



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

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2019**



**SOUTH-WESTERN CITY SCHOOL DISTRICT  
FRANKLIN COUNTY  
JUNE 30, 2019**

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor\ Pass thru Grantor\ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures	Non-Cash Federal Expenditures
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed through Ohio Department of Education:</i>				
<i>Child Nutrition Cluster:</i>				
School Breakfast Program	N/A	10.553	\$ 2,383,027	\$ -
National School Lunch Program	N/A	10.555	6,715,473	983,414
<i>Total Child Nutrition Cluster:</i>			<u>9,098,500</u>	<u>983,414</u>
Child and Adult Food Care Program	N/A	10.558	103,863	-
<b>Total U.S. Department of Agriculture</b>			<u>9,202,363</u>	<u>983,414</u>
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	N/A	84.010	6,094,485	-
<i>Special Education Cluster:</i>				
Special Education-Grants to States	N/A	84.027	6,100,517	-
Special Education-Preschool Grants	N/A	84.173	195,066	-
<i>Total Special Education Cluster</i>			<u>6,295,583</u>	<u>-</u>
Career and Technical Education-Basic Grants to States	N/A	84.048	452,777	-
English Language Acquisition State Grants	N/A	84.365	527,554	-
Improving Teacher Quality State Grants	N/A	84.367	932,760	-
Striving Readers	N/A	84.371	132,793	-
Student Support and Academic Enrichment Program	N/A	84.424	359,734	-
<i>Total Passed through Ohio Department of Education:</i>			<u>14,795,686</u>	<u>-</u>
<i>Passed through the Ohio Board of Regents:</i>				
Adult Education-Basic Grants to States	AB-S1	84.002	33,432	-
<i>Passed through the ESC of Central Ohio</i>				
Investing in Innovation (I3) Fund	N/A	84.411	73,057	-
<b>Total U. S Department of Education</b>			<u>14,902,175</u>	<u>-</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>				
<i>Passed through The YMCA:</i>				
Head Start	N/A	93.600	1,065,195	-
<i>Passed through Ohio Department of Jobs and Family Services:</i>				
Refugee and Entrant Assistance-Discretionary Grants	R1-S1	93.576	46,383	-
<b>Total U.S. Department of Health and Human Services</b>			<u>1,111,578</u>	<u>-</u>
<b><u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u></b>				
<i>Passed through the Ohio Department of Transportation:</i>				
State Clean Diesel Grant Program	N/A	66.040	631,492	-
<b>Total U.S. Environmental Protection Agency</b>			<u>631,492</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 25,847,608</u>	<u>\$ 983,414</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 EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the South-Western City School District, Franklin County (the School District) under programs of the federal government for the fiscal year ended June 30, 2019. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The School District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the School District) as of and for the year ended June, 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 17, 2019.

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

As part of our financial statement audit, we considered the School District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the School District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the School District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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***Compliance and Other Matters***

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State

Columbus, Ohio

December 17, 2019



# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

To the Board of Education:

### ***Report on Compliance for the Major Federal Program***

We have audited the South-Western City School District's (the School District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the South-Western City School District's major federal program for the year ended June 30, 2019. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal program.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to opine on the School District's compliance for the School District's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the School District's major program. However, our audit does not provide a legal determination of the School District's compliance.

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

In our opinion, the South-Western City School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2019.

***Report on Internal Control Over Compliance***

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on the major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

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

We have also audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the South-Western City School District (the School District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements. We issued our unmodified report thereon dated December 17, 2019. We conducted our audit to opine on the School District's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements.

South-Western City School District  
Franklin County  
Independent Auditor's Report on Compliance with Requirements  
Applicable to the Major Federal Program and on Internal Control Over  
Compliance Required By the Uniform Guidance  
Page 3

The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Keith Faber  
Auditor of State

Columbus, Ohio

December 17, 2019

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

**SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2019**

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

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

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

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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*Comprehensive Annual Financial Report  
For the Year ended June 30, 2019*

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

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

***Grove City, Ohio***

***COMPREHENSIVE ANNUAL FINANCIAL  
REPORT***

***FOR THE FISCAL YEAR ENDED JUNE 30, 2019***

Issued by the Treasurer's Office

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

South-Western City School District  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2019

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## District Service Center

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November 13, 2019

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

The thirtieth 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 2018-19 fiscal year. This report prepared by the Treasurer's office including the unmodified opinion of the Ohio Auditor of State for the fiscal year ended June 30, 2019, 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 the MD & A and should be read in conjunction with it. The District's MD & A can be found immediately following the report of the independent auditors.

Copies of this report will be widely distributed throughout the District. A copy will be posted on the District's website and copies will be sent to the Southwest Public Library, Moody's Investors Services, 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 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 Superintendent is the chief administrative officer of the District, responsible for both education and support operations. The Treasurer is the chief fiscal officer of the District, responsible for maintaining records of all financial matters, issuing warrants in payment of liabilities incurred by the District, and investing idle funds as specified by Ohio law.

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

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

### **THE REPORTING ENTITY AND SERVICES PROVIDED – (Continued)**

The District maintains thirty-six instruction/support facilities staffed by 982 non-certificated employees, 1,608 certificated full-time teaching personnel and 104 administrative employees to provide services to 21,945 students.

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

The City of Grove City; Townships of Franklin, Jackson, Pleasant and Prairie; and the Southwest Public Library have not met the established criteria for inclusion in the reporting entity, and accordingly are excluded from this report.

### **ECONOMIC CONDITION AND OUTLOOK**

The District is an independent political subdivision characterized as a “city school district” under Ohio Law, and provides educational services as mandated by State and/or federal agencies. The District is located primarily in Franklin County, Ohio southwest of, and included in parts of the City of Columbus, the State capital. Generally speaking, the Columbus area is noted for its attractive service-based economy, cultural and educational elements. The District shares these demographic components with the resultant quality of life. Unemployment in Franklin County, as listed by the Ohio Department of Job and Family Services, was 3.7 percent for the period ending September 2019. The seasonally adjusted rate of unemployment in Ohio was 4.2 percent and the national rate was 3.5 percent for the same period.

The Columbus metropolitan statistical area is characterized by its diverse economy and economic growth. A strong residential, commercial and industrial tax base, a very diverse labor force, and an unemployment rate below the State average have resulted in strong growth throughout the area. The District’s specific economic and jurisdictional territory is comprised primarily of the City of Columbus and the City of Grove City (the “City”), both of which contain approximately 36% of the District’s territory, and the townships of Franklin, Jackson, Pleasant and Prairie. The Grove City Area Community Improvement Corporation (the “Grove City CIC”) was incorporated on August 8, 1979, in order to advance, encourage, and promote the industrial, economic, commercial and civic development in the City. The Grove City CIC is the agency and instrumentality of the City for industrial, commercial, distribution and research development and works to retain, expand, and attract capital investment and jobs to the City. Strategies used to implement the Grove City CIC’s mission include the promotion of local, State, and federal financial assistance, tax incentives, and training/technical assistance programs. The Treasurer of the District is a member of the Grove City CIC.

#### ***Economic Development Initiatives and Incentives within the City***

In the City, opportunities for residential, commercial and industrial development have been enhanced by major expansions of the City’s water distribution, sanitary sewer and street systems. On August 13, 2012, the reconstructed and expanded interchange located at Interstate 71 and State Route 665 opened. The I-71/SR 665 interchange can handle 41,600 vehicles a day, more than three times the previous capacity. By using the single-point urban interchange design, this project opens up hundreds of acres for development serving as a gateway to Rickenbacker International Airport (“Rickenbacker”) located only minutes from the City. This interchange has significantly improved the safety and congestion on I-71 and SR 665 and serves as the western gateway to I-71 from Rickenbacker, thereby becoming an important expansion area for logistics companies capitalizing on the area’s access to Rickenbacker’s intermodal terminal.

Rickenbacker is a first-class cargo airport offering high-speed logistical movement of goods and serves as the area’s only U.S. Foreign Trade Zone. With improved access to major interstate highways and area airports, the new redesigned interchange is also valuable to existing companies such as FedEx and Tigerpoly Manufacturing. These infrastructure improvements are a result of a comprehensive planning process that coordinates actions of the City with area developers.

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

The construction of the Rickenbacker Intermodal Connector (the “Intermodal Connector”), which is within two miles of the District nearby, but not within the territory of the City or the District, is a critical part of regional economic development effort. Formerly known as the East-West Connector, the Intermodal Connector has been designed in three phases. Phase I was completed in 2014 and was funded by a various funding sources including; the Ohio Department of Development, the Ohio Department of Transportation, and other public and private funding partners. Phase II began in 2015. The Intermodal Connector, which is expected to cost \$25 million, will connect the Norfolk-Southern Intermodal Yard with U.S. Route 23 on the very northern edge of Pickaway County. The Columbus region has shaped itself as a logistics hub for the eastern United States, and the area around Rickenbacker Global Logistics Park has become the epicenter. Warehousing growth in the past ten years has been strong north of Rickenbacker. The completion of the connector is expected to increase activity and business growth in the I-71 Corridor of the District significantly.

The Pinnacle Club of Grove City (“Pinnacle”), a 597-acre master planned residential community, is one example of the successful projects that have grown out of the City’s planning process and coordination. Pinnacle began development in the spring of 2004, and it is expected, when fully developed, to include approximately 1,600 homes with prices ranging from \$250,000 to \$700,000, all centered around the championship golf course designed by Lanny Watkins that opened in September 2006.

Another development that highlights the City’s commitment to furthering its public-private collaborations is the revitalization of the City’s historic Town Center (the “Town Center”). The Town Center project is being completed in various phases, and it includes a new library that was completed in fall 2016, new streetscapes, improved pedestrian circulation, and additional parking. Broadway Station Apartments opened in 2017, and it offers 120 one- and two-bedroom units in the Town Center area.

In April 2019, Mount Carmel Health System (“MCHS”) opened a new hospital, Mt. Carmel Grove City (the “Hospital”), in the City. MCHS moved inpatient services from an older facility just west of downtown Columbus to the Hospital, which included the relocation of 1,500 employees to the Hospital. The 210-bed Hospital has seven stories and 500,000 square feet of space, and it was estimated to cost \$361 million to construct. The Hospital’s 110-acre campus also includes a five-story, 120,000 square foot medical office building.

In October 2018, OhioHealth opened OhioHealth Grove City Methodist Hospital, a 79,850-square foot facility with 26 inpatient beds on a 22-acre campus. The new facility includes a full-service emergency department, five operating rooms, two procedure rooms as well as a medical office building that houses independent physicians and multiple surgical specialties. At a cost of approximately \$46.5 million to build, the hospital added 285 jobs to the City. The Grove City Surgery Center is a joint venture with 33 physician investors who own 51% of the venture.

To accommodate industrial and commercial growth, the City has cooperated with private investors in the development of seven business and industrial parks, including: (1) Grove City Industrial Park, a 100-acre park with thirteen major buildings near the intersection of I-71 and SR 665; (2) Southpark, a 350-acre park with eighteen major buildings near the intersection of I-71 and Interstate 270; (3) Capital Park South, a 150-acre park with eight major buildings at I-270 and State Route 62; (4) Southpointe, a 53-acre park with seven major building at SR 665; (5) Gateway Business Park, 114- acre park with four major buildings at I-71 and SR 665; (6) Gateway to the City Office Park, a 35-acre park with twelve major buildings at I-71 and Stringtown Road; and (7) Gateway Business Park West, a 232-acre park that was platted in 1999.

Immediate access to I-71 and I-270 has resulted in the City’s development as a travel center offering over 1,200 guest rooms with gross sales exceeding \$10 million per year. A growing list of restaurants complements the variety of accommodations found in the City.

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

The City offers the following economic development incentive programs:

1. Community Reinvestment Area (“CRA”): The City has four CRAs, including one in the Town Center that has recently been expanded. Properties within a CRA are eligible to receive real property tax abatement for real property improvements.
2. Tax Increment Financing (“TIF”): There are five TIF districts within the City. Payments derived from the increased assessed value of any improvement to real property are directed towards a separate fund to finance the construction of the public infrastructure defined within the legislation approving the respective TIFs.
3. Enterprise Zones (“EZ”): In early 2004, the City passed Ordinance C-133-03 designating the territory as an EZ, which provides certain tax exemptions to certain businesses located in the EZ.

Major employers in the City include the following: FedEx Ground Package Distribution Systems; the District; Walmart Distribution Center; Kroger; Halcore Group, Inc.; Tigerpoly Manufacturing Inc.; Manheim, Inc.’s auto auction facilities; Tosoh America, Inc.’s headquarters for sales, marketing, and business development for North America. Among those largest employers, Tigerpoly Manufacturing Inc. locates its corporate headquarters within the City, including a 32-acre manufacturing site.

The redevelopment of the former Beulah Park horse racetrack into a residential development is one of the largest current projects in the City. The project’s first phase will result in 758 residential units, including 264 apartment residences, 80 town-home condominiums, 104 ranch-style houses, 216 single-family houses; and a 94-unit assisted-living facility. The development is expected to have 972 total residential units, and developers are projecting that residents will begin moving in by the summer of 2020.

### ***Development Initiatives and Incentives within the District but outside the City***

Economic development and land management in the Jackson and Franklin Township portion of the District is described in great detail in the 2009 Southwest Area Plan, a joint effort completed by the Southwest Area Commission (“SWAC”), the newest Columbus City Area Commission. The boundaries of SWAC run just west of 3C highway on the west, Mound Street on the north, I-71 South on the east, and I-270 on the south. SWAC’s goal is to identify and encourage productive land use and economic development within the territory of SWAC. SWAC worked cooperatively with the City of Columbus, Franklin County, Franklin Township, Jackson Township and groups of interested residents and stakeholders to research, develop and adopt the Southwest Area Plan in March of 2009. This comprehensive 71-page plan provides detailed plans and considerations from the point of view of land use, current and recommended, by all zoning types. It further describes existing priority development sites and action-oriented recommendations.

The most significant development in the SWAC area is the Hollywood Casino Columbus (the “Casino”), which is located in Franklin Township and in the District. The Casino opened in October 2012, with the final construction and development costs valued at approximately \$146.5 million. The project area encompasses 133 acres, and the Casino floor is 180,000 square feet. The Casino currently employs approximately 1,000 permanent workers for operations. The Casino features a steakhouse, a 10,000 square-foot banquet hall, cocktail lounge and sports bar. The District commenced the receipt of property-tax revenue in calendar year 2014 associated with the Casino’s final building and land value. Additionally, 33% of funds from the Casino’s taxes and license fees are required to go to school districts throughout the State and are distributed on a per pupil basis, in August and January each year.

The Casino is supported by a Joint Planning and Zoning Overlay Agreement (the “JPZO Agreement”) between Franklin Township, the City of Columbus and Franklin County to ensure better coordination on projects, set forth future infrastructure and public investment opportunities, jointly market economic development opportunities and pursue a seamless look along the West Broad Street corridor.



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

The JPZO Agreement includes the creation of a 50-year joint economic development district (“JEDD”), which splits the City of Columbus income tax rate as follows: (i) 70% revenues to a project fund, (ii) 15% of revenues to the City of Columbus, and (iii) 15% of revenues to Franklin Township. It also set aside 2% of the total income tax revenue collected from the Casino’s construction site for the first five years of operation to be used to encourage businesses to participate in the JEDD, to assist in the mobilization, creation and coordination of the business working group in their effort to enhance the economic viability of the corridor area, and to make improvements in the right-of-way and other projects to revitalize the West Broad Street corridor. The JPZO Agreement further compensates Franklin Township over the life of the agreement through additional income tax payments.

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

On July 18, 2019, the State biennial budget bill, Ohio House Bill 166, was signed into law. Ohio House Bill 166 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 56.6% of all General Fund operating revenues. Over the two-year biennial budget period, the District anticipates an increase in State funding of roughly 4.2% during the 2019-20 fiscal year, with an additional 1.7% anticipated for the 2020-21 fiscal year.

The District maintained its promise to the community to make the property tax dollars received from the passage of the November 3, 2009, 7.4 mill operating levy last through calendar year 2013. In fact, the District’s current five-year financial forecast projects a positive cash balance through fiscal year 2023-24.

## **MAJOR INITIATIVES**

### ***Strategic Planning***

The District developed long-term goals through a strategic planning process. To complete the process, the District utilized a strategic performance management tool called the Balanced Scorecard to build its framework. The District’s balanced scorecard is a mixture of educational and financial measures that articulates the links between both human and physical inputs, processes and desired outcomes. It focuses the importance of managing these components to achieve the organization's strategic priorities through answering the questions of: 1) Who we are; 2) What we do; 3) Where education is headed; and 4) Where we want to be in the future.

### **Six Strategic Dimensions**

With community input and the services of volunteer facilitators, six strategic dimensions were identified as follows:

1. Academic Achievement
2. Student Development/Extracurricular Activities
3. Innovation in Education
4. College/Vocation Preparation
5. Parent Engagement
6. Diversity of the District

### **Four Themes**

From these six dimensions, four themes emerged as follows:

1. Access for all students to the highest quality educational opportunities
2. Instruction created to meet the individual skills of students while advancing them toward their full potential
3. Seamless and universal access to instructional, enhancement and remedial learning opportunities through the integration of technology and other forms of communication
4. Engage the community to foster a fully integrated support system that feeds the development of every child.

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

### **Five Bold Goals**

Through this process, we have been able to identify five long-term goals for the District:

1. Students can enter college without remediation
2. Parents actively receive communication
3. Students graduate on time
4. Students exit emotionally, socially and physically prepared
5. Families are vested in planning their future

### **Eight High Yield Strategies**

1. K-12 career exploration and skills development for students
2. Parent education activities for preparing children for the 21<sup>st</sup> century workplace
3. Remediation and intervention for students in math, reading and writing to ensure on grade level performance
4. K-12 character, social skills and well-being programming for students
5. A rolling four-year plan that supports each student's post-secondary goals
6. Student access to rigorous coursework to earn credits toward graduation and beyond
7. Two-way communication of issues of concern and importance to families through multiple communication methods and partnerships
8. A comprehensive menu of services supporting the continuity of care for students

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

As part of the strategic planning process, the District has embraced the demand for a highly educated and skilled workforce. This demand requires an innovative approach for students that accelerates and challenges their learning opportunities.

The Accelerated Learning Center ("ALC") provides students in the District an opportunity to take tuition-free college courses, based on their future plans, while completing their high school graduation requirements. Due to the nature of the programs and capacity limitations, there may be priority considerations made for acceptance into the ALC. Students who are not accepted into the program due to capacity limitations will still have the ability to participate in the College Credit Plus program through online coursework or courses taken on a college campus.

The ALC provides a unique, half-day approach, which allows students to earn college credits without paying the cost of college and without leaving the District. Students experience college-level coursework and gain an in-depth understanding of the skills and dedication necessary to succeed in a college environment, while also meeting their high school graduation requirements. ALC programs are located at Central Crossing High School and are being offered in cooperation with Columbus State Community College (CSCC). Transportation is provided for students who enroll in one of the three full ALC programs of study.

The ALC offers three programs of study:

1. Software Development – designed for the student interested in technology and associated college majors;
2. General Liberal Arts – designed to fulfill the requirements leading to a Bachelor's Degree for liberal arts-related fields; and
3. Applied Sciences – designed to fulfill the requirements leading to a Bachelor's Degree for mathematics, the sciences, allied health and other fields.

College credits earned through the General Liberal Arts and General Sciences programs are transcribed to CSCC and guaranteed transfer to any public college in Ohio, as well as many private colleges.

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

College credits earned through the Software Development program may transfer to other Ohio public and private colleges, but they are guaranteed to seamlessly align with the following four Associate's Degree tracks at CSCC and can also count towards a related Bachelor's Degree at other colleges and universities:

1. Software Developer;
2. Network Security;
3. Web Developer; and
4. Network Administrator.

Over the past several years, the District's State achievement scores improved in almost every category in every grade level. The prestigious National Merit Scholarship Program has recognized numerous District high school students for their accomplishments. The District's graduates are receiving full or partial scholarships to some of the country's top colleges and universities, and the District's career-technical students are finding well-paying positions in highly competitive job markets.

The District offers a wide array of affordable community adult education programs as well as GED preparation and English as a Second Language classes. The District has also partnered with local colleges and universities to offer the community college level courses in their own backyard. Classes are conveniently located at the South-Western Career Academy. The District's athletes have won numerous Ohio Capital Conference league team championships, as well as individual local, regional and State honors in a variety of sports; including football, basketball, volleyball, soccer, baseball, softball, wrestling, gymnastics, track and field, swimming, and cheerleading.

The District also has some of the most recognized music programs in the country. More than 1,200 high school and middle school students participate in District music programs annually. The District's high school bands, choirs, and orchestras compete on a national-level, winning praise wherever they perform.

Many of the District's students have received honors for artwork at the local, State, and national level. The District's student artwork is frequently on display in the Governor's office, and Port Columbus International Airport, as well as exhibited at the Congressional Art Show in Washington D.C.

The District's staff members have been recognized as well. Some of the more notable awards received by the District staff include the prestigious Milken National Teacher of the Year, Secondary Mathematics Teacher of the Year, Ohio Vocational Association New Teacher of the Year, and Ohio PTA Outstanding Educator Award.

The District's students and staff realize that they benefit from the support of the community, and they work hard to identify and raise funds to address the community's needs as well. Students and staff raise tens of thousands of dollars each year for such organizations as the American Heart Association, Toys for Tots, The American Cancer Society, Children's Hospital, homeless shelters, etc.

### ***Capital Improvements***

On November 6, 2018, the District passed a \$93,400,000 bond issue to secure its local share to participate in a classroom facilities assistance program with the Ohio Facilities Construction Commission with a total project cost of \$122,127,728. The project, co-funded by the State of Ohio, will replace four of the District's five middle school buildings. The remaining middle school building will receive a significant addition. In addition to the middle schools, the District will be renovating one existing elementary building.

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

The middle school buildings will be designed using a prototypical design process to create a “kit of parts” that will allow various site specific orientation options maximizing the energy efficiency of each building. The prototypical designs provide an equitable and repeatable design throughout the District while saving architectural design fees in the process. Additionally, the replacement buildings will provide instructional space designed for twenty-first century learning that will serve students for years to come.

## **FINANCIAL INFORMATION**

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

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

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

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

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

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

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

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

**OTHER INFORMATION**

**Independent Audit** - Provisions of State statute require an annual audit by independent accountants. Those provisions have been satisfied, and the opinion of the Ohio Auditor of State whose unmodified opinion thereon is included at the beginning of the Financial Section of this report.

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

In addition to the financial audit, a single audit was performed as required by Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (commonly called "Uniform Guidance"). The single audit report is not included in the CAFR.

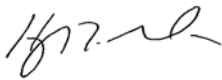
**Award** - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018.

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

A Certificate of Achievement is valid for a period of one year only. This was the twenty-ninth 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 fiscal year 2018-19 Comprehensive Annual Financial Report on a timely basis. Sincere thanks are also extended to various administrators and employees of the District, the Franklin County Auditor's office staff and other outside agencies whose efforts assisted us with the fair presentation of the statistical information. Additionally, appreciation is expressed to the South-Western City School District Board of Education for their support, commitment and leadership to which the preparation of this report would not be possible.

Respectfully submitted,



Hugh W. Garside Jr., Treasurer



William H. Wise, Ph.D., Superintendent

## **PRINCIPAL OFFICIALS**

### **Board of Education**

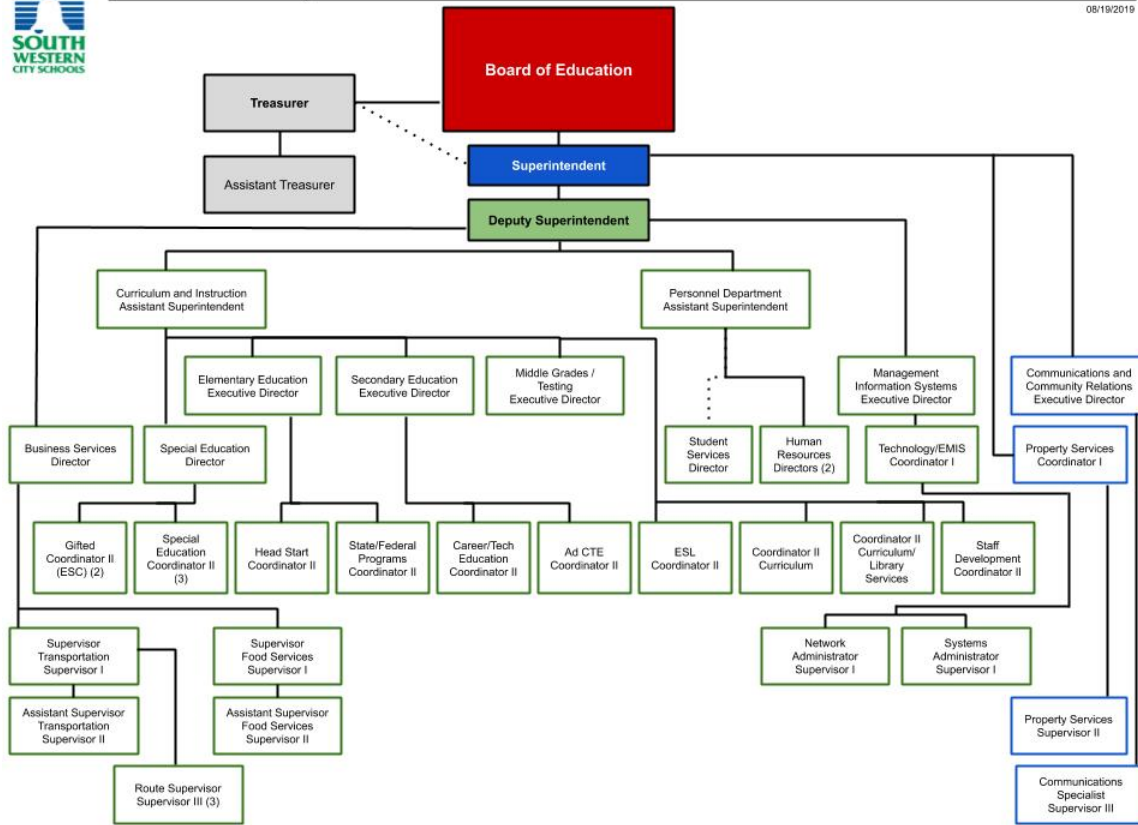
Mindy K. Garverick	President
Robert W. Ragland Sr.	Vice President
David T. Donofrio	Member
Cathy Johnson	Member
Lee C. Schreiner	Member

### **Central Office Administrative Staff**

William H. Wise, Ph.D.	Superintendent
David J. Stewart	Deputy Superintendent
Hugh W. Garside Jr.	Treasurer
Karen K. New	Assistant Treasurer
Carl R. Metzger, Ph.D.	Assistant Superintendent - Human Resources
Bradford W. Faust	Assistant Superintendent - Curriculum
Bryan J. Mulvany	Executive Director Data and Information Services
Sandra C. Nekoloff	Executive Director of Communications
Erik D. Shuey, Ph.D.	Executive Director of Secondary Education
Brian R. Bowser	Executive Director of Elementary Education
Cheryl A. Spain, Ph.D.	Executive Director of Middle Grades and Achievement Data
Kevin D. Laffin	Director – Personnel, Certified
Kevin R. Scott	Director – Personnel, Classified
Monte T. Detterman	Business Manager
Amy L. Schakat	Coordinator - Career and Technical Programs
Amber N. Hufford	Coordinator – Pupil Services

## **TREASURER'S DEPARTMENT STAFF**

Hugh W. Garside Jr.	Treasurer
Karen K. New	Assistant Treasurer
Debra L. Makarius	Payroll Supervisor
Sue A. Mulford	Payroll
Nanette F. Spears	Payroll
Kathy D. Adams	Accounts Payable
Julie A. Babbert	Accounts Payable
Lisa L. Lee	Accounts Payable
Sue R. Zeszotek	Accounts Payable
Dawn M. Bowling	Accounts Receivable
Michelle M. Damron	Employee Benefits
Nancie A. Bevilacqua	Accountant
Anita M. McCreary	Accountant







Government Finance Officers Association

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Reporting

Presented to

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215-3506  
(614) 466-3402 or (800) 443-9275  
CentralRegion@ohioauditor.gov

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio (the School District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2019, and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis*, required budgetary comparison schedules, and schedules of net pension and postemployment benefit liabilities and pension and postemployment benefit contributions listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the School District's basic financial statements taken as a whole.

