412	58,225	50,252	21,088
<u>408,687</u>	<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>(25,182,520)</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>
8.87%	9.67%	10.67%	11.71%	6.15%	4.74%

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

Collection Year	Real Property (1)		Tangible Personal Property (2)		Public Utility (3)		Total	
	Estimated		Estimated		Estimated		Estimated	
	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value	Assessed Value	Actual Value
2007	\$ 2,404,408,410	\$ 6,869,738,314	\$ 169,030,582	\$ 804,907,533	\$ 74,180,020	\$ 100,143,027	\$ 2,647,619,012	7,774,788,874
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
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
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	7,008,851,515
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
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	6,326,933,256
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
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
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
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

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 2.5%. 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.

Information for 2006/2007 Tax Year/Collection Year was not available from the Franklin 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		Village of Harrisburg	Village of New Rome	Village of Urbancrest	Franklin Township	Jackson Township	Pleasant Township	Harrisburg- Pleasant Township	Prairie Township				
				General Fund	Bond Fund	Permanent Improvement	General Fund												
2006/2007	18.44 (13.54) (16.11)	3.14 (3.14) (3.14)	3.70 (4.20) (4.20)	53.80 (23.74) (37.80)	4.90 (4.90) (4.90)	2.00 (1.74) (1.90)	3.85 (3.85) (3.85)	1.00 (1.00) (1.00)	0.00 0.00 0.00	0.60 (0.60) (0.60)	21.31 (14.92) (20.69)	20.20 (8.32) (9.32)	18.70 (10.33) (10.43)	18.30 (9.93) (10.03)	18.20 (12.84) (15.28)				
2005/2006	18.44	3.14	4.20	53.80	5.02	2.00	3.85	1.00	0.00	0.60	18.05	20.20	18.70	18.30	18.20				
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				

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, 2006 and December 31, 1997

	December 31, 2006		December 31, 1997	
	Total Assessed Valuation	% of Total Assessed Valuation	Total Assessed Valuation	% of Total Assessed Valuation
<u>Public Utilities</u>				
Columbus Southern Power Company	\$ 52,440,080	1.98%	\$ 45,770,850	2.74%
Ohio Bell Telephone Co.	9,879,960	0.37%	23,571,080	1.41%
Columbia Gas of Ohio Inc.	5,267,160	0.20%	13,859,830	0.83%
<u>Real Estate</u>				
Wingates LLC	\$ 12,351,550	0.47%	\$ 11,350,380	0.68%
PCCP IRG Columbus LLC	12,250,010	0.46%	9,861,000	0.59%
Big Lots Stores Inc.	11,860,000	0.45%	9,523,100	0.57%
Distribution Funding III	8,888,090	0.34%	8,644,320	0.52%
Dispatch Printing Co.	8,750,000	0.33%	8,290,640	0.50%
M/I Homes of Central Ohio	7,201,460	0.27%	7,545,110	0.45%
Solid Waste Authority	6,092,990	0.23%	7,017,710	0.42%
Realty Associates Fund V	5,688,180	0.21%	6,887,710	0.41%
Parkway Village LLC	4,970,000	0.19%	4,476,490	0.27%
Feder Road Associates	4,725,000	0.18%	4,473,170	0.27%
<u>Tangible Personal Property</u>				
Medco Health Solutions Inc	\$ 11,908,580	0.45%	\$ 16,753,990	1.00%
Wal Mart Stores East LP	10,071,232	0.38%	16,742,786	1.00%
Sears Roebuck & Company	9,822,756	0.37%	12,475,200	0.75%
Big Lots Stores Inc.	8,483,239	0.32%	11,902,480	0.71%
Masterfoods USA Inc.	6,844,459	0.26%	11,072,370	0.66%
Dispatch Printing Company	5,238,060	0.20%	11,043,160	0.66%
Ohio Machinery Co.	4,907,080	0.19%	10,699,040	0.64%
Tosoh S M D Inc.	4,134,068	0.16%	8,600,050	0.51%
Delphi Automotive Systems LLC	4,056,616	0.15%	8,295,540	0.50%
C C S I U S A	3,125,630	0.12%	7,071,800	0.42%
All Others	2,428,662,812	91.73%	1,395,034,657	83.49%
Total Assessed Valuation	\$ 2,647,619,012	100.00%	\$ 1,670,962,463	100.00%

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

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

<u>Year</u>	<u>(1) Net Bonded Debt</u>	<u>(1) Tax Anticipation Notes</u>	<u>(1) Bond Anticipation Notes</u>	<u>Total Primary Government</u>	<u>(2) Percentage of Personal Income</u>	<u>(3) Per Capita</u>	<u>(4) Per ADM</u>
2007	\$ 111,693,098	\$ 14,838,913	\$ -	\$ 126,532,011	not available	\$ 957.21	\$ 6,027.34
2006	120,268,390	21,617,827	-	141,886,217	not available	1,094.13	6,769.38
2005	127,504,793	-	-	127,504,793	5.24%	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

