

SOUTH-WESTERN CITY SCHOOL DISTRICT

FRANKLIN COUNTY

SINGLE AUDIT

JULY 1, 2016 – JUNE 30, 2017





Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the South-Western City School District, Franklin County, prepared by Wilson, Shannon & Snow Inc., for the audit period July 1, 2016 through June 30, 2017. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

January 18, 2018

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

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	1
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	2
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <i>GOVERNMENT AUDITING STANDARDS</i>	3
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	5
SCHEDULE OF FINDINGS – 2 CFR § 200.515	8

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SOUTH-WESTERN CITY SCHOOL DISTRICT
FRANKLIN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

FEDERAL GRANTOR\ <i>Pass Through Grantor</i> \ Program/Cluster Title	Pass Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures	Non-Cash Federal Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
<i>Passed through Ohio Department of Education:</i>				
<i>Child Nutrition Cluster:</i>				
School Breakfast Program	NA	10.553	\$ 1,883,273	\$ -
National School Lunch Program	NA	10.555	5,972,205	872,560
<i>Total Child Nutrition Cluster:</i>			<u>7,855,478</u>	<u>872,560</u>
Child and Adult Food Care Program	NA	10.558	132,050	-
Total U.S. Department of Agriculture			<u>7,987,528</u>	<u>872,560</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	NA	84.010	7,474,180	-
<i>Special Education Cluster:</i>				
Special Education-Grants to States	NA	84.027	4,186,548	-
Special Education-Preschool Grants	NA	84.173	45,859	-
<i>Total Special Education Cluster</i>			<u>4,232,407</u>	<u>-</u>
Vocational Education-Basic Grants to States	NA	84.048	404,662	-
English Language Acquisition Grants	NA	84.365	531,782	-
Improving Teacher Quality State Grants	NA	84.367	754,589	-
<i>Total Passed through Ohio Department of Education</i>			<u>13,397,620</u>	<u>-</u>
<i>Passed through the Ohio Board of Regents:</i>				
Adult Education-State Grant Program	AB-S1	84.002	165,499	-
Total U. S Department of Education			<u>13,563,119</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
<i>Passed through The YMCA of Central Ohio:</i>				
Head Start	N/A	93.600	1,364,531	-
Total U.S. Department of Health and Human Services			<u>1,364,531</u>	<u>-</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
<i>Passed through the Ohio Department of Transportation:</i>				
State Clean Diesel Grant Program	N/A	66.040	270,639	-
Total U.S. Environmental Protection Agency			<u>270,639</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 23,185,817</u>	<u>\$ 872,560</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 FISCAL YEAR ENDED JUNE 30, 2017

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 District) under programs of the federal government for the fiscal year ended June 30, 2017. 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 District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the 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. The District has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - CHILD NUTRITION CLUSTER

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

NOTE D – FOOD DONATION PROGRAM

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

**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, (the District) as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 20, 2017 wherein we noted the District restated fund balances and net position as disclosed in Note 4.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the 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 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 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.

Compliance and Other Matters

As part of reasonably assuring whether the 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 District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 20, 2017

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY 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 Each Major Federal Program

We have audited the South-Western City School District's (the 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 each of the South-Western City School District's major federal programs for the fiscal year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the District's major federal programs.

Management's Responsibility

The 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 District's compliance for each of the District's major federal programs 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 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 each of the District's major programs. However, our audit does not provide a legal determination of the 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 each of its major federal programs for the fiscal year ended June 30, 2017.

Report on Internal Control Over Compliance

The 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 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 each 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 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, Franklin County (the District) as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our unmodified report thereon dated December 20, 2017 wherein we noted the District restated fund balances and net position as disclosed in Note 4. We conducted our audit to opine on the 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. 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.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
December 20, 2017

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

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

JUNE 30, 2017

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Head Start/CFDA #93.600 Improving Teacher Quality State Grants/CFDA #84.367 Special Education Cluster: Special Education-Grants to States/CFDA #84.027 and Special Education-Preschool Grants/CFDA #84.173
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	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, 2017*

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

SOUTH-WESTERN CITY SCHOOL DISTRICT

Grove City, Ohio

***COMPREHENSIVE ANNUAL FINANCIAL
REPORT***

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

INTRODUCTORY SECTION

Title Page 1
 Table of Contents 2
 Letter of Transmittal..... 5
 List of Principal Officials 15
 Treasurer’s Department Staff 16
 Organizational Chart 17
 GFOA Certificate of Achievement..... 18

FINANCIAL SECTION

Independent Auditor’s Report 19
 Management’s Discussion and Analysis 22

Basic Financial Statements:

Government-wide Financial Statements

Statement of Net Position 30
 Statement of Activities 31

Fund Financial Statements:

Balance Sheet – Governmental Funds 32
 Reconciliation of Total Governmental Fund Balances to Net Position of
 Governmental Activities 34
 Statement of Revenues, Expenditures, and Changes in Fund
 Balances – Governmental Funds 36
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
 Balances of Governmental Funds to the Statement of Activities..... 38
 Statement of Net Position – Internal Service Fund..... 40
 Statement of Revenues, Expenses, and Changes in Fund
 Net Position – Internal Service Fund 41
 Statement of Cash Flows – Internal Service Fund..... 42
 Statement of Fiduciary Assets and Liabilities – Agency Fund 43
 Notes to the Basic Financial Statements..... 44

Required Supplementary Information:

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual	78
Budgetary Basis of Accounting	81
Schedule of the District’s Proportionate Share of the Net Pension Liability School Employees Retirement System of Ohio	82
Schedule of the District’s Proportionate Share of the Net Pension Liability State Teachers Retirement of Ohio	83
Schedule of the District’s Contribution - School Employees Retirement System of Ohio	84
Schedule of the District’s Contribution – State Teachers Retirement System of Ohio	86

Other Supplementary Information:

Debt Service Fund

Fund Description	89
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual	90

Capital Improvement Funds

Fund Description	91
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP) and Actual:	
Capital Improvements	92
Building	94
Classroom Facilities	95

Combining Statements – Nonmajor Funds:

Fund Descriptions	96
Combining Balance Sheet – Nonmajor Governmental Funds	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	100
Individual Fund Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget (Non-GAAP) and Actual:	
Public School Support	102
Other Grants	105
District Managed Student Activities	107
All State Grants	109
All Federal Grants	111
Food Service	114
Classroom Facilities Maintenance	115

Proprietary Funds:	
Internal Service Fund	
Fund Description	116
Schedule of Revenues, Expense and Changes in Fund Net Position	
– Budget (Non-GAAP) and Actual.....	117
Fiduciary Funds	
Fund Description	118
Combining Balance Sheet – All Agency Funds.....	119
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	120
STATISTICAL SECTION	
Statistical Section Description.....	121
Net Position by Component – Last Ten Fiscal Years.....	122
Changes in Net Position – Last Ten Fiscal Years	124
Fund Balances, Governmental Funds - Last Ten Fiscal Years.....	128
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	130
Assessed and Estimated Actual Value of Taxable Property - Last Ten Collection Years	132
Property Tax Levies and Collections - Last Ten Fiscal Years	134
Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years.....	136
Principal Taxpayers – December 31, 2016 and December 31, 2007	138
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	140
Ratio of Net General Obligation Bonded Debt Outstanding - Last Ten Collection Years.....	141
Computation of Direct and Overlapping Governmental Activities Debt	
- June 30, 2017	142
Computation of Legal Debt Margin – Last Ten Fiscal Years	144
Staffing Statistics – Last Ten Fiscal Years.....	146
General Fund – Operating Expenditures Necessary to Educate a District	
Student for Graduation in June 2017.....	148
Operating Indicators by Function – Last Ten Fiscal Years.....	150
Capital Assets by Function/Program – Last Ten Fiscal Years	152
Facility Inventory	154
Educational Statistics – Last Ten Fiscal Years.....	156
Attendance Data – Last Ten Fiscal Years	158
Demographics – Last Ten Fiscal Years	159
Principal Employers – City of Grove City 2016 and 2007.....	160
Principal Employers – Greater Columbus Area 2016	161
Principal Employers – Greater Columbus Area 2007	162
Federal Awards Supplemental Information.....	issued under separate cover



District Service Center

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Grove City, Ohio 43133-3304
(614) 801-3000
Fax: (614) 875-1494

December 20, 2017

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

The twenty-eighth 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 2016-17 fiscal year. This report prepared by the Treasurer's office including the unmodified opinion of our independent auditors, Wilson, Shannon & Snow, Inc. Certified Public Accountants for the fiscal year ended June 30, 2017 is hereby submitted. Responsibility for the accuracy, completeness, and fairness of the report rests with the District. To the best of our knowledge and belief, this report and the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. This report was prepared in conformance with accounting principles generally accepted in the United States of America (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

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

Copies of this report will be widely distributed throughout the District. A copy will be posted 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 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 915 non-certificated employees, 1,541 certificated full-time teaching personnel and 99 administrative employees to provide services to 21,647 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 4.5 percent for the period ending October 2017. The seasonally adjusted rate of unemployment in Ohio was 5.1 percent and the national rate was 4.1 percent for the same period.

The Columbus metropolitan 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, 38% of the District, the City of Grove City (the "City"), 34% of the District, and the townships of Jackson, Franklin, Prairie and Pleasant. 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 is 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 currently underway which highlights the City's commitment to furthering its public-private collaborations is the revitalization of the City's Town Center (the "Town Center"). The Town Center project is will include new library, new streetscapes, improved pedestrian circulation, and a new parking structure. The library is In addition, the Town Center Project is also expected to include the development of an adjacent property known as the "Old Lumberyard Site." The current plan for the Old Lumberyard Site provides for 120 one and two bedroom residential units.

The City also embarked on a new venture by opening its first institution of higher education. Harrison College opened a 20,000 square foot facility on 3.8 acres with visibility from I-71 in September 2009. Harrison College currently operates 14 branch campuses, but the facility in the City is their first location outside of the state of Indiana. After an extensive search of 32 different sites in Central Ohio, the 5,000-student Harrison College chose the City because of its many amenities and location. The opening of Harrison College helps the City achieve its goal in securing continuing educational opportunities for its citizens.

In March 2015, Mount Carmel Health Systems announced that it would be moving its inpatient hospital and 1,500 jobs from the City of Columbus to its 110 acre site near I-71 and SR 665 in Grove City. The site has been vacant since 2005, when its former tenant, Grovebrook Golf Club, ceased operations. It is anticipated that the move will be completed by 2018 featuring: (1) a new 500,000 square foot, seven story hospital with all private patient rooms through the 210 bed facility; (2) Every convenience to engage patients and their families, from easy to navigate pathways throughout the facility to bistro style kitchen and dining and on-demand room service; (3) Expanded emergency department; intensive care, maternity, oncology and palliative care services; and 8 new state-of-the-art surgical suites for inpatient and outpatient surgeries; (4) New 120,000 square foot five story medical office building connected to the hospital, with primary care, maternal fetal medicine, outpatient oncology and women's health services; and (5) Headquarters for Mount Carmel's Graduate Medical Education program.

OhioHealth announced plans to open two new medical facilities east of I-71 on Stringtown Road in the City. One facility will be a three-story, 80,000 square foot building, housing both a 24-hour emergency department with 16 patient bays and an inpatient surgical center with 26 beds. The other facility will be a 40,000 square foot ambulatory surgical center with offices. Both facilities are expected to open in 2017.

ECONOMIC CONDITION AND OUTLOOK – (Continued)

On May 6, 2016, the newly developed Scioto Grove Metro Park opened, offering over 620 acres to enhance the quality of living for the surrounding community. The park is robust with activities for outdoor enthusiasts including, but not limited to backpacking, canoeing/kayaking, fishing, picnic areas with shelters, and hiking and bike trails. The park runs along the Scioto River with mature forests and scenic bluffs overlooking the river, providing a quick escape to nature within a vibrant, growing city.

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 buildings 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.

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: Wal-Mart Distribution Center; FedEx Ground Package Distribution System; GAP Direct Inc. Distribution Systems; Manheim Ohio Auto Auction; Tigerpoly Manufacturing Inc.; Tosoh Corporation Headquarters for sales, marketing, and business development for North America; and Horton Emergency Vehicles van ambulance builders. Among those largest employers, Tigerpoly Manufacturing Inc. locates its corporate headquarters within the City, including a 32 acre manufacturing site.

Economic 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. This area primarily located in the District within this territory is composed of Columbus (50%), Franklin Township (40%), and Jackson Township (10%). 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.

ECONOMIC CONDITION AND OUTLOOK – (Continued)

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 while the Casino floor is 180,000 square feet. The project employed approximately 3,500 construction workers and is expected to employ approximately 2,000 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, thirty-three percent 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.

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 sets 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.

A recent study of the economic impact of the Casino reveals tremendous economic development and tax base growth potential. The study examines the 2.4 square miles surrounding the Casino, which is an area bounded by I-270 to the west, Sullivan Avenue to the south, Wilson Road to the east, and Norfolk Southern Railroad to the north. This area includes parts of the City of Columbus, Prairie Township, and Franklin Township. The study, which was released in January 2013, provides suggested guidelines for the redevelopment of the Westland area and the West Broad Street Corridor. More than 1,000 neighboring businesses and residents participated in this study through public meetings, interviews and online surveys.

The study identified the following areas for potential development:

1. 3,200 additional jobs from warehousing distribution companies
2. 273 additional jobs from restaurant, hotel, and auto retailer development
3. 333 additional jobs from destination retailers and small vendors
4. 250,000 additional square feet of retail space in the Westland area, including restaurants, automotive industries, electronic stores and lifestyle oriented businesses
5. Increased office space and hotel development

According to the study, the development of the Casino, improvements to West Broad Street, redevelopment of Havenwood Townhome Community Apartments gives the area an opportunity to capitalize on attracting additional investors. Since the announcement of the Casino's development, the City of Columbus has committed \$5,000,000 to the improvement of Georgesville Road from West Broad Street to Sullivant Avenue and the Ohio Department of Transportation sponsored the redevelopment of West Broad Street west of Wilson Road.

The northwestern most portion of the District is in Prairie Township, with 73% of township territory in the District. Prairie Township has experienced recent and ongoing economic development activity. Doctor's Hospital completed a \$25 million expansion during 2010 and 2011. In addition, Doctor's Hospital added two additional buildings to a small medical office park across West Broad Street from its main facility.

ECONOMIC CONDITION AND OUTLOOK – (Continued)

In terms of public investment, Prairie Township opened a community recreation center in June of 2015. The recreation center is financed primarily by funds generated from the area's Joint Economic Development Zone. In addition, Prairie Township began a streetscape makeover project along West Broad in the summer of 2015 which was completed in the summer of 2016. Prairie Township formed its own community improvement corporation in February 2010.

Economic Condition and Outlook of the District

On June 30, 2017 the State biennial budget bill, Ohio House Bill 49, was signed into law. Ohio House Bill 49 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 56.0% of all General Fund revenues. Over the two-year biennial budget period, the District anticipates an increase in state funding of roughly 5.5% during the 2017-18 fiscal year, with an additional 5.8% anticipated for the 2018-19 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 2021-22.

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 School 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 21st 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 School 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 School 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 School District's state achievement scores improved in almost every category in every grade level. The prestigious National Merit Scholarship Program has recognized numerous School District high school students for their accomplishments. The School District's graduates are receiving full or partial scholarships to some of the country's top colleges and universities, and the School District's career-technical students are finding well-paying positions in highly competitive job markets.

The School District offers a wide array of affordable community adult education programs as well as GED preparation and English as a Second Language classes. The School 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 School 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 School 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 School District music programs annually. The School District's high school bands, choirs, and orchestras compete on a national-level, winning praise wherever they perform.

Many of the School District's students have received honors for artwork at the local, state, and national level. The School 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 School District's staff members have been recognized as well. Some of the more notable awards received by the School 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 School 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 March 6, 2012, the District passed a \$148,000,000 bond issue to secure its local share to participate in a classroom facilities assistance program with the Ohio School Facilities Commission with a total project cost of \$249,235,700. The project, co-funded by the State of Ohio, replaced thirteen of the District's sixteen elementary buildings and one high school building. Two of the remaining three elementary buildings received significant renovations. The thirteen replacement elementary buildings were constructed in three phases. The first phase began in the spring of 2013 and resulted in the opening of four new elementary buildings in the fall of 2014. Five more elementary buildings opened in the fall of 2015, with the remaining four opening in the fall of 2016. The replacement high school began construction in the spring of 2014 and opened in the fall of 2015.

MAJOR INITIATIVES – (Continued)

The elementary buildings were designed using a prototypical design process to create three separate enrollment capacities of 400, 520 and 600, respectively. 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 Wilson, Shannon & Snow, Inc. Certified Public Accountants is included herein.

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

In addition to the financial audit, a single audit was performed as required by 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.

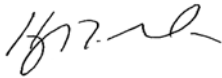
Award - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to South-Western City School District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.

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-seventh 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 2016-17 Comprehensive Annual Financial Report on a timely basis. Sincere thanks are also extended to various administrators and employees of the School District, the Franklin County Auditor's office staff and other outside agencies whose efforts assisted us with the fair presentation of the statistical information. Additionally, appreciation is expressed to the South-Western City School District Board of Education for their support, commitment and leadership to which the preparation of this report would not be possible.