The introductory section, the financial section's combining statements, individual fund statements and schedules and the statistical section information present additional analysis and are not a required part of the basic financial statements.

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State

Columbus, Ohio

December 17, 2019

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

This section of the South-Western City District's (the District) annual financial report presents the discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

**Using this Annual Report**

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

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

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

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

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

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

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

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

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 fiscal 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 position and the statement of activities) and governmental funds is described in a reconciliation.

Proprietary fund – The District maintains an Internal Service Proprietary Fund to account for and accumulate costs internally among the District's various functions. The District's Internal Service Fund accounts for a health self-insurance program which provides health, dental and vision benefits to employees. The District does not have any enterprise funds.

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

The District is the trustee, or fiduciary, for its student activity funds. All of the District's fiduciary activities are reported in a separate statement of assets and liabilities. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

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

**The District as a Whole**

Recall that the Statement of Net Position provides the perspective of the District as a whole. Table 1 provides a summary of the District's net position as of June 30, 2019, and as of June 30, 2018, for comparison purposes:

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

	<u>2019</u>	<u>2018</u>	<u>Change</u>
<b>Assets</b>			
Current Assets	\$ 402,137	\$369,864	\$ 32,273
Net OPEB Asset	17,268	-	17,268
Capital Assets	335,301	336,430	(1,129)
Total Assets	<u>754,706</u>	<u>706,294</u>	<u>48,412</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	1,192	1,227	(35)
Pension	85,910	101,674	(15,764)
OPEB	5,368	3,789	1,579
Total Deferred Outflows of Resources	<u>92,470</u>	<u>106,690</u>	<u>(14,220)</u>
<b>Liabilities</b>			
Current Liabilities	53,502	43,826	9,676
Net Pension Liability	296,102	309,810	(13,708)
Net OPEB Liability	29,317	68,154	(38,837)
Long-term Liabilities	168,069	176,465	(8,396)
Total Liabilities	<u>546,990</u>	<u>598,255</u>	<u>(51,265)</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes not Levied to			
Finance Current Year Operations	69,048	69,307	(259)
Deferred Charge on Refunding	215	281	(66)
Pension	18,610	13,225	5,385
OPEB	29,690	8,494	21,196
Total Deferred Inflows of Resources	<u>117,563</u>	<u>91,307</u>	<u>26,256</u>
<b>Net Position</b>			
Net Investment in Capital Assets	171,159	176,449	(5,290)
Restricted	40,797	30,225	10,572
Unrestricted	(29,333)	(83,252)	53,919
Total Net Position	<u>\$ 182,623</u>	<u>\$ 123,422</u>	<u>\$ 59,201</u>

The above analysis focuses on the net position (see Table 1). The change in net position (see Table 2) of the District's governmental activities is discussed in detail on a following page.

The net pension liability (NPL) is the largest single liability reported by the District at June 30, 2019, and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27." The District has also adopted GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB and the net OPEB asset.

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

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

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. Prior accounting for pensions (GASB 27) and postemployment benefits (GASB 45) focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability* or *net OPEB liability*. GASB 68 and GASB 75 take an earnings approach to pension and OPEB accounting; however, the nature of Ohio's Statewide pension/OPEB plans and State law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability (asset) to equal the District's proportionate share of each plan's collective:

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

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

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

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability (asset), respectively, not accounted for as deferred inflows/outflows.

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

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

The District's net position was \$182,623 thousand at June 30, 2019. Net investment in capital assets totaling \$171,159 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 positions are reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use that net position for day-to-day operations.

The results of this year's operations for the District as a whole are reported in the statement of activities (Table 2), which shows the changes in net position as of June 30, 2019, and as of June 30, 2018, for comparison purposes.

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

	<u>2019</u>	<u>2018</u>	<u>Change</u>
<b>Revenues</b>			
Program Revenue			
Charges for Services and Sales	\$ 8,100	\$ 10,066	\$ (1,966)
Operating Grants, Contributions and Interest	<u>54,493</u>	<u>48,930</u>	<u>5,563</u>
Total Program Revenue	<u>62,593</u>	<u>58,996</u>	<u>3,597</u>
General Revenue			
Property Taxes	127,548	127,338	210
Payment in Lieu of Taxes	4,911	2,723	2,188
Grants and Entitlements	138,174	130,656	7,518
Interest	6,772	2,408	4,364
Other Local Revenue	<u>912</u>	<u>1,351</u>	<u>(439)</u>
Total General Revenue	<u>278,317</u>	<u>264,476</u>	<u>13,841</u>
Total Revenues	<u>340,910</u>	<u>323,472</u>	<u>17,438</u>
<b>Program Expenses</b>			
Instruction	170,714	80,162	90,552
Support Services	86,972	65,521	21,451
Food Services	11,113	10,025	1,088
Community Services	2,354	1,449	905
Extracurricular Activities	4,603	4,642	(39)
Shared Services	289	59	230
Interest and Fiscal Charges	<u>5,664</u>	<u>6,151</u>	<u>(487)</u>
Total Expenses	<u>281,709</u>	<u>168,009</u>	<u>113,700</u>
<b>Change in Net Position</b>	59,201	155,463	(96,262)
<b>Net Position Beginning of Fiscal Year</b>	<u>123,422</u>	<u>(32,041)</u>	<u>155,463</u>
<b>Net Position End of Fiscal Year</b>	<u>\$ 182,623</u>	<u>\$ 123,422</u>	<u>\$ 59,201</u>

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

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

As reported in the statement of activities, the cost of all of the governmental activities this fiscal year is \$281,709 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$8,100 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$54,493 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$127,548 thousand in taxes, \$138,174 thousand in grants and entitlements, and with other revenues.

The District experienced an increase in net position of \$59,201 thousand. This increase was realized primarily due revenues outpacing expenses and the implementation of GASB 68 and GASB 75.

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

**The District's Funds**

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

As of June 30, 2019, the governmental funds reported a combined fund balance of \$266,442 thousand, which is an increase of \$18,120 thousand from the previous fiscal year. Additional detail regarding the increase is provided by fund type as follows:

The General Fund balance increased \$23,318 thousand to \$230,710 thousand. The increase is attributed to an overall increase in revenues, with the most significant increase attributed to intergovernmental revenue.

The Debt Service Fund balance increased \$1,686 thousand to \$20,831 thousand. This increase is primarily attributed to annual sinking fund payments that will be used to repay a \$6,670 thousand principal payment in December of 2025. The Debt Service Fund balance, which is sufficient to meet future obligations, is restricted to pay debt service obligations of the District.

The Capital Improvement Fund balance increased \$712 thousand to \$4,867 thousand due to fewer capital expenditure projects being scheduled and completed as compared to the previous fiscal year.

The Building Fund balance decreased \$9,032 thousand to (\$3,436) thousand due to capital project expenditures related to the East Franklin Elementary renovation and the associated note payable associated with the project.

The Classroom Facilities Fund balance decreased \$458 thousand to \$981 thousand due to the progress of capital project initiatives.

The Other Governmental Funds balance increased \$1,894 thousand to \$12,489 thousand. This increase can be attributed to the timing of State and federal grants.

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

**General Fund Budgetary Highlights**

Over the course of the fiscal year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. The final amendment to the budget was adopted prior to June 30, 2019.

Revisions were made to the original General Fund budget for fiscal year 2019 based on current needs. Budgeted revenues and other financing sources increased by \$8,230 thousand while budgeted expenditures and other financing uses decreased by \$1,059 thousand due to minor variations which are insignificant compared to the scope of the entire budget.

**Capital Assets and Debt Administration**

***Capital Assets***

At June 30, 2019, the District had \$335,301 thousand invested in a broad range of capital assets, including land, construction in progress, improvements to land, buildings, furniture and equipment, vehicles, and buses. This amount represents a net decrease (including additions, deductions, and depreciation) of \$1,129 thousand, or 0.3 percent, from last fiscal year.

<u>Description of Capital Asset, Net of Accumulated Depreciation</u>	<u>2019</u>	<u>2018</u>
Land	\$ 8,679	\$ 8,679
Improvements to Land	28,757	29,844
Buildings	281,985	286,034
Furniture and Equipment	4,168	4,227
Vehicles	672	585
Buses	6,728	5,579
Construction in Progress	<u>4,312</u>	<u>1,483</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 335,301</u>	<u>\$ 336,431</u>

This fiscal year's additions of \$12,723 thousand included costs associated construction in progress related to the construction project, and equipment and technology purchases. A more detailed explanation of the District's capital assets can be located in Note 10 to the basic financial statements.

***Debt***

At June 30, 2019, the District had \$163,492 thousand in bonds and notes outstanding versus \$174,353 thousand in the previous fiscal year, which is a decrease of 6.2 percent. Those bonds and notes consisted of the following: (in thousands)

<u>Description of G.O. Bonds and Note</u>	<u>2019</u>	<u>2018</u>
2011 Qualified School Construction Bonds	\$ 6,670	\$ 6,670
2012 School Facilities	115,882	120,647
2016 Refunding Bonds	32,843	37,197
2017 Refunding Bonds	<u>8,097</u>	<u>9,839</u>
Total Long-term Bonds and Note Payable	<u>\$ 163,492</u>	<u>\$ 174,353</u>

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

**Capital Assets and Debt Administration – (Continued)**

The District's general obligation bond rating is periodically reviewed by two independent rating firms; Moody's Investors Service and Standard and Poor's. Moody's Investors Services affirmed the District's Aa2 credit rating on September 30, 2019. Standard and Poor's raised the District's credit rating to AA from AA- on August 21, 2019, due to "the District's growth in available reserves to a significant level in conjunction with improved voter support in recent years." The State limits the amount of general obligation debt that schools can issue to nine percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$152,130 thousand is below the \$248,938 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 16 to Basic Financial Statements.

**Current Issues Affecting Financial Conditions**

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

S.W.E.A. is affiliated with the Ohio Education Association (O.E.A), and the National Education Association (N.E.A.). The Board has bargained with the S.W.E.A. since 1968. On May 21, 2019, the Board and S.W.E.A. signed a three-year contract effective July 1, 2019, through June 30, 2022. The Board and S.W.E.A. agreed to provide a 2.50% base salary increase in each year of the contract.

Chapter 211 of the Ohio Association of Public School employees (O.A.P.S.E.) is affiliated with A.F.S.C.M.E. On March 13, 2017, the Board and O.A.P.S.E. signed a three-year contract effective July 1, 2017, through June 30, 2019, (with a one-year extension through June 30, 2020) retroactive to July 1, 2016. The Board and O.A.P.S.E. agreed to provide a 2.25% base salary increase of the four years of the agreement.

On June 10, 2019, the Board and S.W.A.A. signed a three-year contract effective July 1, 2019, through June 30, 2022. The Board and S.W.A.A. agreed to provide a 2.50% base salary increase in each year of the contract.

On July 18, 2019, the State biennial budget bill, Ohio House Bill 166, was signed into law. Ohio House Bill 166 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 56.6% of all General Fund operating revenues. Over the two-year biennial budget period, the District anticipates an increase in State funding of roughly 4.2% during the first year of the biennium and anticipates an increase of 1.7% in the second year of the biennium. The District's current five-year financial forecast projects a positive cash balance through fiscal year 2023-24.

**Contacting the District's Financial Management**

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

Hugh W. Garside Jr.  
Treasurer/Chief Fiscal Officer  
Voice: (614) 801-3047  
Email: hugh.garside@swcsd.us

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

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South-Western City School District  
Statement of Net Position  
June 30, 2019

	Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 264,016,001
Receivables:	
Taxes	125,294,513
Payment in Lieu of Taxes	3,409,862
Accounts	45,343
Interest	722,624
Intergovernmental	8,132,626
Materials and Supplies Inventory	516,005
Net OPEB Asset	17,268,474
Capital Assets:	
Land	8,678,711
Construction in Progress	4,311,497
Depreciable Capital Assets, Net of Accumulated Depreciation	<u>322,310,687</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>335,300,895</u>
Total Assets	<u>754,706,343</u>
<u>Deferred Outflows of Resources</u>	
Deferred Charge on Refunding Pension	1,192,258
OPEB	85,909,318
	<u>5,368,092</u>
Total Deferred Outflows of Resources	<u>92,469,668</u>
<u>Liabilities</u>	
Accounts Payable	2,297,651
Contracts Payable	1,346,733
Claims Payable	3,342,100
Accrued Wages and Benefits	25,851,221
Accrued Interest Payable	494,000
Matured Compensated Absences	1,242,778
Notes Payable	9,500,000
Long-Term Liabilities:	
Due within One Year	9,427,381
Due in More than One Year:	
Net Pension Liability	296,102,257
Net OPEB Liability	29,317,418
Other Amounts Due in More than One Year	<u>168,068,688</u>
Total Liabilities	<u>546,990,227</u>
<u>Deferred Inflows of Resources</u>	
Property Taxes not Levied to Finance Current Year Operations	69,047,893
Deferred Charge on Refunding Pension	214,391
OPEB	18,610,274
	<u>29,690,276</u>
Total Deferred Inflows of Resources	<u>117,562,834</u>
<u>Net Position</u>	
Net Investment in Capital Assets	171,159,103
Restricted for:	
Debt Service	14,179,936
Capital Projects	15,716,579
Other Purposes:	
Regular Instruction	173,953
Special Education	2,780,815
Vocational Education	34,768
Instructional Staff	354,061
Maintenance of Buildings	51,297
Community Services	195,984
Extracurricular Activities	842,445
Food Service	6,467,363
Unrestricted	<u>(29,333,354)</u>
Total Net Position	<u>\$ 182,622,950</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, 2019

	Expenses	Program Revenues		Net (Expense) Revenue and
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Changes in Net Position
				Governmental Activities
<b>Governmental Activities:</b>				
Instruction:				
Regular	\$ 112,176,046	\$ 1,824,195	\$ 264,350	\$ (110,087,501)
Special	49,754,028	848,254	29,417,123	(19,488,651)
Vocational	6,400,039	88,290	2,911,558	(3,400,191)
Other	2,384,029	-	-	(2,384,029)
Support Services:				
Pupil	12,440,548	115,266	1,789,784	(10,535,498)
Instructional Staff	8,590,407	56,116	4,266,306	(4,267,985)
Board of Education	42,837	-	-	(42,837)
Administration	18,272,584	40,757	826,893	(17,404,934)
Fiscal	3,934,764	-	348,725	(3,586,039)
Business	1,180,760	-	-	(1,180,760)
Operations and Maintenance	19,123,225	331,505	212,878	(18,578,842)
Pupil Transportation	18,084,866	513,130	2,004,293	(15,567,443)
Central	5,302,440	-	55,800	(5,246,640)
Food Service	11,112,728	2,394,087	10,331,173	1,612,532
Community Services	2,354,419	15,087	2,064,500	(274,832)
Extracurricular Activities	4,603,237	1,473,758	-	(3,129,479)
Shared Services	289,214	399,827	-	110,613
Interest and Fiscal Charges	5,663,563	-	-	(5,663,563)
<b>Total Governmental Activities</b>	<b>\$ 281,709,734</b>	<b>\$ 8,100,272</b>	<b>\$ 54,493,383</b>	<b>(219,116,079)</b>
<b>General Revenues:</b>				
Property Taxes Levied for:				
General Purposes				107,451,180
Debt Service				15,630,259
Capital Projects				4,005,257
Classroom Facility Maintenance				461,791
Payment in Lieu of Taxes				4,910,914
Grants and Entitlements not Restricted to Specific Programs				138,174,334
Interest				6,771,960
Other Local Revenues				911,581
<b>Total General Revenues</b>				<b>278,317,276</b>
Changes in Net Position				
				59,201,197
Net Position Beginning of Fiscal Year				123,421,753
Net Position End of Fiscal Year				<b>\$ 182,622,950</b>

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

South-Western City School District  
 Balance Sheet  
 Governmental Funds  
 June 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Building</u>	<u>Classroom Facilities</u>
<u>Assets</u>					
Equity in Pooled Cash and Cash					
Equivalents	\$ 209,663,124	\$ 14,486,210	\$ 3,250,388	\$ 6,925,538	\$ 1,462,970
Receivable:					
Taxes	105,047,403	16,003,843	3,781,476	-	-
Payment in Lieu of Taxes	3,409,862	-	-	-	-
Accounts	40,150	-	-	-	-
Interest	718,890	-	-	1,311	2,423
Intergovernmental	1,100,634	-	-	-	-
Interfund Loan Receivable	2,067,201	-	-	-	-
Materials and Supplies Inventory	376,851	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 322,424,115</u></b>	<b><u>\$ 30,490,053</u></b>	<b><u>\$ 7,031,864</u></b>	<b><u>\$ 6,926,849</u></b>	<b><u>\$ 1,465,393</u></b>
<u>Liabilities:</u>					
Accounts Payable	\$ 1,450,228	\$ -	\$ 233,229	\$ -	\$ -
Contracts Payable	-	-	-	862,531	484,202
Accrued Wages and Benefits	23,581,294	-	-	-	-
Matured Compensated Absences Payable	1,232,173	-	-	-	-
Interfund Loans Payable	-	-	-	-	-
Notes Payable	-	-	-	9,500,000	-
<b>Total Liabilities</b>	<b><u>26,263,695</u></b>	<b><u>-</u></b>	<b><u>233,229</u></b>	<b><u>10,362,531</u></b>	<b><u>484,202</u></b>
<u>Deferred Inflows of Resources:</u>					
Property Taxes not Levied to Finance					
Current Year Operations	57,733,635	9,089,270	1,763,197	-	-
Delinquent Taxes	4,120,095	570,301	168,515	-	-
State and Federal Grant Revenue Not Received	728,841	-	-	-	-
Payment in Lieu of Taxes Not Received	2,867,464	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>65,450,035</u></b>	<b><u>9,659,571</u></b>	<b><u>1,931,712</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<u>Fund Balance:</u>					
Nonspendable	376,851	-	-	-	-
Restricted	-	20,830,482	4,866,923	-	981,191
Committed	1,242,140	-	-	-	-
Assigned	1,232,741	-	-	-	-
Unassigned (Deficit)	227,858,653	-	-	(3,435,682)	-
<b>Total Fund Balances</b>	<b><u>230,710,385</u></b>	<b><u>20,830,482</u></b>	<b><u>4,866,923</u></b>	<b><u>(3,435,682)</u></b>	<b><u>981,191</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b><u>\$ 322,424,115</u></b>	<b><u>\$ 30,490,053</u></b>	<b><u>\$ 7,031,864</u></b>	<b><u>\$ 6,926,849</u></b>	<b><u>\$ 1,465,393</u></b>

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

Other Governmental Funds	Total Governmental Funds
\$ 13,584,680	\$ 249,372,910
461,791	125,294,513
-	3,409,862
5,193	45,343
-	722,624
7,031,992	8,132,626
-	2,067,201
139,154	516,005
<u>\$ 21,222,810</u>	<u>\$ 389,561,084</u>

\$ 441,097	\$ 2,124,554
-	1,346,733
2,269,927	25,851,221
10,605	1,242,778
2,067,201	2,067,201
-	9,500,000
<u>4,788,830</u>	<u>42,132,487</u>

461,791	69,047,893
-	4,858,911
3,483,021	4,211,862
-	2,867,464
<u>3,944,812</u>	<u>80,986,130</u>

139,154	516,005
13,111,706	39,790,302
-	1,242,140
-	1,232,741
(761,692)	223,661,279
<u>12,489,168</u>	<u>266,442,467</u>
<u>\$ 21,222,810</u>	<u>\$ 389,561,084</u>

South-Western City School District  
 Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2019

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Total Governmental Fund Balances	\$ 266,442,467
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	335,300,895
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Delinquent Property Taxes	4,858,911
State and Federal Grant Revenue	3,483,021
Reduction of Expenditure	728,841
Payment in Lieu of Taxes	2,867,464
Unamortized premiums and discounts on bond and long-term note issuances are not recognized in the funds.	(11,362,427)
The net pension liability is not due and payable in the current period therefore, the liability and related deferred inflows/outflows are not reported in governmental funds:	
Deferred Outflows - Pension	85,909,318
Deferred Outflows - OPEB	5,368,092
Deferred Inflows - Pension	(18,610,274)
Deferred Inflows - OPEB	(29,690,276)
Net OPEB Asset	17,268,474
Net Pension Liability	(296,102,257)
Net OPEB Liability	(29,317,418)
An internal service fund is used by management to charge the cost of health and dental insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	11,127,894
Long-term liabilities, including bonds, are not due and payable in the current period and therefore are not reported in the funds:	
Interest Payable	(494,000)
Deferred Charges on Refunding	977,867
Compensated Absences Payable	(14,003,642)
General Obligation Debt	(145,460,000)
Energy Conservation Debt	(6,670,000)
Net Position of Governmental Activities	<u>\$ 182,622,950</u>

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

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South-Western City School District  
Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Building</u>
<b>Revenues:</b>				
<b>Local:</b>				
Taxes	\$ 108,453,925	\$ 15,742,516	\$ 4,049,587	\$ -
Tuition	3,014,890	-	-	-
Interest	6,516,686	59,896	-	165,640
Other Local Revenue	2,514,449	-	21,260	-
Payment in Lieu of Taxes	4,067,549	-	-	-
Intergovernmental	160,161,549	2,199,582	484,840	-
<b>Total Revenues</b>	<u>284,729,048</u>	<u>18,001,994</u>	<u>4,555,687</u>	<u>165,640</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	118,843,274	-	672,524	184,246
Special	46,973,178	-	-	-
Vocational	6,126,992	-	-	-
Other	2,826,166	-	-	-
<b>Support Services:</b>				
Pupil	13,544,242	-	-	-
Instructional Staff	5,404,987	-	-	-
Board of Education	42,837	-	-	-
Administration	18,166,122	-	-	-
Fiscal	3,193,763	231,847	68,422	-
Business	1,110,130	-	83,084	-
Operations and Maintenance	18,658,490	-	171,130	-
Pupil Transportation	16,737,322	-	1,438,783	-
Central	5,096,604	-	133,838	-
Food Service	-	-	-	-
Community Services	186,581	-	-	-
Shared Services	360,526	-	-	-
Extracurricular Activities	3,274,236	-	84,884	-
Capital Outlay	-	-	1,191,260	9,015,984
<b>Debt Services:</b>				
Principal Retirement	-	9,910,000	-	-
Interest and Fiscal Charges	-	6,538,550	-	133,272
<b>Total Expenditures</b>	<u>260,545,450</u>	<u>16,680,397</u>	<u>3,843,925</u>	<u>9,333,502</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	24,183,598	1,321,597	711,762	(9,167,862)
<b>Other Financing Sources (Uses):</b>				
Transfers - In	-	500,000	-	136,068
Transfers - Out	(865,000)	(136,068)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(865,000)</u>	<u>363,932</u>	<u>-</u>	<u>136,068</u>
<b>Net Change in Fund Balances</b>	23,318,598	1,685,529	711,762	(9,031,794)
<b>Fund Balances at Beginning of Fiscal Year</b>	207,391,787	19,144,953	4,155,161	5,596,112
<b>Fund Balances at End of Fiscal Year</b>	<u>\$ 230,710,385</u>	<u>\$ 20,830,482</u>	<u>\$ 4,866,923</u>	<u>\$ (3,435,682)</u>

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

<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 461,791	\$ 128,707,819
-	9,512	3,024,402
29,738	108,217	6,880,177
-	3,491,298	6,027,007
-	-	4,067,549
54,668	28,874,521	191,775,160
<u>84,406</u>	<u>32,945,339</u>	<u>340,482,114</u>
-	255,874	119,955,918
-	9,051,519	56,024,697
-	734,089	6,861,081
-	29,961	2,856,127
-	1,043,902	14,588,144
-	4,209,030	9,614,017
-	-	42,837
-	822,238	18,988,360
-	450,313	3,944,345
-	-	1,193,214
-	191,862	19,021,482
-	632,576	18,808,681
-	55,800	5,286,242
-	10,820,478	10,820,478
-	2,047,459	2,234,040
-	-	360,526
-	1,015,347	4,374,467
541,957	55,804	10,805,005
-	-	9,910,000
-	-	6,671,822
<u>541,957</u>	<u>31,416,252</u>	<u>322,361,483</u>
(457,551)	1,529,087	18,120,631
-	365,000	1,001,068
-	-	(1,001,068)
-	<u>365,000</u>	-
(457,551)	1,894,087	18,120,631
1,438,742	10,595,081	248,321,836
<u>\$ 981,191</u>	<u>\$ 12,489,168</u>	<u>\$ 266,442,467</u>

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, 2019

Net Change in Fund Balances - Total Governmental Funds \$18,120,631

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital assets additions	2,776,123	
Construction in progress additions	9,947,150	
Depreciation expense	<u>(13,812,522)</u>	
Excess of depreciation over capital outlay		(1,089,249)

The proceeds from the sale of capital assets are reported as revenue in the governmental funds. However, the cost of capital assets is removed from the capital assets account in the Statement of Net Position and offset against the proceeds from the sale of capital assets resulting in a gain or loss on the sale of capital assets in the Statement of Activities.

Loss on sale of capital assets	<u>(39,556)</u>	
Total		(39,556)

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are therefore recorded as deferred inflows of resources in the governmental funds. Deferred inflows of resources changed by these amounts this fiscal year:

Delinquent property taxes	(1,159,332)	
Intergovernmental	1,513,181	
Payment in Lieu of Taxes	<u>843,365</u>	
Total		1,197,214

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows.

Pension	22,965,840	
OPEB	<u>605,476</u>	
Total		23,571,316

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities.