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
2007	\$ 2,647,619,012	\$ 119,542,494	\$ 7,849,396	\$ 111,693,098	4.22%	\$ 844.95	\$ 5,320.49
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

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
 June 30, 2007

<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	\$ 119,542,494	100.00%	\$ 119,542,494
Franklin County	149,431,221	9.35%	13,971,819
City of Columbus	1,652,178,946	39.90%	659,219,399
City of Grove City	18,631,023	100.00%	18,631,023
Total Net Overlapping Debt	<u>\$ 1,939,783,684</u>		<u>\$ 811,364,735</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	\$ 2,647,619,012										
Bonded Debt Limit - 9% of Assessed Value	\$ 238,285,711										
Amount of Debt Applicable to 9% Debt Limit:	119,542,494										
9% Voted Debt Margin	<u>\$ 118,743,217</u>										
Bonded Debt Limit - .10% of Assessed Value	\$ 2,647,619										
Amount of Debt Applicable to .10% Debt Limit	-										
.10% Unvoted Debt Margin	<u>\$ 2,647,619</u>										
Debt Limit		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Total Net Debt Applicable to Limit	\$ 238,285,711	\$ 238,848,313	\$ 219,651,502	\$ 213,057,092	\$ 211,732,804	\$ 191,715,983	\$ 189,182,605	\$ 178,940,335	\$ 178,940,335	\$ 232,838,719	\$ 150,386,622
Legal Debt Margin	\$ 119,542,494	\$ 125,553,305	\$ 126,483,677	\$ 133,042,279	\$ 138,550,175	\$ 143,797,304	\$ 151,862,665	\$ 157,146,448	\$ 157,146,448	\$ 164,237,330	\$ 37,679,816
Total Net Debt Applicable to the Limit	\$ 118,743,217	\$ 113,295,008	\$ 93,167,825	\$ 80,014,813	\$ 73,182,629	\$ 47,918,679	\$ 37,319,940	\$ 21,793,887	\$ 21,793,887	\$ 68,601,389	\$ 112,706,806
as a Percentage of Debt Limit	50.17%	52.57%	57.58%	62.44%	65.44%	75.01%	80.27%	87.82%	87.82%	70.54%	25.06%

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 Three Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Teaching Staff			
Elementary	450.90	469.90	471.45
Intermediate	183.43	200.10	198.01
Middle	202.50	230.13	230.25
High	372.44	404.90	405.10
Special Schools	29.00	33.00	31.00
Tutors	73.10	64.00	58.90
Non-Public Teachers	3.90	3.60	3.60
Preschool Programs	13.50	12.60	7.60
Administrators			
Buildings/Departments	104.00	117.00	118.00
Other Positions			
Psychologists	12.50	12.50	12.50
Nurses	9.40	9.40	9.40
Speech	18.00	18.00	18.00
OT/PT	7.90	5.80	4.20
Sign Interpreter	2.00	1.00	2.00
Social Worker	-	0.80	2.80
Counselors	24.00	29.00	29.00
Library Media Specialists	4.00	4.00	4.00
Specialists	10.20	10.20	10.20
Support Staff			
Technology	13.00	13.00	13.00
Aides	285.99	329.63	334.53
Accounting	8.00	9.00	9.00
Clerical	115.00	126.00	127.50
Custodial	122.76	141.50	140.00
Maintenance	37.00	37.00	39.00
Mechanics	9.00	10.00	10.00
Bus Drivers	156.00	181.00	176.00
Food Service Transporters	3.00	3.00	3.00
Cooks	134.99	138.81	136.64
Hall Monitors	42.22	45.50	45.00
Rec Center	14.50	15.00	15.00
OT Assistant	1.00	1.00	1.00
Total	<u>2,463.23</u>	<u>2,676.37</u>	<u>2,665.68</u>