Respectfully submitted,



Hugh W. Garside Jr., Treasurer



William H. Wise, Ph.D., Superintendent

PRINCIPAL OFFICIALS

Board of Education

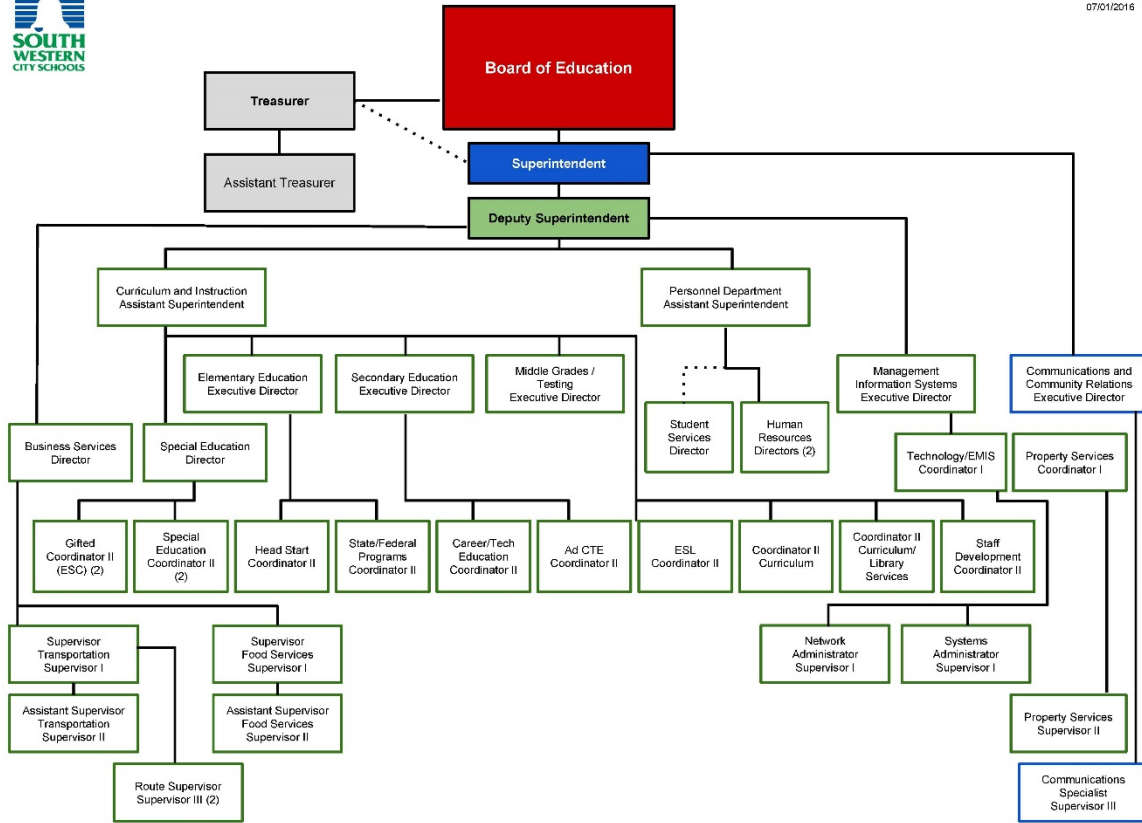
Cathy Johnson	President
Lee Schreiner	Vice President
Karen Dover	Member
Mindy Garverick	Member
Robert Ragland	Member

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	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
Terese M. Flautt	Accounts Receivable
Kathy D. Adams	Accounts Payable
Julie A. Babbert	Accounts Payable
Lisa L. Lee	Accounts Payable
Dawn M. Bowling	Employee Benefits
Nancie A. Bevilacqua	Accountant
Anita M. McCreary	Accountant





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Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

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



INDEPENDENT AUDITOR'S REPORT

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 District), as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the 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 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 District's internal control. Accordingly, we express no 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 opinions.

South-Western City School District
Franklin County
Independent Auditor's Report

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the South-Western City School District, Franklin County, Ohio, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 4 to the basic financial statements, the District restated General Fund balance, Internal Service net position and Governmental Activities net position to properly account for financial activity previously reported in the District's Agency Fund. Our opinion is not modified with respect to this matter.

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, the required budgetary comparison schedule and schedules of net pension liabilities and pension 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 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 these statements and schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules 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, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

South-Western City School District
Franklin County
Independent Auditor's Report

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 20, 2017 on our consideration of the 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 District's internal control over financial reporting and compliance.

Wilson, Shannon & Sons, Inc.

Newark, Ohio
December 20, 2017

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, 2017. 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, 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:

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.

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

Using this Annual Report – (Continued)

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 and dental 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.

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, 2017 and as of June 30, 2016 for comparison purposes:

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

	<u>2017</u>	<u>2016*</u>	<u>Change</u>
Assets			
Current Assets	\$ 341,202	\$339,991	\$ 1,211
Capital Assets	<u>345,881</u>	<u>350,263</u>	<u>(4,382)</u>
Total Assets	<u>687,083</u>	<u>690,254</u>	<u>(3,171)</u>
Deferred Outflows of Resources			
Pension	<u>84,998</u>	<u>40,864</u>	<u>44,134</u>
Total Deferred Outflows of Resources	<u>84,998</u>	<u>40,864</u>	<u>44,134</u>
Liabilities			
Current Liabilities	30,178	35,022	(4,844)
Net Pension Liability	423,063	340,373	82,690
Long-term Liabilities	<u>195,212</u>	<u>203,751</u>	<u>(8,539)</u>
Total Liabilities	<u>648,453</u>	<u>579,146</u>	<u>69,307</u>
Deferred Inflows of Resources			
Property Taxes	68,633	69,768	(1,135)
Deferred Charge on Refunding	315	-	315
Pension	<u>2,069</u>	<u>25,296</u>	<u>(23,227)</u>
Total Deferred Inflows of Resources	<u>71,017</u>	<u>95,064</u>	<u>(24,047)</u>
Net Position			
Net Investment in Capital Assets	177,048	174,341	2,707
Restricted	27,929	43,196	(15,267)
Unrestricted	<u>(152,366)</u>	<u>(160,629)</u>	<u>8,263</u>
Total Net Position	<u>\$ 52,611</u>	<u>\$ 56,908</u>	<u>\$ (4,297)</u>

*As restated, see Note 4

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

The District as a Whole – (Continued)

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 on the following page.

During fiscal year 2015, the District adopted GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27," which significantly revises accounting for pension costs and liabilities. 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 the net pension liability to the reported net position and subtracting deferred outflows related to pension.

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

Under the new standards required by GASB 68, the net pension liability equals the District's proportionate share of each plan's collective:

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

GASB notes that pension 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. GASB noted that the unfunded portion of this pension 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 this liability. 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 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 pension system. In Ohio, there is no legal means to enforce the unfunded liability of the pension system *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 pension system is responsible for the administration of the plan.

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. As explained above, changes in pension benefits, contribution rates, and return on investments affect the balance of the net pension liability, 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 pension 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 is satisfied, this liability is separately identified within the long-term liability section of the statement of net position.

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

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

The District as a Whole – (Continued)

As a result of implementing GASB 68, the District is reporting a net pension liability and deferred inflows/outflows of resources related to pension on the accrual basis of accounting.

The District's net position was \$52,611 thousand at June 30, 2017. Net investment in capital assets totaling \$177,048 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 position 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, 2017 and as of June 30, 2016, for comparison purposes.

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

	<u>2017</u>	<u>Restated 2016</u>	<u>Change</u>
Revenues			
Program Revenue			
Charges for Services and Sales	\$ 7,466	\$ 3,927	\$ 3,539
Operating Grants, Contributions and Interest	<u>44,696</u>	<u>38,976</u>	<u>5,720</u>
Total Program Revenue	<u>52,162</u>	<u>42,903</u>	<u>9,259</u>
General Revenue			
Property Taxes	116,847	114,139	2,708
Payment in Lieu of Taxes	2,482	2,560	(78)
Grants and Entitlements	125,870	124,624	1,246
Interest	1,122	769	353
Other Local Revenue	<u>1,663</u>	<u>6,555</u>	<u>(4,892)</u>
Total General Revenue	<u>247,984</u>	<u>248,647</u>	<u>(663)</u>
Total Revenues	<u>300,146</u>	<u>291,550</u>	<u>8,596</u>
Functions/Program Expenses			
Instruction	191,147	164,610	26,537
Support Services	88,935	73,642	15,293
Food Services	11,041	9,515	1,526
Community Services	2,132	1,541	591
Extracurricular Activities	4,712	4,474	238
Shared Services	373	341	32
Interest and Fiscal Charges	<u>6,103</u>	<u>7,804</u>	<u>(1,701)</u>
Total Expenses	<u>304,443</u>	<u>261,927</u>	<u>42,516</u>
Change in Net Position	(4,297)	29,623	(33,920)
Net Position Beginning of Fiscal Year	<u>56,908</u>	<u>27,285</u>	<u>29,623</u>
Net Position End of Fiscal Year	<u>\$ 52,611</u>	<u>\$ 56,908</u>	<u>\$ (4,297)</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 \$304,443 thousand. Certain activities were partially funded from those who benefited from the programs in the amount of \$7,466 thousand or by other governments and organizations that subsidized certain programs with grants and contributions in the amount of \$44,696 thousand. The remaining "public benefit" portion of the governmental activities was paid for with \$116,847 thousand in taxes, \$125,870 thousand in grants and entitlements, and with other revenues.

The District experienced a decrease in net position of \$4,297 thousand. This decrease was realized primarily due to the decrease in other local revenue.

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, 2017, the governmental funds reported a combined fund balance of \$225,370 thousand, which is an increase of \$9,419 thousand from previous fiscal year (as restated). Additional detail regarding the increase is provided by fund type as follows:

The General Fund balance increased \$17,245 thousand to \$185,100 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 \$892 thousand to \$17,777 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 decreased \$1,932 thousand to \$5,176 thousand due to capital expenditures for paving and roofing related to buildings not being replaced through the capital project initiative.

The Building Fund balance increased \$9,788 thousand to \$6,909 thousand due to expenditures that were previously funded by the Building Fund being attributed to the Classroom Facilities Fund.

The Classroom Facilities Fund balance decreased \$18,052 thousand to \$1,801 thousand due to the progress of capital project initiative. Four replacement elementary school buildings opened in the fall of 2016.

The Other Governmental Funds balance increased \$1,479 thousand to \$8,608 thousand. This increase can be attributed to the timing of state and federal grants.

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, 2017.

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

General Fund Budgetary Highlights – (Continued)

Revisions were made to the original General Fund budget for fiscal year 2017 based on current needs. Budgeted revenues and other financing sources increased by \$8,711 thousand while budgeted expenditures and other financing uses increased by \$1,494 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, 2017, the District had \$345,880 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 \$4,383 thousand, or 1.3 percent, from last fiscal year.

<u>Description of Capital Asset,</u>	<u>2017</u>	<u>2016</u>
<u>Net of Accumulated Depreciation</u>		
Land	\$ 8,679	\$ 8,679
Improvements to Land	31,162	25,341
Buildings	295,697	246,889
Furniture and Equipment	4,109	4,289
Vehicles	471	278
Buses	5,503	5,138
Construction in Progress	<u>259</u>	<u>59,649</u>
Total Capital Assets,		
Net of Accumulated Depreciation	<u>\$ 345,880</u>	<u>\$ 350,263</u>

This fiscal year's additions of \$9,148 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, 2017, the District had \$183,127 thousand in bonds and notes outstanding versus \$191,819 thousand in the previous fiscal year, which is a decrease of 4.5 percent. Those bonds and notes consisted of the following: (in thousands)

<u>Description of G.O. Bonds and Note</u>	<u>2017</u>	<u>2016</u>
2000 Vocational Construction	\$ -	\$ 67
2006 Refunding School Facilities	-	43,783
2006 Refunding Capital Appreciation Bonds	-	1,971
2012 Qualified School Construction Bonds	6,670	6,670
2012 School Facilities	135,047	139,328
2016 Refunding Bonds	<u>41,410</u>	<u>-</u>
Total Long-term Bonds and Note Payable	<u>\$ 183,127</u>	<u>\$ 191,819</u>

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 November 21, 2017. Standard and Poor's affirmed the District's AA- credit rating on November 21, 2017 due to the District's stable financial and academic position. 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 \$169,695 thousand is below the \$220,896 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 15 to Basic Financial Statements.

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

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 August 22, 2016, the Board and S.W.E.A. signed a three year contract effective July 1, 2016 through June 30, 2019. The Board and S.W.E.A. agreed to provide a 2.25% 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 September 12, 2016, the Board and S.W.A.A. signed a three year contract effective July 1, 2016 through June 30, 2019. The Board and S.W.A.A. agreed to provide a 2.25% base salary increase in each year of the contract.

On June 30, 2015 the State biennial budget bill, Ohio House Bill 64, was signed into law. Ohio House Bill 64 increased school district budgets throughout the State. Funding received from the State of Ohio represents roughly 56.0% of all General Fund revenues. Over the two-year biennial budget period, the District received an increase in state funding of roughly 7.5% during the in each year of the biennium. The District's current five-year financial forecast projects a positive cash balance through fiscal year 2020-21.

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, 2017

	Governmental <u>Activities</u>
<u>Assets</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 211,991,411
Receivables:	
Taxes	120,584,727
Payment in Lieu of Taxes	1,906,262
Accounts Interest	88,344
Intergovernmental	90,322
Materials and Supplies Inventory	6,114,404
Capital Assets:	
Land	425,744
Construction in Progress	8,678,711
Depreciable Capital Assets, Net of Accumulated Depreciation	259,496
Total Capital Assets, Net of Accumulated Depreciation	<u>336,943,264</u>
Total Assets	<u>687,082,685</u>
 <u>Deferred Outflows of Resources</u>	
Pension	84,997,626
Total Deferred Outflows of Resources	<u>84,997,626</u>
 <u>Liabilities</u>	
Accounts Payable	2,223,456
Contracts Payable	188,680
Contracts Payable Retainage	245,473
Claims Payable	3,359,000
Accrued Wages and Benefits	22,110,501
Accrued Interest Payable	585,237
Due to Other Governments	103,869
Matured Compensated Absences	1,361,204
Long-Term Liabilities:	
Due within One Year	8,589,944
Due in More than One Year:	
Net Pension Liability	423,063,388
Other Amounts Due in More than One Year	186,621,703
Total Liabilities	<u>648,452,455</u>
 <u>Deferred Inflows of Resources</u>	
Property Taxes not Levied to Finance Current Year Operations	68,633,372
Deferred Charge on Refunding	315,066
Pension	2,068,483
Total Deferred Inflows of Resources	<u>71,016,921</u>
 <u>Net Position</u>	
Net Investment in Capital Assets	177,047,796
Restricted for:	
Debt Service	10,456,384
Capital Projects	10,228,034
Other Purposes	7,244,422
Unrestricted	<u>(152,365,701)</u>
Total Net Position	<u>\$ 52,610,935</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, 2017

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 132,190,385	\$ 1,312,075	\$ 426,119	\$ (130,452,191)
Special	50,293,456	425,485	24,526,942	(25,341,029)
Vocational	6,991,329	87,054	1,979,931	(4,924,344)
Other	1,672,845	23,817	161,413	(1,487,615)
Support Services:				
Pupil	13,719,435	66,118	1,954,598	(11,698,719)
Instructional Staff	8,779,168	33,059	3,899,573	(4,846,536)
Board of Education	43,090	-	-	(43,090)
Administration	20,568,977	38,568	567,239	(19,963,170)
Fiscal	4,150,471	-	166,052	(3,984,419)
Business	1,089,877	-	-	(1,089,877)
Operations and Maintenance	18,890,587	432,594	16,391	(18,441,602)
Pupil Transportation	16,547,727	743,634	1,274,689	(14,529,404)
Central	5,145,218	15,273	-	(5,129,945)
Food Service	11,040,608	2,403,283	8,156,081	(481,244)
Community Services	2,131,520	14,150	1,566,726	(550,644)
Extracurricular Activities	4,711,775	1,512,355	-	(3,199,420)
Shared Services	372,953	358,945	-	(14,008)
Interest and Fiscal Charges	6,103,205	-	-	(6,103,205)
Total Governmental Activities	\$ 304,442,626	\$ 7,466,410	\$ 44,695,754	(252,280,462)
General Revenues:				
Property Taxes Levied for:				
General Purposes				99,628,315
Debt Service				12,955,510
Capital Projects				3,801,482
Classroom Facility Maintenance				461,791
Payment in Lieu of Taxes				2,481,467
Grants and Entitlements not Restricted to Specific Programs				125,869,877
Interest				1,121,821
Other Local Revenues				1,662,693
Total General Revenues				247,982,956
Changes in Net Position				(4,297,506)
Net Position Beginning of Fiscal Year (restated)				56,908,441
Net Position End of Fiscal Year				\$ 52,610,935