Pension	(30,407,492)	
OPEB	<u>35,881,367</u>	
Total		5,473,875

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current fiscal year, these amounts consist of:

General obligation bonds principal payments	<u>9,910,000</u>	
Total		9,910,000 (continued)



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, 2019  
 (continued)

<hr/> Accretion and amortization of bond premiums, the deferred loss on refunding debt, as well as accrued interest payable on the bonds are not reported in the funds, but are allocated as an expense over the life of the debt in the Statement of Activities		
	Decrease in accrued interest	\$ 26,293
	Amortization of premium/discount on bonds	950,033
	Amortization of gain on refunding	<u>31,933</u>
Total		1,008,259
Some items 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. These activities consist of:		
	Increase in compensated absences payable	(1,101,505)
Internal service funds used by management to charge the costs of insurance and workers' compensation to individuals funds are not reported in the entity-wide Statement of Activities. The net income of the internal service funds is reported with governmental activities.		
		<u>2,150,212</u>
Change in Net Position of Governmental Activities		<u><u>\$59,201,197</u></u>

See accompanying notes to the basic financial statements

South-Western City School District  
Statement of Net Position  
Internal Service Fund  
June 30, 2019

Current Assets:

Equity in Pooled Cash and Cash	
Equivalents	\$ 14,643,091
Total Current Assets	<u>14,643,091</u>

Current Liabilities:

Accounts Payable	173,097
Claims Payable	<u>3,342,100</u>
Total Current Liabilities	<u>3,515,197</u>

Net Position

Unrestricted	<u>11,127,894</u>
Total Net Position	<u>\$ 11,127,894</u>

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

South-Western City School District  
Statement of Revenues, Expenses and  
Changes in Fund Net Position  
Internal Service Fund  
For the Fiscal Year Ended June 30, 2019

Operating Revenues:	
Charges for Services	\$ 37,689,084
Total Operating Revenues	<u>37,689,084</u>
Operating Expenses:	
Salaries and Wages	964,017
Fringe Benefits	13,805
Claims	31,420,100
Purchased Services	<u>3,140,950</u>
Total Operating Expenses	<u>35,538,872</u>
Operating Income	2,150,212
Net Position Beginning of Fiscal Year	<u>8,977,682</u>
Net Position End of Fiscal Year	<u><u>\$ 11,127,894</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, 2019

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 37,689,084
Cash Payments for Claims	(31,041,000)
Cash Payments for Salaries and Fringe Benefits	(977,822)
Cash Payments to Suppliers for Goods and Services	<u>(3,175,786)</u>
Net Cash From Operating Activities	<u>2,494,476</u>
Net Increase in Cash and Cash Equivalents	2,494,476
Cash and Cash Equivalents Beginning of Fiscal Year	<u>12,148,615</u>
Cash and Cash Equivalents End of Fiscal Year	<u><u>\$ 14,643,091</u></u>

Reconciliation of Operating Income to Net Cash

<u>From Operating Activities:</u>	
Operating Income	\$ 2,150,212
Adjustments to Reconcile Operating Income to Net	
Cash Used in Operating Activities:	
Changes in Assets and Liabilities:	
Decrease in Accounts Payable	(34,836)
Increase in Claims Payable	<u>379,100</u>
Net Cash From Operating Activities	<u><u>\$ 2,494,476</u></u>

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

South-Western City School District  
Statement of Fiduciary Assets and Liabilities  
Agency Fund  
June 30, 2019

<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 309,778
Accounts Receivable	\$ 70
Total Assets	<u>\$ 309,848</u>

<u>Liabilities:</u>	
Accounts Payable	\$ 844
Undistributed Money	309,004
Total Liabilities	<u>\$ 309,848</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, 2019*

**NOTE 1 - DESCRIPTION OF THE DISTRICT**

The South-Western City School District (the “District”) operates under a locally elected five-member board and provides educational services as authorized by its charter or further mandated by state/or federal agencies. The Board controls the District’s thirty-six instructional/support facilities staffed by 982 non-certificated employees, 1,608 certificated full time teaching personnel and 104 administrative employees to provide approximately 21,945 students and other community members these educational related services.

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

The District serves an area of approximately one hundred nineteen (119) square miles. It encompasses most of the southwestern quadrant of Franklin County, including a substantial portion of the southwestern quadrant of the City of Columbus, Ohio, the state capital, and five other cities and townships. In addition, a very small portion of Pickaway County is included within the District boundaries.

The District is the fifth largest in the state of Ohio (among 612 school districts) in terms of enrollment and the second largest (behind the Columbus City School District) in Franklin County. During fiscal year 2019 the District operated 16 elementary schools, five intermediate schools, five middle schools, four comprehensive high schools and one career academy high school.

**Reporting Entity**

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

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

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

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District’s significant accounting policies are described below.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

**A. Basis of Presentation**

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

**Government - Wide Financial Statements**

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used. Internal Service Fund operating activity is eliminated to avoid doubling-up of revenues and expenses. The statements distinguish between governmental and business-type activities of the District. The District has no business-type activities.

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

**Fund Financial Statements**

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

**B. Fund Accounting**

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

**Governmental Funds**

Governmental funds are those through which most governmental functions of the District are financed. 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 deferred outflows of resources and liabilities plus deferred inflows of resources is reported as fund balance. Below is a description of the major funds presented in the financial statements:

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

**B. Fund Accounting (continued)**

**Major Governmental Funds**

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

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

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

**Building Fund** - The Building fund is used to account for restricted Locally Funded Initiatives (LFI) as they relate to the Ohio Facility Construction Commission projects.

**Classroom Facilities Fund** - The Classroom Facilities Fund is used to account for and report grants and debt restricted for Ohio Facility Construction Commission projects.

The other governmental funds of the District account for grants and other resource whose use is restricted, committed, or assigned to a particular program.

**Proprietary Fund**

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

**Internal Service Fund** - The Health Self Insurance Internal Service fund is used to account for and report dental, vision and health insurance claims.

**Fiduciary Funds**

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

**Agency Funds** - Agency Funds are used to account for and report student activities and district competitions and tournaments.

**C. Measurement Focus**

**Government-wide Financial Statements**

The government-wide financial statement is prepared using the economic resources measurement focus. All assets, deferred outflows of resources, all liabilities and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (eg. revenues) and decreases (eg. expenses) in total net position.



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

**C. Measurement Focus (continued)**

**Fund Financial Statements**

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

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

**D. Basis of Accounting**

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

**Revenues – Exchange and Non-exchange Transactions**

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

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

Revenues – Exchange and Non-exchange Transactions (continued)

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

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenses/expenditure) until then. For the District, deferred outflows of resources are reported on the government-wide Statement of Net Position for deferred charges on refunding and for pension. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter life of the refunded or refunding debt. The District has deferred outflows of resources on the government-wide statement of net position for pension and OPEB which is explained in Note 11 and 12.

In addition to liabilities, the statement of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the District these amounts consist of property taxes, pension, OPEB plans, unavailable revenue and differences between the requisition price and the net carrying amount of the district refunded debt. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2019, but which were levied to finance fiscal year 2020 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenues are reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes delinquent property taxes, intergovernmental grants and miscellaneous revenue. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 36. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 11 and 12)

Operating and Nonoperating Revenues and Expenses

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

Expenditures/Expenses

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

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

**E. Budgetary Data**

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

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

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

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources, which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as a basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered balances from the preceding fiscal year as reported by the District Treasurer. The certificate may be further amended during the fiscal year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original and final budgeted amounts in the budgetary statements reflect the amounts set forth in the original and final Amended Certificate issued for fiscal year 2019, respectively.

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

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

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

Appropriation amounts are as originally adopted, or as amended by the Board of Education through the fiscal year by supplemental appropriations which either reallocated, increased or decreased the original appropriation amounts. All supplemental appropriations were legally enacted by the Board during fiscal year 2019.

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

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

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

During fiscal year 2019, the District invested in a variety of instruments as allowed in the Ohio Revised Code. Except for investment contracts that had a remaining maturity of three years or less at the time of purchase, investments are reported at fair value which is based on quoted market prices. Investment contracts and money market investments that had a remaining maturity of one year or less at the time of purchase are reported at cost or amortized cost.

The District has invested funds in the State Treasury Asset Reserve of Ohio (Star Ohio) during fiscal year 2019. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB) Statement No.79, "Certain External Investment Pools and Pool Participants." The District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

For the fiscal year 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount to be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for this purpose.

Under existing Ohio statutes, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during fiscal year 2019 amounted to \$6,516,686, which includes \$1,101,492 assigned from other District Funds.

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

**G. Inventory**

On the government-wide and fund financial statements, purchased inventories are presented at the lower of cost or market and donated commodities are presented at their fair value. Inventories are recorded on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

**H. Capital Assets and Depreciation**

Capital assets are reported in the government-wide statement of net position but are not reported in the fund financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition values as of the date received. The District maintains a capitalization threshold of \$5,000 and a useful life of at least 5 years. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

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

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

Improvements to Land	10 to 20 years
Buildings	5 to 45 years
Furniture and Equipment	5 to 20 years
Vehicles	8 to 10 years
Buses	13 years

**I. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee’s right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The District records a liability for accumulated unused sick leave for all employees after fifteen years of service. A bonus payment is available to employees who retire at their first retirement eligibility date, which is based on the number of years experience they have earned. A liability is recorded for those employees that have declared their retirement date as of June 30, 2019.

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, 2019, 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. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees will be paid.

**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 judgements, compensated absences 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 fiscal year. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan’s fiduciary net position is not sufficient for payment of those benefits.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

**K. Interfund Activity**

Transfers between governmental activities are eliminated on the government-wide financial statements.

Internal allocations of overhead expenses from one function to another within the same function are eliminated on the Statement of Activities. Interfund payments for services provided and used are not eliminated.

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 and are eliminated from the Statement of Activities. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**L. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as “Interfund Receivable/Payable.” Interfund balances are eliminated in the Statement of Net Position.

**M. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds. The classifications are as follows:

**Nonspendable**

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

**Restricted**

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

**Committed**

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the District Board of Education. Those committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned**

Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by the Board of Education. The Treasurer has been given authority to assign amounts for these purposes by the District Board of Education.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

**M. Fund Balance (continued)**

**Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

The District does not have a formal minimum fund balance policy.

**N. Net Position**

Net position represents the difference between assets and liabilities and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Any unspent borrowings used for the acquisition, construction or improvement of those assets do not reduce net investment in capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include activities for other grants and vocational rotary programs restricted to cash disbursements for specified purposes.

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

**O. Parochial Schools**

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

**P. Estimates**

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

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

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

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

In the government-wide financial statements, bond premiums and discounts are deferred and amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium and discount. Bond issuance costs are expensed when incurred in the government-wide financial statements.

Any gain or loss on refunding is allocated over the life of the old debt or the new debt whichever is shorter.

On the governmental fund financial statements, governmental fund types recognize bond premiums and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Under Ohio law, premiums on the original issuance of debt are to be deposited to the bond retirement fund to be used for debt retirement and are precluded from being applied to the project fund. Ohio law does allow premiums on refunding debt to be used as part of the payment to the bond escrow agent.

**R. Pensions/Other Postemployment Benefits (OPEB)**

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

**NOTE 3 – ACCOUNTABILITY AND COMPLIANCE**

Fund balances at June 30, 2019 included the following individual fund deficit:

<u>Funds</u>	<u>Deficit</u>
Building	\$3,435,682
All Federal Grants	761,692

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



**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES**

For fiscal year 2019, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, and Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

For fiscal year 2019, the District also implemented the Governmental Accounting Standards Board’s (GASB) *Implementation Guide No. 2017-2*. These changes were incorporated in the District’s 2019 financial statements; however, there was no effect on beginning net position/fund balance.

GASB 88 improves the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. These changes were incorporated in the District’s 2019 financial statements; however, there was no effect on beginning net position.

GASB 89 establishes accounting requirements for interest cost incurred before the end of a construction period. These changes were incorporated in the District’s 2019 financial statements; however, there was no effect on beginning net position.

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

Deposits

Protection of the District’s deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institute.

As of June 30, 2019 the District had the following investments:

Investment Type	S&P/ Moody's Rating	Measurement Amount	Investment Maturities		Percentage of Total Investment
			Less than 1 year	1-2 years	
Net Asset Value Per Share:					
StarOhio	AAAm	\$ 88,686,671	\$ 88,686,671	\$ -	38.94%
Fair Value: (Level 2 Inputs)					
FNMA	Aaa	25,352,122	19,261,882	6,090,240	11.13%
FFCB	Aaa	46,672,904	31,295,683	15,377,221	20.49%
FHLMC	Aaa	28,845,383	16,667,587	12,177,796	12.66%
FHLB	Aaa	38,203,726	16,773,778	21,429,948	16.77%
		<u>\$ 227,760,806</u>	<u>\$ 172,685,601</u>	<u>\$ 55,075,205</u>	<u>100%</u>

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the District’s recurring fair value measurements as of June 30, 2019. The District’s remaining investments measured at fair value are valued using methodologies incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market date. (Level 2 inputs.)

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 5 – CASH AND CASH EQUIVALENTS/INVESTMENTS (continued)**

**Interest Rate Risk:** As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less. The District does not have a formal policy regarding interest rate risk.

**Credit Risk:** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy places limitations on the types of investments the District may invest in. The District's policy authorizes investment in allowable securities as outlined by Ohio Revised Code Section 135. The Standard and Poor's or Moody's rating of the District's investments is listed in the table above. STAR Ohio is permitted by Ohio Revised Code Section 135.45. Ohio law requires that STAR Ohio maintain the highest rating provided by at least on nationally recognized standard rating service. The fair value of the District's position in the pool is the same as the value of the pool shares.

**Concentration of Credit Risk:** The District places no limit on the amount that may be invested in any one issuer. The table above includes the percentage of each investment type held by the District at June 30, 2019.

**Custodial Credit Risk:** Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District's securities are either insured and registered in the name of the district or at least registered in the name of the District. The District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

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

**NOTE 6 – PROPERTY TAXES**

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

Property taxes include amounts levied against all real and public utility property located in the District. Real property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Real property taxes received in calendar year 2019 were levied after April 1, 2018, on the assessed values as of January 1, 2018, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenues received in calendar year 2019 represent the collection of calendar year 2018 taxes. Public utility real and tangible personal property taxes received in calendar year 2018 became a lien on December 31, 2017, were levied after October 1, 2018, and are collected in 2019 with real property taxes. Public utility real property is assessed at twenty-five percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

The District receives property taxes from Franklin County. The County Auditor periodically advances to the District its portion of the taxes collected. Second half real property tax payments collected by the County by June 30, 2019, are available to finance fiscal year 2019 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 6 – PROPERTY TAXES (continued)**

Accrued property taxes receivable includes personal property and public utility taxes, which are measurable as of June 30, 2019 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 were levied to finance current fiscal year operations.

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

The amount available as an advance at June 30 was \$43,193,673 in the General Fund, \$6,344,272 in the Debt Service Fund and \$1,849,764 in the Capital Improvements Fund, which is recognized as revenue. The assessed values upon which the fiscal year 2019 taxes were collected are:

	2018 Second Half Collection		2019 First Half Collection	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$ 2,624,071,540	95.35%	\$ 2,614,172,240	94.51%
Public Utility Real and Personal	118,063,690	4.65%	151,805,130	5.49%
Total Assessed Value	\$ 2,742,135,230	100.00%	\$ 2,765,977,370	100.00%
Tax rate per \$1,000 of Assessed Valuation	\$	73.15	\$	73.15

**NOTE 7 – PAYMENTS IN LIEU OF TAXES**

The District is party to Tax Increment Financing (TIF) agreements. Municipalities, townships and counties can enter into TIF agreements which lock in real property at its unimproved value for up to 30 years in a defined TIF district. Some TIF agreements also require the TIF government to allocate service payments to the district and other governments to help offset the property tax these governments would have received had the improvements to real property not been exempted. The service payments that the District receives as part of the TIF agreements are presented on the financial statements as Payment in Lieu of Taxes.

**NOTE 8 – TAX ABATEMENTS**

For fiscal year 2019, District property taxes were reduced as follows under multiple Community Reinvestment Area and Enterprise Zone Tax Exemption agreements entered into by overlapping governments:

<u>Overlapping Government</u>	<u>Amount of Taxes Abated Fiscal Year 2019</u>
Community Reinvestment Areas:	
City of Grove City	\$4,709,447
Village of Urbancrest	\$1,588,268
Enterprise Zone:	
City of Columbus	\$668,218

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 8 – TAX ABATEMENTS (continued)**

The Community Reinvestment Area abatements will last between 10 to 15 years with a 50-100 percent abatement of property taxes depending on the agreement. All Enterprise Zone abatements will last for 10 years with a 75-100 percent abatement of property taxes depending on the agreement.

Pursuant to Section 5709.82 of the Ohio Revised Code, the City of Grove City, City of Columbus, Village of Urbancrest and the South-Western City School District, created various Community Reinvestment Area (CRA) Compensation Agreements. These agreements include various reimbursement percentages (30 percent, 15 percent, and 10 percent), and require municipal income tax revenue sharing with the District when new income tax collections exceed \$1 million dollars and the corresponding CRA abatement percentage on the project is greater than 50 percent. The following are the required amounts of income tax dollars received by the District in fiscal year 2019.

<u>Overlapping Government</u>	<u>Income Tax Dollars Received</u>
Community Reinvestment Areas:	<u>Fiscal Year 2019</u>
Village of Urbancrest	\$93,833
Enterprise Zone:	
City of Columbus	\$59,381

**NOTE 9 – RECEIVABLES**

Receivables at June 30, 2019 consisted of taxes, payment in lieu of taxes, accounts (rent and student fees), interest and intergovernmental grants and entitlements. All receivables are considered collectible in full in one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A summary of receivables reported on the statement of net position follows:

Governmental Activities:	
Property Taxes	\$ 125,294,513
Payment in Lieu of Taxes	3,409,862
Accounts	45,343
Interest	722,624
Intergovernmental	<u>8,132,626</u>
Total	<u><u>\$ 137,604,968</u></u>

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**NOTE 10 – CAPITAL ASSETS**

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

	Balance <u>6/30/2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2019</u>
<b>Governmental Activities</b>				
Non-Depreciable:				
Land	\$ 8,678,711	\$ -	\$ -	\$ 8,678,711
Construction in Progress	<u>1,482,759</u>	<u>9,947,150</u>	<u>(7,118,412)</u>	<u>4,311,497</u>
Total Non-Depreciable	<u>10,161,470</u>	<u>9,947,150</u>	<u>(7,118,412)</u>	<u>12,990,208</u>
Depreciable:				
Improvements to Land	36,943,877	787,823	-	37,731,700
Buildings	406,420,141	6,334,688	-	412,754,829
Furniture and Equipment	11,481,799	586,211	(437,063)	11,630,947
Vehicles	1,924,478	192,657	(28,191)	2,088,944
Buses	<u>16,117,705</u>	<u>1,993,156</u>	<u>(1,374,168)</u>	<u>16,736,693</u>
Total Depreciable	<u>472,888,000</u>	<u>9,894,535</u>	<u>(1,839,422)</u>	<u>480,943,113</u>
Accumulated Depreciation:				
Improvements to Land	(7,100,258)	(1,874,471)	-	(8,974,729)
Buildings	(120,386,007)	(10,383,565)	-	(130,769,572)
Furniture and Equipment	(7,254,912)	(605,099)	397,507	(7,462,504)
Vehicles	(1,339,854)	(105,568)	28,191	(1,417,231)
Buses	<u>(10,538,739)</u>	<u>(843,819)</u>	<u>1,374,168</u>	<u>(10,008,390)</u>
Total Accumulated Depreciation	<u>(146,619,770)</u>	<u>(13,812,522)</u>	<u>1,799,866</u>	<u>(158,632,426)</u>
Net Depreciable Capital Assets	<u>326,268,230</u>	<u>(3,917,987)</u>	<u>(39,556)</u>	<u>322,310,687</u>
Net Governmental Activities Capital Assets	<u>\$ 336,429,700</u>	<u>\$ 6,029,163</u>	<u>\$ (7,157,968)</u>	<u>\$ 335,300,895</u>

Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 10,404,427
Special	21,729
Vocational	557,443
Other	3,799
Support Services:	
Pupil Services	687
Instructional Staff	2,249
Administration	215,108
Business	4,580
Operations and Maintenance	197,503
Transportation	898,120
Central	779,798
Food Service	178,800
Community Services	144,541
Extracurricular	<u>403,738</u>
Total Depreciation Expense	<u>\$ 13,812,522</u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

**Net Pension Liability/Net OPEB Liability**

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

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

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

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for the OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the pension amortization period exceeds 30 years, each pension plan's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan's unfunded benefits is presented as a net OPEB asset or long-term net pension/OPEB liability on the accrual basis of accounting. Any liability for the contractually required pension contribution outstanding at the end of the fiscal year is included in intergovernmental payable on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 12 for required OPEB disclosures.

**Plan Description – School Employees Retirement System (SERS)**

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

*South-Western City School District, Ohio  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)**

Age and service requirements for retirement are as follows:

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

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

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

Any individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2108, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019 and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS’ Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2019, the allocation to pension, death benefits, and Medicare B was 13.5 percent. The remaining .5 percent was allocated to the Health Care Fund.

The District’s contractually required contribution to SERS was \$4,930,370 for fiscal year 2019. Of this amount \$449,763 is reported as an intergovernmental payable.

**Plan Description – State Teachers Retirement System (STRS)**

Plan Description – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS’ fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Web site at [www.strsoh.org](http://www.strsoh.org).

New members have a choice of three retirement plans; a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. Benefits are established by Ohio Revised Code Chapter 3307.

*South-Western City School District, Ohio  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)**

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation will be 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of living increases are not affected by this change. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 27 years of service, or 30 years of service regardless of age. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be 5 years of service credit and age 65, or 35 years of service credit and at least age 60.

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of services. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 or later.

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

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

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. For the fiscal year ended June 30, 2019, plan members were required to contribute 14 percent of their annual covered salary. The South-Western City School was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2019 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$18,035,470 for fiscal year 2019. Of this amount \$2,668,814 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating entities.



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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)**

Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability	\$ 59,811,591	\$ 236,290,666	\$ 296,102,257
Pension Expense	\$ 4,949,340	\$ 25,458,152	\$ 30,407,492
Proportionate Share of the Net Pension Liability Prior Measurement Date	1.0076652%	1.05073355%	
Proportionate Share of the Net Pension Liability Current Measurement Date	<u>1.0443453%</u>	<u>1.07464663%</u>	
Change in Proportionate Share	<u>0.03668010%</u>	<u>0.02391308%</u>	

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 3,280,289	\$ 5,454,312	\$ 8,734,601
Changes of assumptions	1,350,675	41,875,162	43,225,837
Change in proportionate share and difference between District contributions and proportionate share of contributions	1,573,725	9,409,315	10,983,040
School District contributions subsequent to the measurement date	<u>4,930,370</u>	<u>18,035,470</u>	<u>22,965,840</u>
Total Deferred Outflows of Resources	<u>\$ 11,135,059</u>	<u>\$ 74,774,259</u>	<u>\$ 85,909,318</u>
<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 1,543,120	\$ 1,543,120
Net difference between projected and actual earnings on pension plan investments	1,657,197	14,328,406	15,985,603
Change in proportionate share and difference between District contributions and proportionate share of contributions	<u>1,081,551</u>	<u>-</u>	<u>1,081,551</u>
Total Deferred Inflows of Resources	<u>\$ 2,738,748</u>	<u>\$ 15,871,526</u>	<u>\$ 18,610,274</u>

*South-Western City School District, Ohio  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)**

\$22,965,840 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30			
2020	\$ 4,877,415	\$ 23,755,596	\$ 28,633,011
2021	1,059,626	16,243,580	17,303,206
2022	(1,962,856)	3,112,523	1,149,667
2023	(508,244)	(2,244,436)	(2,752,680)
Total	<u>\$ 3,465,941</u>	<u>\$ 40,867,263</u>	<u>\$ 44,333,204</u>

***Actuarial Assumptions - SERS***

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2018.

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA and Ad Hoc COLA	2.5 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

*South-Western City School District, Ohio  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)**

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	1.00%	0.50%
US Stocks	22.50	4.75
Non-US Stocks	22.50	7.00
Fixed Income	19.00	1.50
Private Equity	10.00	8.00
Real Assets	15.00	5.00
Multi-Asset Strategies	<u>10.00</u>	3.00
Total	<u>100.00%</u>	

**Discount Rate** The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earning were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease <u>(6.50%)</u>	Current Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
District's proportionate share of Net Pension Liability	\$ 84,249,134	\$ 59,811,591	\$ 39,322,344

*South-Western City School District, Ohio  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)**

**Actuarial Assumptions – STRS**

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2018, actuarial valuation are presented below:

Inflation	2.50 percent
Projected salary increases	12.50 percent at age 20 to 2.5 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the July 1 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

STRS’ investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
Domestic Equity	28.00%	7.35%
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	<u>1.00</u>	2.25
Total	<u>100.00%</u>	

\*10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and does not include investment expenses. Over a 30-year period, STRS’ investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

*South-Western City School District, Ohio  
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**NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)**

**Discount Rate** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2018. The projection of cash flows used to determine the discount rate assumes member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2018. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2018.

**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table presents the District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.45 percent) or one-percentage-point higher (8.45 percent) than the current rate:

	1% Decrease <u>(6.45%)</u>	Current Discount Rate <u>(7.45%)</u>	1% Increase <u>(8.45%)</u>
District's proportionate share of Net Pension Liability	\$ 345,071,411	\$ 236,290,666	\$ 144,222,523

**NOTE 12 – DEFINED BENEFIT OPEB PLANS**

See Note 11 for a description of the net pension liability.

**Plan Description - School Employees Retirement System**

**Health Care Plan Description** - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

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**NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)**

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2019, .5 percent of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2019, this amount was \$21,600. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2019, the District's surcharge obligation was \$422,870.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The District's contractually required contribution to SERS was \$605,476 for fiscal year 2019. Of this amount \$439,528 is reported as accrued wages and benefits.

**Plan Description - State Teachers Retirement System**

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements will be discontinued effective January 1, 2020. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2019, STRS did not allocate any employer contributions to post-employment health care.

*South-Western City School District, Ohio  
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**NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability (asset) was based on the District’s share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net			
OPEB Liability	\$ 29,317,418	\$ -	\$ 29,317,418
OPEB (Asset)	-	(17,268,474)	\$ (17,268,474)
OPEB Expense	1,316,621	(37,197,988)	\$ (35,881,367)
Proportionate Share of the Net Pension Liability			
Prior Measurement Date	1.0119571%	1.05073355%	
Proportionate Share of the Net Pension Liability			
Current Measurement Date	<u>1.0567615%</u>	<u>1.07464663%</u>	
Change in Proportionate Share	<u><u>0.04480440%</u></u>	<u><u>0.02391308%</u></u>	

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**NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)**

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between expected and actual experience	\$ 478,563	\$ 2,016,983	\$ 2,495,546
Change in proportionate share and difference between District contributions and proportionate share of contributions	840,509	1,426,561	2,267,070
District contributions subsequent to the measurement date	<u>605,476</u>	<u>-</u>	<u>605,476</u>
Total Deferred Outflows of Resources	<u>\$ 1,924,548</u>	<u>\$ 3,443,544</u>	<u>\$ 5,368,092</u>

<b>Deferred Inflows of Resources</b>			
Differences between expected and actual experience	\$ -	\$ 1,006,116	\$ 1,006,116
Change of assumptions	2,633,948	23,529,656	26,163,604
Net difference between projected and actual earnings on OPEB plan investments	43,986	1,972,782	2,016,768
Change in proportionate share and difference between District contributions and proportionate share of contributions	<u>503,788</u>	<u>-</u>	<u>503,788</u>
Total Deferred Inflows of Resources	<u>\$ 3,181,722</u>	<u>\$ 26,508,554</u>	<u>\$ 29,690,276</u>

\$605,476 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30			
2020	\$ (1,202,845)	\$ (4,128,016)	\$ (5,330,861)
2021	(900,122)	(4,128,016)	(5,028,138)
2022	58,501	(4,128,027)	(4,069,526)
2023	77,224	(3,679,996)	(3,602,772)
2024	74,178	(3,522,808)	(3,448,630)
Thereafter	<u>30,414</u>	<u>(3,478,147)</u>	<u>(3,447,733)</u>
Total	<u>\$ (1,862,650)</u>	<u>\$ (23,065,010)</u>	<u>\$ (24,927,660)</u>



*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)**

***Actuarial Assumptions - SERS***

The total OPEB liability is determined by SERS’ actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2018, are presented below:

Wage Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	3.62 percent
Prior Measurement Date	3.56 percent
Single Equivalent Interest Rate, net of plan investment expenses, including price inflation	
Measurement Date	3.70 percent
Prior Measurement Date	3.63 percent
Medical Trend Assumption	
Medicare	5.375 to 4.75 percent
Pre-Medicare	7.25 to 4.75 percent

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

*South-Western City School District, Ohio  
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For the Fiscal Year Ended June 30, 2019*

**NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2018, was 3.70 percent. The discount rate used to measure total OPEB liability prior to June 30, 2018, was 3.63 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the state statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024, and the Fidelity General Obligation 20-year Municipal Bond Index rate of 3.62 percent, as of June 30, 2018 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)**

***Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.70%) and higher (4.70%) than the current discount rate (3.70%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.25% decreasing to 3.75%) and higher (8.25% decreasing to 5.75%) than the current rate.