Function

Instructional		
Regular	966.41	1,037.16
Special	319.85	312.60
Vocational	49.15	61.00
Support Services		
Pupil	115.61	124.05
Instructional Staff	257.99	343.93
Administration	162.75	155.50
Fiscal	12.00	13.00
Business	3.00	4.00
Operation and Maintenance	179.00	202.75
Pupil Transportation	206.00	225.00
Central	27.00	26.00
Food Service	139.98	145.23
Community Services	20.90	21.40
Extracurricular Activities	3.59	4.75
Total	<u>2,463.23</u>	<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 Three Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Function-Governmental Activities			
Instruction and Support Services - Pupils			
Enrollment			
Graduates	1,252	1,153	1,113
% of Students with IEP	14.0%	12.5%	11.9%
% of Limited English Proficient Students	9.5%	6.6%	6.0%
Student Attendance	94.3%	94.1%	94.0%
Fiscal			
Purchase Orders Processed	14,663	15,110	15,049
Nonpayroll Checks Issued	15,804	17,829	19,250
Operations and Maintenance			
Work Orders Completed	5,800	5,400	4,950
District Square Footage Maintained by Staff	2.8 million	2.8 million	2.8 million
District Acreage Maintained by Staff	610	610	610
Pupil Transportation			
Average Number of Students Transported Each Day	12,926	17,337	17,748
Average Daily Miles driven Each Day	12,243	15,702	14,526
Food Service			
Meals Served to Students:			
Breakfast	533,690	491,958	445,111
Lunch	2,195,163	2,180,701	2,139,569
Number of Free and Reduced Students	9,184	10,087	9,103
Extracurricular Activities			
High School Varsity Teams	65	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
 Certain Prior Year numbers have been updated

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>
2006/2007	\$ 5,403	4.5%	\$ 3,654	1.8%	\$ 8,876	-2.9%
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	n/a	1,712	n/a	5,275	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, 2006
 (Actual Dollars Expended by Year)

	Grade	South-Western	State Average	Franklin County
	<u>Level</u>	<u>City School</u>	<u>for All</u>	<u>Average</u>
		<u>District</u>	<u>School Districts</u>	
1993-94	K	\$ 4,695	\$ 4,640	\$ 5,426
1994-95	1	4,732	4,758	5,299
1995-96	2	4,879	4,940	5,626
1996-97	3	5,087	5,113	5,635
1997-98	4	5,275	5,369	6,046
1998-99 (1)	5	6,546	6,642	7,167
1999-00 (1)	6	6,890	7,057	7,636
2000-01 (1)	7	7,354	7,602	8,222
2001-02 (1)	8	7,354	7,602	8,222
2002-03 (1)	9	8,243	7,904	9,082
2003-04 (1)	10	8,515	8,287	9,384
2004-05 (1)	11	9,140	8,404	9,714
2005-06 (1)	12	8,876	9,283	10,655
Total		<u>\$ 87,586</u>	<u>\$ 87,601</u>	<u>\$ 98,114</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 Three Years

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

Source: District Capital Asset Records

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

Capitalization criteria changed from \$1,000 to \$5,000 July 1, 2007. Information to provide comparable data in 2006 and 2005 is unavailable.

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South-Western City School District
Facility Inventory

		Original Construction	Addition (s) Date (s)	Building Area (Sq. Ft.)	Acreage	Student Capacity
<u>Elementary Schools</u>						
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
<u>Intermediate Schools</u>						
Franklin Woods	Basic	2000		87,981	21.45	800
Galloway Ridge	Basic	2000		87,981	6.51	800
Holt Crossing	Basic	2000		87,981	20.70	800
Park Street	Basic	2000		87,981	12.71	800
Hayes	Basic	1966	1981,1982,1986, 2003	58,677	10.85	520
	Modular	1991		4,150		

		<u>Original Construction</u>	<u>Addition (s) Date (s)</u>	<u>Building Area (Sq. Ft.)</u>	<u>Acreage</u>	<u>Student Capacity</u>
<u>Middle Schools</u>						
Brookpark	Basic	1953	1997	82,422	14.93	725
	Portable (2)	1964		1,668		
Finland	Basic	1964	1975, 1995	91,098	17.30	786
	Portable (1)	1989		1,596		
	Portable (1)	1991		1,596		
Jackson	Basic	2001		99,597	28.14	800
Norton	Basic	1953	1995	87,204	15.00	680
	Portable (1)	1964		1,668		
	Portable (1)	1990		1,596		
Pleasant View	Basic	1958	1963	138,702	39.88	924
<u>High Schools</u>						
Central Crossing	Basic	2002		260,716	63.81	1,880
Franklin Heights	Basic	1955	1956, 1957, 1963 1974, 1975, 1976 1986, 1997	152,983	37.02	1,172
Grove City	Basic	1970	1971, 1976, 1983 1985, 2000	198,348	52.30	1,843
Westland	Basic	1970	1971, 1976, 1982 1985, 2000	197,154	51.79	1,861
<u>Additional Schools</u>						
Kingston	Basic	1949		13,180	2.00	70
Preschool Center	Basic	1950	2004	10,000	0.75	60
South-Western Career Academy	Basic	2002		130,156	22.10	750
<u>Recreation Centers</u>						
Falcons Nest		1986		37,507		
Grove City		1986		37,507		
Cougar Community		1986		37,507		
<u>Miscellaneous</u>						
District Service Center	Basic	1981	1989, 1995, 2002	70,000	3.30	<u>Occupancy</u> 350
Darbydale Distribution		1930-1940		4,170	1.63	5
Transportation		1986		16,594	13.00	109
2 Houses - offices		1960 est		5,000	1.00	8
Norton Road Head Start		1975		4,300	0.70	46
Stiles Family Center		1994		4,510	1.20	206
Tech Services - Garage		1960 est		2,000	0.50	3
Bostic Center - Head Start	Basic	1973	2003	13,105	1.61	115