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, 2017

	<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	\$ 165,815,111	\$ 12,463,417	\$ 3,729,725	\$ 6,935,829	\$ 1,957,080
Restricted Assets:					
Cash and Cash Equivalents with Fiscal Agent Receivable:	-	-	-	-	245,473
Taxes	102,027,238	13,975,386	4,120,312	-	-
Payment in Lieu of Taxes	1,906,262	-	-	-	-
Accounts Interest	81,601	-	-	-	-
Interest	84,965	-	-	2,277	3,080
Intergovernmental	264,334	-	-	-	41,000
Interfund Loan Receivable	1,728,831	-	-	-	-
Materials and Supplies Inventory	339,822	-	-	-	-
Total Assets	<u>\$ 272,248,164</u>	<u>\$ 26,438,803</u>	<u>\$ 7,850,037</u>	<u>\$ 6,938,106</u>	<u>\$ 2,246,633</u>
<u>Liabilities:</u>					
Accounts Payable	\$ 1,609,170	\$ -	\$ 296,332	\$ -	\$ -
Contracts Payable	-	-	-	29,029	159,651
Restricted Liability:					
Contracts Payable - Retainage	-	-	-	-	245,473
Accrued Wages and Benefits	20,118,569	-	-	-	-
Due to Other Governments	103,869	-	-	-	-
Matured Compensated Absences Payable	1,332,864	-	-	-	-
Interfund Loans Payable	-	-	-	-	-
Total Liabilities	<u>23,164,472</u>	<u>-</u>	<u>296,332</u>	<u>29,029</u>	<u>405,124</u>
<u>Deferred Inflows of Resources:</u>					
Property Taxes not Levied to Finance					
Current Year Operations	57,891,528	8,089,601	2,190,452	-	-
Delinquent Taxes	4,288,913	571,955	187,535	-	-
State and Federal Grant Revenue Not Received	-	-	-	-	41,000
Payment in Lieu of Taxes Not Received	1,803,131	-	-	-	-
Total Deferred Inflows of Resources	<u>63,983,572</u>	<u>8,661,556</u>	<u>2,377,987</u>	<u>-</u>	<u>41,000</u>
<u>Fund Balance:</u>					
Nonspendable	339,822	-	-	-	-
Restricted	-	17,777,247	5,175,718	6,909,077	1,800,509
Committed	1,241,761	-	-	-	-
Assigned	1,555,702	-	-	-	-
Unassigned (Deficit)	181,962,835	-	-	-	-
Total Fund Balances	<u>185,100,120</u>	<u>17,777,247</u>	<u>5,175,718</u>	<u>6,909,077</u>	<u>1,800,509</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$ 272,248,164</u>	<u>\$ 26,438,803</u>	<u>\$ 7,850,037</u>	<u>\$ 6,938,106</u>	<u>\$ 2,246,633</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 8,625,985	\$ 199,527,147
-	245,473
461,791	120,584,727
-	1,906,262
6,743	88,344
-	90,322
5,809,070	6,114,404
-	1,728,831
85,922	425,744
<u>\$ 14,989,511</u>	<u>\$ 330,711,254</u>

\$ 135,202	\$ 2,040,704
-	188,680
-	245,473
1,991,932	22,110,501
-	103,869
28,340	1,361,204
1,728,831	1,728,831
<u>3,884,305</u>	<u>27,779,262</u>

461,791	68,633,372
-	5,048,403
2,035,835	2,076,835
-	1,803,131
<u>2,497,626</u>	<u>77,561,741</u>

85,922	425,744
9,146,247	40,808,798
-	1,241,761
-	1,555,702
(624,589)	181,338,246
<u>8,607,580</u>	<u>225,370,251</u>
<u>\$ 14,989,511</u>	<u>\$ 330,711,254</u>

South-Western City School District
 Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2017

Total Governmental Fund Balances	\$ 225,370,251
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.	345,881,471
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:	
Delinquent Property Taxes	5,048,403
State and Federal Grant Revenue	2,076,835
Payment in Lieu of Taxes	1,803,131
Unamortized premiums on bond and long-term note issuances are not recognized in the funds.	(13,432,390)
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	84,997,626
Deferred Inflows - Pension	(2,068,483)
Net Pension Liability	(423,063,388)
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.	8,677,039
Long-term liabilities, including bonds and notes payable, are not due and payable in the current period and therefore are not reported in the funds:	
Interest Payable	(585,237)
Deferred Charges on Refunding	(315,066)
Compensated Absences Payable	(12,084,257)
General Obligation Debt	(163,025,000)
Energy Conservation Debt	(6,670,000)
Net Position of Governmental Activities	<u>\$ 52,610,935</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, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Building</u>
Revenues:				
Local:				
Taxes	\$ 101,254,331	\$ 13,126,394	\$ 3,855,656	\$ -
Tuition	2,177,145	-	-	-
Interest	1,074,407	6,294	-	2,277
Other Local Revenue	2,498,620	2,710	-	-
Payment in Lieu of Taxes	2,698,289	-	-	-
Intergovernmental	143,620,000	2,262,007	503,142	-
Total Revenues	<u>253,322,792</u>	<u>15,397,405</u>	<u>4,358,798</u>	<u>2,277</u>
Expenditures:				
Current:				
Instruction:				
Regular	111,823,027	-	2,113,278	559,283
Special	39,268,210	-	-	-
Vocational	5,559,807	-	-	-
Other	1,182,808	-	-	-
Support Services:				
Pupil	11,457,356	-	-	-
Instructional Staff	4,192,233	-	-	-
Board of Education	41,295	-	-	-
Administration	18,715,327	-	7,643	-
Fiscal	3,266,559	228,111	74,794	-
Business	992,526	-	85,244	-
Operations and Maintenance	16,954,494	-	362,592	-
Pupil Transportation	14,090,828	-	1,068,264	-
Central	3,931,461	-	162,334	-
Food Service	-	-	-	-
Community Services	181,829	-	-	-
Shared Services	343,272	-	-	-
Extracurricular Activities	3,189,396	-	-	-
Capital Outlay	22,586	-	2,349,672	2,075,682
Debt Services:				
Principal Retirement	-	5,759,989	66,666	-
Interest and Fiscal Charges	-	9,017,507	-	-
Issuance Costs	-	297,703	-	-
Total Expenditures	<u>235,213,014</u>	<u>15,303,310</u>	<u>6,290,487</u>	<u>2,634,965</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,109,778	94,095	(1,931,689)	(2,632,688)
Other Financing Sources (Uses):				
Transfers - In	-	500,000	-	12,420,290
Refunding Bonds Issued	-	35,800,000	-	-
Premium on Refunding Bonds Issued	-	6,681,610	-	-
Transfers - Out	(865,250)	-	-	-
Payment to Refunded Bond Escrow Agent	-	(42,183,907)	-	-
Total Other Financing Sources (Uses)	<u>(865,250)</u>	<u>797,703</u>	<u>-</u>	<u>12,420,290</u>
Net Change in Fund Balances	17,244,528	891,798	(1,931,689)	9,787,602
Fund Balances (Deficit) at Beginning of Fiscal Year (Restated)	167,855,592	16,885,449	7,107,407	(2,878,525)
Fund Balances at End of Fiscal Year	<u>\$ 185,100,120</u>	<u>\$ 17,777,247</u>	<u>\$ 5,175,718</u>	<u>\$ 6,909,077</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	\$ 118,698,172
-	11,323	2,188,468
38,843	14,700	1,136,521
-	4,491,916	6,993,246
-	-	2,698,289
-	<u>25,529,376</u>	<u>171,914,525</u>
<u>38,843</u>	<u>30,509,106</u>	<u>303,629,221</u>
-	354,811	114,850,399
-	8,306,366	47,574,576
-	515,958	6,075,765
-	337,221	1,520,029
-	1,413,510	12,870,866
-	4,019,007	8,211,240
-	-	41,295
-	567,812	19,290,782
-	503,444	4,072,908
-	-	1,077,770
-	297,624	17,614,710
-	11,938	15,171,030
-	-	4,093,795
-	10,323,686	10,323,686
-	1,670,318	1,852,147
-	-	343,272
-	1,070,021	4,259,417
5,670,739	3,388	10,122,067
-	-	5,826,655
-	-	9,017,507
-	-	297,703
<u>5,670,739</u>	<u>29,395,104</u>	<u>294,507,619</u>
(5,631,896)	1,114,002	9,121,602
-	365,250	13,285,540
-	-	35,800,000
-	-	6,681,610
(12,420,290)	-	(13,285,540)
-	-	(42,183,907)
<u>(12,420,290)</u>	<u>365,250</u>	<u>297,703</u>
(18,052,186)	1,479,252	9,419,305
<u>19,852,695</u>	<u>7,128,328</u>	<u>215,950,946</u>
<u>\$ 1,800,509</u>	<u>\$ 8,607,580</u>	<u>\$ 225,370,251</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, 2017

Net Change in Fund Balances - Total Governmental Funds \$9,419,305

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	9,147,729	
	Depreciation expense	<u>(13,202,708)</u>	
Excess of depreciation over capital outlay			(4,054,979)

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.

	Proceeds from sale of capital assets	(52,611)	
	Loss on sale of capital assets	<u>(274,280)</u>	
Total			(326,891)

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	(1,851,074)	
	Intergovernmental	(1,363,594)	
	Payment in Lieu of Taxes	<u>(216,822)</u>	
Total			(3,431,490)

Contractually required contributions are reported as expenditures in governmental funds; however, the Statement of Net Position reports these amounts as deferred outflows. 21,045,125

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities. (36,374,358)

The issuance of long-term debt provides current financial resources to governmental funds, but in the Statement of Net Position, the debt is reported as a liability.

	Proceeds of general obligation refunding bonds	(35,800,000)	
	Premium on general obligation refunding bonds	<u>(6,681,610)</u>	
Total			(42,481,610)

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	5,826,655	
	Payment to refunded bond escrow agent	<u>42,183,907</u>	
Total			48,010,562

(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, 2017
 (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	\$ 365,476
	Payment of Accretion on bonds	1,970,719
	Amortization of premium on bonds	847,168
	Amortization of gain on refunding	<u>28,642</u>
Total		3,212,005
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	(397,339)
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>1,082,164</u>
Change in Net Position of Governmental Activities		<u><u>(\$4,297,506)</u></u>

See accompanying notes to the basic financial statements

South-Western City School District
Statement of Net Position
Internal Service Fund
June 30, 2017

Current Assets:

Equity in Pooled Cash and Cash	
Equivalents	\$ 12,218,791
Total Current Assets	<u>12,218,791</u>

Current Liabilities:

Accounts Payable	182,752
Claims Payable	<u>3,359,000</u>
Total Current Liabilities	<u>3,541,752</u>

Net Position

Unrestricted	<u>8,677,039</u>
Total Net Position	<u>\$ 8,677,039</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, 2017

Operating Revenues:	
Charges for Services	\$ 34,194,726
Total Operating Revenues	<u>34,194,726</u>
Operating Expenses:	
Salaries and Wages	773,218
Fringe Benefits	18,801
Claims	29,807,159
Purchased Services	<u>2,513,384</u>
Total Operating Expenses	<u>33,112,562</u>
Operating Income	1,082,164
Net Position Beginning of Fiscal Year (restated)	<u>7,594,875</u>
Net Position End of Fiscal Year	<u><u>\$ 8,677,039</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, 2017

Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 34,194,726
Cash Payments for Claims	(29,465,159)
Cash Payments for Salaries and Fringe Benefits	(792,019)
Cash Payments to Suppliers for Goods and Services	<u>(2,497,712)</u>
Net Cash Provided by Operating Activities	<u>1,439,836</u>
Net Increase in Cash and Cash Equivalents	1,439,836
Cash and Cash Equivalents Beginning of Fiscal Year (restated)	<u>10,778,955</u>
Cash and Cash Equivalents End of Fiscal Year	<u><u>\$ 12,218,791</u></u>

Reconciliation of Operating Income to Net Cash

<u>Provided by Operating Activities:</u>	
Operating Income	\$ 1,082,164
Adjustments to Reconcile Operating Income to Net	
Cash Provided by Operating Activities:	
Changes in Assets and Liabilities:	
Increase in Accounts Payable	15,672
Increase in Claims Payable	<u>342,000</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,439,836</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, 2017

Assets:

Equity in Pooled Cash and Cash Equivalents	\$ 312,590
Total Assets	<u>\$ 312,590</u>

Liabilities:

Accounts Payable	\$ 2,012
Undistributed Money	<u>310,578</u>
Total Liabilities	<u>\$ 312,590</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, 2017*

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 915 non-certificated employees, 1,541 certificated full time teaching personnel and 99 administrative employees to provide approximately 21,647 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 2017 the District operated 15 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, 2017*

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, 2017*

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 resources.

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 insurance claims 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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

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 statement therefore includes 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, 2017*

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. The District has deferred outflows of resources on the government-wide statement of net position for pension which is explained in Note 11.

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 taxes, unavailable revenue and pension. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2017, but which were levied to finance fiscal year 2018 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 34.

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, 2017*

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 2017, 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 2017.

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, 2017*

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 2017, 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 2017. 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 2017, 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 \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 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 2017 amounted to \$1,074,407, which includes \$171,944 assigned from other District Funds.

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

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

G. Inventory

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

H. 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, 2017*

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:

Land Improvements	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, 2017.

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, 2017, 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, compensated absences and net pension liability that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

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, 2017*

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, 2017*

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.

Bond premiums on the capital appreciation bonds are deferred and accreted over the term of the bonds.

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension 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 systems report investments at fair value.

NOTE 3 – ACCOUNTABILITY AND COMPLIANCE

Fund balances at June 30, 2017 included the following individual fund deficits:

<u>Funds</u>	<u>Deficit</u>
Federal Grants	\$432,326

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 balances 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, 2017*

NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES/CORRECTION OF AN ERROR AND RESTATEMENT OF FUND BALANCE/NET POSITION

For fiscal year 2017, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, *Tax Abatement Disclosures*. GASB Statement No.77 requires disclosure of information about the nature and magnitude of tax abatements. These changes were incorporated in the District’s 2017 financial statements; however, there was no effect on beginning net position/fund balance.

For fiscal year 2017, the District implemented GASB’s Implementation Guide No. 2016-1. These changes were incorporated in the District’s fiscal year 2017 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 78 establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of state and local governmental employers through a cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan) that meets the criteria in paragraph 4 of Statement 68 and that (a) is not a state or local governmental pension plan, (b) is used to provide defined benefit pensions both to employees or state and local governmental employers and to employees of employers that are not state or local governmental employers, and (c) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The implementation of GASB Statement No. 78 did not have an effect on the financial statements of the District.

GASB Statement No. 80 improves the financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement applies to component units that are organized as not-for profit corporations in which the primary government is the sole corporate member. The implementation of GASB Statement No. 80 did not have an effect on the financial statements of the District.

GASB Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The implementation of GASB Statement No. 82 did not have an effect on the financial statements of the District.

In fiscal year 2017 the District discovered that activity previously accounted for as an agency fund should have been presented with the General Fund or the Internal Service Fund. The restatement had the following effect on the fund balance/net position at June 30, 2016 as previously reported.

	Governmental Activities	
Net Position June 30, 2016	\$	50,985,450
Fund Reclassification		5,922,991
Restated Net Position June 30, 2016	\$	56,908,441
	General Fund	
	Internal Service Fund	
Fund Balance/Net Position June 30, 2016	\$	162,083,739
Adjustment:		
Fund Reclassification		151,138
Restated Fund Balance/Net Position June 30, 2016	\$	167,855,592

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 5 – CASH AND CASH EQUIVALENTS/INVESTMENTS

Deposits

At fiscal year-end, the carrying amount of the District’s deposits was \$58,963,255 and the bank balance was \$58,149,254. Of the bank balance, \$1,738,000 was covered by federal deposit insurance coverage. The remaining amounts were uninsured and uncollateralized as defined by the GASB because the collateral pledged by the financial institution or their trust department or agents is not in the District’s name. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the District to a successful claim by the FDIC. Effective July 1, 2017, the Ohio pooled Collateral System (OPCS) was implemented by the Office of the Ohio Treasurer of State. Financial institutions can elect to participate in the OPS and will collateralize at 102 percent or a rate set by the Treasurer of State. Financial institutions opting not to participate in OPCS will collateralize utilizing the specific pledge method at 105 percent.

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	\$ 60,251,061	\$ 60,251,061	\$ -	39.29%
Fair Value: (Level 2 Inputs)					
Municipal Bonds	Aa1	708,017	708,017	-	0.46%
FNMA	Aaa	15,905,504	4,759,856	11,145,648	10.37%
FFCB	Aaa	27,035,228	22,050,638	4,984,590	17.63%
FHLMC	Aaa	32,011,374	17,915,662	14,095,712	20.88%
FHLB	Aaa	17,429,560	-	17,429,560	11.37%
		<u>\$ 153,340,745</u>	<u>\$ 105,685,235</u>	<u>\$ 47,655,510</u>	<u>100%</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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, 2017. 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.)

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 issue 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 District’s investment in municipal bonds were rated Aa1 by Standard & Poor’s.

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, 2017.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

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

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. The District has no deposit policy for custodial credit risk beyond the requirements of state statute. According to state law, public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. State laws does not require security for public deposits and investments to be maintained in the District's name. During 2017, the District and public depositories complied with the provisions of these statutes.