	1% Decrease <u>(2.70%)</u>	Current Discount Rate <u>(3.70%)</u>	1% Increase <u>(4.70%)</u>
District's proportionate share of Net OPEB Liability	\$ 35,574,383	\$ 29,317,418	\$ 24,363,075

	1% Decrease (6.25% decreasing <u>to 3.75%</u> )	Current Trend Rate (7.25% decreasing to <u>to 4.75%</u> )	1% Increase (8.25% decreasing <u>to 5.75%</u> )
District's proportionate share of Net OPEB Liability	\$ 23,653,779	\$ 29,317,418	\$ 36,817,094

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2018, actuarial valuation are presented below:

Projected salary increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent net of investments expense, including inflation
Payroll Increase	3.00 percent
Discount Rate of Return	7.45 Percent
Blended Discount Rate of Return - Prior Year	4.13 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	6.00 percent initial, 4.00 percent ultimate
Medicare	5.00 percent initial, 4.00 percent ultimate
Prescription Drug	
Pre-Medicare	8.00 percent initial, 4.00 percent ultimate
Medicare	-5.23 percent initial, 4.00 percent ultimate

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)**

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2018, valuation are based on the results of an actuarial experience study for the period July 1, 2011, through June 30, 2016.

Since the prior measurement date, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)*. Valuation year per capita healthcare costs were updated.

Also since the prior measurement date, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019, and all remaining Medicare Part B premium reimbursements were scheduled to be discontinued beginning January 1, 2020. However, in June of 2019, the STRS Board voted to extend the current Medicare Part B partial reimbursement for one year.

The STRS health care plan flows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 11.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2018. The blended discount rate used to measure the total OPEB liability was 4.13 percent as of June 30, 2017. The projection of cash flows used to determine the discount rate assumes STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was used to measure the total OPEB liability as of June 30, 2018. The blended discount rate of 4.13 percent, which represents the long-term expected rate of return of 7.45 percent for the funded benefit payments and the Bond Buyer 20-year municipal bond rate of 3.58 percent for the unfunded benefit payments was used to measure the total OPEB liability as of June 30, 2017.

**Sensitivity of the District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2018, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 12 – DEFINED BENEFIT OPEB PLANS (continued)**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.45%)</u>	<u>(7.45%)</u>	<u>(8.45%)</u>
District's proportionate share of Net OPEB Asset	\$ (14,800,700)	\$ (17,268,474)	\$ (19,342,522)

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of Net OPEB Asset	\$ (19,225,439)	\$ (17,268,474)	\$ (15,281,024)

**NOTE 13 - 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, dental and vision insurance claims. The District is self-insured for health, dental and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The claims liability is \$3,342,100 reported in the internal service fund at June 30, 2019 is based on actual claims paid and estimates provide by the third party administrators and the requirements of GASB Statement No. 10, "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", as amended by GASB statement No. 30. "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs related to incurred but not reported claims, be accrued at the estimated ultimate cost of settling the claims. The District anticipates paying these claims within one year. Changes in claims activity for the past two fiscal years are as follows:

	Balance at July 1	Current Year Claims	Claim Payments	Balance at June 30
Fiscal Year 2018	\$ 3,359,000	\$ 31,470,946	\$ 31,866,946	\$ 2,963,000
Fiscal Year 2019	2,963,000	31,420,100	31,041,000	3,342,100

**NOTE 14 - COMPENSATED ABSENCES**

The criteria for determining vested vacation 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. 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.

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**NOTE 15 – SHORT-TERM OBLIGATIONS**

A summary of the short-term note transactions for the fiscal year ended June 30, 2019 follows:

Issue	Balance at June 30, 2018	Additions	Deductions	Balance at June 30, 2019
<u>Government Activity</u>				
School Facilities Construction and Improvement Notes Series 2018-2.423%	\$ -	\$ 9,500,000	\$ 9,500,000	\$ -
School Facilities Construction and Improvement Notes Series 2019-2.006%	-	9,500,000	-	9,500,000
Total Governmental Activities	<u>\$ -</u>	<u>\$ 19,000,000</u>	<u>\$ 9,500,000</u>	<u>\$ 9,500,000</u>

The notes were issued in anticipation of long-term bond financing and were backed by the full faith and credit of the District.

**NOTE 16 - LONG-TERM DEBT**

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

Annual debt service requirements to maturity for the General Obligation Bonds and Energy Conservation Bonds are as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 8,485,000	\$ 6,210,214	\$ 14,695,214
2021	5,295,000	5,919,714	11,214,714
2022	5,530,000	5,672,689	11,202,689
2023	5,785,000	5,414,364	11,199,364
2024	6,050,000	5,144,039	11,194,039
2024-2028	35,460,000	18,751,350	54,211,350
2028-2033	25,810,000	14,243,188	40,053,188
2034-2038	30,230,000	7,767,111	37,997,111
2039-2043	29,485,000	2,354,900	31,839,900
Total	<u>\$ 152,130,000</u>	<u>\$ 71,477,569</u>	<u>\$ 223,607,569</u>

The above amortization schedule (principal payments) does not include the \$11,515,334 in unamortized premium on the 2012 and 2016 bond issues. The schedule also does not include \$152,907 in unamortized discount on the 2017 bond issue.

The unexpended balance of the 2012 School Facilities Bond as of June 30, 2019 was \$1,145,921.

The District’s voted legal debt margin was \$96,807,963 with an unvoted debt margin of \$2,765,977 at June 30, 2019.

General obligation bonds will be paid from the debt service fund.

**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**NOTE 16 - LONG-TERM DEBT (continued)**

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

Issue	Balance at June 30, 2018	Additions	Deductions	Balance at June 30, 2019	Due within 1 year
<b>General Obligation Bonds</b>					
<u>School Facilities 2012</u>					
Original Issue \$140,250,000					
Final Maturity 12/1/2042					
Serial Bonds 3.00%-4.5%	\$ 56,590,000	\$ -	\$ 4,475,000	\$ 52,115,000	\$ 4,655,000
Term Bonds 3.5% - 5.0%	57,040,000	-	-	\$ 57,040,000	-
Serial/Term Bonds Premium	7,017,214	-	290,367	\$ 6,726,847	-
<u>Refunding Bonds 2016</u>					
Original Issue \$35,800,000					
Final Maturity 12/1/2026					
Serial Bonds 3.00%-5.00%	31,740,000	-	3,685,000	\$ 28,055,000	3,830,000
Serial Bonds Premium	5,456,648	-	668,161	\$ 4,788,487	-
<u>Refunding Bonds 2017</u>					
Original Issue \$10,000,000					
Final Maturity 12/2036					
Serial Bonds 2.00%	1,750,000	-	1,750,000	\$ -	-
Term Bonds 3.00%	8,250,000	-	-	\$ 8,250,000	-
Serial/Term Bond Discount	(161,402)	-	(8,495)	\$ (152,907)	-
Total General Obligation Bonds	<u>167,682,460</u>	<u>-</u>	<u>10,860,033</u>	<u>156,822,427</u>	<u>8,485,000</u>
<b>Energy Conservation Bonds</b>					
<u>Qualified School Construction</u>					
Original Issue \$6,670,000					
Final Maturity 12/1/2025					
Bonds 2011 Serial Bonds 5.60%	<u>6,670,000</u>	<u>-</u>	<u>-</u>	<u>6,670,000</u>	<u>-</u>
Total Energy Conservation Bonds	<u>6,670,000</u>	<u>-</u>	<u>-</u>	<u>6,670,000</u>	<u>-</u>
<b>Net Pension Liability</b>					
STRS	249,604,006	-	13,313,340	236,290,666	-
SERS	<u>60,205,769</u>	<u>-</u>	<u>394,178</u>	<u>59,811,591</u>	<u>-</u>
Total Net Pension Liability	<u>309,809,775</u>	<u>-</u>	<u>13,707,518</u>	<u>296,102,257</u>	<u>-</u>
<b>Net OPEB Liability</b>					
STRS	40,995,745	-	40,995,745	-	-
SERS	<u>27,158,270</u>	<u>2,159,148</u>	<u>-</u>	<u>29,317,418</u>	<u>-</u>
Total Net OPEB Liability	<u>68,154,015</u>	<u>2,159,148</u>	<u>40,995,745</u>	<u>29,317,418</u>	<u>-</u>
Compensated Absences	<u>12,902,137</u>	<u>1,981,477</u>	<u>879,972</u>	<u>14,003,642</u>	<u>942,381</u>
Total	<u>\$ 565,218,387</u>	<u>\$ 4,140,625</u>	<u>\$ 66,443,268</u>	<u>\$ 502,915,744</u>	<u>\$ 9,427,381</u>

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Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 16 - LONG-TERM DEBT (continued)**

Compensated absences of \$942,381 is for vacation leave, which is estimated to be used in the next fiscal year. Compensated absences are liquidated by the General and nonmajor special revenue funds.

There is no repayment schedule for the net pension/OPEB liability. However, employer pension contributions are made from the following funds: General, Other Grants, District Managed Student Activities, All State Grants, Federal Grants, and Food Service. For additional information related to the net pension and OPEB liability see Notes 11 and 12.

**NOTE 17 - INTERFUND TRANSACTIONS**

Interfund Balances at June 30, 2019 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 2,067,201	\$ -
Non-Major Funds		
All Federal Grants	-	2,067,201
Total	\$ 2,067,201	\$ 2,067,201

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, 2019 are reported on the statement of net position.

Interfund transfers for the fiscal year ended June 30, 2019 consisted of the following, as reported on the fund statements:

Transfer from General Fund to Debt Service Fund	\$ 500,000
Transfer from General Fund to Nonmajor Governmental Funds	365,000
Transfer from Debt Service Fund to Building Fund	136,068
Total	\$ 1,001,068

Transfers are used to move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. All transfers are considered allowable in accordance with Ohio Revised Code Sections 5705.14, 5705.15 and 5705.16.



**South-Western City School District, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2019**

**NOTE 18 – FUND BALANCE**

Fund balances are nonspendable, restricted, committed, unassigned, or assigned for the following purposes:

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Building</u>	<u>Classroom Facilities</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund Balance:							
Nonspendable							
Inventory	\$ 376,851	\$ -	\$ -	\$ -	\$ -	\$ 139,154	\$ 516,005
Total Nonspendable	376,851	-	-	-	-	139,154	516,005
Restricted for:							
Debt Service	-	20,830,482	-	-	-	-	20,830,482
Capital Projects	-	-	4,866,923	-	981,191	-	5,848,114
Regular Instruction	-	-	-	-	-	173,953	173,953
Special Education	-	-	-	-	-	306,724	306,724
Vocational Education	-	-	-	-	-	24,140	24,140
Instructional Staff Services	-	-	-	-	-	173,954	173,954
Maintenance of Buildings	-	-	-	-	-	4,832,850	4,832,850
Community Services	-	-	-	-	-	128,066	128,066
Extracurricular Activities	-	-	-	-	-	838,348	838,348
Food Service	-	-	-	-	-	6,633,671	6,633,671
Total Restricted	-	20,830,482	4,866,923	-	981,191	13,111,706	39,790,302
Committed							
Public School Support	1,242,140	-	-	-	-	-	1,242,140
Total Committed	1,242,140	-	-	-	-	-	1,242,140
Assigned:							
Uniform School Supplies	149,750	-	-	-	-	-	149,750
Rotary	651	-	-	-	-	-	651
Purchases on Order:							
Regular Instruction	160,972	-	-	-	-	-	160,972
Special Education	264,180	-	-	-	-	-	264,180
Vocational Education	165,934	-	-	-	-	-	165,934
Pupil Services	193,804	-	-	-	-	-	193,804
Instructional Staff Services	8,978	-	-	-	-	-	8,978
Administrative Services	40,465	-	-	-	-	-	40,465
Fiscal Services	25,057	-	-	-	-	-	25,057
Business Services	17,317	-	-	-	-	-	17,317
Maintenance of Buildings	119,915	-	-	-	-	-	119,915
Pupil Transportation	41,656	-	-	-	-	-	41,656
Central	32,272	-	-	-	-	-	32,272
Community Services	112	-	-	-	-	-	112
Extracurricular Activities	11,678	-	-	-	-	-	11,678
Total Assigned	1,232,741	-	-	-	-	-	1,232,741
Unassigned	227,858,653	-	-	(3,435,682)	-	(761,692)	223,661,279
Total Fund Balance	\$ 230,710,385	\$ 20,830,482	\$ 4,866,923	\$ (3,435,682)	\$ 981,191	\$ 12,489,168	\$ 266,442,467

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 19 – CONTINGENCIES**

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits should become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2019.

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.

C. Full Time Equivalency

School district foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2019 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2019 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the District.

**NOTE 20 - SIGNIFICANT CONTRACTUAL OBLIGATIONS**

The District had significant contractual obligations as of June 30, 2019, which are listed below:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
JB Roofing	East Franklin Elementary Roof Replacement	\$ 87,185
JB Roofing	Grove City High School Roof Replacement	710,517
JB Roofing	Westland High School Roof Replacement	697,247
JB Roofing	Central Crossing Roof Replacement	67,578
Summit Construction	East Franklin Elementary Renovations	141,109
Summit Construction	Buckeye Woods Elementary HVAC Replacement	1,531,200
Schorr Architects	East Franklin Elementary Renovations	350,000

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**NOTE 21 - SUBSTITUTE HOUSE BILL 412**

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

The District had qualifying disbursements that reduced the capital improvements set aside amount below zero. This excess may not be carried forward to offset future fiscal year set aside requirements. Disclosure of this information is required by State Statute.

	<u>Capital Acquisition</u>
Set aside Cash Balance as of June 30, 2018	\$ -
Current Year Set-aside Requirement	3,989,015
Qualifying Offset - Capital Improvements Fund	(4,031,266)
Qualifying Offset - Classroom Facilities Maintenance Fund	(683,079)
Qualifying Disbursements	<u>(3,127,559)</u>
Total	<u>\$ (3,852,889)</u>

**NOTE 22 – JOINTLY GOVERNED ORGANIZATION**

**Metropolitan Educational Technology Association (META)**

The District is a participant in the Metropolitan Educational Technology Association (META), which is a computer consortium. META is an educational solutions partner providing services across Ohio. META provides cost-effective fiscal, network, technology and student services, a purchasing cooperative and other individual services based on each clients’ needs.

The governing board of META consists of a president, vice president and six board members who represent the members of META. The Board works with META’s Chief Executive Officer, and Chief Financial Officer to manage operations and ensure the continued progress of the organization’s mission, vision and values. The Board exercises total control over the operations of the Association including budgeting, appropriating, contracting and designating management. Each District’s degree of control is limited to its representation on the Board. Financial information can be obtained from META Solutions, Treasurer, 100 Executive Drive, Marion, Ohio 43302.

**NOTE 23 - OTHER COMMITMENTS**

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

Fund	Fiscal Year - End Encumbrances
General Fund	\$ 2,624,864
Capital Improvement Fund	4,919,511
Other Governmental Funds	<u>1,161,128</u>
Total	<u>\$ 8,705,503</u>

*South-Western City School District, Ohio  
Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2019*

**NOTE 24 – SUBSEQUENT EVENT**

On September 17, 2019, the District issued \$83,900,000 School Facilities Construction and Improvement Bonds, Series 2019A at an interest rate ranging from 2 - 4 percent with a final maturity date of December 1, 2053. The bonds were issued for the purpose of construction and improvement to District facilities.

On October 3, 2019, the District issued \$80,074,962 School Facilities Construction and Improvement Bonds, with \$8,870,000 Series B and \$71,204,962 Series C. The bonds have interest rates ranging from 1.9 - 4 percent with final maturity December 1, 2042. The series B bond were issued to retire the District's \$9,500,000 School Improvement Construction note. The series C bonds were issued to advance refund a portion of the Districts' 2012 School Facilities bonds.

## **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, 2019

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
<b>Local:</b>				
Taxes	\$ 104,894,820	\$ 107,413,000	\$ 107,395,457	\$ (17,543)
Tuition	2,391,933	2,717,720	2,680,809	(36,911)
Interest	2,500,000	4,250,000	5,023,271	773,271
Other Local Revenue	3,381,010	5,368,175	5,372,302	4,127
Intergovernmental	157,710,190	158,448,350	160,075,138	1,626,788
<b>Total Revenues</b>	<b>270,877,953</b>	<b>278,197,245</b>	<b>280,546,977</b>	<b>2,349,732</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
<b>Regular</b>				
Salaries and Wages	76,735,500	75,288,825	75,266,732	22,093
Fringe Benefits	25,971,120	24,806,900	24,803,410	3,490
Purchased Services	15,451,976	15,182,219	15,173,677	8,542
Supplies and Materials	2,526,925	2,348,372	2,197,821	150,551
Miscellaneous	700	-	-	-
Capital Outlay	22,653	23,759	23,759	-
<b>Total Regular</b>	<b>120,708,874</b>	<b>117,650,075</b>	<b>117,465,399</b>	<b>184,676</b>
<b>Special</b>				
Salaries and Wages	23,499,720	23,342,616	23,325,626	16,990
Fringe Benefits	8,560,640	8,362,647	8,296,484	66,163
Purchased Services	13,028,094	15,110,643	15,074,686	35,957
Supplies and Materials	229,259	306,975	220,100	86,875
Capital Outlay	6,300	1,300	753	547
<b>Total Special</b>	<b>45,324,013</b>	<b>47,124,181</b>	<b>46,917,649</b>	<b>206,532</b>
<b>Vocational</b>				
Salaries and Wages	3,493,270	3,426,990	3,422,046	4,944
Fringe Benefits	1,181,230	1,115,343	1,099,001	16,342
Purchased Services	482,423	676,981	660,621	16,360
Supplies and Materials	857,333	707,732	615,701	92,031
Miscellaneous	14,000	5,255	4,705	550
Capital Outlay	634,229	478,729	449,004	29,725
<b>Total Vocational</b>	<b>6,662,485</b>	<b>6,411,030</b>	<b>6,251,078</b>	<b>159,952</b>
<b>Other</b>				
Salaries and Wages	1,747,000	2,048,115	2,047,482	633
Fringe Benefits	595,460	697,999	689,159	8,840
Purchased Services	2,000	1,781	481	1,300
Supplies and Materials	16,004	25,136	2,484	22,652
<b>Total Other</b>	<b>2,360,464</b>	<b>2,773,031</b>	<b>2,739,606</b>	<b>33,425</b>
<b>Total Instruction</b>	<b>175,055,836</b>	<b>173,958,317</b>	<b>173,373,732</b>	<b>584,585</b>
<b>Support Services:</b>				
<b>Pupil</b>				
Salaries and Wages	8,333,850	8,686,693	8,673,003	13,690
Fringe Benefits	2,590,990	2,619,149	2,596,256	22,893
Purchased Services	2,455,792	2,016,809	2,000,123	16,686
Supplies and Materials	191,824	192,370	176,406	15,964
Miscellaneous	-	480	480	-
Capital Outlay	15,000	15,000	4,369	10,631
<b>Total Pupil</b>	<b>13,587,456</b>	<b>13,530,501</b>	<b>13,450,637</b>	<b>79,864</b>

(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, 2019  
(continued)

	Original Budget	Final Budget	Actual	Variance
<b>Instructional Staff</b>				
Salaries and Wages	\$ 3,085,193	\$ 3,330,482	\$ 3,102,473	\$ 228,009
Fringe Benefits	1,242,843	1,277,237	1,213,075	64,162
Purchased Services	372,454	498,284	381,356	116,928
Supplies and Materials	694,750	817,351	582,934	234,417
Miscellaneous	20,159	25,859	22,950	2,909
Capital Outlay	28,465	34,380	6,914	27,466
<b>Total Instructional Staff</b>	<b>5,443,864</b>	<b>5,983,593</b>	<b>5,309,702</b>	<b>673,891</b>
<b>Board of Education</b>				
Salaries and Wages	16,500	16,500	15,665	835
Fringe Benefits	2,970	2,970	2,585	385
Purchased Services	8,200	3,850	3,842	8
Supplies and Materials	800	2,030	2,013	17
Miscellaneous	26,000	26,000	18,732	7,268
<b>Total Board of Education</b>	<b>54,470</b>	<b>51,350</b>	<b>42,837</b>	<b>8,513</b>
<b>Administration</b>				
Salaries and Wages	12,333,840	11,779,503	11,618,780	160,723
Fringe Benefits	5,353,510	5,215,754	5,138,475	77,279
Purchased Services	1,070,874	911,047	832,346	78,701
Supplies and Materials	119,996	116,561	91,334	25,227
Miscellaneous	917,971	864,227	852,584	11,643
Capital Outlay	23,912	25,496	19,854	5,642
<b>Total Administration</b>	<b>19,820,103</b>	<b>18,912,588</b>	<b>18,553,373</b>	<b>359,215</b>
<b>Fiscal</b>				
Salaries and Wages	923,960	859,390	859,374	16
Fringe Benefits	470,588	373,675	369,533	4,142
Purchased Services	284,376	272,615	272,597	18
Supplies and Materials	5,020	11,319	9,686	1,633
Miscellaneous	1,772,770	1,753,194	1,702,925	50,269
Capital Outlay	-	9,558	9,558	-
<b>Total Fiscal</b>	<b>3,456,714</b>	<b>3,279,751</b>	<b>3,223,673</b>	<b>56,078</b>
<b>Business</b>				
Salaries and Wages	187,010	187,010	179,523	7,487
Fringe Benefits	85,500	82,260	80,506	1,754
Purchased Services	741,725	726,927	670,795	56,132
Supplies and Materials	99,348	119,815	96,059	23,756
Miscellaneous	96,600	97,434	93,427	4,007
Capital Outlay	9,335	47,835	43,815	4,020
<b>Total Business</b>	<b>1,219,518</b>	<b>1,261,281</b>	<b>1,164,125</b>	<b>97,156</b>
<b>Operations and Maintenance</b>				
Salaries and Wages	8,382,650	8,264,792	8,245,406	19,386
Fringe Benefits	3,587,030	3,357,438	3,340,091	17,347
Purchased Services	5,907,732	6,185,917	6,173,632	12,285
Supplies and Materials	1,565,739	1,537,844	1,509,690	28,154
Miscellaneous	1,600	2,499	2,499	-
Capital Outlay	93,955	84,796	84,796	-
<b>Total Operations and Maintenance</b>	<b>19,538,706</b>	<b>19,433,286</b>	<b>19,356,114</b>	<b>77,172</b>

(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, 2019  
(continued)

	Original Budget	Final Budget	Actual	Variance
Pupil Transportation				
Salaries and Wages	\$ 8,362,550	\$ 8,567,207	\$ 8,566,297	\$ 910
Fringe Benefits	3,715,294	3,974,093	3,973,052	1,041
Purchased Services	1,856,163	2,509,048	2,495,885	13,163
Supplies and Materials	1,973,895	1,875,736	1,854,898	20,838
Capital Outlay	16,333	6,333	2,791	3,542
Total Pupil Transportation	<u>15,924,235</u>	<u>16,932,417</u>	<u>16,892,923</u>	<u>39,494</u>
Central				
Salaries and Wages	1,735,620	1,610,329	1,606,171	4,158
Fringe Benefits	769,190	739,376	733,951	5,425
Purchased Services	2,589,679	2,441,082	2,310,932	130,150
Supplies and Materials	31,567	42,050	37,645	4,405
Miscellaneous	12,100	6,650	5,099	1,551
Capital Outlay	14,760	12,760	11,760	1,000
Total Central	<u>5,152,916</u>	<u>4,852,247</u>	<u>4,705,558</u>	<u>146,689</u>
Total Support Services	<u>84,197,982</u>	<u>84,237,014</u>	<u>82,698,942</u>	<u>1,538,072</u>
Community Services				
Salaries and Wages	179,560	164,964	156,585	8,379
Fringe Benefits	29,920	26,306	26,265	41
Purchased Services	600	739	739	-
Supplies and Materials	3,570	6,430	3,103	3,327
Capital Outlay	1,830	1,830	-	1,830
Total Community Services	<u>215,480</u>	<u>200,269</u>	<u>186,692</u>	<u>13,577</u>
Shared Services				
Salaries and Wages	278,110	268,056	267,996	60
Fringe Benefits	98,460	94,810	91,392	3,418
Total Shared Services	<u>376,570</u>	<u>362,866</u>	<u>359,388</u>	<u>3,478</u>
Extracurricular Activities				
Salaries and Wages	2,193,950	2,139,328	2,128,811	10,517
Fringe Benefits	408,310	446,490	418,481	28,009
Purchased Services	600,692	648,456	634,183	14,273
Supplies and Materials	49,000	36,783	36,783	-
Capital Outlay	17,300	17,300	-	17,300
Total Extracurricular Activities	<u>3,269,252</u>	<u>3,288,357</u>	<u>3,218,258</u>	<u>70,099</u>
Total Expenditures	<u>263,115,120</u>	<u>262,046,823</u>	<u>259,837,012</u>	<u>2,209,811</u>
Excess of Revenues Over Expenditures	<u>7,762,833</u>	<u>16,150,422</u>	<u>20,709,965</u>	<u>4,559,543</u>



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, 2019  
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Other Financing Sources (Uses):				
Transfers - In	\$ 400,317	\$ 444,462	\$ 420,129	\$ (24,333)
Transfers - Out	(1,573,520)	(1,530,479)	(1,530,479)	-
Advances - In	1,500,000	1,500,000	1,483,500	(16,500)
Advances - Out	(2,000,000)	(2,067,201)	(2,067,201)	-
Proceeds from Sale of Capital Assets	22,750	22,750	11,915	(10,835)
Insurance Recoveries	-	-	9,652	9,652
Refund of Prior Year Receipts	(15,000)	-	-	-
Refund of Prior Year Expenditures	100,000	965,950	1,023,628	57,678
Total Other Financing Sources (Uses)	<u>(1,565,453)</u>	<u>(664,518)</u>	<u>(648,856)</u>	<u>15,662</u>
Net Change in Fund Balance	6,197,380	15,485,904	20,061,109	4,575,205
Fund Balance at Beginning of Fiscal Year	181,240,459	181,240,459	181,240,459	-
Prior Year Encumbrances Appropriated	3,918,566	3,918,566	3,918,566	-
Fund Balance at End of Fiscal Year	<u>\$ 191,356,405</u>	<u>\$ 200,644,929</u>	<u>\$ 205,220,134</u>	<u>\$ 4,575,205</u>

*South-Western City School District, Ohio  
Required Supplemental Information  
For the Fiscal Year Ended June 30, 2019*

**BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures for all funds (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Due to the implementation of GASB 54, the Public School Support Fund was reclassified to the General Fund. This fund is not required to be included in the General Fund Budgetary Schedule. Therefore, the activity from this fund is excluded with an adjustment for the change in fund balance.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis for the General Fund:

	<u>General</u>
GAAP Basis	\$ 23,318,598
Adjustments:	
Revenue Accruals	(3,154,745)
Expenditure Accruals	(3,299,131)
Encumbrances	2,624,864
Refund of Prior Year Expenditures	1,023,628
Sale of Capital Assets	21,567
Activity of Fund Reclassified for GAAP Reporting Purposes	110,029
Advances	(583,701)
Budget Basis	\$ 20,061,109

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	1.04434530%	1.00766520%	1.04363540%	1.02475160%	1.04451600%	1.04451600%
District's proportionate share of the net pension liability	\$ 59,811,591	\$ 60,205,769	\$ 76,384,483	\$ 58,473,320	\$ 52,862,360	\$ 62,114,014
District's covered payroll	\$ 34,991,052	\$ 33,366,193	\$ 34,401,300	\$ 30,850,372	\$ 28,682,886	\$ 27,922,298
District's proportionate share of the net pension liability as a percentage of its covered payroll	170.93%	180.44%	222.04%	189.54%	184.30%	222.45%
Plan fiduciary net position as a percentage of the total pension liability	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

(1) Although this schedule is intended to reflect information for ten years, information prior to Fiscal Year 2014 is not available. An additional column will be added each fiscal year.