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

	Percentage of Students Passing:									
	Fiscal 2007	Fiscal 2006	Fiscal 2005	Fiscal 2004	Fiscal 2003	Fiscal 2002	Fiscal 2001	Fiscal 2000	Fiscal 1999	Fiscal 1998
<u>3rd Grade</u>										
Reading	72.4%	68.0%	70.2%	73.0%	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	81.1%	71.7%	63.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>4th Grade</u>										
Citizenship	N/A	N/A	59.2%	46.3%	51.3%	60.9%	54.8%	49.0%	59.9%	43.9%
Reading	75.9%	73.3%	70.8%	65.2%	65.2%	63.2%	49.6%	48.6%	51.8%	35.7%
Mathematics	70.1%	76.1%	65.3%	58.5%	53.3%	58.3%	56.3%	42.1%	57.6%	26.0%
Writing	79.7%	84.4%	77.9%	69.2%	75.9%	78.1%	76.5%	75.1%	62.8%	52.3%
Science	N/A	N/A	50.0%	50.3%	48.0%	52.6%	43.5%	33.8%	40.6%	33.9%
<u>5th Grade</u>										
Reading	78.9%	72.5%	72.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	59.5%	64.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	62.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social Studies	51.4%	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	N/A	76.3%	69.7%	66.7%	68.4%	69.1%	61.5%	69.3%	51.6%
Reading	75.1%	82.1%	67.4%	61.9%	59.7%	48.9%	55.6%	40.8%	44.7%	39.0%
Mathematics	77.0%	68.6%	57.2%	62.2%	46.6%	52.8%	59.9%	39.0%	41.2%	33.3%
Writing	N/A	N/A	84.9%	89.4%	85.8%	85.4%	84.6%	75.1%	78.1%	82.1%
Science	N/A	N/A	65.8%	56.5%	60.3%	52.7%	56.9%	39.8%	35.4%	34.4%
<u>7th Grade</u>										
Reading	73.6%	78.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	66.2%	60.4%	59.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Writing	73.5%	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%	77.1%	74.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	70.6%	68.7%	63.3%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	59.7%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social Studies	49.1%	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	N/A	94.2%	80.7%	78.1%	80.6%	77.5%	76.5%	75.3%
Reading	N/A	N/A	N/A	96.6%	87.2%	86.6%	89.2%	86.7%	86.4%	86.0%
Mathematics	N/A	N/A	N/A	87.2%	70.1%	67.3%	69.7%	64.9%	62.4%	61.3%
Writing	N/A	N/A	N/A	96.8%	88.5%	85.6%	90.1%	90.0%	89.5%	84.9%
Science	N/A	N/A	N/A	89.8%	74.2%	71.1%	77.3%	72.5%	68.8%	64.0%
<u>10th Grade</u>										
Reading	85.0%	89.0%	91.1%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	80.8%	84.7%	79.6%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Writing	89.5%	88.3%	82.9%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	68.9%	69.1%	71.8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social Studies	73.4%	77.8%	77.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>Student Attendance Rate</u>	94.3%	94.1%	94.0%	94.4%	94.1%	93.0%	93.0%	93.9%	94.1%	94.3%

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) Intermediate Schools Enrollment	Middle Schools Enrollment	High Schools Enrollment	Total Enrollment
2007	1,252	7,955	3,157	3,370	6,511	20,993
2006	1,153	8,065	3,197	3,322	6,376	20,960
2005	1,113	8,035	3,308	3,339	6,181	20,863
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

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

<u>Year</u>	(1) <u>Estimated Population</u>	(2) <u>Average Daily Membership</u>	(3) <u>Average Federal Adjusted Gross Income</u>	(3) <u>Total Federal Adjusted Gross Income</u>	(4) <u>Unemployment Rate</u>
2007	132,189	20,993	not available	not available	5.00%
2006	129,680	20,960	not available	not available	5.40%
2005	128,318	20,863	41,309	2,432,012,063	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%

Sources:

- (1) Ohio Municipal Advisory Council and Mid Ohio Regional Planning Commission
- (2) Per District records
- (3) Ohio Department of Taxation
- (4) September 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 - most recent information available

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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
JANUARY 29, 2008**