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

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, public utility property, and tangible personal property (used in business) located in the District. Real property tax revenues received in calendar year 2017 represent the collection of calendar year 2016 taxes. Real property taxes received in calendar year 2017 were levied after April 1, 2016, on the assessed values as of January 1, 2016, 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 2017 represent the collection of calendar year 2016 taxes. Public utility real and tangible personal property taxes received in calendar year 2016 became a lien on December 31, 2015, were levied after October 1, 2016, and are collected in 2017 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, 2017, are available to finance fiscal year 2017 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes personal property and public utility taxes, which are measurable as of June 30, 2017 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 \$39,846,797 in the General Fund, \$5,313,830 in the Debt Service Fund and \$1,742,325 in the Capital Improvements Fund, which is recognized as revenue. The assessed values upon which the fiscal year 2017 taxes were collected are:

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 6 – PROPERTY TAXES (continued)

	2016 Second		2017 First	
	<u>Half Collection</u>		<u>Half Collection</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$ 2,323,930,240	95.44%	\$ 2,340,809,230	95.37%
Public Utility Real and Personal	<u>111,151,060</u>	<u>4.56%</u>	<u>113,591,020</u>	<u>4.63%</u>
Total Assessed Value	<u>\$ 2,435,081,300</u>	<u>100.00%</u>	<u>\$ 2,454,400,250</u>	<u>100.00%</u>
Tax rate per \$1,000 of Assessed Valuation	\$	73.15	\$	73.15

NOTE 7 – PAYMENTS IN LIEU OF TAXES

The District is part 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 2017, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 77, “Tax Abatement Disclosures.” 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</u> <u>Fiscal Year 2017</u>
Community Reinvestment Areas:	
City of Grove City	\$2,441,897
Village of Urbancrest	\$1,225,984
Enterprise Zone:	
City of Columbus	\$552,683

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 2017.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 8 – TAX ABATEMENTS (continued)

<u>Overlapping Government</u>	<u>Income Tax Dollars Received Fiscal Year 2017</u>
Community Reinvestment Areas:	
Village of Urbancrest	\$266,606
Enterprise Zone:	
City of Columbus	\$52,399

NOTE 9 – RECEIVABLES

Receivables at June 30, 2017 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 with the exception of the Ohio Facilities Construction Commission grant (OFCC) and property taxes. The OFCC Grant awarded in August 2012 for \$124,047,645 and amended to \$123,837,296 is being collected over the life of the construction of new facilities. 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	\$ 120,584,727
Payment in Lieu of Taxes	1,906,262
Accounts	88,344
Interest	90,322
Intergovernmental	<u>6,114,404</u>
Total	<u>\$ 128,784,059</u>

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 10 – CAPITAL ASSETS

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

	Balance			Balance
	<u>6/30/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2017</u>
Governmental Activities				
Non-Depreciable:				
Land	\$ 8,678,711	\$ -	\$ -	\$ 8,678,711
Construction in Progress	59,649,261	7,410,796	(66,800,561)	259,496
Total Non-Depreciable	<u>68,327,972</u>	<u>7,410,796</u>	<u>(66,800,561)</u>	<u>8,938,207</u>
Depreciable:				
Improvements to Land	29,011,363	7,612,831	(107,321)	36,516,873
Buildings	348,326,129	59,264,968	(1,561,367)	406,029,730
Furniture and Equipment	10,860,465	338,124	(254,111)	10,944,478
Vehicles	1,788,403	289,736	(278,405)	1,799,734
Buses	15,785,195	1,031,835	(1,416,787)	15,400,243
Total Depreciable	<u>405,771,555</u>	<u>68,537,494</u>	<u>(3,617,991)</u>	<u>470,691,058</u>
Accumulated Depreciation:				
Improvements to Land	(3,670,402)	(1,791,310)	107,321	(5,354,391)
Buildings	(101,436,734)	(10,148,228)	1,252,436	(110,332,526)
Furniture and Equipment	(6,571,096)	(500,036)	236,152	(6,834,980)
Vehicles	(1,510,739)	(96,323)	278,404	(1,328,658)
Buses	(10,647,215)	(666,811)	1,416,787	(9,897,239)
Total Accumulated Depreciation	<u>(123,836,186)</u>	<u>(13,202,708)</u>	<u>3,291,100</u>	<u>(133,747,794)</u>
Net Depreciable Capital Assets	<u>281,935,369</u>	<u>55,334,786</u>	<u>(326,891)</u>	<u>336,943,264</u>
Net Governmental Activities Capital Assets	<u>\$ 350,263,341</u>	<u>\$ 62,745,582</u>	<u>\$ (67,127,452)</u>	<u>\$ 345,881,471</u>

Depreciation Expense was charged to governmental functions as follows:

Instruction:	
Regular	\$ 10,096,380
Special	38,774
Vocational	529,163
Other	268
Support Services:	
Instructional Staff	2,249
Administration	226,550
Business	1,693
Operations and Maintenance	159,299
Transportation	722,136
Central	758,097
Food Service	172,845
Community Services	141,231
Extracurricular	354,023
Total Depreciation Expense	<u>\$ 13,202,708</u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. Net Pension Liability

The net pension liability reported on the statement of net position represents a liability to employees for pensions. Pensions are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions 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 liability represents the District's proportionate share of each pension plan's collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan's fiduciary net position. The net pension liability 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 are financed; however, the District does receive the benefit of employees' services in exchange for compensation including pension.

GASB 68 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 contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the 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 liability. Resulting adjustments to the net pension liability would be effective when the changes are legally enforceable.

The proportionate share of each plan's unfunded benefits is presented as a long-term *net pension 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 *accrued wages and benefits* on both the accrual and modified accrual bases of accounting.

Plan Description – 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 under Employers/Audit Resources.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

B. School Employees Retirement System (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.

One year after an effective benefit date, a benefit recipient is entitled to a three percent cost-of-living adjustment (COLA). This same COLA is added each year to the base benefit amount on the anniversary date of the benefit.

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, 2016, the allocation to pension, death benefits, and Medicare B was 14 percent. No allocation was made to the Health Care Fund.

The District’s contractually required contribution to SERS was \$4,671,267 for fiscal year 2017. Of this amount \$235,594 is reported as an accrued wages and benefits.

C. State Teachers Retirement System

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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

C. State Teachers Retirement System (continued)

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. 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. With certain exceptions, the basic benefit is increased each year by two percent of the original base benefit. For members retiring August 1, 2013, or later, the first two percent is paid on the fifth anniversary of the retirement benefit. Members are eligible to retire at age 60 with five years of qualifying service credit, or age 55 with 25 years of service, or 30 years of service regardless of age. Age and service requirements for retirement will increase effective August 1, 2015, and will continue to increase periodically until they reach age 60 with 35 years of service or age 65 with five years of service on August 1, 2026.

The DC Plan allows members to place all their member contributions and 9.5 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.5 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, member contributions are allocated among investment choices by the member, and employer contributions 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.

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, 2017, 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 2017 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$16,373,858 for fiscal year 2017. Of this amount \$2,446,020 is reported as an accrued wages and benefits payable.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

D. 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, 2016, 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. 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	\$ 76,384,483	\$ 346,678,905	\$ 423,063,388
Pension Expense	\$ 8,023,476	\$ 28,350,882	\$ 36,374,358
Proportionate Share of the Net Pension Liability			
Prior Measurement Date	1.0247516%	1.02000656%	
Proportionate Share of the Net Pension Liability			
Current Measurement Date	<u>1.0436354%</u>	<u>1.03569670%</u>	
Change in Proportionate Share	<u>0.01888380%</u>	<u>0.01569014%</u>	

At June 30, 2017, 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>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$ 1,030,250	\$ 14,007,494	\$ 15,037,744
Changes of assumptions	5,099,082	-	5,099,082
Net Difference between projected and actual earnings on pension plan investments	6,300,611	28,783,663	35,084,274
Change in proportionate share and difference between District contributions and proportionate share of contributions	992,516	7,738,885	8,731,401
District contributions subsequent to the measurement date	<u>4,671,267</u>	<u>16,373,858</u>	<u>21,045,125</u>
Total Deferred Outflows of Resources	<u>\$ 18,093,726</u>	<u>\$ 66,903,900</u>	<u>\$ 84,997,626</u>
Deferred Inflows of Resources			
Change in proportionate share and difference between District contributions and proportionate share of contributions	<u>\$ 608,174</u>	<u>\$ 1,460,309</u>	<u>\$ 2,068,483</u>
Total Deferred Inflows of Resources	<u>\$ 608,174</u>	<u>\$ 1,460,309</u>	<u>\$ 2,068,483</u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

\$21,045,125 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, 2018. 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			
2018	\$ 3,189,791	\$ 8,197,641	\$ 11,387,432
2018	3,185,250	8,197,640	11,382,890
2020	4,628,078	19,972,898	24,600,976
2021	1,811,166	12,701,554	14,512,720
Total	<u>\$ 12,814,285</u>	<u>\$ 49,069,733</u>	<u>\$ 61,884,018</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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2016, compared with June 30, 2015, are presented below:

	<u>June 30, 2016</u>	<u>June 30, 2017</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
COLA and Ad Hoc COLA	3 percent	3 percent
Investment Rate of Return	7.5 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

For 2016, the mortality assumptions are that 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. For 2015 the mortality assumptions were based on the 1994 Group Annuity Mortality Table set back on year for both men and women. Special mortality tables are used for the period after disability retirement.

The most recent experience study was completed 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 discount rate of 7.75 percent was used in the prior measurement period. 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.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

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	\$ 101,128,293	\$ 76,384,483	\$ 55,672,882

Actuarial Assumptions - STRS

The total pension liability in the June 30, 2016, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Projected salary increases	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	7.75 percent, net of investment expenses, including inflation
Cost-of-Living Adjustments (COLA)	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 paid on fifth anniversary of retirement date.

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 not set back from age 90 and above.

Actuarial assumptions used in the June 30, 2016, valuation are based on the results of an actuarial experience study, effective July 1, 2012.

The 10 year expected real rate of return on pension plan investments was determined by STRS' investment consultant by developing best estimates of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates 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	31.00%	8.00%
International Equity	26.00	7.85
Alternatives	14.00	8.00
Fixed Income	18.00	3.75
Real Estate	10.00	6.75
Liquidity Reserves	<u>1.00</u>	3.00
Total	<u>100.00%</u>	

*10 year annualized geometric nominal returns include the real rate of return and inflation of 2.5 percent, and does not include investment expenses. The total fund long-term expected return reflects diversification among the asset classes and therefore is not a weighted average return of the individual asset classes.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 11 - DEFINED BENEFIT PENSION PLANS (continued)

Discount Rate The discount rate used to measure the total pension liability was 7.75 percent as of June 30, 2016. 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. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not 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, 2016. Therefore, the long-term expected rate of return on pension plan investments of 7.75 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2016.

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 7.75 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 (6.75 percent) or one-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease <u>(6.75%)</u>	Current Discount Rate <u>(7.75%)</u>	1% Increase <u>(8.75%)</u>
District's proportionate share of Net Pension Liability	\$ 460,708,094	\$ 346,678,905	\$ 250,488,562

Changes between Measurement Date and Report Date

In March 2017, the STRS Board adopted certain assumptions changes which will impact their annual actuarial valuation prepared as of June 30, 2017. The most significant change is a reduction in the discount rate from 7.75 percent to 7.45 percent. In April 2017, the STRS Board voted to suspend cost of living adjustments granted on or after July 1, 2017. Although the exact amount of these changes is not known, the overall decrease to the District's NPL is expected to be significant

NOTE 12 – POST EMPLOYMENT BENEFITS

A. 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 45 purposes, this plan is considered a cost-sharing, multiple-employer, defined benefit other postemployment benefit (OPEB) plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans as well as a prescription drug program. 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 under Employers/Audit Resources.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 12 – POST EMPLOYMENT BENEFITS (continued)

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. Health care is financed through a combination of employer contributions and retiree premiums, copays and deductibles on covered health care expenses, investment returns, and any funds received as a result of SERS' participation in Medicare programs. Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required basic benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. For fiscal year 2017, no allocation of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. For fiscal year 2017, this amount was \$23,500. 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 2017, the District's surcharge obligation was \$471,151.

The District's contributions for health care for the fiscal years ended June 30, 2017, 2016, and 2015 were \$471,151, \$402,639, and \$654,778, respectively. The full amount has been contributed for fiscal years 2017, 2016, and 2015.

B. State Teachers Retirement System

Plan Description – The District participates in the cost-sharing multiple-employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS) 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 reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board 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. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For the fiscal years ended June 30, 2017, 2016, and 2015, STRS Ohio did not allocate any employer contribution to post-employment health care.

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

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 \$3,359,000 reported in the internal service fund at June 30, 2017 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 by 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 2016	\$ 2,541,000	\$ 28,472,638	\$ 27,996,638	\$ 3,017,000
Fiscal Year 2017	3,017,000	29,807,159	29,465,159	3,359,000

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, 2017*

NOTE 15 - LONG-TERM DEBT

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

During fiscal year 2017, the District issued \$35,800,000 of general obligation bonds for a current refunding of general obligation bonds. The District recorded an additional liability in the amount of \$6,681,610 to record the unamortized premium on these bonds. This refunding was undertaken to take advantage of reduced interest rates. The total debt service payments are were reduced by \$7,097,737 and the net present value of this reduction resulted in an economic gain of \$6,348,015 and incurred an accounting loss of \$343,708.

The bond issue consisted of serial bonds. The serial bonds were issued with varying interest rates of 3.00% - 5.00% and will mature each year with final maturity December 1, 2027.

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

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 7,655,000	\$ 7,111,914	\$ 14,766,914
2019	8,160,000	6,795,614	14,955,614
2020	8,485,000	6,462,714	14,947,714
2021	5,295,000	6,172,214	11,467,214
2022	5,530,000	5,925,189	11,455,189
2023-2027	38,350,000	24,940,775	63,290,775
2028-2032	23,785,000	17,586,263	41,371,263
2033-2037	29,285,000	11,916,227	41,201,227
2038-2042	36,120,000	5,055,488	41,175,488
2043	7,030,000	140,600	7,170,600
Total	<u>\$ 169,695,000</u>	<u>\$ 92,106,996</u>	<u>\$ 261,801,996</u>

The above amortization schedule (principal payments) does not include the \$13,432,390 in unamortized premium on the 2012 and 2016 bond issues.

The unexpended balance of the 2012 School Facilities Bond as of June 30, 2017 was \$7,735,353.

The District's voted legal debt margin was \$51,201,023 with an unvoted debt margin of \$2,454,400 at June 30, 2017.

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

A summary of Long-Term obligation activity during the fiscal year on the following page:

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 15 - LONG-TERM DEBT(continued)

Issue	Balance at June 30, 2016	Additions	Refunded	Deductions	Balance at June 30, 2017	Due within 1 year
General Obligation Bonds						
<u>Refunding Bonds 2006</u>						
Original Issue \$79,243,771						
Final Maturity 12/1/2027						
Serial Bonds 4.00% - 4.75%	\$ 26,950,000	\$ -	\$ 26,950,000	\$ -	\$ -	\$ -
Term Bonds 4.25%	14,355,000	-	14,355,000	-	-	-
Serial/Term Bonds Premium	1,222,615	-	1,222,615	-	-	-
<u>Capital Appreciation Bonds</u>						
Refunding 2006 4.02%	1,254,989	-	-	1,254,989	-	-
Capital Appreciation Accretion	1,970,719	159,292	-	2,130,011	-	-
<u>School Facilities 2012</u>						
Original Issue \$140,250,000						
Final Maturity 12/1/2042						
Serial Bonds 3.00%-4.5%	64,690,000	-	-	3,990,000	60,700,000	4,110,000
Term Bonds 3.5% - 5.0%	67,040,000	-	-	-	67,040,000	-
Serial/Term Bonds Premium	7,597,948	-	-	290,367	7,307,581	-
<u>Refunding Bonds 2016</u>						
Original Issue \$35,800,000						
Final Maturity 12/1/2017						
Serial Bonds 3.00%-5.00%	-	35,800,000	-	515,000	35,285,000	3,545,000
Serial Bonds Premium	-	6,681,610	-	556,801	6,124,809	-
Total General Obligation Bonds	185,081,271	42,640,902	42,527,615	8,737,168	176,457,390	7,655,000
Energy Conservation Bonds						
<u>Qualified School Construction</u>						
Original Issue \$6,670,000.00						
Final Maturity 12/1/2025						
Bonds 2011 Serial Bonds 5.60%	6,670,000	-	-	-	6,670,000	-
Total Energy Conservation Bonds	6,670,000	-	-	-	6,670,000	-
Long-Term Notes Payable						
<u>Technical Equipment Loan</u>						
Original Issue \$1,000,000						
Final Maturity 12/31/2016						
Loan 2000 0%	66,666	-	-	66,666	-	-
Total Long-term Notes Payable	66,666	-	-	66,666	-	-
Net Pension Liability						
STRS	281,899,938	64,778,967	-	-	346,678,905	-
SERS	58,473,320	17,911,163	-	-	76,384,483	-
Total Net Pension Liability	340,373,258	82,690,130	-	-	423,063,388	-
Compensated Absences	11,933,099	1,922,703	-	1,771,545	12,084,257	934,944
Total	\$ 544,124,294	\$ 127,253,735	\$ 42,527,615	\$ 10,575,379	\$ 618,275,035	\$ 8,589,944

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 15- LONG-TERM DEBT (continued)

Compensated absences of \$934,944 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 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 next pension liability see Note 11.

NOTE 16 - INTERFUND TRANSACTIONS

Interfund Balances at June 30, 2017 consist of the following individual fund receivable and payables:

<u>Interfund Receivable/Payable</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$ 1,728,831	\$ -
Non-Major Funds		
State Grants	-	24,764
Federal Grants	-	1,704,067
Total	<u>\$ 1,728,831</u>	<u>\$ 1,728,831</u>

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

Interfund balances between governmental funds are eliminated on the government-wide financial statements; no internal balances at June 30, 2017 are reported on the statement of net position.