Note: Amounts presented as of the District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	1.05676150%	1.01195710%	1.04426580%
District's proportionate share of the net OPEB liability	\$ 29,317,418	\$ 27,158,270	\$ 29,765,438
District's covered payroll	\$ 34,991,052	\$ 33,366,193	\$ 34,401,300
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	83.79%	81.39%	86.52%
Plan fiduciary net position as a percentage of the total OPEB liability	13.57%	12.46%	11.49%

(1) Although this schedule is intended to reflect information for ten years, information prior to Fiscal Year 2017 is not available. An additional column will be added each fiscal year.

Note: Amounts presented as of the District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	1.07464663%	1.05073355%	1.03569670%	1.02000656%	1.00403592%	1.00403592%
District's proportionate share of the net pension liability	\$ 236,290,666	\$ 249,604,006	\$ 346,678,905	\$ 281,899,938	\$ 244,216,283	\$ 290,908,839
District's covered payroll	\$ 122,949,150	\$ 116,956,129	\$ 134,056,157	\$ 106,420,593	\$ 103,595,331	\$ 102,000,677
District's proportionate share of the net pension liability as a percentage of its covered payroll	192.19%	213.42%	258.61%	264.89%	235.74%	285.20%
Plan fiduciary net position as a percentage of the total pension liability	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to Fiscal year 2014 is not available. An additional column will be added each fiscal year.

Note: Amounts presented as of the District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability (asset)	1.07464663%	1.05073355%	1.03569670%
District's proportionate share of the net OPEB liability (asset)	\$ (17,268,474)	\$ 40,995,745	\$ 55,389,329
District's covered payroll	\$ 122,949,150	\$ 116,956,129	\$ 134,056,157
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-14.05%	35.05%	41.32%
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	176.00%	47.10%	37.30%

(1) Although this schedule is intended to reflect information for ten years, information prior to Fiscal year 2017 is not available. An additional column will be added each fiscal year.

Note: Amounts presented as of the District's measurement date which is the prior fiscal year end.

See Accompanying Notes to the Required Supplementary Information.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Net Pension Liability</b>				
Contractually required contribution	\$ 4,930,370	\$ 4,723,792	\$ 4,671,267	\$ 4,816,182
Contributions in relation to the contractually required contribution	<u>(4,930,370)</u>	<u>(4,723,792)</u>	<u>(4,671,267)</u>	<u>(4,816,182)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered payroll	<u>\$ 36,512,259</u>	<u>\$ 34,991,052</u>	<u>\$ 33,366,193</u>	<u>\$ 34,401,300</u>
Pension contributions as a percentage of covered payroll	<u>13.50%</u>	<u>13.50%</u>	<u>14.00%</u>	<u>14.00%</u>
<b>Net OPEB Liability</b>				
Contractually required contribution (1)	\$ 605,476	\$ 733,752	\$ 502,556	\$ 471,151
Contributions in relation to the contractually required contribution	<u>(605,476)</u>	<u>(733,752)</u>	<u>(502,556)</u>	<u>(471,151)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OPEB contributions as a percentage of covered payroll	<u>1.66%</u>	<u>2.10%</u>	<u>1.51%</u>	<u>1.37%</u>
Total contributions as a percentage of covered payroll (2)	<u>15.16%</u>	<u>15.60%</u>	<u>15.51%</u>	<u>15.37%</u>

(1) The District's covered payroll is the same for Pension and OPEB.

(2) Includes surcharge

See Accompanying Notes to the Required Supplementary Information.



<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 4,066,079	\$ 3,975,448	\$ 3,864,446	\$ 3,663,149	\$ 3,829,383	\$ 3,973,899
(4,066,079)	(3,975,448)	(3,864,446)	(3,663,149)	(3,829,383)	(3,973,899)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 30,850,372</u>	<u>\$ 28,682,886</u>	<u>\$ 27,922,298</u>	<u>\$ 27,235,309</u>	<u>\$ 30,464,462</u>	<u>\$ 29,349,325</u>
<u>13.18%</u>	<u>13.86%</u>	<u>13.84%</u>	<u>13.45%</u>	<u>12.57%</u>	<u>13.54%</u>
\$ 655,612	\$ 441,962	\$ 465,346	\$ 578,716	\$ 862,122	\$ 569,426
(655,612)	(441,962)	(465,346)	(578,716)	(862,122)	(569,426)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>2.13%</u>	<u>1.54%</u>	<u>1.67%</u>	<u>2.12%</u>	<u>2.83%</u>	<u>1.94%</u>
<u>15.31%</u>	<u>15.40%</u>	<u>15.51%</u>	<u>15.57%</u>	<u>15.40%</u>	<u>15.48%</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Net Pension Liability</b>			
Contractually required contribution	\$ 18,035,470	\$ 17,212,881	\$ 16,373,858
Contributions in relation to the contractually required contribution	<u>(18,035,470)</u>	<u>(17,212,881)</u>	<u>(16,373,858)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered payroll	<u>\$ 128,824,786</u>	<u>\$ 122,949,150</u>	<u>\$ 116,956,129</u>
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%
<b>Net OPEB Liability</b>			
Contractually required contribution	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
OPEB contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total contributions as a percentage of covered payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

See Accompanying Notes to the Required Supplementary Information.

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 18,767,862	\$ 14,898,883	\$ 13,467,393	\$ 13,260,088	\$ 13,000,170	\$ 13,533,644	\$ 13,467,018
(18,767,862)	(14,898,883)	(13,467,393)	(13,260,088)	(13,000,170)	(13,533,644)	(13,467,018)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 134,056,157</u>	<u>\$ 106,420,593</u>	<u>\$ 103,595,331</u>	<u>\$ 102,000,677</u>	<u>\$ 100,001,308</u>	<u>\$ 104,104,957</u>	<u>\$ 103,592,443</u>
14.00%	14.00%	13.00%	13.00%	13.00%	13.00%	13.00%
\$ -	\$ -	\$ 1,035,953	\$ 1,020,007	\$ 1,000,013	\$ 1,041,050	\$ 1,035,924
-	-	(1,035,953)	(1,020,007)	(1,000,013)	(1,041,050)	(1,035,924)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>0.00%</u>	<u>0.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

**South-Western City School District, Ohio**  
**Notes to Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2019**

**Net Pension Liability**

**Changes in Assumptions – SERS**

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning with fiscal year 2017, mortality assumptions use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

**Changes in Assumptions - STRS**

Beginning with fiscal year 2018, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2017 and prior are presented below:

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.75 percent
Projected salary increases	12.50 percent at age 20 to 2.5 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	7.75 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3.5 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date.

***South-Western City School District, Ohio  
Notes to Required Supplementary Information  
For the Fiscal Year Ended June 30, 2019***

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males’ ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

**Net OPEB Liability**

**Changes in Assumptions – SERS**

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Municipal Bond Index Rate:	
Fiscal Year 2019	3.62 percent
Fiscal Year 2018	3.56 percent
Fiscal Year 2017	2.92 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Fiscal Year 2019	3.70 percent
Fiscal Year 2018	3.63 percent
Fiscal Year 2017	2.98 percent

**Changes in Assumptions – STRS**

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

*South-Western City School District, Ohio*  
*Notes to Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2019*

**Changes in Benefit Terms – STRS OPEB**

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

## **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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 15,307,470	\$ 15,307,493	\$ 23
Interest	29,530	59,896	30,366
Intergovernmental	<u>2,327,370</u>	<u>2,199,582</u>	<u>(127,788)</u>
Total Revenues	<u>17,664,370</u>	<u>17,566,971</u>	<u>(97,399)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	<u>250,000</u>	<u>231,848</u>	<u>18,152</u>
Total Support Services	<u>250,000</u>	<u>231,848</u>	<u>18,152</u>
Debt Service:			
Principal Retirement	19,410,000	19,410,000	-
Interest and Fiscal Charges	6,696,682	6,696,682	-
Bond Issuance Costs	<u>11,946</u>	<u>11,946</u>	<u>-</u>
Total Expenditures	<u>26,368,628</u>	<u>26,350,476</u>	<u>18,152</u>
Excess of Revenues Under Expenditures	<u>(8,704,258)</u>	<u>(8,783,505)</u>	<u>(79,247)</u>
Other Financing Sources (Uses):			
Transfers - In	500,000	500,000	-
Proceeds from Sale of Notes	9,500,000	9,500,000	-
Premium on Notes Issued	62,510	62,510	-
Discount on Notes Issued	(28,500)	(28,500)	-
Refund of Prior Year Expenditures	<u>66,073</u>	<u>66,073</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>10,100,083</u>	<u>10,100,083</u>	<u>-</u>
Net Change in Fund Balance	1,395,825	1,316,578	(79,247)
Fund Balance at Beginning of Fiscal Year	<u>13,169,632</u>	<u>13,169,632</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 14,565,457</u>	<u>\$ 14,486,210</u>	<u>\$ (79,247)</u>

## **CAPITAL IMPROVEMENTS FUNDS**

The Capital Improvement funds are established to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays including the acquisition or construction of capital facilities and other capital assets. The following are descriptions of each Capital Improvement Fund:

### Capital Improvements

To account for and report all resources assigned to permanent improvements as authorized by Section 5705, Revised Code.

### Building Fund

To account for the bond proceeds issued to fund the Locally Funded Initiative related to the Ohio Facilities Construction Commission project.

### Classroom Facilities

To account for the bond and state grant proceeds in connection with contracts entered into by the District and the Ohio Construction Commission.

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
Capital Improvements Fund  
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 4,025,670	\$ 4,031,267	\$ 5,597
Intergovernmental	493,390	484,840	(8,550)
Total Revenues	<u>4,519,060</u>	<u>4,516,107</u>	<u>(2,953)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	2,529,595	2,354,639	174,956
Capital Outlay	27,417	4,187	23,230
Total Regular	<u>2,557,012</u>	<u>2,358,826</u>	<u>198,186</u>
Total Instruction	<u>2,557,012</u>	<u>2,358,826</u>	<u>198,186</u>
Support Services:			
Administration			
Supplies and Materials	808	-	808
Total Administration	<u>808</u>	<u>-</u>	<u>808</u>
Fiscal			
Miscellaneous	68,422	68,422	-
Total Fiscal	<u>68,422</u>	<u>68,422</u>	<u>-</u>
Business			
Purchased Services	265,481	83,084	182,397
Total Business	<u>265,481</u>	<u>83,084</u>	<u>182,397</u>
Operation and Maintenance			
Capital Outlay	171,130	171,130	-
Total Operation and Maintenance	<u>171,130</u>	<u>171,130</u>	<u>-</u>
Transportation			
Supplies and Materials	3,372	2,568	804
Capital Outlay	1,438,783	1,438,783	-
Total Transportation	<u>1,442,155</u>	<u>1,441,351</u>	<u>804</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, 2019  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Central			
Supplies and Materials	\$ 77,811	\$ 66,998	\$ 10,813
Capital Outlay	99,361	94,630	4,731
Total Central	<u>177,172</u>	<u>161,628</u>	<u>15,544</u>
Total Support Services	<u>2,125,168</u>	<u>1,925,615</u>	<u>199,553</u>
Extracurricular Activities			
Capital Outlay	<u>151,635</u>	<u>150,935</u>	<u>700</u>
Total Extracurricular Activities	<u>151,635</u>	<u>150,935</u>	<u>700</u>
Capital Outlay	<u>1,566,378</u>	<u>1,549,634</u>	<u>16,744</u>
Total Expenditures	<u>6,400,193</u>	<u>5,985,010</u>	<u>415,183</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,881,133)</u>	<u>(1,468,903)</u>	<u>412,230</u>
Other Financing Sources:			
Insurance Recoveries	-	21,260	21,260
Refund of Prior Year Expenditures	<u>-</u>	<u>19,633</u>	<u>19,633</u>
Total Other Financing Sources	<u>-</u>	<u>40,893</u>	<u>40,893</u>
Net Change in Fund Balance	(1,881,133)	(1,428,010)	453,123
Fund Balance at Beginning of Fiscal Year	1,335,575	1,335,575	-
Prior Year Encumbrances Appropriated	<u>2,869,249</u>	<u>2,869,249</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 2,323,691</u>	<u>\$ 2,776,814</u>	<u>\$ 453,123</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
Building Fund  
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 196,527	\$ 156,862	\$ (39,665)
Total Revenues	<u>196,527</u>	<u>156,862</u>	<u>(39,665)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	139,727	139,727	-
Capital Outlay	44,519	44,519	-
Total Regular	<u>184,246</u>	<u>184,246</u>	<u>-</u>
Total Instruction	<u>184,246</u>	<u>184,246</u>	<u>-</u>
Capital Outlay	11,687,519	11,560,793	126,726
Debt Service:			
Bond Issuance Costs	28,500	28,000	500
Total Expenditures	<u>11,900,265</u>	<u>11,773,039</u>	<u>127,226</u>
Excess of Revenues Over (Under) Expenditures	<u>(11,703,738)</u>	<u>(11,616,177)</u>	<u>87,561</u>
Other Financing Sources (Uses):			
Proceeds from Sale of Notes	9,500,000	9,500,000	-
Premium on Notes Issued	41,990	41,990	-
Discount on Notes Issued	(11,194)	(11,194)	-
Refund of Prior Year Expenditures	-	60,156	60,156
Total Other Financing Sources (Uses)	<u>9,530,796</u>	<u>9,590,952</u>	<u>60,156</u>
Net Change in Fund Balance	(2,172,942)	(2,025,225)	147,717
Fund Balance at Beginning of Fiscal Year	631,590	631,590	-
Prior Year Encumbrances Appropriated	5,315,778	5,315,778	-
Fund Balance at End of Fiscal Year	<u>\$ 3,774,426</u>	<u>\$ 3,922,143</u>	<u>\$ 147,717</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
Classroom Facilities Fund  
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 30,000	\$ 29,275	\$ (725)
Other Local Revenue	1,375	1,375	-
Intergovernmental	<u>54,668</u>	<u>54,668</u>	<u>-</u>
Total Revenues	<u>86,043</u>	<u>85,318</u>	<u>(725)</u>
Expenditures:			
Capital Outlay	<u>1,569,234</u>	<u>1,569,234</u>	<u>-</u>
Total Expenditures	<u>1,569,234</u>	<u>1,569,234</u>	<u>-</u>
Excess of Revenues Under Expenditures	(1,483,191)	(1,483,916)	(725)
Other Financing Sources (Uses)			
Refund of Prior Year Expenditures	53,647	53,647	-
Refund of Prior Year Receipt	<u>(1,375)</u>	<u>(1,375)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>52,272</u>	<u>52,272</u>	<u>-</u>
Net Change in Fund Balance	(1,430,919)	(1,431,644)	(725)
Fund Balance at Beginning of Fiscal Year	1,432,250	1,432,250	-
Prior Year Encumbrances Appropriated	<u>4,532</u>	<u>4,532</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 5,863</u>	<u>\$ 5,138</u>	<u>\$ (725)</u>

## **NONMAJOR SPECIAL REVENUE FUNDS**

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

### Public School Support

To account for specific local revenue sources, other than taxes or expendable trusts, (i.e. profits from vending machines, sale of pictures, etc.), that are restricted to expenditures of specified purposes approved by board resolution. Such expenditures may include curricular and extra-curricular related purchases. These funds have been established at each school and at certain administrative centers for the purposes described above. For GAAP reporting purposes, this fund is reported as part of the General Fund in accordance with GASB Statement No. 54; however, for budgetary reporting purposes this fund is included with the Special Revenue Funds.

### Other Grants

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

### District Managed Student Activities

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

### All State Grants

To account for all state grant programs which include Auxiliary Services, Early Childhood Education, and Data Connectivity.

### All Federal Grants

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

### Food Service

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

### Classroom Facilities Maintenance

To account for and report property taxes restricted to expenditures for the maintenance and upkeep of classroom facilities.

South-Western City School District  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	<u>Other Grants</u>	<u>District Managed Student Activities</u>	<u>All State Grants</u>
<u>Assets</u>			
Equity in Pooled Cash and Cash			
Equivalents	\$ 366,252	\$ 859,682	\$ 392,405
Receivable:			
Taxes	-	-	-
Accounts	1,172	4,021	-
Intergovernmental	-	-	-
Materials and Supplies Inventory	-	4,097	-
Total Assets	<u>\$ 367,424</u>	<u>\$ 867,800</u>	<u>\$ 392,405</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 193	\$ 25,355	\$ 123,141
Accrued Wages and Benefits	19,324	-	65,761
Matured Compensated Absences Payable	-	-	-
Interfund Loans Payable	-	-	-
Total Liabilities	<u>19,517</u>	<u>25,355</u>	<u>188,902</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes not Levied to Finance			
Current Year Operations	-	-	-
State and Federal Grant Revenue Not Received	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balance:</u>			
Nonspendable	-	4,097	-
Restricted	347,907	838,348	203,503
Unassigned (Deficit)	-	-	-
Total Fund Balances	<u>347,907</u>	<u>842,445</u>	<u>203,503</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 367,424</u>	<u>\$ 867,800</u>	<u>\$ 392,405</u>



<u>All Federal Grants</u>	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Total Nonmajor Funds</u>
\$ 869,832	\$ 6,314,956	\$ 4,781,553	\$ 13,584,680
-	-	461,791	461,791
-	-	-	5,193
6,127,952	904,040	-	7,031,992
-	135,057	-	139,154
<u>\$ 6,997,784</u>	<u>\$ 7,354,053</u>	<u>\$ 5,243,344</u>	<u>\$ 21,222,810</u>
\$ 284,581	\$ 7,827	\$ -	\$ 441,097
1,617,949	566,893	-	2,269,927
-	10,605	-	10,605
2,067,201	-	-	2,067,201
<u>3,969,731</u>	<u>585,325</u>	<u>-</u>	<u>4,788,830</u>
-	-	461,791	461,791
3,483,021	-	-	3,483,021
<u>3,483,021</u>	<u>-</u>	<u>461,791</u>	<u>3,944,812</u>
-	135,057	-	139,154
306,724	6,633,671	4,781,553	13,111,706
(761,692)	-	-	(761,692)
<u>(454,968)</u>	<u>6,768,728</u>	<u>4,781,553</u>	<u>12,489,168</u>
<u>\$ 6,997,784</u>	<u>\$ 7,354,053</u>	<u>\$ 5,243,344</u>	<u>\$ 21,222,810</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, 2019

	<u>Other Grants</u>	<u>District Managed Student Activities</u>	<u>All State Grants</u>
Revenues:			
Local:			
Taxes	\$ -	\$ -	\$ -
Tuition	5,332	4,180	-
Interest	-	-	9,927
Other Local Revenue		1,088,093	-
Intergovernmental	<u>117,176</u>	<u>-</u>	<u>1,653,486</u>
Total Revenues	<u>122,508</u>	<u>1,092,273</u>	<u>1,663,413</u>
Current:			
Instruction:			
Regular	254,926	948	-
Special	93,540	-	69,434
Vocational	-	191,524	-
Other	2,878	-	-
Support Services:			
Pupil	54,374	23	23,510
Instructional Staff	247,414	32,416	4,198
Administration	21,544	-	6,108
Fiscal	-	-	51,772
Operations and Maintenance	-	-	90,887
Pupil Transportation	-	-	-
Central	-	-	55,800
Food Service	-	-	-
Community Services	-	-	1,464,740
Extracurricular Activities	12,850	1,002,497	-
Capital Outlay	<u>8,966</u>	<u>46,838</u>	<u>-</u>
Total Expenditures	<u>696,492</u>	<u>1,274,246</u>	<u>1,766,449</u>
Excess (Deficiency) of Revenues Over Expenditures	(573,984)	(181,973)	(103,036)
Other Financing Sources:			
Transfers - In	<u>365,000</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>365,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(208,984)	(181,973)	(103,036)
Fund Balances (Deficit) at Beginning of Fiscal Year	<u>556,891</u>	<u>1,024,418</u>	<u>306,539</u>
Fund Balances (Deficit) at End of Fiscal Year	<u>\$ 347,907</u>	<u>\$ 842,445</u>	<u>\$ 203,503</u>

All Federal Grants	Food Service	Classroom Facilities Maintenance	Total Nonmajor Funds
\$ -	\$ -	\$ 461,791	\$ 461,791
-	-	-	9,512
-	98,290	-	108,217
-	2,403,205	-	3,491,298
<u>16,649,688</u>	<u>10,232,883</u>	<u>221,288</u>	<u>28,874,521</u>
<u>16,649,688</u>	<u>12,734,378</u>	<u>683,079</u>	<u>32,945,339</u>
-	-	-	255,874
8,888,545	-	-	9,051,519
542,565	-	-	734,089
27,083	-	-	29,961
965,995	-	-	1,043,902
3,925,002	-	-	4,209,030
794,586	-	-	822,238
398,541	-	-	450,313
100,975	-	-	191,862
632,576	-	-	632,576
-	-	-	55,800
-	10,820,478	-	10,820,478
582,719	-	-	2,047,459
-	-	-	1,015,347
-	-	-	55,804
<u>16,858,587</u>	<u>10,820,478</u>	<u>-</u>	<u>31,416,252</u>
(208,899)	1,913,900	683,079	1,529,087
-	-	-	365,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>365,000</u>
(208,899)	1,913,900	683,079	1,894,087
(246,069)	4,854,828	4,098,474	10,595,081
<u>\$ (454,968)</u>	<u>\$ 6,768,728</u>	<u>\$ 4,781,553</u>	<u>\$ 12,489,168</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental	\$ 27,050	\$ 35,788	\$ 8,738
Other Local Revenue	1,018,200	1,034,455	16,255
Total Revenues	<u>1,045,250</u>	<u>1,070,243</u>	<u>24,993</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	2,938	2,928	10
Fringe Benefits	560	450	110
Purchased Services	133,746	124,650	9,096
Supplies and Materials	1,011,545	721,630	289,915
Capital Outlay	13,327	13,327	-
Total Regular	<u>1,162,116</u>	<u>862,985</u>	<u>299,131</u>
Special			
Purchased Services	2,200	724	1,476
Supplies and Materials	335,571	123,995	211,576
Capital Outlay	17,415	5,868	11,547
Total Special	<u>355,186</u>	<u>130,587</u>	<u>224,599</u>
Vocational			
Purchased Services	4,270	1,326	2,944
Supplies and Materials	28,083	12,549	15,534
Capital Outlay	1,200	-	1,200
Total Vocational	<u>33,553</u>	<u>13,875</u>	<u>19,678</u>
Total Instruction	<u>1,550,855</u>	<u>1,007,447</u>	<u>543,408</u>
Support Services:			
Pupil			
Salaries and Wages	1,102	955	147
Fringe Benefits	300	143	157
Purchased Services	32,232	25,380	6,852
Supplies and Materials	244,678	183,833	60,845
Miscellaneous	175	-	175
Total Pupil	<u>278,487</u>	<u>210,311</u>	<u>68,176</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, 2019  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	\$ 32,647	\$ 19,702	\$ 12,945
Fringe Benefits	6,829	3,391	3,438
Purchased Services	103,164	64,673	38,491
Supplies and Materials	52,482	18,924	33,558
Miscellaneous	389	250	139
<b>Total Instructional Staff</b>	<u>195,511</u>	<u>106,940</u>	<u>88,571</u>
<b>Administration</b>			
Salaries and Wages	285	285	-
Fringe Benefits	44	44	-
Purchased Services	54,834	23,463	31,371
Supplies and Materials	85,532	41,320	44,212
Miscellaneous	2,355	1,130	1,225
Capital Outlay	11,538	11,538	-
<b>Total Administration</b>	<u>154,588</u>	<u>77,780</u>	<u>76,808</u>
<b>Operations and Maintenance</b>			
Purchased Services	48	48	-
Supplies and Materials	1,650	-	1,650
<b>Total Operations and Maintenance</b>	<u>1,698</u>	<u>48</u>	<u>1,650</u>
<b>Total Support Services</b>	<u>630,284</u>	<u>395,079</u>	<u>235,205</u>
<b>Extracurricular Activities</b>			
Salaries and Wages	16,832	16,332	500
Fringe Benefits	2,899	2,520	379
Purchased Services	31,582	23,619	7,963
Supplies and Materials	22,963	17,372	5,591
Miscellaneous	6,161	2,860	3,301
Capital Outlay	4,714	4,714	-
<b>Total Extracurricular Activities</b>	<u>85,151</u>	<u>67,417</u>	<u>17,734</u>
<b>Total Expenditures</b>	<u>2,266,290</u>	<u>1,469,943</u>	<u>796,347</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, 2019  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	\$ (1,221,040)	\$ (399,700)	\$ 821,340
Other Financing Sources (Uses):			
Transfers - In	297,390	245,350	(52,040)
Refund of Prior Year Expenditures	1,390	785	(605)
Refund of Prior Year Receipts	<u>(26,690)</u>	<u>(26,187)</u>	<u>503</u>
Total Other Financing Sources (Uses)	<u>272,090</u>	<u>219,948</u>	<u>(52,142)</u>
Net Change in Fund Balance	(948,950)	(179,752)	769,198
Fund Balance at Beginning of Fiscal Year	1,271,937	1,271,937	-
Prior Year Encumbrances Appropriated	<u>65,580</u>	<u>65,580</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 388,567</u>	<u>\$ 1,157,765</u>	<u>\$ 769,198</u>

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
Other Grants Fund  
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental	\$ 158,551	\$ 158,551	\$ -
Tuition	5,332	5,332	-
Total Revenues	<u>163,883</u>	<u>163,883</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	73,447	70,789	2,658
Supplies and Materials	166,435	112,136	54,299
Capital Outlay	101,601	91,050	10,551
Total Regular	<u>341,483</u>	<u>273,975</u>	<u>67,508</u>
Special			
Salaries and Wages	31,580	29,384	2,196
Fringe Benefits	8,233	7,895	338
Purchased Services	183	183	-
Supplies and Materials	9,128	8,090	1,038
Capital Outlay	29,965	29,965	-
Total Special	<u>79,089</u>	<u>75,517</u>	<u>3,572</u>
Other			
Salaries and Wages	2,494	2,494	-
Fringe Benefits	386	384	2
Total Other	<u>2,880</u>	<u>2,878</u>	<u>2</u>
Total Instruction	<u>423,452</u>	<u>352,370</u>	<u>71,082</u>
Support Services:			
Pupil			
Salaries and Wages	25,629	19,548	6,081
Fringe Benefits	4,012	3,002	1,010
Purchased Services	8,537	6,737	1,800
Supplies and Materials	38,957	26,635	12,322
Total Pupil	<u>77,135</u>	<u>55,922</u>	<u>21,213</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, 2019  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	\$ 248,589	\$ 186,302	\$ 62,287
Fringe Benefits	32,759	28,927	3,832
Purchased Services	33,617	31,086	2,531
Supplies and Materials	24,661	7,060	17,601
Capital Outlay	4,000	3,936	64
Total Instructional Staff	<u>343,626</u>	<u>257,311</u>	<u>86,315</u>
Administration			
Salaries and Wages	1,707	1,707	-
Fringe Benefits	774	774	-
Purchased Services	67	64	3
Supplies and Materials	15,000	13,719	1,281
Capital Outlay	10,000	5,000	5,000
Total Administration	<u>27,548</u>	<u>21,264</u>	<u>6,284</u>
Total Support Services	<u>448,309</u>	<u>334,497</u>	<u>113,812</u>
Extracurricular Activities			
Salaries and Wages	11,487	11,134	353
Fringe Benefits	1,773	1,716	57
Capital Outlay	5,317	5,317	-
Total Extracurricular Activities	<u>18,577</u>	<u>18,167</u>	<u>410</u>
Capital Outlay	<u>9,000</u>	<u>8,966</u>	<u>34</u>
Total Expenditures	<u>899,338</u>	<u>714,000</u>	<u>185,338</u>
Excess of Revenues Over (Under) Expenditures	<u>(735,455)</u>	<u>(550,117)</u>	<u>185,338</u>
Other Financing Sources:			
Transfer - In	365,000	365,000	-
Refund of Prior Year Expenditures	400	400	-
Total Other Financing Sources	<u>365,400</u>	<u>365,400</u>	<u>-</u>
Net Change in Fund Balance	(370,055)	(184,717)	185,338
Fund Balance at Beginning of Fiscal Year	489,262	489,262	-
Prior Year Encumbrances Appropriated	47,330	47,330	-
Fund Balance at End of Fiscal Year	<u>\$ 166,537</u>	<u>\$ 351,875</u>	<u>\$ 185,338</u>



South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
District Managed Student Activities Fund  
For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 8,670	\$ 4,280	\$ (4,390)
Other Local Revenue	1,187,700	1,078,255	(109,445)
Total Revenues	<u>1,196,370</u>	<u>1,082,535</u>	<u>(113,835)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	290	290	-
Capital Outlay	658	658	-
Total Regular	<u>948</u>	<u>948</u>	<u>-</u>
Vocational			
Supplies and Materials	175,005	73,571	101,434
Capital Outlay	179,105	117,953	61,152
Total Vocational	<u>354,110</u>	<u>191,524</u>	<u>162,586</u>
Total Instruction	<u>355,058</u>	<u>192,472</u>	<u>162,586</u>
Support Services:			
Pupil			
Supplies and Materials	23	23	-
Total Pupil	<u>23</u>	<u>23</u>	<u>-</u>
Instructional Staff			
Purchased Services	1,350	1,350	-
Supplies and Materials	41,605	31,165	10,440
Total Instructional Staff	<u>42,955</u>	<u>32,515</u>	<u>10,440</u>
Administration			
Purchased Services	58	58	-
Total Administration	<u>58</u>	<u>58</u>	<u>-</u>
Total Support Services	<u>43,036</u>	<u>32,596</u>	<u>10,440</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
District Managed Student Activities Fund  
For the Fiscal Year Ended June 30, 2019  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Extracurricular Activities			
Salaries and Wages	\$ 77,320	\$ 56,343	\$ 20,977
Fringe Benefits	12,415	8,754	3,661
Purchased Services	357,262	246,329	110,933
Supplies and Materials	1,083,522	730,240	353,282
Miscellaneous	400	385	15
Capital Outlay	104,614	89,404	15,210
Total Extracurricular Activities	<u>1,635,533</u>	<u>1,131,455</u>	<u>504,078</u>
Capital Outlay	<u>46,838</u>	<u>46,838</u>	<u>-</u>
Total Expenditures	<u>2,080,465</u>	<u>1,403,361</u>	<u>677,104</u>
Excess of Revenues Over (Under) Expenditures	<u>(884,095)</u>	<u>(320,826)</u>	<u>563,269</u>
Other Financing Sources (Uses):			
Transfers - In	400	-	(400)
Refund of Prior Year Expenditures	180	2,623	2,443
Refund of Prior Year Receipt	(3,094)	(3,094)	-
Total Other Financing Sources (Uses)	<u>(2,514)</u>	<u>(471)</u>	<u>2,043</u>
Net Change in Fund Balance	(886,609)	(321,297)	565,312
Fund Balance at Beginning of Fiscal Year	722,069	722,069	-
Prior Year Encumbrances Appropriated	374,936	374,936	-
Fund Balance at End of Fiscal Year	<u>\$ 210,396</u>	<u>\$ 775,708</u>	<u>\$ 565,312</u>

South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 All State Grants Fund  
 For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 9,927	\$ 9,927	\$ -
Intergovernmental	1,663,908	1,663,908	-
Total Revenues	<u>1,673,835</u>	<u>1,673,835</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and Wages	65,430	65,430	-
Fringe Benefits	18,609	18,609	-
Supplies and Materials	2,573	2,573	-
Total Special	<u>86,612</u>	<u>86,612</u>	<u>-</u>
Total Instruction	<u>86,612</u>	<u>86,612</u>	<u>-</u>
Support Services:			
Pupil			
Salaries and Wages	21,864	5,800	16,064
Fringe Benefits	3,560	1,031	2,529
Purchased Services	25,561	14,774	10,787
Supplies and Materials	4,886	4,316	570
Total Pupil	<u>55,871</u>	<u>25,921</u>	<u>29,950</u>
Instructional Staff			
Salaries and Wages	4,224	4,224	-
Fringe Benefits	840	840	-
Purchased Services	86	86	-
Total Instructional Staff	<u>5,150</u>	<u>5,150</u>	<u>-</u>
Administration			
Salaries and Wages	4,140	4,140	-
Fringe Benefits	1,957	1,957	-
Purchased Services	207	207	-
Supplies and Materials	86	86	-
Total Administration	<u>6,390</u>	<u>6,390</u>	<u>-</u>

(continued)

South-Western City School District  
Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget (Non-GAAP) and Actual  
All State Grants Fund  
For the Fiscal Year Ended June 30, 2019  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Fiscal			
Miscellaneous	\$ 54,432	\$ 51,772	\$ 2,660
Total Fiscal	<u>54,432</u>	<u>51,772</u>	<u>2,660</u>
Operations and Maintenance			
Salaries and Wages	17,300	17,300	-
Fringe Benefits	2,661	2,661	-
Purchased Services	30,252	30,252	-
Supplies and Materials	83,750	41,179	42,571
Total Operations and Maintenance	<u>133,963</u>	<u>91,392</u>	<u>42,571</u>
Central			
Purchased Services	55,800	55,800	-
Total Central	<u>55,800</u>	<u>55,800</u>	<u>-</u>
Total Support Services	<u>311,606</u>	<u>236,425</u>	<u>75,181</u>
Community Services			
Salaries and Wages	568,376	471,559	96,817
Fringe Benefits	117,339	99,371	17,968
Purchased Services	222,146	208,137	14,009
Supplies and Materials	584,414	533,741	50,673
Capital Outlay	165,818	165,656	162
Total Community Services	<u>1,658,093</u>	<u>1,478,464</u>	<u>179,629</u>
Total Expenditures	<u>2,056,311</u>	<u>1,801,501</u>	<u>254,810</u>
Excess of Revenues Over (Under) Expenditures	(382,476)	(127,666)	254,810
Other Financing Uses:			
Advances - Out	-	(5,047)	(5,047)
Total Other Financing Uses	<u>-</u>	<u>(5,047)</u>	<u>(5,047)</u>
Net Change in Fund Balance	(382,476)	(132,713)	249,763
Fund Balance at Beginning of Fiscal Year	323,903	323,903	-
Prior Year Encumbrances Appropriated	63,620	63,620	-
Fund Balance at End of Fiscal Year	<u>\$ 5,047</u>	<u>\$ 254,810</u>	<u>\$ 249,763</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental	\$ 22,304,946	\$ 16,589,353	\$ (5,715,593)
Total Revenues	<u>22,304,946</u>	<u>16,589,353</u>	<u>(5,715,593)</u>
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and Wages	6,469,804	5,446,549	1,023,255
Fringe Benefits	2,747,221	2,278,139	469,082
Purchased Services	737,760	588,109	149,651
Supplies and Materials	1,026,346	859,475	166,871
Capital Outlay	2,700	2,700	-
Total Special	<u>10,983,831</u>	<u>9,174,972</u>	<u>1,808,859</u>
Vocational			
Salaries and Wages	477,050	428,561	48,489
Fringe Benefits	148,897	131,456	17,441
Total Vocational	<u>625,947</u>	<u>560,017</u>	<u>65,930</u>
Other			
Salaries and Wages	23,457	23,457	-
Fringe Benefits	3,624	3,624	-
Total Other	<u>27,081</u>	<u>27,081</u>	<u>-</u>
Total Instruction	<u>11,636,859</u>	<u>9,762,070</u>	<u>1,874,789</u>
Support Services:			
Pupil			
Salaries and Wages	527,905	450,940	76,965
Fringe Benefits	179,121	150,160	28,961
Purchased Services	346,727	346,627	100
Supplies and Materials	23,319	20,739	2,580
Total Pupil	<u>1,077,072</u>	<u>968,466</u>	<u>108,606</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, 2019  
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Instructional Staff</b>			
Salaries and Wages	\$ 3,039,561	\$ 2,531,890	\$ 507,671
Fringe Benefits	872,065	710,057	162,008
Purchased Services	1,121,271	814,534	306,737
Supplies and Materials	103,794	79,987	23,807
Miscellaneous	500	275	225
<b>Total Instructional Staff</b>	<u>5,137,191</u>	<u>4,136,743</u>	<u>1,000,448</u>
<b>Administration</b>			
Salaries and Wages	662,199	519,559	142,640
Fringe Benefits	286,943	223,994	62,949
Purchased Services	9,716	7,768	1,948
Supplies and Materials	19,041	13,673	5,368
<b>Total Administration</b>	<u>977,899</u>	<u>764,994</u>	<u>212,905</u>
<b>Fiscal</b>			
Miscellaneous	607,859	398,541	209,318
<b>Total Fiscal</b>	<u>607,859</u>	<u>398,541</u>	<u>209,318</u>
<b>Operations and Maintenance</b>			
Salaries and Wages	75,807	63,610	12,197
Fringe Benefits	35,083	30,395	4,688
Purchased Services	9,738	9,738	-
Supplies and Materials	2,031	2,031	-
<b>Total Operations and Maintenance</b>	<u>122,659</u>	<u>105,774</u>	<u>16,885</u>
<b>Pupil Transportation</b>			
Purchased Services	21,084	1,084	20,000
Capital Outlay	631,492	631,492	-
<b>Total Pupil Transportation</b>	<u>652,576</u>	<u>632,576</u>	<u>20,000</u>
<b>Total Support Services</b>	<u>8,575,256</u>	<u>7,007,094</u>	<u>1,568,162</u>
<b>Community Services</b>			
Salaries and Wages	242,597	201,299	41,298
Fringe Benefits	46,957	40,245	6,712
Purchased Services	445,578	350,557	95,021
Supplies and Materials	91,203	30,459	60,744
<b>Total Community Services</b>	<u>826,335</u>	<u>622,560</u>	<u>203,775</u>
<b>Total Expenditures</b>	<u>21,038,450</u>	<u>17,391,724</u>	<u>3,646,726</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, 2019  
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	\$ 1,266,496	\$ (802,371)	\$ (2,068,867)
Other Financing Sources (Uses):			
Advances - In	-	2,067,201	2,067,201
Refund of Prior Year Expenditures	417	417	-
Advances - Out	-	(1,478,453)	(1,478,453)
Total Other Financing Sources (Uses)	<u>417</u>	<u>589,165</u>	<u>588,748</u>
Net Change in Fund Balance	1,266,913	(213,206)	(1,480,119)
Fund Balance at Beginning of Fiscal Year	4	4	-
Prior Year Encumbrances Appropriated	214,536	214,536	-
Fund Balance at End of Fiscal Year	<u>\$ 1,481,453</u>	<u>\$ 1,334</u>	<u>\$ (1,480,119)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 47,720	\$ 98,290	\$ 50,570
Other Local Revenue	2,416,990	2,411,793	(5,197)
Intergovernmental	<u>8,534,500</u>	<u>8,452,561</u>	<u>(81,939)</u>
Total Revenues	<u>10,999,210</u>	<u>10,962,644</u>	<u>(36,566)</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance			
Purchased Services	<u>193,500</u>	<u>-</u>	<u>193,500</u>
Total Support Services	<u>193,500</u>	<u>-</u>	<u>193,500</u>
Food Services			
Salaries and Wages	3,725,920	3,671,603	54,317
Fringe Benefits	1,687,450	1,619,515	67,935
Purchased Services	372,635	278,386	94,249
Supplies and Materials	4,948,962	4,622,137	326,825
Miscellaneous	1,900	1,892	8
Capital Outlay	<u>143,578</u>	<u>125,482</u>	<u>18,096</u>
Total Food Services	<u>10,880,445</u>	<u>10,319,015</u>	<u>561,430</u>
Total Expenditures	<u>11,073,945</u>	<u>10,319,015</u>	<u>754,930</u>
Excess of Revenues Over (Under) Expenditures	(74,735)	643,629	718,364
Other Financing Sources:			
Refund of Prior Year Expenditures	<u>69,510</u>	<u>81,765</u>	<u>12,255</u>
Total Other Financing Sources	<u>69,510</u>	<u>81,765</u>	<u>12,255</u>
Net Change in Fund Balance	(5,225)	725,394	730,619
Fund Balance at Beginning of Fiscal Year	4,355,777	4,355,777	-
Prior Year Encumbrances Appropriated	137,405	137,405	-
Fund Balance at End of Fiscal Year	<u>\$ 4,487,957</u>	<u>\$ 5,218,576</u>	<u>\$ 730,619</u>



South-Western City School District  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balance - Budget (Non-GAAP) and Actual  
 Classroom Facilities Maintenance Fund  
 For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 461,800	\$ 461,791	\$ (9)
Intergovernmental	221,280	221,288	8
Total Revenues	<u>683,080</u>	<u>683,079</u>	<u>(1)</u>
Expenditures:			
Current:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	683,080	683,079	(1)
Fund Balance at Beginning of Fiscal Year	4,098,474	4,098,474	-
Fund Balance at End of Fiscal Year	<u>\$ 4,781,554</u>	<u>\$ 4,781,553</u>	<u>\$ (1)</u>

## **INTERNAL SERVICE FUND**

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

### Health Self Insurance

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

South-Western City School District  
 Schedule of Revenues, Expenses and  
 Changes in Fund Net Position - Budget (Non-GAAP) and Actual  
 Health Self Insurance Fund  
 For the Fiscal Year Ended June 30, 2019

	<u>Final Budget</u>	<u>Actual</u>	Variance
Revenues:			
Charges for Services	\$ 33,852,120	\$ 37,692,374	\$ 3,840,254
Total Revenues	<u>33,852,120</u>	<u>37,692,374</u>	<u>3,840,254</u>
Expenses:			
Salaries and Wages	964,017	964,017	-
Fringe Benefits	13,805	13,805	-
Purchased Services	<u>35,861,195</u>	<u>35,121,008</u>	<u>740,187</u>
Total Expenses	<u>36,839,017</u>	<u>36,098,830</u>	<u>740,187</u>
Net Change in Fund Net Position	(2,986,897)	1,593,544	4,580,441
Net Position at Beginning of Fiscal Year	12,080,211	12,080,211	-
Prior Year Encumbrances Appropriated	<u>667,761</u>	<u>667,761</u>	<u>-</u>
Net Position at End of Fiscal Year	<u>\$ 9,761,075</u>	<u>\$ 14,341,516</u>	<u>\$ 4,580,441</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 Competition Host Agency

To account for those competitions and tournaments hosted by the District on behalf of outside various organizations. The revenue and expenses are accounted for by the District with any excess funds being returned to the appropriate organization.

South-Western City School District  
Combining Balance Sheet  
All Agency Funds  
June 30, 2019

	<u>Student Activity</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 309,778
Accounts Receivable	70
Total Assets	<u>\$ 309,848</u>
 <u>Liabilities:</u>	
Accounts Payable	\$ 844
Undistributed Money	309,004
Total Liabilities	<u>\$ 309,848</u>

South-Western City School District  
 Combining Statement of Changes in Assets and Liabilities  
 All Agency Funds  
 For the Fiscal Year Ended June 30, 2019

	Restated Beginning Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2019</u>
<u>Student Activity</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 336,912	\$ 309,778	\$ 336,912	\$ 309,778
Accounts Receivable	-	70	-	70
Total Assets	<u>\$ 336,912</u>	<u>\$ 309,848</u>	<u>\$ 336,912</u>	<u>\$ 309,848</u>
Liabilities:				
Accounts Payable	\$ 6,496	\$ 844	\$ 6,496	\$ 844
Undistributed Money	330,416	309,004	330,416	309,004
Total Liabilities	<u>\$ 336,912</u>	<u>\$ 309,848</u>	<u>\$ 336,912</u>	<u>\$ 309,848</u>
<u>District Competition Host Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ -	\$ 20,024	\$ 20,024	\$ -
Total Assets	<u>\$ -</u>	<u>\$ 20,024</u>	<u>\$ 20,024</u>	<u>\$ -</u>
Liabilities:				
Undistributed Money	-	20,024	20,024	-
Total Liabilities	<u>\$ -</u>	<u>\$ 20,024</u>	<u>\$ 20,024</u>	<u>\$ -</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 336,912	\$ 329,802	\$ 356,936	\$ 309,778
Accounts Receivable	-	70	-	70
Total Assets	<u>\$ 336,912</u>	<u>\$ 329,872</u>	<u>\$ 356,936</u>	<u>\$ 309,848</u>
Liabilities:				
Accounts Payable	\$ 6,496	\$ 844	\$ 6,496	\$ 844
Undistributed Money	330,416	329,028	350,440	309,004
Total Liabilities	<u>\$ 336,912</u>	<u>\$ 329,872</u>	<u>\$ 356,936</u>	<u>\$ 309,848</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.

### Contents

### Page

#### Financial Trends

134

These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.

#### Revenue Capacity

144

These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.

#### Debt Capacity

152

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.

#### Operating Information

158

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.

#### Demographic and Economic Information

170

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal 2019	Fiscal 2018	Fiscal 2017 (3)	Fiscal 2016 (2)
Governmental Activities				
Net Investment in Capital Assets	\$ 171,159,103	\$ 176,449,342	\$ 177,047,796	\$ 174,341,029
Restricted	40,797,201	30,224,043	27,928,840	43,195,665
Unrestricted	(29,333,354)	(83,251,632)	(237,017,912)	(160,628,253)
Total Governmental Activities Net Position	<u>\$ 182,622,950</u>	<u>\$ 123,421,753</u>	<u>\$ (32,041,276)</u>	<u>\$ 56,908,441</u>

Source: School District Comprehensive Annual Financial Report

\* Reclassified to conform to 2014 presentation.

- (1) Restated due to implementation of GASB 68 in 2015.
- (2) Restated for presentation purposes
- (3) Restated due to implementation of GASB 75



Fiscal 2015	Fiscal 2014 (1)	Fiscal 2013*	Fiscal 2012	Fiscal 2011	Fiscal 2010
\$ 143,338,358	\$ 101,583,123	\$ 73,224,817	\$ 59,024,319	\$ 50,483,110	\$ 44,612,781
67,798,514	115,914,055	144,401,093	38,270,638	45,063,166	28,128,813
(183,851,632)	(204,621,889)	104,511,925	102,607,157	72,890,740	57,067,078
<u>\$ 27,285,240</u>	<u>\$ 12,875,289</u>	<u>\$ 322,137,835</u>	<u>\$ 199,902,114</u>	<u>\$ 168,437,016</u>	<u>\$ 129,808,672</u>

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

	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016 (1)
Governmental Activities:				
Instruction:				
Regular	\$ 112,176,046	\$ 52,330,452	\$ 132,190,385	\$ 115,895,871
Special	49,754,028	23,934,963	50,293,456	41,941,289
Vocational	6,400,039	3,044,812	6,991,329	5,735,500
Other	2,384,029	851,870	1,672,845	1,037,207
Support Services:				
Pupil	12,440,548	4,857,584	13,719,435	10,812,041
Instructional Staff	8,590,407	4,091,298	8,779,168	6,991,382
Board of Education	42,837	42,885	43,090	38,893
Administration	18,272,584	14,641,127	20,568,977	18,051,038
Fiscal	3,934,764	3,303,297	4,150,471	3,638,125
Business	1,180,760	1,138,922	1,089,877	965,164
Operations and Maintenance	19,123,225	17,865,160	18,890,587	16,252,265
Pupil Transportation	18,084,866	14,063,857	16,547,727	13,287,082
Central	5,302,440	5,516,593	5,145,218	3,605,582
Food Service	11,112,728	10,024,536	11,040,608	9,514,753
Community Services	2,354,419	1,449,236	2,131,520	1,541,101
Extracurricular Activities	4,603,237	4,642,218	4,711,775	4,473,772
Shared Services	289,214	59,527	372,953	341,213
Interest and Fiscal Charges	5,663,563	6,150,732	6,103,205	7,804,277
Total Governmental Activities Expenses	<u>\$ 281,709,734</u>	<u>\$ 168,009,069</u>	<u>\$ 304,442,626</u>	<u>\$ 261,926,555</u>

Source: School District Comprehensive Annual Financial Report

(1) Restated for presentation purposes

<u>Fiscal</u> <u>2015</u>	<u>Fiscal</u> <u>2014</u>	<u>Fiscal</u> <u>2013</u>	<u>Fiscal</u> <u>2012</u>	<u>Fiscal</u> <u>2011</u>	<u>Fiscal</u> <u>2010</u>
\$ 116,295,000	\$ 107,731,469	\$ 102,766,386	\$ 101,677,915	\$ 98,991,909	\$ 99,541,915
43,404,819	38,522,065	32,721,653	31,207,794	30,607,426	28,566,712
3,750,926	5,803,760	6,268,512	6,069,817	6,508,952	6,387,286
446,347	988,572	983,567	917,499	997,663	971,222
10,425,013	10,214,045	10,582,567	10,258,396	10,440,174	10,157,786
7,245,057	7,541,449	14,851,375	15,611,841	16,956,180	17,532,453
39,662	42,800	38,433	35,875	36,274	43,974
18,266,211	17,395,756	15,025,637	15,677,734	16,031,146	15,717,538
3,743,700	3,959,922	3,970,157	3,634,551	3,505,319	3,498,071
1,216,693	947,722	820,483	883,314	862,888	861,465
17,579,641	15,507,439	16,488,459	16,496,886	16,023,962	17,219,782
12,758,549	12,790,060	12,706,181	12,371,791	11,832,057	11,466,296
7,269,139	8,751,099	7,983,879	6,659,541	4,584,027	6,094,728
9,019,672	8,595,582	8,404,080	8,388,222	8,395,557	8,340,945
2,254,820	1,463,694	1,620,950	1,520,689	1,842,104	1,498,385
4,350,089	4,216,439	4,604,650	4,052,430	4,331,911	2,376,629
306,413	303,374	101,502	-	-	-
7,717,741	7,895,232	8,241,288	3,568,207	3,601,621	4,032,517
<u>\$ 266,089,492</u>	<u>\$ 252,670,479</u>	<u>\$ 248,179,759</u>	<u>\$ 239,032,502</u>	<u>\$ 235,549,170</u>	<u>\$ 234,307,704</u>

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

	Fiscal 2019	Fiscal 2018	Fiscal 2017 (1)
Program Revenue:			
Governmental Activities:			
Charges for Services and Sales			
Instruction:			
Regular	\$ 1,824,195	\$ 2,503,879	\$ 1,312,075
Special	848,254	1,261,257	425,485
Vocational	88,290	78,747	87,054
Other	-	54,492	23,817
Support Services:			
Pupil	115,266	99	66,118
Instructional Staff	56,116	98,329	33,059
Administration	40,757	699	38,568
Operations and Maintenance	331,505	530,186	432,594
Pupil Transportation	513,130	521,441	743,634
Central	-	788,148	15,273
Food Service	2,394,087	2,201,359	2,403,283
Community Services	15,087	14,479	14,150
Extracurricular Activities	1,473,758	1,647,852	1,512,355
Shared Services	399,827	365,318	358,945
Operating Grants, Contributions and Interest	54,493,383	48,930,144	44,695,754
Total Governmental Activities Program Revenues	<u>\$ 62,593,655</u>	<u>\$ 58,996,429</u>	<u>\$ 52,162,164</u>
Net (Expenses)/Revenue			
Governmental Activities	<u>\$ (219,116,079)</u>	<u>\$ (109,012,640)</u>	<u>\$ (252,280,462)</u>
General Revenues and Other Changes in Net Position			
General Revenues:			
Property Taxes Levied for:			
General Purposes	107,451,180	107,745,696	99,628,315
Debt Service	15,630,259	15,026,577	12,955,510
Capital Improvement	4,005,257	4,103,758	3,801,482
Classroom Facilities	461,791	461,791	461,791
Payments in Lieu of Taxes	4,910,914	2,722,586	2,481,467
Ohio Facility Construction Commission Grant	-	-	-
Grants and Entitlements not Restricted to Specific Programs	138,174,334	130,656,259	125,869,877
Interest	6,771,960	2,408,307	1,121,821
Other Local Revenues	911,581	1,350,695	1,662,693
Total Governmental Activities	<u>278,317,276</u>	<u>264,475,669</u>	<u>247,982,956</u>
Changes in Net Position	<u>\$ 59,201,197</u>	<u>\$ 155,463,029</u>	<u>\$ (4,297,506)</u>

Source: School District Comprehensive Annual Financial Report

- (1) The District implemented a change in methodology calculating program revenues.  
(2) Restated for presentation purposes

<u>Fiscal 2016 (2)</u>	<u>Fiscal 2015</u>	<u>Fiscal 2014</u>	<u>Fiscal 2013</u>	<u>Fiscal 2012</u>	<u>Fiscal 2011</u>	<u>Fiscal 2010</u>
\$ 113,092	\$ 174,543	\$ 119,849	\$ 127,137	\$ 161,894	\$ 165,561	\$ 137,446
-	-	-	-	-	-	-
60,098	100,919	62,016	77,472	114,619	116,529	91,031
-	17,125	16,642	19,098	17,457	17,486	23,880
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	953	958	1,037	-
-	-	-	157,119	165,620	163,785	-
521,926	493,670	533,664	566,411	414,153	435,277	252,500
-	-	-	-	-	-	-
2,087,119	2,442,209	2,140,284	2,160,948	2,468,329	2,914,191	3,070,970
16,418	15,682	14,238	16,907	15,808	15,317	12,245
799,612	1,023,969	1,050,317	939,040	904,857	1,115,825	606,324
328,850	294,460	303,374	-	-	-	-
38,975,908	40,157,084	36,623,684	32,737,457	33,141,879	36,908,180	35,369,286
<u>\$ 42,903,023</u>	<u>\$ 44,719,661</u>	<u>\$ 40,864,068</u>	<u>\$ 36,802,542</u>	<u>\$ 37,405,574</u>	<u>\$ 41,853,188</u>	<u>\$ 39,563,682</u>
<u>\$ (219,023,532)</u>	<u>\$ (221,369,831)</u>	<u>\$ (211,806,411)</u>	<u>\$ (211,377,217)</u>	<u>\$ (201,626,928)</u>	<u>\$ (193,695,982)</u>	<u>\$ (194,744,022)</u>
97,244,559	98,141,046	100,918,408	81,312,729	95,303,398	95,084,630	92,055,343
12,723,819	13,270,413	13,915,812	11,717,816	13,722,961	12,143,490	13,130,296
3,707,805	3,816,149	3,797,717	3,155,717	4,177,603	3,954,430	4,207,501
461,791	461,791	683,079	461,791	-	-	-
2,559,549	2,268,035	2,571,069	2,039,592	1,021,635	2,446,398	1,360,937
-	-	-	124,047,645	-	-	-
124,624,428	116,135,086	107,655,463	102,290,500	109,682,717	111,373,088	109,993,005
769,495	640,471	904,617	266,483	287,852	344,720	335,983
6,555,287	1,046,791	8,689,146	10,206,218	8,895,860	6,977,570	6,622,557
<u>248,646,733</u>	<u>235,779,782</u>	<u>239,135,311</u>	<u>335,498,491</u>	<u>233,092,026</u>	<u>232,324,326</u>	<u>227,705,622</u>
<u>\$ 29,623,201</u>	<u>\$ 14,409,951</u>	<u>\$ 27,328,900</u>	<u>\$ 124,121,274</u>	<u>\$ 31,465,098</u>	<u>\$ 38,628,344</u>	<u>\$ 32,961,600</u>

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

	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016 (1)
<b>General Fund</b>				
Nonspendable	\$ 376,851	\$ 346,530	\$ 339,822	\$ 328,509
Committed	1,242,140	1,352,169	1,241,761	1,230,994
Assigned	1,232,741	2,493,061	1,555,702	2,275,025
Unassigned	227,858,653	203,200,027	181,962,835	164,021,064
Reserved	-	-	-	-
Unreserved	-	-	-	-
<b>Total General Fund</b>	<b><u>\$ 230,710,385</u></b>	<b><u>\$ 207,391,787</u></b>	<b><u>\$ 185,100,120</u></b>	<b><u>\$ 167,855,592</u></b>
<b>All Other Governmental Funds</b>				
Nonspendable	\$ 139,154	\$ 87,134	\$ 85,922	\$ 81,201
Restricted	39,790,302	41,454,766	40,808,798	51,471,991
Committed	-	-	-	-
Unassigned (Deficit)	(4,197,374)	(611,851)	(624,589)	(3,457,838)
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects Fund	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b><u>\$ 35,732,082</u></b>	<b><u>\$ 40,930,049</u></b>	<b><u>\$ 40,270,131</u></b>	<b><u>\$ 48,095,354</u></b>

Source: School District Comprehensive Annual Financial Report

Note: The School District Implemented GASB 54 in 2011.