Interfund transfers for the fiscal year ended June 30, 2017 consisted of the following, as reported on the fund statements:

	<u>Amount</u>
Transfer from General Fund to Debt Service Fund	\$ 500,000
Transfer from General Fund to Nonmajor Governmental Funds	365,250
Transfer from Classroom Facilities Fund to Building Fund	<u>12,420,290</u>
	<u>\$ 13,285,540</u>

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.

The transfer from the Classroom Facilities Fund to the Building Fund is the result of cost reallocation approval from the Ohio Facilities Construction Commission. The costs were associated with prior fiscal years.

South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017

NOTE 17 – 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	\$ 339,822	\$ -	\$ -	\$ -	\$ -	\$ 85,922	\$ 425,744
Total Nonspendable	339,822	-	-	-	-	85,922	425,744
Restricted for:							
Debt Service	-	17,777,247	-	-	-	-	17,777,247
Capital Projects	-	-	5,175,718	6,909,077	1,800,509	-	13,885,304
Regular Instruction	-	-	-	-	-	339,500	339,500
Special Education	-	-	-	-	-	159,888	159,888
Vocational Education	-	-	-	-	-	98,680	98,680
Adult Basic Education	-	-	-	-	-	14,329	14,329
Extracurricular Activities	-	-	-	-	-	920,991	920,991
Maintenance of Buildings	-	-	-	-	-	3,415,395	3,415,395
Food Service	-	-	-	-	-	4,197,464	4,197,464
Total Restricted	-	17,777,247	5,175,718	6,909,077	1,800,509	9,146,247	40,808,798
Committed							
Public School Support	1,241,761	-	-	-	-	-	1,241,761
Total Committed	1,241,761	-	-	-	-	-	1,241,761
Assigned:							-
Unpaid Obligations	1,555,702	-	-	-	-	-	1,555,702
Total Assigned	1,555,702	-	-	-	-	-	1,555,702
Unassigned	181,962,835	-	-	-	-	(624,589)	181,338,246
Total Fund Balance	\$ 185,100,120	\$ 17,777,247	\$ 5,175,718	\$ 6,909,077	\$ 1,800,509	\$ 8,607,580	\$ 225,370,251

NOTE 18 – CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, 2017.

B. Litigation

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

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 18 – CONTINGENCIES (continued)

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 2017 are not finalized. As a result, the impact of future FTE adjustments on the fiscal year 2017 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 19 - SIGNIFICANT CONTRACTUAL OBLIGATIONS

The District had significant contractual obligation as of June 30, 2017 which are listed below:

<u>Contractor</u>	<u>Project</u>	<u>Amount</u>
CDW-Government, Inc	Technology	\$ 476,238
M & D Blacktop Sealing Inc	Repair and replace paving	249,250

NOTE 20 - SUBSTITUTE HOUSE BILL 412

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the 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, 2016	\$ -
Current Year Set-aside Requirement	3,713,209
Qualifying Offset - Capital Improvements Fund	(3,892,346)
Qualifying Offset - Classroom Facilities Maintenance Fund	(683,079)
Qualifying Disbursements	<u>(2,344,899)</u>
Total	<u>\$ (3,207,115)</u>

*South-Western City School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2017*

NOTE 21 – JOINTLY GOVERNED ORGANIZATION

Metropolitan Educational Technology Association (META)

The District is a participant in the META. META is an association of public school districts within the boundaries of Franklin, Delaware, Union, Pickaway, Madison and Fairfield counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts. The governing board of META consists of one representative from each of the member school districts. Financial information can be obtained from Scott Armstrong, who serves as fiscal officer, at 2100 Citygate, Columbus, Ohio 43219.

NOTE 22 - 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 in the governmental funds were as follows:

<u>Fund</u>	<u>Fiscal Year - End Encumbrances</u>
General Fund	\$ 1,481,865
Capital Improvement Fund	1,377,848
Other Governmental Funds	<u>119,443</u>
Total	<u>\$ 2,979,156</u>

NOTE 23 – SUBSEQUENT EVENT

On December 5, 2017, the District issued \$9,325,000 in bonds for the purpose of advance refunding a portion of the District's Series 2012 bonds. The purpose of the advance refunding was to achieve debt service savings due to lower interest rates.

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, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Local:				
Taxes	\$ 98,793,510	\$ 101,749,714	\$ 101,749,714	\$ -
Tuition	1,281,760	2,966,366	1,969,635	(996,731)
Interest	235,910	1,147,460	1,177,439	29,979
Other Local Revenue	3,078,580	4,329,697	4,420,417	90,720
Intergovernmental	<u>140,847,140</u>	<u>142,284,980</u>	<u>143,170,009</u>	<u>885,029</u>
Total Revenues	<u>244,236,900</u>	<u>252,478,217</u>	<u>252,487,214</u>	<u>8,997</u>
Expenditures:				
Current:				
Instruction:				
Regular				
Salaries and Wages	70,928,500	70,184,960	69,324,055	860,905
Fringe Benefits	23,318,852	23,238,305	23,162,876	75,429
Purchased Services	18,584,754	16,710,221	16,607,920	102,301
Supplies and Materials	1,571,980	1,836,496	1,443,549	392,947
Capital Outlay	-	1,935	1,935	-
Total Regular	<u>114,404,086</u>	<u>111,971,917</u>	<u>110,540,335</u>	<u>1,431,582</u>
Special				
Salaries and Wages	21,364,600	21,505,886	21,103,066	402,820
Fringe Benefits	7,651,881	7,620,662	7,497,405	123,257
Purchased Services	8,752,106	10,906,597	10,724,141	182,456
Supplies and Materials	201,462	194,959	133,050	61,909
Capital Outlay	6,625	6,625	98	6,527
Total Special	<u>37,976,674</u>	<u>40,234,729</u>	<u>39,457,760</u>	<u>776,969</u>
Vocational				
Salaries and Wages	3,214,200	3,267,294	3,181,742	85,552
Fringe Benefits	1,001,469	1,106,357	1,094,320	12,037
Purchased Services	400,867	311,857	303,944	7,913
Supplies and Materials	979,441	1,212,404	1,132,429	79,975
Miscellaneous	950	980	430	550
Capital Outlay	301,975	134,423	133,433	990
Total Vocational	<u>5,898,902</u>	<u>6,033,315</u>	<u>5,846,298</u>	<u>187,017</u>
Other				
Salaries and Wages	627,100	848,018	827,268	20,750
Fringe Benefits	199,484	279,721	277,355	2,366
Purchased Services	2,000	2,000	-	2,000
Supplies and Materials	14,901	15,937	13,955	1,982
Total Other	<u>843,485</u>	<u>1,145,676</u>	<u>1,118,578</u>	<u>27,098</u>
Total Instruction	<u>159,123,147</u>	<u>159,385,637</u>	<u>156,962,971</u>	<u>2,422,666</u>
Support Services:				
Pupil				
Salaries and Wages	6,969,400	7,254,136	7,120,141	133,995
Fringe Benefits	2,032,453	2,176,685	2,139,277	37,408
Purchased Services	1,852,010	2,221,304	2,185,001	36,303
Supplies and Materials	155,167	155,193	137,290	17,903
Capital Outlay	22,000	11,500	3,299	8,201
Total Pupil	<u>11,031,030</u>	<u>11,818,818</u>	<u>11,585,008</u>	<u>233,810</u>

(continued)

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2017
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff				
Salaries and Wages	\$ 2,325,862	\$ 2,857,353	\$ 2,411,435	\$ 445,918
Fringe Benefits	997,353	1,100,307	1,033,202	67,105
Purchased Services	303,072	513,891	303,901	209,990
Supplies and Materials	538,679	623,102	394,569	228,533
Miscellaneous	35,850	45,850	20,593	25,257
Capital Outlay	30,603	38,003	5,073	32,930
Total Instructional Staff	<u>4,231,419</u>	<u>5,178,506</u>	<u>4,168,773</u>	<u>1,009,733</u>
Board of Education				
Salaries and Wages	17,000	17,000	14,730	2,270
Fringe Benefits	2,800	2,814	2,603	211
Purchased Services	8,200	8,200	6,680	1,520
Supplies and Materials	3,000	3,000	-	3,000
Miscellaneous	25,500	25,500	18,224	7,276
Total Board of Education	<u>56,500</u>	<u>56,514</u>	<u>42,237</u>	<u>14,277</u>
Administration				
Salaries and Wages	11,262,500	11,355,334	10,956,672	398,662
Fringe Benefits	5,023,781	4,980,964	4,868,774	112,190
Purchased Services	1,148,683	1,167,329	1,047,931	119,398
Supplies and Materials	110,773	126,437	95,003	31,434
Miscellaneous	1,263,526	1,301,440	1,293,608	7,832
Capital Outlay	13,998	11,957	6,757	5,200
Total Administration	<u>18,823,261</u>	<u>18,943,461</u>	<u>18,268,745</u>	<u>674,716</u>
Fiscal				
Salaries and Wages	861,100	865,399	823,018	42,381
Fringe Benefits	433,827	417,872	413,064	4,808
Purchased Services	303,011	287,719	259,274	28,445
Supplies and Materials	8,287	8,032	4,615	3,417
Miscellaneous	1,966,636	1,896,509	1,803,412	93,097
Total Fiscal	<u>3,572,861</u>	<u>3,475,531</u>	<u>3,303,383</u>	<u>172,148</u>
Business				
Salaries and Wages	185,600	200,976	185,311	15,665
Fringe Benefits	81,900	72,124	71,033	1,091
Purchased Services	641,842	765,328	638,358	126,970
Supplies and Materials	45,415	45,936	34,075	11,861
Miscellaneous	93,100	85,530	81,370	4,160
Capital Outlay	5,000	5,000	4,750	250
Total Business	<u>1,052,857</u>	<u>1,174,894</u>	<u>1,014,897</u>	<u>159,997</u>
Operations and Maintenance				
Salaries and Wages	7,884,800	7,975,917	7,656,638	319,279
Fringe Benefits	3,308,953	3,299,216	3,251,518	47,698
Purchased Services	7,980,719	6,678,917	5,805,851	873,066
Supplies and Materials	1,203,514	1,248,778	1,209,314	39,464
Miscellaneous	3,000	3,000	2,056	944
Capital Outlay	25,000	42,084	37,860	4,224
Total Operations and Maintenance	<u>20,405,986</u>	<u>19,247,912</u>	<u>17,963,237</u>	<u>1,284,675</u>

(continued)

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
General Fund
For the Fiscal Year Ended June 30, 2017
(continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Pupil Transportation				
Salaries and Wages	\$ 7,918,700	\$ 7,893,136	\$ 7,828,487	\$ 64,649
Fringe Benefits	3,760,464	3,596,532	3,588,731	7,801
Purchased Services	1,327,962	1,368,476	1,240,077	128,399
Supplies and Materials	2,054,127	1,998,042	1,448,509	549,533
Miscellaneous	11,000	11,000	-	11,000
Capital Outlay	63,800	63,800	4,063	59,737
Total Pupil Transportation	<u>15,136,053</u>	<u>14,930,986</u>	<u>14,109,867</u>	<u>821,119</u>
Central				
Salaries and Wages	1,560,200	1,576,784	1,524,130	52,654
Fringe Benefits	561,177	553,701	547,936	5,765
Purchased Services	1,559,149	1,896,002	1,828,249	67,753
Supplies and Materials	22,305	32,381	27,477	4,904
Miscellaneous	8,448	11,348	4,145	7,203
Capital Outlay	8,250	6,650	-	6,650
Total Central	<u>3,719,529</u>	<u>4,076,866</u>	<u>3,931,937</u>	<u>144,929</u>
Total Support Services	<u>78,029,496</u>	<u>78,903,488</u>	<u>74,388,084</u>	<u>4,515,404</u>
Community Services				
Salaries and Wages	130,600	142,953	136,458	6,495
Fringe Benefits	21,869	14,959	14,142	817
Purchased Services	500	500	285	215
Supplies and Materials	3,700	5,200	3,288	1,912
Capital Outlay	2,100	600	-	600
Total Community Services	<u>158,769</u>	<u>164,212</u>	<u>154,173</u>	<u>10,039</u>
Shared Services				
Salaries and Wages	253,700	259,358	253,496	5,862
Fringe Benefits	87,700	90,583	88,660	1,923
Total Shared Services	<u>341,400</u>	<u>349,941</u>	<u>342,156</u>	<u>7,785</u>
Extracurricular Activities				
Salaries and Wages	2,133,500	2,299,713	2,051,073	248,640
Fringe Benefits	417,184	450,185	403,862	46,323
Purchased Services	807,600	628,319	610,446	17,873
Supplies and Materials	-	85,412	85,402	10
Miscellaneous	-	8,913	8,913	-
Total Extracurricular Activities	<u>3,358,284</u>	<u>3,472,542</u>	<u>3,159,696</u>	<u>312,846</u>
Total Expenditures	<u>241,011,096</u>	<u>242,275,820</u>	<u>235,007,080</u>	<u>7,268,740</u>
Excess of Revenues Over Expenditures	3,225,804	10,202,397	17,480,134	7,277,737
Other Financing Sources (Uses):				
Transfers - In	105,000	390,476	389,639	(837)
Transfers - Out	(1,600,000)	(1,600,000)	(1,485,327)	114,673
Advances - In	6,500,000	6,424,800	6,424,804	4
Advances - Out	(1,500,000)	(1,728,831)	(1,728,831)	-
Insurance Recoveries	-	-	6,300	6,300
Refund of Prior Year Expenditures	50,000	309,350	344,317	34,967
Total Other Financing Sources (Uses)	<u>3,555,000</u>	<u>3,795,795</u>	<u>3,950,902</u>	<u>155,107</u>
Net Change in Fund Balances	6,780,804	13,998,192	21,431,036	7,432,844
Fund Balance at Beginning of Fiscal Year (Restated)	136,177,227	136,177,227	136,177,227	-
Prior Year Encumbrances Appropriated	3,946,085	3,946,085	3,946,085	-
Fund Balance at End of Fiscal Year	<u>\$ 146,904,116</u>	<u>\$ 154,121,504</u>	<u>\$ 161,554,348</u>	<u>\$ 7,432,844</u>

*South-Western City School District, Ohio
Required Supplemental Information
For the Fiscal Year Ended June 30, 2017*

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	\$	17,244,528
Adjustments:		
Revenue Accruals		198,763
Expenditure Accruals		(4,183,068)
Encumbrances		3,022,633
Refund of Prior Year Receipts		(1,281)
Refund of Prior Year Expenditures		344,317
Sale of Capital Assets		6,300
Activity of Fund Reclassified for GAAP Reporting Purposes		102,871
Advances		4,695,973
Budget Basis	\$	21,431,036

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 Four Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	1.04363540%	1.02475160%	1.04451600%	1.04451600%
District's proportionate share of the net pension liability	\$ 76,384,483	\$ 58,473,320	\$ 52,862,360	\$ 62,114,014
District's covered-employee payroll	\$ 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-employee payroll	222.04%	189.54%	184.30%	222.45%
Plan fiduciary net position as a percentage of the total pension liability	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.

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 Four Fiscal Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	1.03569670%	1.02000656%	1.00403592%	1.00403592%
District's proportionate share of the net pension liability	\$ 346,678,905	\$ 281,899,938	\$ 244,216,283	\$ 290,908,839
District's covered-employee payroll	\$ 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-employee payroll	258.61%	264.89%	235.74%	285.20%
Plan fiduciary net position as a percentage of the total pension liability	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.