(1) Restated for presentation purposes

Fiscal 2015	Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
\$ 341,812	\$ 361,926	\$ 309,149	\$ 328,594	\$ 321,417	\$ -
1,168,748	1,223,619	1,121,869	-	-	-
1,013,339	1,533,580	1,045,417	2,740,409	1,849,870	-
139,248,211	118,095,935	98,265,212	98,023,668	77,917,544	-
-	-	-	-	-	43,789,311
-	-	-	-	-	11,527,828
<u>\$ 141,772,110</u>	<u>\$ 121,215,060</u>	<u>\$ 100,741,647</u>	<u>\$ 101,092,671</u>	<u>\$ 80,088,831</u>	<u>\$ 55,317,139</u>
\$ 86,313	\$ 191,264	\$ 132,074	\$ 89,877	\$ 181,384	\$ -
96,799,354	157,782,334	174,866,472	29,426,667	32,856,497	-
-	-	-	1,022,557	1,038,265	-
(6,280)	(147,475)	(211,500)	(58,696)	(1,077)	-
-	-	-	-	-	18,140,962
-	-	-	-	-	2,913,891
-	-	-	-	-	3,947,443
<u>\$ 96,879,387</u>	<u>\$ 157,826,123</u>	<u>\$ 174,787,046</u>	<u>\$ 30,480,405</u>	<u>\$ 34,075,069</u>	<u>\$ 25,002,296</u>

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

	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016 (1)	Fiscal 2015
<b>Revenues:</b>					
<b>Local:</b>					
Taxes	\$ 128,707,819	\$ 126,367,982	\$ 118,698,172	\$ 116,326,913	\$ 116,602,034
Tuition	3,024,402	4,148,739	2,188,468	1,910,843	1,594,170
Interest	6,880,177	2,460,301	1,136,521	769,495	640,471
Other Local Revenue	6,027,007	7,273,492	6,993,246	9,345,190	7,649,236
Payments in Lieu of Taxes	4,067,549	2,501,618	2,698,289	2,583,596	2,374,411
Intergovernmental	191,775,160	178,912,563	171,914,525	181,679,656	205,599,265
<b>Total Revenues</b>	<b>\$ 340,482,114</b>	<b>\$ 321,664,695</b>	<b>\$ 303,629,221</b>	<b>\$ 312,615,693</b>	<b>\$ 334,459,587</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	119,955,918	117,346,225	114,850,399	108,032,000	110,605,915
Special	56,024,697	50,905,365	47,574,576	42,883,900	41,452,129
Vocational	6,861,081	6,302,211	6,075,765	5,058,690	5,545,565
Other	2,856,127	2,573,152	1,520,029	1,007,640	1,016,338
<b>Support Services:</b>					
Pupil	14,588,144	13,443,488	12,870,866	11,076,667	10,675,992
Instructional Staff	9,614,017	8,651,882	8,211,240	7,140,821	7,357,771
Board of Education	42,837	42,885	41,295	39,832	39,662
Administration	18,988,360	18,951,990	19,290,782	18,209,970	18,431,619
Fiscal	3,944,345	3,343,124	4,072,908	3,668,683	3,779,585
Business	1,193,214	1,141,852	1,077,770	936,470	1,002,805
Operations and Maintenance	19,021,482	18,584,262	17,614,710	16,188,585	16,610,540
Pupil Transportation	18,808,681	15,823,408	15,171,030	12,893,338	12,333,623
Central	5,286,242	4,901,094	4,093,795	2,834,941	3,533,353
Food Service	10,820,478	10,929,318	10,323,686	9,355,865	8,973,023
Community Services	2,234,040	1,654,933	1,852,147	1,382,407	1,481,187
Shared Services	360,526	353,053	343,272	328,850	322,229
Extracurricular Activities	4,374,467	4,523,813	4,259,417	4,028,982	4,015,852
Capital Outlay	10,805,005	2,989,449	10,122,067	75,397,824	112,327,385
<b>Debt Services:</b>					
Principal Retirement	9,910,000	7,655,000	5,826,655	7,201,666	7,426,666
Interest and Fiscal Charges	6,671,822	6,989,039	9,017,507	7,665,251	7,918,034
Issuance Costs for Bonds and Notes	-	182,246	297,703	-	-
Advance Refunding Escrow	-	1,607,797	-	-	-
Underwriter's Discount on Bonds	-	-	-	-	-
<b>Total Expenditures</b>	<b>322,361,483</b>	<b>298,895,586</b>	<b>294,507,619</b>	<b>335,332,382</b>	<b>374,849,273</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>18,120,631</b>	<b>22,769,109</b>	<b>9,121,602</b>	<b>(22,716,689)</b>	<b>(40,389,686)</b>
<b>Other Financing Sources (Uses):</b>					
Transfers - In	1,001,068	839,141	13,285,540	1,059,176	1,291,078
Transfers - Out	(1,001,068)	(839,141)	(13,285,540)	(1,059,176)	(1,291,078)
Issuance of Refunding Bonds	-	10,000,000	35,800,000	-	-
Issuance of Qualifying School Construction Bonds	-	-	-	-	-
Issuance of General Obligation Bonds	-	-	-	-	-
Premium on the Sale of Refunding Bonds	-	-	6,681,610	-	-
Discount on the Sale of Refunding Bonds	-	(165,540)	-	-	-
Premium on the Sale of General Obligation Bonds	-	-	-	-	-
Sale of Capital Assets	-	-	-	16,138	-
Payment to Refunding Bond Escrow Agent	-	(9,651,984)	(42,183,907)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>182,476</b>	<b>297,703</b>	<b>16,138</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 18,120,631</b>	<b>\$ 22,951,585</b>	<b>\$ 9,419,305</b>	<b>\$ (22,700,551)</b>	<b>\$ (40,389,686)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.36%</b>	<b>4.97%</b>	<b>5.20%</b>	<b>5.65%</b>	<b>5.73%</b>

Source: School District Comprehensive Annual Financial Report

(1) Restated for presentation purposes



Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
\$ 119,400,543	\$ 100,740,561	\$ 111,448,896	\$ 110,043,274	\$ 108,946,272
1,553,110	1,603,675	1,193,855	860,270	974,692
904,617	266,483	289,075	344,720	336,732
7,136,565	7,854,701	7,546,155	7,312,531	6,080,996
2,294,221	655,252	2,631,269	1,821,006	1,678,739
185,692,892	150,010,434	142,663,654	148,014,519	144,905,663
<u>\$ 316,981,948</u>	<u>\$ 261,131,106</u>	<u>\$ 265,772,904</u>	<u>\$ 268,396,320</u>	<u>\$ 262,923,094</u>

102,693,606	98,271,137	96,470,472	94,405,014	95,546,496
38,262,981	32,808,231	31,076,201	30,555,128	28,489,938
5,090,568	5,372,204	5,356,704	5,516,509	5,562,747
990,848	988,051	889,683	982,579	955,483
10,064,950	10,595,108	10,298,499	10,525,586	10,108,635
7,649,659	14,990,657	15,628,160	16,577,081	17,492,815
42,800	38,433	35,875	36,274	43,974
17,076,332	14,968,530	15,348,771	15,833,157	15,632,272
3,940,769	3,969,374	3,625,358	3,497,286	3,385,646
943,096	865,860	881,525	861,320	860,177
15,296,454	14,877,670	15,911,738	15,625,581	16,239,398
12,078,155	11,733,590	11,476,850	10,780,268	10,690,064
3,538,546	3,583,087	3,196,388	3,085,766	3,048,648
8,569,909	8,365,996	8,383,343	8,356,991	8,161,209
1,233,929	1,298,989	1,198,527	1,250,783	1,247,088
273,182	68,734	-	-	-
4,009,264	4,394,019	3,829,207	4,077,017	2,362,556
67,044,316	18,589,048	10,216,416	5,321,337	2,195,183
6,511,666	12,256,667	11,081,667	13,876,667	9,811,667
8,183,116	7,205,069	3,458,344	3,679,030	3,971,678
-	367,123	-	-	-
-	-	-	-	-
-	593,899	-	-	-
<u>313,494,146</u>	<u>266,201,476</u>	<u>248,363,728</u>	<u>244,843,374</u>	<u>235,805,674</u>

3,487,802	(5,070,370)	17,409,176	23,552,946	27,117,420
1,291,140	1,290,220	1,462,976	1,003,065	1,069,376
(1,291,140)	(1,290,220)	(1,462,976)	(1,003,065)	(1,069,376)
-	-	-	3,490,000	-
-	-	-	6,670,000	-
-	140,250,000	-	-	-
-	-	-	32,666	-
-	-	-	-	-
-	8,711,022	-	-	-
24,688	64,965	-	98,853	12,346
-	-	-	-	-
<u>24,688</u>	<u>149,025,987</u>	<u>-</u>	<u>10,291,519</u>	<u>12,346</u>
<u>\$ 3,512,490</u>	<u>\$ 143,955,617</u>	<u>\$ 17,409,176</u>	<u>\$ 33,844,465</u>	<u>\$ 27,129,766</u>

5.94%      7.77%      6.05%      7.24%      5.88%

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	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2019	\$ 2,614,172,240	\$ 7,469,063,543	-	-
2018	2,624,071,540	7,497,347,257	-	-
2017	2,340,809,230	6,688,026,371	-	-
2016	2,323,930,240	6,639,800,686	-	-
2015	2,324,059,180	6,640,169,086	-	-
2014	2,343,813,690	6,696,610,543	-	-
2013	2,291,139,940	6,546,114,114	-	-
2012	2,290,295,740	6,543,702,114	-	-
2011	2,506,723,390	7,162,066,829	13,600	-
2010	2,498,607,010	7,138,877,171	2,276,634	-

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.

(3) Assumes public utilities are assessed at true value, which is 35% of estimated actual value.

(3) Tax rates are per \$1,000 of assessed value. The rate represents the weighted average of all the effective (assessed) rates applied by property type.

Public Utility (2)		Total		Effective Tax Rate (3)
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$ 151,805,130	\$ 433,728,943	\$ 2,765,977,370	\$ 7,902,792,486	48.39
118,063,690	337,324,829	2,742,135,230	7,834,672,086	48.17
113,591,020	324,545,771	2,454,400,250	7,012,572,142	52.02
111,151,060	317,574,457	2,435,081,300	6,957,375,143	51.94
109,471,420	312,775,486	2,433,530,600	6,952,944,572	51.87
93,711,540	267,747,257	2,437,525,230	6,964,357,800	51.10
89,546,940	255,848,400	2,380,686,880	6,801,962,514	50.66
92,684,960	264,814,171	2,382,980,700	6,808,516,285	50.83
82,904,850	236,871,000	2,589,641,840	7,398,937,829	46.79
75,388,180	215,394,800	2,576,271,824	7,354,271,971	46.44

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

Tax Year/ Collection Year	Current Levy	Delinquent Levy	Total Levy	Current Collection	Percent of Current Levy Collected
2018/2019	\$ 133,626,065	\$ 3,922,068	\$ 137,548,133	\$ 130,584,846	97.72%
2017/2018	131,868,740	4,828,587	136,697,327	128,113,970	97.15%
2016/2017	127,452,904	5,992,234	133,445,138	123,392,135	96.81%
2015/2016	126,242,654	6,885,316	133,127,970	120,345,514	95.33%
2014/2015	125,767,041	8,809,718	134,576,759	120,112,657	95.50%
2013/2014	125,454,562	10,187,660	135,642,222	119,160,676	94.98%
2012/2013	127,062,231	11,872,872	138,935,103	114,648,769	90.23%
2011/2012	126,982,574	12,882,209	139,864,783	113,461,457	89.35%
2010/2011	125,930,322	12,918,261	138,848,583	114,860,051	91.21%
2009/2010	123,678,758	11,178,512	134,857,270	113,950,085	92.13%

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.

<u>Delinquent Collection</u>	<u>Total Collection</u>	<u>Total Collection As a Percent of Total Levy</u>	<u>Delinquent Taxes Receivable</u>	<u>Tax Year/ Collection Year</u>
\$ 2,945,357	\$ 133,530,203	97.08%	\$ 3,529,196	2018/2019
2,761,598	130,875,568	95.74%	4,120,746	2017/2018
3,566,936	126,959,071	95.14%	5,149,574	2016/2017
3,402,290	123,747,804	92.95%	6,453,803	2015/2016
3,709,510	123,822,167	92.01%	6,899,477	2014/2015
4,689,183	123,849,859	91.31%	9,088,417	2013/2014
5,979,574	120,628,343	86.82%	10,001,052	2012/2013
4,482,500	117,943,957	84.33%	13,436,877	2011/2012
3,646,269	118,506,320	85.35%	14,179,086	2010/2011
4,045,044	117,995,129	87.50%	12,424,020	2009/2010

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

Tax Year/ Collection Year	CITIES			SCHOOL DISTRICT				Total Direct Rate
	Franklin County	City of Columbus	City of Grove City	South-Western City School District			Unvoted General Fund	
				General Fund	Voted Bond Fund	Permanent Improvement		
2018/2019	18.92 (16.84) (17.69)	3.14 (3.14) (3.14)	3.50 (3.50) (3.50)	61.20 (30.90) (45.19)	6.10 (6.10) (6.10)	2.00 (1.77) (1.87)	3.85 (3.85) (3.85)	73.15 (42.62) (57.01)
2017/2018	18.92	3.14	3.50	61.20	6.10	2.00	3.85	73.15
2016/2017	18.47	3.14	3.50	61.20	6.10	2.00	3.85	73.15
2015/2016	18.47	3.14	3.50	61.20	6.10	2.00	3.85	73.15
2014/2015	18.47	3.14	3.50	61.20	6.20	2.00	3.85	73.25
2013/2014	18.47	3.14	3.50	61.20	6.20	2.00	3.85	73.25
2012/2013	18.47	3.14	3.50	61.20	6.20	2.00	3.85	73.25
2011/2012	18.07	3.14	3.50	61.20	6.50	2.00	3.85	73.55
2010/2011	18.07	3.14	3.50	61.20	5.50	2.00	3.85	72.55
2009/2010	18.07	3.14	3.50	61.20	5.40	2.00	3.85	72.45

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.

LIBRARY	VILLAGES		TOWNSHIPS				
Southwest Public Library	Village of Harrisburg	Village of Urbancrest	Franklin Township	Jackson Township	Pleasant Township	Harrisburg- Pleasant Township	Prairie Township
1.00 (0.89) (0.94)	1.00 (1.00) (1.00)	0.60 (0.60) (0.60)	35.19 (26.93) (30.89)	23.95 (11.41) (12.06)	21.20 (11.39) (11.42)	20.80 (10.99) (11.02)	21.81 (19.46) (20.77)
1.00	1.00	0.60	35.19	23.95	21.20	20.80	18.20
1.00	1.00	0.60	31.09	23.95	21.20	20.80	18.20
1.00	1.00	0.60	25.20	23.95	21.20	20.80	18.20
1.00	1.00	0.60	25.20	23.95	21.20	20.80	18.20
1.00	1.00	0.60	25.20	20.20	21.20	20.80	18.20
1.00	1.00	0.60	25.20	20.20	21.20	20.80	18.20
1.00	1.00	0.60	25.20	20.20	21.20	20.80	18.20
-	1.00	0.60	25.20	20.20	21.20	20.80	18.20

South-Western City School District  
Principal Taxpayers  
December 31, 2018 and December 31, 2009

	<u>December 31, 2018</u>	
	<u>Total</u>	<u>% of Total</u>
	<u>Assessed</u>	<u>Assessed</u>
	<u>Valuation</u>	<u>Valuation</u>
<u>Public Utilities</u>		
Ohio Power Company	\$ 91,898,290	3.32%
AEP Ohio Transmission	43,387,450	1.57%
Columbia Gas of Ohio Inc.	13,178,800	0.48%
<u>Real Estate</u>		
GLP Capital LP	\$ 53,030,230	1.92%
Wal Mart Stores Inc.	10,873,030	0.39%
Big Lots Stores Inc.	9,066,830	0.33%
5330 Crosswind LLC	8,899,600	0.32%
RG Townhomes LLC	8,863,650	0.32%
Security Capital Industrial Trust	8,624,020	0.31%
Parkway Centre East LLC	7,434,000	0.27%
Dugan Realty LLC	7,429,810	0.27%
Ohio Becknell Investors 2007 LLC	7,280,010	0.26%
Plymouth 3500 Southwest LLC	5,740,000	0.21%
All Others	<u>2,490,271,650</u>	<u>90.03%</u>
Total Assessed Valuation	<u>\$ 2,765,977,370</u>	<u>100.00%</u>

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

Note: Personal property was phased out and therefore not presented for the current period.



	<u>December 31, 2009</u>	
	<u>Total</u>	<u>% of Total</u>
	<u>Assessed</u>	<u>Assessed</u>
	<u>Valuation</u>	<u>Valuation</u>
<u>Public Utilities</u>		
Columbus Southern Power Company	\$ 66,544,480	2.58%
Columbia Gas of Ohio Inc.	6,353,720	0.25%
<u>Real Estate</u>		
Wingates LLC	\$ 12,351,550	0.48%
Big Lots Stores Inc.	11,860,000	0.46%
Wal Mart Stores Inc.	11,704,280	0.45%
Distribution Funding III	8,888,090	0.34%
Dispatch Printing Co.	8,750,000	0.34%
PCCP IRG Columbus LLC	7,700,010	0.30%
Santa Fe Bayfront Venture	7,210,010	0.28%
Meijer Stores	5,908,530	0.23%
Matrix Harvest Glen LLC	5,700,110	0.22%
Sun Life Assurance	5,425,010	0.21%
All Others	<u>2,417,876,034</u>	<u>93.86%</u>
Total Assessed Valuation	<u>\$ 2,576,271,824</u>	<u>100.00%</u>
<u>Tangible Personal Property</u>		
Ohio Bell Telephone Company	\$ 2,608,230	
New Par	341,850	
Cincinnati SMSA Ltd Partnership	260,800	
MCI Communications Services	217,440	
Ameritech Advanced Data Services	198,050	
AT & T Global Networking Services LLC	185,200	
Sprintcom, Inc.	150,720	
Ohio Telephone and Telegraph Company	106,250	
Time Warner Telecom of Ohio LLC	104,300	
T Mobile Central LLC	96,750	

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

Year	(1) Net General Obligation Bonds	(1) Energy Conservation Bonds	(1) Technical Equipment Loan	Total Primary Government	(2) Percentage of Personal Income	(3) Per Capita	(4) Per ADM
2019	\$ 156,822,427	\$ 6,670,000	\$ -	\$ 163,492,427	not available	\$ 1,121.76	\$ 7,450.10
2018	167,682,460	6,670,000	-	174,352,460	not available	1,228.29	7,895.68
2017	176,457,390	6,670,000	-	183,127,390	5.50%	1,331.95	8,459.71
2016	185,081,271	6,670,000	66,666	191,817,937	6.04%	1,408.03	9,028.43
2015	192,400,545	6,670,000	133,332	199,203,877	6.46%	1,467.81	9,630.35
2014	199,480,067	7,140,000	199,998	206,820,065	7.01%	1,536.25	10,120.87
2013	205,731,014	7,590,000	266,664	213,587,678	7.36%	1,599.44	10,565.80
2012	68,865,329	8,020,000	333,331	77,218,660	2.81%	579.13	3,846.32
2011	79,586,502	8,435,000	399,998	88,421,500	3.34%	664.24	4,444.63
2010	89,585,321	2,165,000	466,665	92,216,986	3.62%	693.89	4,624.72

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 General Bonded Debt Outstanding  
Last Ten Collection Years

Year	(1) (6) Assessed Value	(2) (5) Gross Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	(3) Net Bonded Debt Per Capita	(4) Net Bonded Debt Per ADM
2019	\$ 2,765,977,370	\$ 163,492,427	5.91%	\$ 1,121.76	\$ 7,450.10
2018	2,742,135,230	174,352,460	6.36%	1,228.29	7,895.68
2017	2,454,400,250	183,127,390	7.46%	1,331.95	8,459.71
2016	2,435,081,300	191,751,271	7.87%	1,407.55	9,025.29
2015	2,433,530,600	199,070,545	8.18%	1,466.83	9,623.91
2014	2,437,525,230	206,620,067	8.48%	1,534.76	10,111.09
2013	2,380,686,880	213,321,014	8.96%	1,597.44	10,552.61
2012	2,382,980,700	76,885,329	3.23%	576.63	3,829.71
2011	2,589,641,840	88,021,502	3.40%	661.24	4,424.53
2010	2,576,271,824	91,750,321	3.56%	690.38	4,601.32

Sources:

(1) Franklin County Auditor

(2) Per District records - Includes Energy Conservation Bonds

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

(4) ADM per District records

(5) Although the Debt Service Fund is restricted for debt service, it is not specifically restricted to the payment of principal  
Therefore, these revenues are not shown as a deduction from general obligation bonded debt

(6) Although the Debt Service Fund is restricted for debt service, it is not specifically restricted to the payment of principal  
Therefore, these resources are not shown as a deduction from general obligation bonded debt

South-Western City School District  
 Computation of Direct and Overlapping Governmental Activities Debt  
 June 30, 2019

<u>Governmental Unit</u>	<u>Gross Debt Outstanding</u>	<u>Percent Applicable to School District</u>	<u>Amount Applicable to School District</u>
Direct:			
South-Western City School District	\$ 163,492,427	100.00%	\$ 163,492,427
Indirect:			
Franklin County	\$ 189,405,000	9.05%	\$ 17,141,153
City of Columbus	1,589,265,000	36.46%	579,446,019
City of Grove City	23,650,000	100.00%	23,650,000
Prairie Township	9,310,000	8.25%	768,075
Total Overlapping Debt	<u>\$ 1,811,630,000</u>		<u>\$ 621,005,247</u>
Total Direct and Overlapping Debt	<u>\$ 1,975,122,427</u>		<u>\$ 784,497,674</u>

Note: Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the District by the total assessed valuation of the subdivisions. The valuations used were for the 2018 collection year.

Source: Franklin County Auditor

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

Assessed Valuation	\$ 2,765,977,370
Bonded Debt Limit - 9% of Assessed Value	\$ 248,937,963
Amount of Debt Applicable to 9% Debt Limit:	<u>152,130,000</u>
9% Voted Debt Margin	<u>\$ 96,807,963</u>
Bonded Debt Limit - .10% of Assessed Value	\$ 2,765,977
Amount of Debt Applicable to .10% Debt Limit	<u>-</u>
.10% Unvoted Debt Margin	<u>\$ 2,765,977</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 248,937,963	\$ 246,792,171	\$ 220,896,023	\$ 219,157,317
Total Net Debt Applicable to Limit	<u>152,130,000</u>	<u>162,040,000</u>	<u>169,695,000</u>	<u>180,959,989</u>
Legal Debt Margin	<u>\$ 96,807,963</u>	<u>\$ 84,752,171</u>	<u>\$ 51,201,023</u>	<u>\$ 38,197,328</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	61.11%	65.66%	76.82%	82.57%

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.