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 4,671,267	\$ 4,816,182	\$ 4,066,079	\$ 3,975,448
Contributions in relation to the contractually required contribution	<u>(4,671,267)</u>	<u>(4,816,182)</u>	<u>(4,066,079)</u>	<u>(3,975,448)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered employee payroll	<u>\$ 33,366,193</u>	<u>\$ 34,401,300</u>	<u>\$ 30,850,372</u>	<u>\$ 28,682,886</u>
Contributions as a percentage of covered employee payroll	14.00%	14.00%	13.18%	13.86%

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 3,864,446	\$ 3,663,149	\$ 3,829,383	\$ 3,973,899	\$ 3,581,183	\$ 3,453,512
(3,864,446)	(3,663,149)	(3,829,383)	(3,973,899)	(3,581,183)	(3,453,512)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 27,922,298</u>	<u>\$ 27,235,309</u>	<u>\$ 30,464,462</u>	<u>\$ 29,349,325</u>	<u>\$ 36,394,136</u>	<u>\$ 35,168,147</u>
13.84%	13.45%	12.57%	13.54%	9.84%	9.82%

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>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 16,373,858	\$ 18,767,862	\$ 14,898,883
Contributions in relation to the contractually required contribution	<u>(16,373,858)</u>	<u>(18,767,862)</u>	<u>(14,898,883)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District covered employee payroll	<u>\$ 116,956,129</u>	<u>\$ 134,056,157</u>	<u>\$ 106,420,593</u>
Contributions as a percentage of covered employee payroll	14.00%	14.00%	14.00%

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 13,467,393	\$ 13,260,088	\$ 13,000,170	\$ 13,533,644	\$ 13,467,018	\$ 13,485,148	\$ 12,979,173
(13,467,393)	(13,260,088)	(13,000,170)	(13,533,644)	(13,467,018)	(13,485,148)	(12,979,173)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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>	<u>\$ 103,731,909</u>	<u>\$ 99,839,791</u>
13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%

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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 13,279,444	\$ 13,279,444	\$ -
Interest	800	6,294	5,494
Intergovernmental	2,284,800	2,262,007	(22,793)
Miscellaneous	-	2,710	2,710
Total Revenues	<u>15,565,044</u>	<u>15,550,455</u>	<u>(14,589)</u>
Expenditures:			
Current:			
Support Services:			
Fiscal			
Miscellaneous	250,000	228,111	21,889
Total Fiscal	<u>250,000</u>	<u>228,111</u>	<u>21,889</u>
Total Support Services	<u>250,000</u>	<u>228,111</u>	<u>21,889</u>
Debt Service:			
Principal Retirement	5,759,989	5,759,989	-
Interest and Fiscal Charges	9,612,090	9,017,507	594,583
Refunding Bond Issuance Costs	297,703	297,703	-
Total Expenditures	<u>15,919,782</u>	<u>15,303,310</u>	<u>616,472</u>
Excess of Revenues Over (Under) Expenditures	(354,738)	247,145	601,883
Other Financing Sources (Uses):			
Transfers - In	466,500	500,000	33,500
Refunding Bonds Issued	35,800,000	35,800,000	-
Premium on Refunding Bonds Issued	6,681,610	6,681,610	-
Payment to Refunded Bond Escrow Agent	(42,183,907)	(42,183,907)	-
Total Other Financing Sources (Uses)	<u>764,203</u>	<u>797,703</u>	<u>33,500</u>
Net Change in Fund Balances	409,465	1,044,848	635,383
Fund Balance at Beginning of Fiscal Year	11,418,569	11,418,569	-
Fund Balance at End of Fiscal Year	<u>\$ 11,828,034</u>	<u>\$ 12,463,417</u>	<u>\$ 635,383</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ 3,892,346	\$ 3,892,346	\$ -
Intergovernmental	506,300	503,142	(3,158)
Total Revenues	<u>4,398,646</u>	<u>4,395,488</u>	<u>(3,158)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	2,681,091	2,566,167	114,924
Capital Outlay	126,992	43,991	83,001
Total Regular	<u>2,808,083</u>	<u>2,610,158</u>	<u>197,925</u>
Vocational			
Purchased Services	66,667	66,667	-
Total Vocational	<u>66,667</u>	<u>66,667</u>	<u>-</u>
Total Instruction	<u>2,874,750</u>	<u>2,676,825</u>	<u>197,925</u>
Support Services:			
Administration			
Supplies and Materials	12,585	7,643	4,942
Total Administration	<u>12,585</u>	<u>7,643</u>	<u>4,942</u>
Fiscal			
Miscellaneous	74,794	74,794	-
Total Fiscal	<u>74,794</u>	<u>74,794</u>	<u>-</u>
Business			
Purchased Services	168,312	90,293	78,019
Capital Outlay	41,651	-	41,651
Total Business	<u>209,963</u>	<u>90,293</u>	<u>119,670</u>
Operation and Maintenance			
Capital Outlay	435,929	362,592	73,337
Total Operation and Maintenance	<u>435,929</u>	<u>362,592</u>	<u>73,337</u>
Transportation			
Capital Outlay	1,068,264	1,068,264	-
Total Transportation	<u>1,068,264</u>	<u>1,068,264</u>	<u>-</u>

(continued)

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Capital Improvements Fund
 For the Fiscal Year Ended June 30, 2017
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Central			
Supplies and Materials	\$ 41,585	\$ 41,127	\$ 458
Capital Outlay	135,626	135,227	399
Total Central	<u>177,211</u>	<u>176,354</u>	<u>857</u>
Total Support Services	<u>1,978,746</u>	<u>1,779,940</u>	<u>198,806</u>
Capital Outlay	<u>3,468,949</u>	<u>2,921,674</u>	<u>547,275</u>
Total Expenditures	<u>8,322,445</u>	<u>7,378,439</u>	<u>944,006</u>
Net Change in Fund Balances	(3,923,799)	(2,982,951)	940,848
Fund Balance at Beginning of Fiscal Year	4,771,794	4,771,794	-
Prior Year Encumbrances Appropriated	<u>761,532</u>	<u>761,532</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 1,609,527</u>	<u>\$ 2,550,375</u>	<u>\$ 940,848</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Supplies and Materials	597,765	597,765	-
Total Regular	<u>597,765</u>	<u>597,765</u>	<u>-</u>
Total Instruction	<u>597,765</u>	<u>597,765</u>	<u>-</u>
Capital Outlay	2,928,172	2,770,531	157,641
Total Expenditures	<u>3,525,937</u>	<u>3,368,296</u>	<u>157,641</u>
Excess of Revenues Under Expenditures	(3,525,937)	(3,368,296)	(157,641)
Other Financing Sources:			
Transfers - In	12,420,290	12,420,290	-
Advances - Out	-	(5,472,077)	(5,472,077)
Total Other Financing Sources	<u>12,420,290</u>	<u>6,948,213</u>	<u>(5,472,077)</u>
Net Change in Fund Balances	8,894,353	3,579,917	(5,314,436)
Fund Balance at Beginning of Fiscal Year	152,348	152,348	-
Prior Year Encumbrances Appropriated	3,091,709	3,091,709	-
Fund Balance at End of Fiscal Year	<u>\$ 12,138,410</u>	<u>\$ 6,823,974</u>	<u>\$ (5,314,436)</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 15,000	\$ 37,813	\$ 22,813
Intergovernmental	793,394	-	(793,394)
Total Revenues	<u>808,394</u>	<u>37,813</u>	<u>(770,581)</u>
Expenditures:			
Capital Outlay	11,306,543	9,971,705	1,334,838
Total Expenditures	<u>11,306,543</u>	<u>9,971,705</u>	<u>1,334,838</u>
Excess of Revenues Over (Under) Expenditures	(10,498,149)	(9,933,892)	564,257
Other Financing Sources:			
Transfers - Out	(12,420,290)	(12,420,290)	-
Total Other Financing Sources	<u>(12,420,290)</u>	<u>(12,420,290)</u>	<u>-</u>
Net Change in Fund Balances	(22,918,439)	(22,354,182)	564,257
Fund Balance at Beginning of Fiscal Year	14,863,090	14,863,090	-
Prior Year Encumbrances Appropriated	8,876,518	8,876,518	-
Fund Balance at End of Fiscal Year	<u>\$ 821,169</u>	<u>\$ 1,385,426</u>	<u>\$ 564,257</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 Alternative Challenge.

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, and Refugee School Impact.

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.

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South-Western City School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

	<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	\$ 224,029	\$ 954,763	\$ 297,235
Receivable:			
Taxes	-	-	-
Accounts	-	6,247	-
Intergovernmental	-	-	45,823
Materials and Supplies Inventory	-	5,403	-
Total Assets	<u>\$ 224,029</u>	<u>\$ 966,413</u>	<u>\$ 343,058</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 11,359	\$ 40,019	\$ 22,818
Accrued Wages and Benefits	-	-	80,012
Matured Compensated Absences Payable	-	-	-
Interfund Loans Payable	-	-	24,764
Total Liabilities	<u>11,359</u>	<u>40,019</u>	<u>127,594</u>
<u>Deferred Inflows of Resources:</u>			
Property Taxes not Levied to Finance			
Current Year Operations	-	-	-
State and Federal Grant Revenue Not Received	-	-	8,000
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>8,000</u>
<u>Fund Balance:</u>			
Nonspendable	-	5,403	-
Restricted	212,670	920,991	212,275
Unassigned (Deficit)	-	-	(4,811)
Total Fund Balances	<u>212,670</u>	<u>926,394</u>	<u>207,464</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 224,029</u>	<u>\$ 966,413</u>	<u>\$ 343,058</u>

<u>Federal Grants</u>	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Total Nonmajor Funds</u>
\$ 127,435	\$ 3,607,128	\$ 3,415,395	\$ 8,625,985
-	-	461,791	461,791
-	496	-	6,743
4,771,436	991,811	-	5,809,070
-	80,519	-	85,922
<u>\$ 4,898,871</u>	<u>\$ 4,679,954</u>	<u>\$ 3,877,186</u>	<u>\$ 14,989,511</u>
\$ 53,837	\$ 7,169	\$ -	\$ 135,202
1,545,458	366,462	-	1,991,932
-	28,340	-	28,340
1,704,067	-	-	1,728,831
<u>3,303,362</u>	<u>401,971</u>	<u>-</u>	<u>3,884,305</u>
-	-	461,791	461,791
2,027,835	-	-	2,035,835
<u>2,027,835</u>	<u>-</u>	<u>461,791</u>	<u>2,497,626</u>
-	80,519	-	85,922
187,452	4,197,464	3,415,395	9,146,247
(619,778)	-	-	(624,589)
<u>(432,326)</u>	<u>4,277,983</u>	<u>3,415,395</u>	<u>8,607,580</u>
<u>\$ 4,898,871</u>	<u>\$ 4,679,954</u>	<u>\$ 3,877,186</u>	<u>\$ 14,989,511</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, 2017

	<u>Other Grants</u>	<u>District Managed Student Activities</u>	<u>All State Grants</u>
Revenues:			
Local:			
Taxes	\$ -	\$ -	\$ -
Tuition	5,195	6,128	-
Interest	-	-	1,859
Other Local Revenue	-	1,103,347	-
Intergovernmental	179,934	-	1,773,585
Total Revenues	<u>185,129</u>	<u>1,109,475</u>	<u>1,775,444</u>
Current:			
Instruction:			
Regular	193,375	-	161,436
Special	13,469	-	118,385
Vocational	-	1,339	-
Other	174,714	-	-
Support Services:			
Pupil	63,401	416	125,189
Instructional Staff	199,394	30,040	6,433
Administration	-	573	8,415
Fiscal	-	-	52,292
Operations and Maintenance	-	-	-
Pupil Transportation	-	-	-
Central	-	-	-
Food Service	8,494	-	-
Community Services	-	-	1,452,827
Extracurricular Activities	12,733	1,057,288	-
Capital Outlay	-	3,388	-
Total Expenditures	<u>665,580</u>	<u>1,093,044</u>	<u>1,924,977</u>
Excess of Revenues Over (Under) Expenditures	(480,451)	16,431	(149,533)
Other Financing Sources:			
Transfers - In	365,000	250	-
Total Other Financing Sources	<u>365,000</u>	<u>250</u>	<u>-</u>
Net Change in Fund Balance	(115,451)	16,681	(149,533)
Fund Balances (Deficit) at Beginning of Fiscal Year	328,121	909,713	356,997
Fund Balances (Deficit) at End of Fiscal Year	<u>\$ 212,670</u>	<u>\$ 926,394</u>	<u>\$ 207,464</u>

<u>Federal Grants</u>	<u>Food Service</u>	<u>Classroom Facilities Maintenance</u>	<u>Total Nonmajor Funds</u>
\$ -	\$ -	\$ 461,791	\$ 461,791
-	-	-	11,323
-	12,841	-	14,700
-	3,388,569	-	4,491,916
<u>15,211,329</u>	<u>8,143,240</u>	<u>221,288</u>	<u>25,529,376</u>
<u>15,211,329</u>	<u>11,544,650</u>	<u>683,079</u>	<u>30,509,106</u>
	-	-	354,811
8,174,512	-	-	8,306,366
514,619	-	-	515,958
162,507	-	-	337,221
1,224,504	-	-	1,413,510
3,783,140	-	-	4,019,007
558,824	-	-	567,812
451,152	-	-	503,444
113,545	184,079	-	297,624
	-	-	-
11,938	-	-	11,938
	10,315,192	-	10,323,686
217,491	-	-	1,670,318
	-	-	1,070,021
	-	-	3,388
<u>15,212,232</u>	<u>10,499,271</u>	<u>-</u>	<u>29,395,104</u>
(903)	1,045,379	683,079	1,114,002
-	-	-	365,250
<u>-</u>	<u>-</u>	<u>-</u>	<u>365,250</u>
(903)	1,045,379	683,079	1,479,252
(431,423)	3,232,604	2,732,316	7,128,328
<u>\$ (432,326)</u>	<u>\$ 4,277,983</u>	<u>\$ 3,415,395</u>	<u>\$ 8,607,580</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental	\$ 12,000	\$ 17,500	\$ 5,500
Other Local Revenue	1,101,500	1,016,841	(84,659)
Total Revenues	<u>1,113,500</u>	<u>1,034,341</u>	<u>(79,159)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	19,115	13,970	5,145
Fringe Benefits	4,061	2,577	1,484
Purchased Services	111,182	89,911	21,271
Supplies and Materials	1,046,601	699,740	346,861
Capital Outlay	4,891	-	4,891
Total Regular	<u>1,185,850</u>	<u>806,198</u>	<u>379,652</u>
Special			
Purchased Services	3,260	506	2,754
Supplies and Materials	286,791	120,309	166,482
Capital Outlay	50,000	-	50,000
Total Special	<u>340,051</u>	<u>120,815</u>	<u>219,236</u>
Vocational			
Purchased Services	3,370	777	2,593
Supplies and Materials	14,378	9,275	5,103
Total Vocational	<u>17,748</u>	<u>10,052</u>	<u>7,696</u>
Other			
Salaries and Wages	15,585	14,872	713
Fringe Benefits	3,059	2,444	615
Purchased Services	70	14	56
Supplies and Materials	3,360	458	2,902
Total Other	<u>22,074</u>	<u>17,788</u>	<u>4,286</u>
Total Instruction	<u>1,565,723</u>	<u>954,853</u>	<u>610,870</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, 2017
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Support Services:			
Pupil			
Purchased Services	\$ 27,181	\$ 21,855	\$ 5,326
Supplies and Materials	175,913	147,521	28,392
Miscellaneous	1,280	1,280	-
Total Pupil	<u>204,374</u>	<u>170,656</u>	<u>33,718</u>
Instructional Staff			
Salaries and Wages	46,909	22,443	24,466
Fringe Benefits	9,457	3,697	5,760
Purchased Services	61,228	28,514	32,714
Supplies and Materials	36,544	20,772	15,772
Miscellaneous	500	200	300
Total Instructional Staff	<u>154,638</u>	<u>75,626</u>	<u>79,012</u>
Administration			
Salaries and Wages	7,048	4,488	2,560
Fringe Benefits	1,328	738	590
Purchased Services	92,943	34,596	58,347
Supplies and Materials	85,695	49,604	36,091
Miscellaneous	6,865	3,053	3,812
Capital Outlay	23,027	4,789	18,238
Total Administration	<u>216,906</u>	<u>97,268</u>	<u>119,638</u>
Operations and Maintenance			
Purchased Services	336	336	-
Supplies and Materials	550	252	298
Total Operations and Maintenance	<u>886</u>	<u>588</u>	<u>298</u>
Total Support Services	<u>576,804</u>	<u>344,138</u>	<u>232,666</u>
Extracurricular Activities			
Salaries and Wages	20,032	19,332	700
Fringe Benefits	3,377	3,176	201
Purchased Services	34,360	26,360	8,000
Supplies and Materials	32,959	15,730	17,229
Miscellaneous	3,735	2,780	955
Capital Outlay	1,121	-	1,121
Total Extracurricular Activities	<u>95,584</u>	<u>67,378</u>	<u>28,206</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, 2017
(continued)

	Final Budget	Actual	Variance
Capital Outlay	\$ 1,000	\$ -	\$ 1,000
Total Expenditures	<u>2,239,111</u>	<u>1,366,369</u>	<u>872,742</u>
Excess of Revenues Over (Under) Expenditures	(1,125,611)	(332,028)	793,583
Other Financing Sources (Uses):			
Transfers - In	226,200	230,438	4,238
Refund of Prior Year Receipts	<u>(1,673)</u>	<u>(1,281)</u>	<u>392</u>
Total Other Financing Sources (Uses)	<u>224,527</u>	<u>229,157</u>	<u>4,630</u>
Net Change in Fund Balance	(901,084)	(102,871)	798,213
Fund Balance at Beginning of Fiscal Year	1,212,718	1,212,718	-
Prior Year Encumbrances Appropriated	<u>59,115</u>	<u>59,115</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 370,749</u>	<u>\$ 1,168,962</u>	<u>\$ 798,213</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental	\$ 197,120	\$ 195,016	\$ (2,104)
Tuition	5,195	5,195	-
Total Revenues	<u>202,315</u>	<u>200,211</u>	<u>(2,104)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Salaries and Wages	95	86	9
Fringe Benefits	15	15	-
Purchased Services	44,699	42,221	2,478
Supplies and Materials	189,933	164,009	25,924
Capital Outlay	6,086	-	6,086
Total Regular	<u>240,828</u>	<u>206,331</u>	<u>34,497</u>
Special			
Purchased Services	3,028	40	2,988
Supplies and Materials	13,575	13,469	106
Total Special	<u>16,603</u>	<u>13,509</u>	<u>3,094</u>
Other			
Salaries and Wages	149,384	138,626	10,758
Fringe Benefits	26,009	22,722	3,287
Supplies and Materials	13,366	13,366	-
Total Other	<u>188,759</u>	<u>174,714</u>	<u>14,045</u>
Total Instruction	<u>446,190</u>	<u>394,554</u>	<u>51,636</u>
Support Services:			
Pupil			
Salaries and Wages	25,060	16,641	8,419
Fringe Benefits	5,575	2,722	2,853
Purchased Services	2,468	2,040	428
Supplies and Materials	77,106	48,755	28,351
Total Pupil	<u>110,209</u>	<u>70,158</u>	<u>40,051</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, 2017
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	\$ 164,492	\$ 138,088	\$ 26,404
Fringe Benefits	29,352	22,707	6,645
Purchased Services	29,929	25,649	4,280
Supplies and Materials	28,751	21,070	7,681
Capital Outlay	2,085	2,085	-
Total Instructional Staff	<u>254,609</u>	<u>209,599</u>	<u>45,010</u>
 Total Support Services	 <u>364,818</u>	 <u>279,757</u>	 <u>85,061</u>
 Food Service			
Supplies and Materials	8,500	8,500	-
Total Food Service	<u>8,500</u>	<u>8,500</u>	<u>-</u>
 Extracurricular Activities			
Salaries and Wages	16,540	10,938	5,602
Fringe Benefits	2,784	1,795	989
Supplies and Materials	324	304	20
Total Extracurricular Activities	<u>19,648</u>	<u>13,037</u>	<u>6,611</u>
 Total Expenditures	 <u>839,156</u>	 <u>695,848</u>	 <u>143,308</u>
	-		
Excess of Revenues Over (Under) Expenditures	(636,841)	(495,637)	141,204
 Other Financing Sources:			
Transfer - In	365,000	365,000	-
Total Other Financing Sources	<u>365,000</u>	<u>365,000</u>	<u>-</u>
 Net Change in Fund Balance	 (271,841)	 (130,637)	 141,204
 Fund Balance at Beginning of Fiscal Year	 297,848	 297,848	 -
Prior Year Encumbrances Appropriated	20,966	20,966	-
Fund Balance at End of Fiscal Year	<u>\$ 46,973</u>	<u>\$ 188,177</u>	<u>\$ 141,204</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Tuition	\$ 7,600	\$ 6,128	\$ (1,472)
Other Local Revenue	1,146,200	1,103,641	(42,559)
Total Revenues	<u>1,153,800</u>	<u>1,109,769</u>	<u>(44,031)</u>
Expenditures:			
Current:			
Instruction:			
Vocational			
Supplies and Materials	2,200	1,339	861
Capital Outlay	112,900	-	112,900
Total Regular	<u>115,100</u>	<u>1,339</u>	<u>113,761</u>
Total Instruction	<u>115,100</u>	<u>1,339</u>	<u>113,761</u>
Support Services:			
Pupil			
Supplies and Materials	416	416	-
Total Pupil	<u>416</u>	<u>416</u>	<u>-</u>
Instructional Staff			
Supplies and Materials	44,227	30,085	14,142
Capital Outlay	1,600	-	1,600
Total Instructional Staff	<u>45,827</u>	<u>30,085</u>	<u>15,742</u>
Administration			
Purchased Services	1,977	1,317	660
Total Administration	<u>1,977</u>	<u>1,317</u>	<u>660</u>
Total Support Services	<u>47,804</u>	<u>31,402</u>	<u>16,402</u>
Extracurricular Activities			
Salaries and Wages	58,727	52,213	6,514
Fringe Benefits	10,664	8,624	2,040
Purchased Services	371,928	243,100	128,828
Supplies and Materials	1,083,432	741,673	341,759
Miscellaneous	4,540	2,810	1,730
Capital Outlay	237,426	46,197	191,229
Total Extracurricular Activities	<u>1,766,717</u>	<u>1,094,617</u>	<u>672,100</u>
Total Expenditures	<u>1,930,037</u>	<u>1,127,774</u>	<u>802,263</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, 2017
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	\$ (776,237)	\$ (18,005)	\$ 758,232
Other Financing Sources:			
Transfers - In	19,000	250	(18,750)
Refund of Prior Year Expenditures	-	175	175
Total Other Financing Sources	<u>19,000</u>	<u>425</u>	<u>(18,575)</u>
Net Change in Fund Balances	(757,237)	(17,580)	739,657
Fund Balance at Beginning of Fiscal Year	857,549	857,549	-
Prior Year Encumbrances Appropriated	62,433	62,433	-
Fund Balance at End of Fiscal Year	<u>\$ 162,745</u>	<u>\$ 902,402</u>	<u>\$ 739,657</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 1,859	\$ 1,859	\$ -
Intergovernmental	1,837,537	1,777,555	(59,982)
Total Revenues	<u>1,839,396</u>	<u>1,779,414</u>	<u>(59,982)</u>
Expenditures:			
Current:			
Instruction:			
Regular			
Purchased Services	175,595	161,436	14,159
Total Regular	<u>175,595</u>	<u>161,436</u>	<u>14,159</u>
Special			
Salaries and Wages	101,005	86,637	14,368
Fringe Benefits	29,529	25,281	4,248
Supplies and Materials	4,033	4,033	-
Capital Outlay	1,809	1,809	-
Total Special	<u>136,376</u>	<u>117,760</u>	<u>18,616</u>
Total Instruction	<u>311,971</u>	<u>279,196</u>	<u>32,775</u>
Support Services:			
Pupil			
Salaries and Wages	56,754	11,482	45,272
Fringe Benefits	10,962	3,285	7,677
Purchased Services	135,913	104,276	31,637
Supplies and Materials	8,275	6,132	2,143
Total Pupil	<u>211,904</u>	<u>125,175</u>	<u>86,729</u>
Instructional Staff			
Salaries and Wages	3,133	2,748	385
Fringe Benefits	660	592	68
Purchased Services	3,321	3,287	34
Total Instructional Staff	<u>7,114</u>	<u>6,627</u>	<u>487</u>
Administration			
Salaries and Wages	5,619	5,097	522
Fringe Benefits	2,476	2,336	140
Purchased Services	536	536	-
Supplies and Materials	464	464	-
Total Administration	<u>9,095</u>	<u>8,433</u>	<u>662</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, 2017
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Fiscal			
Miscellaneous	\$ 54,263	\$ 52,292	\$ 1,971
Total Fiscal	<u>54,263</u>	<u>52,292</u>	<u>1,971</u>
Total Support Services	<u>282,376</u>	<u>192,527</u>	<u>89,849</u>
Community Services			
Salaries and Wages	546,837	463,015	83,822
Fringe Benefits	147,578	117,955	29,623
Purchased Services	82,563	71,401	11,162
Supplies and Materials	777,707	733,149	44,558
Capital Outlay	<u>86,715</u>	<u>79,630</u>	<u>7,085</u>
Total Community Services	<u>1,641,400</u>	<u>1,465,150</u>	<u>176,250</u>
Total Expenditures	<u>2,235,747</u>	<u>1,936,873</u>	<u>298,874</u>
Excess of Revenues Over (Under) Expenditures	(396,351)	(157,459)	238,892
Other Financing Sources (Uses):			
Advances - In	-	24,764	24,764
Advances - Out	<u>-</u>	<u>(36,756)</u>	<u>(36,756)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(11,992)</u>	<u>(11,992)</u>
Net Change in Fund Balances	(396,351)	(169,451)	226,900
Fund Balance at Beginning of Fiscal Year	396,520	396,520	-
Prior Year Encumbrances Appropriated	<u>36,592</u>	<u>36,592</u>	<u>-</u>
Fund Balance at End of Fiscal Year	<u>\$ 36,761</u>	<u>\$ 263,661</u>	<u>\$ 226,900</u>

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Federal Grants Fund
For the Fiscal Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Intergovernmental	\$ 19,337,948	\$ 14,452,104	\$ (4,885,844)
Total Revenues	<u>19,337,948</u>	<u>14,452,104</u>	<u>(4,885,844)</u>
Expenditures:			
Current:			
Instruction:			
Special			
Salaries and Wages	6,319,789	5,563,598	756,191
Fringe Benefits	2,558,148	2,261,805	296,343
Purchased Services	76,291	71,662	4,629
Supplies and Materials	338,856	321,008	17,848
Total Special	<u>9,293,084</u>	<u>8,218,073</u>	<u>1,075,011</u>
Vocational			
Salaries and Wages	439,069	387,046	52,023
Fringe Benefits	145,565	126,190	19,375
Purchased Services	145	145	-
Supplies and Materials	146	146	-
Total Vocational	<u>584,925</u>	<u>513,527</u>	<u>71,398</u>
Other			
Salaries and Wages	153,730	132,864	20,866
Fringe Benefits	25,216	21,776	3,440
Purchased Services	3,000	2,922	78
Supplies and Materials	8,083	5,223	2,860
Total Other	<u>190,029</u>	<u>162,785</u>	<u>27,244</u>
Total Instruction	<u>10,068,038</u>	<u>8,894,385</u>	<u>1,173,653</u>
Support Services:			
Pupil			
Salaries and Wages	543,756	481,538	62,218
Fringe Benefits	191,228	167,276	23,952
Purchased Services	377,998	375,648	2,350
Supplies and Materials	226,520	224,251	2,269
Total Pupil	<u>1,339,502</u>	<u>1,248,713</u>	<u>90,789</u>

(continued)

South-Western City School District
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget (Non-GAAP) and Actual
Federal Grants Fund
For the Fiscal Year Ended June 30, 2017
(continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Instructional Staff			
Salaries and Wages	\$ 3,286,930	\$ 2,696,545	\$ 590,385
Fringe Benefits	985,571	822,829	162,742
Purchased Services	223,186	170,609	52,577
Supplies and Materials	47,381	45,987	1,394
Miscellaneous	1,274	549	725
Capital Outlay	6,490	4,990	1,500
Total Instructional Staff	<u>4,550,832</u>	<u>3,741,509</u>	<u>809,323</u>
Administration			
Salaries and Wages	374,715	364,659	10,056
Fringe Benefits	169,184	164,026	5,158
Purchased Services	17,561	12,087	5,474
Supplies and Materials	6,057	2,893	3,164
Total Administration	<u>567,517</u>	<u>543,665</u>	<u>23,852</u>
Fiscal			
Miscellaneous	855,505	458,159	397,346
Total Fiscal	<u>855,505</u>	<u>458,159</u>	<u>397,346</u>
Operations and Maintenance			
Salaries and Wages	74,386	74,386	-
Fringe Benefits	29,446	29,446	-
Purchased Services	17,880	11,442	6,438
Supplies and Materials	42	42	-
Total Operations and Maintenance	<u>121,754</u>	<u>115,316</u>	<u>6,438</u>
Pupil Transportation			
Purchased Services	22,850	11,938	10,912
Capital Outlay	631,492	-	631,492
Total Pupil Transportation	<u>654,342</u>	<u>11,938</u>	<u>642,404</u>
Total Support Services	<u>8,089,452</u>	<u>6,119,300</u>	<u>1,970,152</u>
Community Services			
Salaries and Wages	190,565	138,475	52,090
Fringe Benefits	41,636	33,026	8,610
Purchased Services	77,183	68,932	8,251
Supplies and Materials	40,641	34,996	5,645
Total Community Services	<u>350,025</u>	<u>275,429</u>	<u>74,596</u>
Total Expenditures	<u>18,507,515</u>	<u>15,289,114</u>	<u>3,218,401</u>

(continued)

South-Western City School District
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget (Non-GAAP) and Actual
 Federal Grants Fund
 For the Fiscal Year Ended June 30, 2017
 (continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	\$ 830,433	\$ (837,010)	\$ (1,667,443)
Other Financing Sources (Uses):			
Advances - In	-	1,704,067	1,704,067
Refund of Prior Year Expenditures	78	78	-
Advances - Out	-	(915,971)	(915,971)
Total Other Financing Sources (Uses)	<u>78</u>	<u>788,174</u>	<u>788,096</u>
Net Change in Fund Balances	830,511	(48,836)	(879,347)
Fund Balance at Beginning of Fiscal Year	6	6	-
Prior Year Encumbrances Appropriated	85,441	85,441	-
Fund Balance at End of Fiscal Year	<u>\$ 915,958</u>	<u>\$ 36,611</u>	<u>\$ (879,347)</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Interest	\$ 1,200	\$ 12,841	\$ 11,641
Other Local Revenue	2,235,000	2,599,223	364,223
Intergovernmental	7,518,600	8,120,692	602,092
Total Revenues	<u>9,754,800</u>	<u>10,732,756</u>	<u>977,956</u>
Expenditures:			
Current:			
Support Services:			
Operations and Maintenance			
Purchased Services	192,060	184,079	7,981
Total Operations and Maintenance	<u>192,060</u>	<u>184,079</u>	<u>7,981</u>
Total Support Services	<u>192,060</u>	<u>184,079</u>	<u>7,981</u>
Community Services			
Salaries and Wages	3,591,856	3,515,606	76,250
Fringe Benefits	1,692,278	1,615,363	76,915
Purchased Services	252,857	214,638	38,219
Supplies and Materials	4,213,256	4,198,305	14,951
Miscellaneous	1,504	1,452	52
Capital Outlay	13,496	12,483	1,013
Total Community Services	<u>9,765,247</u>	<u>9,557,847</u>	<u>207,400</u>
Total Expenditures	<u>9,957,307</u>	<u>9,741,926</u>	<u>215,381</u>
Net Change in Fund Balances	(202,507)	990,830	1,193,337
Fund Balance at Beginning of Fiscal Year	2,528,906	2,528,906	-
Prior Year Encumbrances Appropriated	45,357	45,357	-
Fund Balance at End of Fiscal Year	<u>\$ 2,371,756</u>	<u>\$ 3,565,093</u>	<u>\$ 1,193,337</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Local:			
Taxes	\$ -	\$ 461,791	\$ 461,791
Intergovernmental	221,288	221,288	-
Total Revenues	<u>221,288</u>	<u>683,079</u>	<u>461,791</u>
Expenditures:			
Current:			
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	221,288	683,079	461,791
Fund Balance at Beginning of Fiscal Year	2,732,316	2,732,316	-
Fund Balance at End of Fiscal Year	<u>\$ 2,953,604</u>	<u>\$ 3,415,395</u>	<u>\$ 461,791</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	Variance
Revenues:			
Charges for Services	\$ 32,495,519	\$ 34,194,726	\$ 1,699,207
Total Revenues	<u>32,495,519</u>	<u>34,194,726</u>	<u>1,699,207</u>
Expenses:			
Salaries and Wages	773,218	773,218	-
Fringe Benefits	18,801	18,801	-
Purchased Services	<u>33,214,789</u>	<u>33,022,629</u>	<u>192,160</u>
Total Expenses	<u>34,006,808</u>	<u>33,814,648</u>	<u>192,160</u>
Net Change	(1,511,289)	380,078	1,891,367
Net Position at Beginning of Fiscal Year (Restated)	11,039,892	11,039,892	-
Prior Year Encumbrances Appropriated	<u>476,805</u>	<u>476,805</u>	<u>-</u>
Net Position at End of Fiscal Year	<u>\$ 10,005,408</u>	<u>\$ 11,896,775</u>	<u>\$ 1,891,367</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 the appropriate organization.

South-Western City School District
Combining Balance Sheet
All Agency Funds
June 30, 2017

	<u>Student Activity</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$ 312,590
Total Assets	<u>\$ 312,590</u>
 <u>Liabilities:</u>	
Accounts Payable	\$ 2,012
Undistributed Money	<u>310,578</u>
Total Liabilities	<u>\$ 312,590</u>

South-Western City School District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Fiscal Year Ended June 30, 2017

	Restated Beginning Balance <u>June 30, 2016</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>June 30, 2017</u>
<u>Student Activity</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 290,751	\$ 340,938	\$ 319,099	\$ 312,590
Receivable:				
Accounts	688	-	688	-
Total Assets	<u>\$ 291,439</u>	<u>\$ 340,938</u>	<u>\$ 319,787</u>	<u>\$ 312,590</u>
Liabilities:				
Accounts Payable	\$ 7,713	\$ 2,012	\$ 7,713	\$ 2,012
Undistributed Money	283,726	338,926	312,074	310,578
Total Liabilities	<u>\$ 291,439</u>	<u>\$ 340,938</u>	<u>\$ 319,787</u>	<u>\$ 312,590</u>
<u>District Competition Host Agency</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 575	\$ 45,637	\$ 46,212	\$ -
Total Assets	<u>\$ 575</u>	<u>\$ 45,637</u>	<u>\$ 46,212</u>	<u>\$ -</u>
Liabilities:				
Undistributed Money	575	45,637	46,212	-
Total Liabilities	<u>\$ 575</u>	<u>\$ 45,637</u>	<u>\$ 46,212</u>	<u>\$ -</u>
<u>All Agency Funds</u>				
Assets:				
Equity in Pooled Cash and Cash				
Equivalents	\$ 291,326	\$ 386,575	\$ 365,311	\$ 312,590
Receivable:				
Accounts	688	-	688	-
Total Assets	<u>\$ 292,014</u>	<u>\$ 386,575</u>	<u>\$ 365,999</u>	<u>\$ 312,590</u>
Liabilities:				
Accounts Payable	\$ 7,713	\$ 2,012	\$ 7,713	\$ 2,012
Undistributed Money	284,301	384,563	358,286	310,578
Total Liabilities	<u>\$ 292,014</u>	<u>\$ 386,575</u>	<u>\$ 365,999</u>	<u>\$ 312,590</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
<u>Financial Trends</u> These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	122
<u>Revenue Capacity</u> These schedules contain information to help the reader assess the affordability of the District's most significant local revenue source, the property tax.	132
<u>Debt Capacity</u> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	140
<u>Operating Information</u> These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	146
<u>Demographic and Economic Information</u> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	158