2015	2014	2013	2012	2011	2010
\$ 219,017,754	\$ 219,377,271	\$ 214,261,819	\$ 214,468,263	\$ 233,067,766	\$ 231,864,464
188,094,989	195,454,989	201,899,989	73,839,989	84,854,989	88,504,989
<u>\$ 30,922,765</u>	<u>\$ 23,922,282</u>	<u>\$ 674,141</u>	<u>\$ 137,249,603</u>	<u>\$ 144,646,266</u>	<u>\$ 139,647,478</u>
85.88%	89.10%	94.23%	34.43%	36.41%	38.17%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Teaching Staff</b>						
Regular Education	1,020.10	997.26	985.76	971.76	925.49	921.99
Special Education	359.30	346.70	335.30	323.80	309.30	305.50
Vocational Education	47.00	52.00	53.00	50.50	52.50	55.50
Tutors	59.00	56.00	55.87	58.50	58.50	56.50
<b>Administrators</b>						
Buildings/Departments	104.00	99.00	99.00	99.00	100.00	100.00
<b>Other Positions</b>						
Psychologists	16.80	14.80	14.80	13.80	12.80	12.80
Nurses	9.40	9.40	9.40	9.40	9.40	9.40
Speech	27.00	27.00	22.40	18.40	19.20	19.10
OT/PT	24.00	20.60	17.60	11.20	12.80	12.80
Adapted Physical Education Therapist	4.00	4.00	4.00	4.00	3.00	3.00
Sign Interpreter	3.00	3.00	3.00	3.00	3.00	1.00
Social Worker	-	-	-	-	0.50	0.50
Counselors	25.00	25.00	25.00	25.00	25.00	25.00
Library Media Specialists	4.00	4.00	4.00	4.00	3.00	4.00
Other Professionals	9.00	10.00	11.00	12.00	13.00	11.00
<b>Support Staff</b>						
Technology	9.00	9.00	9.00	9.00	8.00	10.00
Aides	341.00	318.17	302.17	297.00	290.00	275.50
Accounting	9.00	9.00	9.00	9.00	9.00	9.00
Clerical	109.00	107.50	107.50	108.50	109.50	108.00
Custodial	109.00	106.67	105.00	101.50	104.00	102.00
Printer	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	31.00	27.00	30.00	30.00	27.00	29.00
Mechanics	7.00	8.00	7.00	8.00	8.00	7.00
Bus Drivers	181.00	168.00	165.00	164.00	158.00	150.00
Food Service Transporters	-	-	-	-	3.00	3.00
Cooks	137.95	141.88	137.36	128.09	128.93	129.76
Hall Monitors	34.79	33.85	32.78	34.38	33.79	34.89
Recreation Center	11.00	10.50	9.00	9.00	10.50	11.50
Athletic Trainer	-	-	-	-	-	0.50
Cultural Diversity	1.00	-	-	-	-	-
<b>Total</b>	<u><u>2,693.34</u></u>	<u><u>2,609.33</u></u>	<u><u>2,554.94</u></u>	<u><u>2,503.83</u></u>	<u><u>2,438.21</u></u>	<u><u>2,409.24</u></u>

**Function**

<b>Instructional</b>						
Regular and Special	1,708.54	1,659.19	1,620.01	1,595.19	1,528.99	1,506.49
<b>Support Services</b>						
Pupil	138.33	129.33	122.86	114.12	115.96	116.82
Instructional Staff	73.29	70.37	71.25	65.50	70.50	84.00
Administration	172.80	168.30	167.17	167.50	169.00	154.20
Fiscal	13.00	13.00	13.00	13.00	13.00	13.00
Business	2.00	2.00	2.00	2.00	2.00	2.00
Operation and Maintenance	159.93	155.59	158.03	155.12	154.09	154.22
Pupil Transportation	243.00	225.00	221.00	221.50	210.50	201.00
Central	21.00	22.00	20.00	20.00	19.00	20.00
Food Service	142.95	146.55	142.36	133.09	136.18	137.01
Community Services	14.50	14.00	13.27	12.80	15.00	16.00
Extracurricular Activities	4.00	4.00	4.00	4.00	4.00	4.50
<b>Total</b>	<u><u>2,693.34</u></u>	<u><u>2,609.33</u></u>	<u><u>2,554.94</u></u>	<u><u>2,503.81</u></u>	<u><u>2,438.21</u></u>	<u><u>2,409.24</u></u>

Source: School District Records



<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
914.21	915.18	909.78	926.33
294.30	284.30	283.25	270.75
55.00	55.50	56.50	59.00
56.50	56.40	56.40	65.75
100.00	100.50	100.50	100.00
12.30	12.30	11.30	12.80
8.95	8.95	8.95	8.90
17.60	19.60	19.20	19.70
12.00	11.10	11.70	10.40
3.00	3.00	3.00	3.00
2.00	3.00	3.00	3.00
0.50	0.50	0.50	0.50
25.00	25.00	25.00	25.00
4.00	4.00	4.00	4.00
11.00	11.00	14.00	13.00
10.00	10.00	10.00	11.00
281.03	279.08	286.28	288.16
9.00	9.00	9.00	8.00
108.00	109.00	108.00	108.00
105.00	102.00	103.00	116.00
1.00	1.00	1.00	1.00
29.00	29.00	29.00	30.00
8.00	8.00	8.00	8.00
155.00	153.00	148.00	152.00
3.00	3.00	3.00	3.00
127.93	128.18	128.17	134.76
33.42	41.10	39.16	38.56
13.50	14.00	14.00	13.50
0.50	0.50	0.50	0.50
-	-	-	-
<u>2,400.74</u>	<u>2,397.19</u>	<u>2,394.19</u>	<u>2,434.61</u>
1,317.69	1,310.73	1,304.93	1,320.08
114.50	119.91	117.50	116.76
259.88	259.21	270.93	270.31
153.70	154.92	154.40	154.35
13.00	13.00	13.00	12.00
2.00	2.00	2.00	2.00
156.99	157.69	158.19	171.64
206.00	202.50	195.50	201.00
20.00	20.00	20.00	21.00
135.18	134.93	134.92	142.26
17.30	17.80	17.82	18.21
4.50	4.50	5.00	5.00
<u>2,400.74</u>	<u>2,397.19</u>	<u>2,394.19</u>	<u>2,434.61</u>

South-Western City School District  
 Operating Expenditures Necessary to Educate  
 a District Student for Graduation in June, 2019  
 (Actual Dollars Expended by Year)

	Grade	South-Western	State Average	Franklin County
	Level	City School	for All	Franklin County
		District	School Districts	Average
2006-07	K	\$ 8,876	\$ 9,283	\$ 10,655
2007-08	1	9,336	9,388	11,079
2008-09	2	9,627	10,184	11,428
2009-10	3	9,893	10,512	11,908
2010-11	4	10,397	10,571	12,018
2011-12	5	10,273	10,508	11,998
2012-13	6	10,388	10,526	11,684
2013-14	7	10,386	10,913	11,854
2014-15	8	10,451	10,984	11,993
2015-16	9	10,274	11,164	11,901
2016-17	10	10,502	11,605	12,194
2017-18	11	10,559	11,953	12,491
2018-19	12	not available	not available	not available
Total		<u>\$ 120,962</u>	<u>\$ 127,591</u>	<u>\$ 141,203</u>

Source: District Financial Records and the Ohio Department of Education

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function-Governmental Activities					
Instruction and Support Services - Pupils					
Graduates	1,487	1,472	1,390	1,401	1,522
% of Students with IEP	17.2%	15.8%	14.9%	16.0%	15.5%
% of Limited English Proficient Students	12.7%	13.3%	11.1%	14.0%	13.1%
Student Attendance	92.5%	92.5%	93.3%	93.6%	93.6%
Fiscal					
Purchase Orders Processed	14,802	15,031	15,802	15,448	15,439
Nonpayroll Checks Issued	9,139	9,410	10,156	11,509	11,329
Operations and Maintenance					
Work Orders Completed	7,790	10,206	7,850	8,137	7,150
District Square Footage Maintained by Staff (in thousands)	3,125	3,103	3,103	2,890	2,890
District Acreage Maintained by Staff	669	669	669	669	669
Pupil Transportation					
Average Number of Students Transported Each Day	15,500	14,500	14,154	14,302	13,756
Average Daily Miles driven Each Day	17,479	17,201	15,637	15,210	14,745
Food Service					
Meals Served to Students:					
Breakfast	1,162,798	1,189,164	1,025,365	918,050	763,187
Lunch	2,315,732	2,311,550	2,310,063	2,272,435	2,100,808
Number of Free and Reduced Students	13,037	13,600	12,903	12,438	12,527
Extracurricular Activities					
High School Varsity Teams *	66	66	66	66	66

\* District Sports offered for Winter and Spring season only in Fiscal Year 2010

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

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010 *</u>
1,281	1,250	1,305	1,263	1,287
14.6%	14.5%	15.3%	14.5%	14.3%
15.6%	16.0%	12.4%	10.9%	14.1%
94.3%	94.1%	94.4%	94.3%	94.2%
15,703	16,708	16,748	17,653	16,015
11,815	12,661	13,152	13,319	13,353
9,850	10,349	7,151	14,955	8,701
2,800	2,800	2,800	2,800	2,800
669	669	610	610	610
13,568	13,231	12,636	12,314	12,134
14,745	13,756	13,033	12,602	12,886
729,398	716,094	704,846	622,072	576,270
2,086,810	2,128,765	2,235,348	2,175,309	2,181,936
11,638	11,405	10,996	10,605	10,427
66	65	65	64	37

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Governmental Activities</b>						
<b>Instruction</b>						
Land	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965
Buildings	344,624,351	338,588,706	338,280,643	280,278,779	182,061,641	139,654,408
Improvements to Land	32,754,364	31,977,540	31,469,418	23,920,981	6,768,432	1,115,928
Furniture and Equipment	1,703,659	1,781,682	1,798,361	1,824,662	1,468,616	1,315,351
<b>Special</b>						
Buildings	923,340	923,340	947,974	942,086	942,086	942,086
Improvements to Land	9,688	9,688	9,688	9,688	43,595	43,595
Furniture and Equipment	145,261	181,535	209,000	218,902	218,902	236,434
Vehicle	40,796	40,796	40,796	40,796	40,796	40,796
<b>Vocational</b>						
Land	994,583	994,583	994,583	994,583	994,583	994,583
Buildings	18,590,538	18,376,748	18,361,528	18,305,935	18,305,935	18,305,935
Improvements to Land	20,555	20,555	20,555	20,555	20,555	20,555
Furniture and Equipment	1,433,958	1,390,877	1,260,758	1,240,079	1,231,929	1,246,452
Vehicle	25,151	17,151	17,151	17,151	17,151	17,151
<b>Other</b>						
Furniture and Equipment	37,990	37,990	32,230	-	-	-
<b>Support Services:</b>						
<b>Pupil</b>						
Furniture and Equipment	12,906	12,906	7,410	7,410	7,410	7,410
<b>Instructional Staff</b>						
Furniture and Equipment	468,466	474,288	474,288	474,288	497,691	495,351
<b>Administration</b>						
Land	570,242	570,242	570,242	570,242	570,242	570,242
Buildings	5,182,521	5,182,521	5,182,521	5,182,521	5,193,143	5,180,148
Improvements to Land	491,320	491,320	491,320	491,320	491,320	491,320
Furniture and Equipment	523,932	515,044	530,793	585,624	602,632	602,632
<b>Fiscal</b>						
Furniture and Equipment	-	-	-	-	10,592	10,592
<b>Business</b>						
Furniture and Equipment	55,429	16,929	16,929	16,929	-	-
<b>Operations and Maintenance</b>						
Land	20,375	20,375	20,375	20,375	20,375	20,375
Buildings	280,873	280,873	280,873	270,565	96,598	96,598
Improvements to Land	34,258	34,258	34,259	34,259	13,759	13,759
Furniture and Equipment	1,128,256	1,094,290	1,027,529	933,116	815,003	944,510
Vehicle	1,843,789	1,693,981	1,531,936	1,454,859	1,493,009	1,345,598
<b>Transportation</b>						
Land	172,546	172,546	172,546	172,546	172,546	172,546
Buildings	1,169,891	1,169,891	1,169,891	1,169,891	1,135,561	1,135,561
Improvements to Land	702,185	702,185	712,469	712,469	712,469	712,469
Furniture and Equipment	120,013	120,013	120,013	120,013	120,013	120,013
Vehicle	97,300	97,300	97,300	97,300	97,300	97,300
Buses	16,743,351	16,117,705	15,400,243	15,785,195	14,815,993	13,804,273
<b>Central</b>						
Buildings	30,846,641	30,846,641	30,832,060	31,263,325	31,272,775	31,305,242
Improvements to Land	263,455	263,455	295,560	402,881	1,582,224	2,941,846
Furniture and Equipment	808,914	878,137	745,047	661,247	697,256	677,573
Vehicle	-	-	19,860	68,173	68,173	68,173
<b>Food Service</b>						
Buildings	22,213	22,213	22,213	22,213	22,213	22,213
Improvements to Land	-	-	8,200	8,200	8,200	8,200
Furniture and Equipment	3,791,434	3,747,374	3,715,084	3,789,365	2,394,959	1,978,218
Vehicle	69,625	69,625	87,065	104,498	104,498	104,498
<b>Community Services</b>						
Land	200,000	200,000	200,000	200,000	200,000	200,000
Buildings	7,589,035	7,555,325	7,488,836	7,445,294	7,236,635	7,502,648
Improvements to Land	210,304	210,304	210,304	210,304	240,666	235,066
Furniture and Equipment	263,768	279,587	279,587	267,923	267,923	267,923
<b>Extracurricular Activities</b>						
Buildings	3,525,426	3,473,883	3,463,190	3,445,520	3,041,671	3,046,988
Improvements to Land	3,245,571	3,234,571	3,265,101	3,200,707	2,293,100	943,847
Furniture and Equipment	1,136,960	951,147	727,449	720,906	348,590	341,380
Vehicle	5,626	5,626	5,626	5,626	5,626	-
<b>Total</b>	<u>\$ 489,621,824</u>	<u>\$ 481,566,711</u>	<u>\$ 479,369,769</u>	<u>\$ 414,450,266</u>	<u>\$ 295,485,351</u>	<u>\$ 246,118,751</u>

Source: District Capital Asset Records

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	6,720,965	\$ 4,794,159	\$ 4,794,159	\$ 4,794,159
	141,389,904	141,582,072	138,501,697	138,702,141
	1,044,772	1,044,772	973,718	890,517
	1,323,658	653,992	639,032	431,640
	942,086	942,086	1,006,835	1,006,835
	43,595	43,595	43,595	43,595
	225,110	334,673	334,673	202,223
	40,796	40,796	40,796	-
	994,583	994,583	994,583	994,583
	18,305,935	18,178,118	18,178,118	18,178,118
	20,555	20,555	20,555	40,880
	1,146,172	1,023,836	1,036,056	1,040,220
	17,151	17,151	17,151	17,151
	-	-	-	-
	7,410	7,410	7,410	7,410
	501,410	501,410	507,010	500,121
	570,242	570,242	570,242	570,242
	5,180,148	5,180,148	5,147,081	5,147,081
	491,320	491,320	491,320	491,320
	614,947	654,217	612,743	609,851
	10,592	10,592	10,592	10,592
	-	-	-	-
	20,375	20,375	20,375	20,375
	96,598	96,598	96,598	96,598
	13,759	13,759	13,759	13,759
	867,563	885,257	844,261	841,709
	1,243,976	1,210,896	1,219,242	1,352,865
	172,546	172,546	172,546	172,546
	1,135,561	1,135,561	1,135,561	1,135,561
	661,648	661,648	661,648	661,648
	134,476	120,013	97,677	97,677
	150,967	150,967	150,967	120,721
	12,950,298	12,009,460	11,181,380	11,686,091
	31,315,742	31,315,742	31,245,335	31,144,487
	3,096,369	3,228,911	3,292,065	3,430,085
	666,865	620,561	554,812	496,264
	68,173	68,173	68,173	68,173
	22,213	22,213	22,213	22,213
	8,200	8,200	8,200	8,200
	1,971,016	1,993,247	1,993,247	1,998,359
	104,498	104,498	104,498	99,315
	200,000	200,000	200,000	200,000
	7,502,648	7,368,561	7,368,561	7,368,561
	235,066	235,066	235,066	235,066
	267,923	272,933	272,933	272,933
	3,046,988	3,120,319	3,115,239	3,108,519
	943,847	412,688	476,762	465,764
	341,380	331,186	319,052	275,562
	-	-	-	-
	<u>\$ 246,830,046</u>	<u>\$ 242,865,105</u>	<u>\$ 238,797,536</u>	<u>\$ 239,071,730</u>

South-Western City School District  
Facility Inventory

		<u>Original Construction</u>	<u>Addition (s) Date (s)</u>	<u>Building Area (Sq. Ft.)</u>	<u>Acreage</u>	<u>Student Capacity</u>
<b><u>Elementary Schools</u></b>						
Alton Hall	Basic	2014		69,984	9.09	600
Bolton Crossing	Basic	2015	2019	83,615	43.38	814
Buckeye Woods	Basic	1995		68,000	19.11	725
Darbydale	Basic	2015		49,875	7.12	400
Darby Woods	Basic	1995		68,000	8.80	725
East Franklin	Basic	1956	1963, 1997	36,638	6.28	450
Finland	Basic	2015		61,615	8.60	520
Harmon	Basic	2014		69,984	16.26	600
Highland Park	Basic	2016		69,984	14.59	600
Monterey	Basic	2014		61,615	5.60	600
Prairie Lincoln	Basic	2016		69,984	19.41	600
Prairie Norton	Basic	2014		69,984	5.45	600
Richard Ave.	Basic	2016		61,615	10.44	520
J. C. Sommer	Basic	2015		69,984	8.70	600
Stiles	Basic	2015		69,984	10.77	600
West Franklin	Basic	2016		69,984	9.70	600
<b><u>Intermediate Schools</u></b>						
Franklin Woods	Basic	2000		87,981	21.45	800
Galloway Ridge	Basic	2000		87,981	6.51	800
Holt Crossing	Basic	2000		87,981	20.70	800
Park Street	Basic	2000		87,981	12.71	800
Hayes	Basic	1966	1981, 1982, 1986, 2003	58,677	10.85	520
<b><u>Middle Schools</u></b>						
Brookpark	Basic	1953	1997	82,422	14.93	725
Finland	Basic	1964	1975, 1995	91,098	17.30	786
Jackson	Basic	2001		99,597	28.14	800
Norton	Basic	1953	1995	87,204	15.00	680
Pleasant View	Basic	1958	1963	138,702	39.88	924
<b><u>High Schools</u></b>						
Central Crossing	Basic	2002		260,716	63.81	1,880
Franklin Heights	Basic	2015		171,310	37.02	930
Grove City	Basic	1970	1976, 1983, 1985, 2000	198,348	52.30	1,843
Westland	Basic	1970	1976, 1982, 1985, 2000	197,154	51.79	1,861
<b><u>Additional Schools</u></b>						
Kingston	Basic	1949		13,180	2.00	70
Preschool Center	Basic	1950	2004	10,000	0.75	60
South-Western Career Academy	Basic	2002		130,156	22.10	750



South-Western City School District  
 Facility Inventory

		<u>Original Construction</u>	<u>Addition (s) Date (s)</u>	<u>Building Area (Sq. Ft.)</u>	<u>Acreage</u>	<u>Student Capacity</u>
<b><u>Recreation Centers</u></b>						
Falcons Nest	Basic	1986		37,507		
Grove City	Basic	1986		37,507		
Cougar Community	Basic	1986		37,507		
<b><u>Miscellaneous</u></b>						
District Service Center	Basic	1981	1989, 1995, 2002	70,000	3.30	<u>Occupancy</u> 350
Transportation	Basic	1986		16,594	13.00	109
2 Houses - offices	Basic	1960 est		5,000	1.00	8
Norton Road Head Start	Basic	1975		4,300	0.70	46
Stiles Family Center	Basic	1994		4,510	1.20	206
Tech Services - Garage	Basic	1960 est		2,000	0.50	3
Bostic Center - Head Start	Basic	1973	2003	13,105	1.61	115

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

Percentage of Students Passing:	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
<u>3rd Grade</u>					
Mathematics	60.1%	57.6%	61.8%	60.5%	59.2%
Reading	59.3%	52.0%	53.6%	47.0%	68.9%
<u>4th Grade</u>					
Mathematics	72.4%	67.6%	74.7%	65.7%	66.1%
Reading	60.8%	60.1%	57.5%	52.8%	78.4%
Social Studies	0.0%	0.0%	72.5%	68.7%	69.7%
<u>5th Grade</u>					
Mathematics	61.5%	62.5%	63.0%	62.2%	66.3%
Reading	67.4%	66.0%	69.0%	57.6%	76.1%
Science	60.9%	66.2%	68.6%	61.9%	57.6%
<u>6th Grade</u>					
Mathematics	61.8%	62.7%	61.7%	58.5%	68.7%
Reading	48.3%	58.4%	62.2%	52.4%	77.4%
Social Studies	0.0%	0.0%	58.0%	54.9%	51.1%
<u>7th Grade</u>					
Mathematics	53.7%	58.6%	51.8%	50.3%	64.0%
Reading	62.9%	59.8%	55.8%	48.3%	72.2%
<u>8th Grade</u>					
Mathematics	57.6%	44.9%	48.4%	54.6%	61.9%
Reading	52.6%	51.2%	43.2%	41.2%	70.6%
Science	73.1%	64.2%	65.1%	63.5%	70.7%
High School End of Course					
Government	75.1%	73.3%	63.6%	63.3%	48.5%
History	76.9%	76.9%	63.6%	70.0%	58.1%
English I	65.6%	68.1%	51.8%	46.0%	75.7%
English II	63.8%	65.4%	48.7%	39.0%	NC
Algebra I	52.7%	57.1%	38.3%	40.8%	57.7%
Geometry	46.2%	48.1%	35.3%	35.4%	96.3%
Biology	72.5%	73.7%	49.6%	59.1%	N/A
<u>Student Attendance Rate</u>	92.5%	92.5%	93.3%	93.6%	93.4%

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

Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010
79.7%	74.1%	78.2%	79.8%	70.5%
78.2%	72.6%	74.3%	75.2%	70.1%
75.1%	78.7%	79.9%	78.3%	73.3%
80.7%	85.0%	79.3%	80.9%	74.7%
N/A	N/A	N/A	N/A	N/A
68.1%	64.9%	67.4%	66.2%	68.1%
66.5%	69.2%	73.1%	71.1%	69.1%
58.3%	60.5%	65.3%	65.5%	63.6%
79.7%	76.1%	83.0%	82.2%	79.6%
83.3%	81.8%	85.4%	85.1%	85.1%
N/A	N/A	N/A	N/A	N/A
73.5%	74.5%	75.5%	75.1%	68.3%
83.0%	77.0%	78.2%	75.4%	75.6%
81.3%	78.4%	77.7%	73.8%	66.1%
87.5%	85.7%	82.6%	83.0%	76.9%
66.3%	65.1%	71.8%	67.1%	62.8%
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
94.3%	94.1%	94.4%	94.3%	94.2%

South-Western City School District  
Attendance Data  
Last Ten Fiscal Years

<u>School Year End</u>	<u>Number Of Graduates</u>	<u>Elementary Schools Enrollment</u>	<u>Intermediate Schools Enrollment</u>	<u>Middle Schools Enrollment</u>	<u>High Schools Enrollment</u>	<u>Total Enrollment</u>
2019	1,487	8,322	3,465	3,381	6,777	21,945
2018	1,472	8,573	3,350	3,315	6,844	22,082
2017	1,390	8,301	3,305	3,292	6,749	21,647
2016	1,401	8,155	3,159	3,330	6,602	21,246
2015	1,522	7,807	3,085	3,289	6,504	20,685
2014	1,281	7,709	3,131	3,270	6,325	20,435
2013	1,250	7,480	3,155	3,212	6,368	20,215
2012	1,305	7,396	3,172	3,202	6,306	20,076
2011	1,263	7,328	3,113	3,224	6,229	19,894
2010	1,287	7,431	3,212	3,212	6,085	19,940

Source: Education Management Information System  
and District Student Data Base

South-Western City School District  
 Demographics  
 Last Ten Fiscal Years

<u>Year</u>	(1) <u>Estimated Population</u>	(2) <u>Average Daily Membership</u>	(3) <u>Average Federal Adjusted Gross Income</u>	(3) <u>Total Federal Adjusted Gross Income</u>	(4) <u>Unemployment Rate</u>
2019	145,747	21,945	not available	not available	3.70%
2018	141,947	22,082	not available	not available	3.80%
2017	137,488	21,647	\$ 51,573	\$ 3,329,782,419	3.80%
2016	136,231	21,246	50,080	3,176,967,282	3.90%
2015	135,715	20,685	49,736	3,085,188,297	3.60%
2014	134,627	20,435	48,340	2,951,516,885	4.30%
2013	133,539	20,215	47,076	2,901,095,182	6.10%
2012	133,335	20,076	46,196	2,751,824,091	5.80%
2011	133,116	19,894	44,836	2,649,287,890	7.60%
2010	132,899	19,940	44,239	2,546,177,056	8.30%

Sources:

(1) Mid Ohio Regional Planning Commission

(2) Per District records - October Count

(3) Ohio Department of Taxation

(4) September or October Data of Ohio Bureau of Employment Services or Ohio Department of Jobs and Family Services. Specific employment figures for the School District are not available. Unemployment percentages presented are for Franklin County and are not seasonally adjusted.

South-Western City School District  
Principal Employers - City of Grove City  
Calendar Year 2018 and 2009

<u>Employer</u>	2018			<u>Employer</u>	2009		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>		<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
FedEx Ground Package Systems, Inc.	1,467	1	5.78%	South-Western City School District	1,838	1	9.68%
South-Western City School District	1,336	2	5.26%	Walmart Distribution Center	1,203	2	6.34%
Walmart Distribution Center	1,223	3	4.82%	FedEx Ground Package Systems, Inc.	687	3	3.62%
Kroger	430	4	1.69%	The GAP Direct	584	4	3.08%
Halcore Group	417	5	1.64%	Nationwide	495	5	2.61%
Tigerpoly Manufacturing, Inc.	401	6	1.58%	Manheim Corporate Services/Ohio Auto Auction	409	6	2.15%
Manheim Corporate Services/Ohio Auto Auction	335	7	1.32%	Halcore Group	373	7	1.96%
Tosoh	325	8	1.28%	Walmart Super Center	348	8	1.83%
Walmart Super Center	289	9	1.14%	Tigerpoly Manufacturing, Inc.	297	9	1.56%
Nationwide	279	10	1.10%	Tosoh	275	10	1.45%
Total Employees from Top Ten Employers	6,502		25.61%	Total Employees from Top Ten Employers	6,509		34.28%
All Other Employers	18,884		74.39%	All Other Employers	12,477		65.72%
Total Employees	25,386		100.00%	Total Employees	18,986		100.00%

Source: City of Grove City Comprehensive Annual Financial Report

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

South-Western City School District  
 Principal Employers - Greater Columbus Area  
 Calendar Year 2018

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Ohio State University	32,111	1	2.97%
Ohio Health	26,599	2	2.46%
Walmart Stores, Inc.	26,000	3	2.40%
State of Ohio	24,955	4	2.31%
JP Morgan Chase & Co.	18,701	5	1.73%
Nationwide	13,455	6	1.24%
Nationwide Children's Hospital	12,023	7	1.11%
Kroger Co.	11,206	8	1.04%
City of Columbus	8,873	9	0.82%
Mount Carmel Health System	8,708	10	0.80%
Honda North America, Inc.	8,300	11	0.77%
Columbus City Schools	7,890	12	0.73%
L. Brands Inc.	7,662	13	0.71%
Franklin County	7,249	14	0.67%
Huntington Bancshares, Inc.	5,983	15	0.55%
Cardinal Health Inc.	5,540	16	0.51%
Alliance Data	4,400	17	0.41%
American Electric Power Company, Inc.	4,185	18	0.39%
U.S. Postal Service	3,536	19	0.33%
Giant Eagle Inc.	3,533	20	0.33%
Abercrombie & Fitch Co.	3,005	21	0.28%
DLA Land and Maritime	3,000	22	0.28%
South-Western City School District	2,701	23	0.25%
YMCA of Central Ohio	2,608	24	0.24%
Verizon	2,406	25	0.22%

Source: City of Columbus Comprehensive Annual Financial Report

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

South-Western City School District  
 Principal Employers - Greater Columbus Area  
 Calendar Year 2009

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
State of Ohio	27,961	1	2.93%
Ohio State University	22,454	2	2.35%
JPMorgan Chase & Co.	15,800	3	1.65%
Nationwide	11,373	4	1.19%
Federal Government/United States Postal Services (1)	10,800	5	1.13%
Ohio Health	10,400	6	1.09%
Columbus Public Schools	8,198	7	0.86%
City of Columbus	8,149	8	0.85%
Honda of America Mfg., Inc.	7,400	9	0.77%
Mount Carmel Health System	5,523	10	0.58%
Kroger Co.	5,215	11	0.55%
Franklin County	5,207	12	0.55%
Limited Brands	5,100	13	0.53%
American Electric Power Company, Inc.	4,332	14	0.45%
Nationwide Children's Hospital	4,080	15	0.43%
Cardinal Health Inc.	3,674	16	0.38%
Huntington Bancshares, Inc.	3,319	17	0.35%
Medco Health Solutions, Inc.	2,860	18	0.30%
Battelle	2,496	19	0.26%
South-Western City Schools	2,479	20	0.26%
Abercromie & Fitch Co.	2,268	21	0.24%
Abbott Nutrition, division of Abbott	2,268	22	0.22%
Alliance Data	2,014	23	0.21%
Emerson Network Power/Leibert Corp	2,000	24	0.21%
TS Tech North America	1,720	25	0.18%

(1) Federal Government employees includes: 5,100 Federal Government and US Postal Service FTEs; 2,700 Defense Supply Center FTEs; and 3,000 Defense Finance & Accounting Service Center FTEs.

Source: City of Columbus Comprehensive Annual Financial Report

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



OHIO AUDITOR OF STATE  
**KEITH FABER**



**SOUTHWESTERN CITY SCHOOL DISTRICT**

**FRANKLIN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 21, 2020**