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 2017	Fiscal 2016 (2)	Fiscal 2015	Fiscal 2014 (1)
Governmental Activities				
Net Investment in Capital Assets	\$ 177,047,796	\$ 174,341,029	\$ 143,338,358	\$ 101,583,123
Restricted	27,928,840	43,195,665	67,798,514	115,914,055
Unrestricted	(152,365,701)	(160,628,253)	(183,851,632)	(204,621,889)
Total Governmental Activities Net Position	<u>\$ 52,610,935</u>	<u>\$ 56,908,441</u>	<u>\$ 27,285,240</u>	<u>\$ 12,875,289</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

<u>Fiscal 2013*</u>	<u>Fiscal 2012</u>	<u>Fiscal 2011</u>	<u>Fiscal 2010</u>	<u>Fiscal 2009</u>	<u>Fiscal 2008</u>
\$ 73,224,817	\$ 59,024,319	\$ 50,483,110	\$ 44,612,781	\$ 40,527,577	\$ 34,413,508
144,401,093	38,270,638	45,063,166	28,128,813	23,493,846	22,761,533
<u>104,511,925</u>	<u>102,607,157</u>	<u>72,890,740</u>	<u>57,067,078</u>	<u>32,825,649</u>	<u>22,787,305</u>
<u>\$ 322,137,835</u>	<u>\$ 199,902,114</u>	<u>\$ 168,437,016</u>	<u>\$ 129,808,672</u>	<u>\$ 96,847,072</u>	<u>\$ 79,962,346</u>

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

	Fiscal 2017	Fiscal 2016 (1)	Fiscal 2015	Fiscal 2014
Governmental Activities:				
Instruction:				
Regular	\$ 132,190,385	\$ 115,895,871	\$ 116,295,000	\$ 107,731,469
Special	50,293,456	41,941,289	43,404,819	38,522,065
Vocational	6,991,329	5,735,500	3,750,926	5,803,760
Other	1,672,845	1,037,207	446,347	988,572
Support Services:				
Pupil	13,719,435	10,812,041	10,425,013	10,214,045
Instructional Staff	8,779,168	6,991,382	7,245,057	7,541,449
Board of Education	43,090	38,893	39,662	42,800
Administration	20,568,977	18,051,038	18,266,211	17,395,756
Fiscal	4,150,471	3,638,125	3,743,700	3,959,922
Business	1,089,877	965,164	1,216,693	947,722
Operations and Maintenance	18,890,587	16,252,265	17,579,641	15,507,439
Pupil Transportation	16,547,727	13,287,082	12,758,549	12,790,060
Central	5,145,218	3,605,582	7,269,139	8,751,099
Food Service	11,040,608	9,514,753	9,019,672	8,595,582
Community Services	2,131,520	1,541,101	2,254,820	1,463,694
Extracurricular Activities	4,711,775	4,473,772	4,350,089	4,216,439
Shared Services	372,953	341,213	306,413	303,374
Interest and Fiscal Charges	6,103,205	7,804,277	7,717,741	7,895,232
Total Governmental Activities Expenses	<u>\$ 304,442,626</u>	<u>\$ 261,926,555</u>	<u>\$ 266,089,492</u>	<u>\$ 252,670,479</u>

Source: School District Comprehensive Annual Financial Report

(1) Restated for presentation purposes

<u>Fiscal</u> <u>2013</u>	<u>Fiscal</u> <u>2012</u>	<u>Fiscal</u> <u>2011</u>	<u>Fiscal</u> <u>2010</u>	<u>Fiscal</u> <u>2009</u>	<u>Fiscal</u> <u>2008</u>
\$ 102,766,386	\$ 101,677,915	\$ 98,991,909	\$ 99,541,915	\$ 99,472,506	\$ 92,884,468
32,721,653	31,207,794	30,607,426	28,566,712	26,318,268	24,665,611
6,268,512	6,069,817	6,508,952	6,387,286	6,386,202	6,229,106
983,567	917,499	997,663	971,222	2,835,918	2,521,547
10,582,567	10,258,396	10,440,174	10,157,786	9,255,581	8,423,846
14,851,375	15,611,841	16,956,180	17,532,453	14,963,463	14,006,287
38,433	35,875	36,274	43,974	53,816	59,840
15,025,637	15,677,734	16,031,146	15,717,538	15,407,715	15,895,145
3,970,157	3,634,551	3,505,319	3,498,071	3,460,086	3,326,319
820,483	883,314	862,888	861,465	961,685	920,806
16,488,459	16,496,886	16,023,962	17,219,782	16,666,018	15,983,374
12,706,181	12,371,791	11,832,057	11,466,296	11,894,384	11,398,807
7,983,879	6,659,541	4,584,027	6,094,728	8,723,626	4,002,153
8,404,080	8,388,222	8,395,557	8,340,945	8,609,997	8,084,601
1,620,950	1,520,689	1,842,104	1,498,385	1,803,117	1,316,649
4,604,650	4,052,430	4,331,911	2,376,629	3,878,853	3,897,530
101,502	-	-	-	-	-
8,241,288	3,568,207	3,601,621	4,032,517	4,692,127	5,468,524
<u>\$ 248,179,759</u>	<u>\$ 239,032,502</u>	<u>\$ 235,549,170</u>	<u>\$ 234,307,704</u>	<u>\$ 235,383,362</u>	<u>\$ 219,084,613</u>

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

	Fiscal 2017 (1)	Fiscal 2016 (2)	Fiscal 2015
Program Revenue:			
Governmental Activities:			
Charges for Services and Sales			
Instruction:			
Regular	\$ 1,312,075	\$ 113,092	\$ 174,543
Special	425,485	-	-
Vocational	87,054	60,098	100,919
Other	23,817	-	17,125
Support Services:			
Pupil	66,118	-	-
Instructional Staff	33,059	-	-
Administration	38,568	-	-
Operations and Maintenance	432,594	-	-
Pupil Transportation	743,634	521,926	493,670
Central	15,273	-	-
Food Service	2,403,283	2,087,119	2,442,209
Community Services	14,150	16,418	15,682
Extracurricular Activities	1,512,355	799,612	1,023,969
Shared Services	358,945	328,850	294,460
Operating Grants, Contributions and Interest	44,695,754	38,975,908	40,157,084
Total Governmental Activities Program Revenues	<u>\$ 52,162,164</u>	<u>\$ 42,903,023</u>	<u>\$ 44,719,661</u>
Net (Expenses)/Revenue			
Governmental Activities	<u>\$ (252,280,462)</u>	<u>\$ (219,023,532)</u>	<u>\$ (221,369,831)</u>
General Revenues and Other Changes in Net Position			
General Revenues:			
Property Taxes Levied for:			
General Purposes	99,628,315	97,244,559	98,141,046
Debt Service	12,955,510	12,723,819	13,270,413
Capital Improvement	3,801,482	3,707,805	3,816,149
Classroom Facilities	461,791	461,791	461,791
Payments in Lieu of Taxes	2,481,467	2,559,549	2,268,035
Ohio Facility Construction Commission Grant	-	-	-
Grants and Entitlements not Restricted to Specific Programs	125,869,877	124,624,428	116,135,086
Interest	1,121,821	769,495	640,471
Other Local Revenues	1,662,693	6,555,287	1,046,791
Total Governmental Activities	<u>247,982,956</u>	<u>248,646,733</u>	<u>235,779,782</u>
Changes in Net Position	<u>\$ (4,297,506)</u>	<u>\$ 29,623,201</u>	<u>\$ 14,409,951</u>

Source: School District Comprehensive Annual Financial Report

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

Fiscal 2014	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
\$ 119,849	\$ 127,137	\$ 161,894	\$ 165,561	\$ 137,446	\$ 165,213	\$ 134,405
-	-	-	-	-	-	-
62,016	77,472	114,619	116,529	91,031	185,043	149,010
16,642	19,098	17,457	17,486	23,880	24,165	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	953	958	1,037	-	140	-
-	157,119	165,620	163,785	-	-	-
533,664	566,411	414,153	435,277	252,500	432,111	365,920
-	-	-	-	-	-	-
2,140,284	2,160,948	2,468,329	2,914,191	3,070,970	3,242,294	3,256,780
14,238	16,907	15,808	15,317	12,245	16,668	13,573
1,050,317	939,040	904,857	1,115,825	606,324	756,351	738,167
303,374	-	-	-	-	-	-
36,623,684	32,737,457	33,141,879	36,908,180	35,369,286	33,841,376	30,260,222
<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>\$ 38,663,361</u>	<u>\$ 34,918,077</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>	<u>\$ (196,720,001)</u>	<u>\$ (184,166,536)</u>
100,918,408	81,312,729	95,303,398	95,084,630	92,055,343	85,257,556	80,492,369
13,915,812	11,717,816	13,722,961	12,143,490	13,130,296	12,884,620	14,888,794
3,797,717	3,155,717	4,177,603	3,954,430	4,207,501	4,343,741	168,056
683,079	461,791	-	-	-	-	-
2,571,069	2,039,592	1,021,635	2,446,398	1,360,937	-	-
-	124,047,645	-	-	-	-	-
107,655,463	102,290,500	109,682,717	111,373,088	109,993,005	101,900,997	91,935,545
904,617	266,483	287,852	344,720	335,983	974,009	2,011,085
8,689,146	10,206,218	8,895,860	6,977,570	6,622,557	8,243,804	5,285,265
<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>213,604,727</u>	<u>194,781,114</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>	<u>\$ 16,884,726</u>	<u>\$ 10,614,578</u>

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

	Fiscal 2017	Fiscal 2016 (1)	Fiscal 2015	Fiscal 2014
General Fund				
Nonspendable	\$ 339,822	\$ 328,509	\$ 341,812	\$ 361,926
Committed	1,241,761	1,230,994	1,168,748	1,223,619
Assigned	1,555,702	2,275,025	1,013,339	1,533,580
Unassigned	181,962,835	164,021,064	139,248,211	118,095,935
Reserved	-	-	-	-
Unreserved	-	-	-	-
Total General Fund	<u>\$ 185,100,120</u>	<u>\$ 167,855,592</u>	<u>\$ 141,772,110</u>	<u>\$ 121,215,060</u>
All Other Governmental Funds				
Nonspendable	\$ 85,922	\$ 81,201	\$ 86,313	\$ 191,264
Restricted	40,808,798	51,471,991	96,799,354	157,782,334
Committed	-	-	-	-
Unassigned (Deficit)	(624,589)	(3,457,838)	(6,280)	(147,475)
Reserved	-	-	-	-
Unreserved, reported in:				
Special Revenue Funds	-	-	-	-
Capital Projects Fund	-	-	-	-
Total All Other Governmental Funds	<u>\$ 40,270,131</u>	<u>\$ 48,095,354</u>	<u>\$ 96,879,387</u>	<u>\$ 157,826,123</u>

Source: School District Comprehensive Annual Financial Report

Note: The School District Implemented GASB 54 in 2011.

(1) Restated for presentation purposes

Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
\$ 309,149	\$ 328,594	\$ 321,417	\$ -	\$ -	\$ -
1,121,869	-	-	-	-	-
1,045,417	2,740,409	1,849,870	-	-	-
98,265,212	98,023,668	77,917,544	-	-	-
-	-	-	43,789,311	34,702,439	31,646,062
-	-	-	11,527,828	(1,474,986)	(7,646,791)
<u>\$ 100,741,647</u>	<u>\$ 101,092,671</u>	<u>\$ 80,088,831</u>	<u>\$ 55,317,139</u>	<u>\$ 33,227,453</u>	<u>\$ 23,999,271</u>
\$ 132,074	\$ 89,877	\$ 181,384	\$ -	\$ -	\$ -
174,866,472	29,426,667	32,856,497	-	-	-
-	1,022,557	1,038,265	-	-	-
(211,500)	(58,696)	(1,077)	-	-	-
-	-	-	18,140,962	16,169,375	16,783,696
-	-	-	2,913,891	2,849,640	3,315,826
-	-	-	3,947,443	853,201	1,458,916
<u>\$ 174,787,046</u>	<u>\$ 30,480,405</u>	<u>\$ 34,075,069</u>	<u>\$ 25,002,296</u>	<u>\$ 19,872,216</u>	<u>\$ 21,558,438</u>

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

	Fiscal 2017	Fiscal 2016 (1)	Fiscal 2015	Fiscal 2014
Revenues:				
Local:				
Taxes	\$ 118,698,172	\$ 116,326,913	\$ 116,602,034	\$ 119,400,543
Tuition	2,188,468	1,910,843	1,594,170	1,553,110
Interest	1,136,521	769,495	640,471	904,617
Other Local Revenue	6,993,246	9,345,190	7,649,236	7,136,565
Payments in Lieu of Taxes	2,698,289	2,583,596	2,374,411	2,294,221
Intergovernmental	171,914,525	181,679,656	205,599,265	185,692,892
Total Revenues	\$ 303,629,221	\$ 312,615,693	\$ 334,459,587	\$ 316,981,948
Expenditures:				
Current:				
Instruction:				
Regular	114,850,399	108,032,000	110,605,915	102,693,606
Special	47,574,576	42,883,900	41,452,129	38,262,981
Vocational	6,075,765	5,058,690	5,545,565	5,090,568
Other	1,520,029	1,007,640	1,016,338	990,848
Support Services:				
Pupil	12,870,866	11,076,667	10,675,992	10,064,950
Instructional Staff	8,211,240	7,140,821	7,357,771	7,649,659
Board of Education	41,295	39,832	39,662	42,800
Administration	19,290,782	18,209,970	18,431,619	17,076,332
Fiscal	4,072,908	3,668,683	3,779,585	3,940,769
Business	1,077,770	936,470	1,002,805	943,096
Operations and Maintenance	17,614,710	16,188,585	16,610,540	15,296,454
Pupil Transportation	15,171,030	12,893,338	12,333,623	12,078,155
Central	4,093,795	2,834,941	3,533,353	3,538,546
Food Service	10,323,686	9,355,865	8,973,023	8,569,909
Community Services	1,852,147	1,382,407	1,481,187	1,233,929
Shared Services	343,272	328,850	322,229	273,182
Extracurricular Activities	4,259,417	4,028,982	4,015,852	4,009,264
Capital Outlay	10,122,067	75,397,824	112,327,385	67,044,316
Debt Services:				
Principal Retirement	5,826,655	7,201,666	7,426,666	6,511,666
Interest and Fiscal Charges	9,017,507	7,665,251	7,918,034	8,183,116
Issuance Costs for Bonds and Notes	297,703	-	-	-
Underwriter's Discount on Bonds	-	-	-	-
Total Expenditures	294,507,619	335,332,382	374,849,273	313,494,146
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,121,602	(22,716,689)	(40,389,686)	3,487,802
Other Financing Sources (Uses):				
Transfers - In	13,285,540	1,059,176	1,291,078	1,291,140
Transfers - Out	(13,285,540)	(1,059,176)	(1,291,078)	(1,291,140)
Issuance of Refunding Bonds	35,800,000	-	-	-
Issuance of Qualifying School Construction Bonds	-	-	-	-
Issuance of General Obligation Bonds	-	-	-	-
Premium on the Sale of Refunding Bonds	6,681,610	-	-	-
Premium on the Sale of General Obligation Bonds	-	-	-	-
Sale of Capital Assets	-	16,138	-	24,688
Payment to Refunding Bond Escrow Agent	(42,183,907)	-	-	-
Total Other Financing Sources (Uses)	297,703	16,138	-	24,688
Net Change in Fund Balances	\$ 9,419,305	\$ (22,700,551)	\$ (40,389,686)	\$ 3,512,490
Debt Service as a Percentage of Noncapital Expenditures	5.31%	5.65%	5.73%	5.94%

Source: School District Comprehensive Annual Financial Report

(1) Restated for presentation purposes

Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
\$ 100,740,561	\$ 111,448,896	\$ 110,043,274	\$ 108,946,272	\$ 99,222,737	\$ 94,345,111
1,603,675	1,193,855	860,270	974,692	834,944	450,502
266,483	289,075	344,720	336,732	974,009	2,011,085
7,854,701	7,546,155	7,312,531	6,080,996	10,037,234	7,627,835
655,252	2,631,269	1,821,006	1,678,739	-	-
150,010,434	142,663,654	148,014,519	144,905,663	135,355,004	121,939,136
<u>\$ 261,131,106</u>	<u>\$ 265,772,904</u>	<u>\$ 268,396,320</u>	<u>\$ 262,923,094</u>	<u>\$ 246,423,928</u>	<u>\$ 226,373,669</u>

98,271,137	96,470,472	94,405,014	95,546,496	95,068,111	89,832,529
32,808,231	31,076,201	30,555,128	28,489,938	26,150,024	24,670,704
5,372,204	5,356,704	5,516,509	5,562,747	5,595,820	5,331,116
988,051	889,683	982,579	955,483	2,785,526	2,511,183

10,595,108	10,298,499	10,525,586	10,108,635	9,211,089	8,382,856
14,990,657	15,628,160	16,577,081	17,492,815	14,997,314	13,875,612
38,433	35,875	36,274	43,974	53,816	59,840
14,968,530	15,348,771	15,833,157	15,632,272	15,143,308	15,720,663
3,969,374	3,625,358	3,497,286	3,385,646	3,458,286	3,324,289
865,860	881,525	861,320	860,177	955,910	875,530
14,877,670	15,911,738	15,625,581	16,239,398	16,391,490	15,784,267
11,733,590	11,476,850	10,780,268	10,690,064	10,511,656	9,906,398
3,583,087	3,196,388	3,085,766	3,048,648	3,376,369	3,210,341
8,365,996	8,383,343	8,356,991	8,161,209	8,572,735	8,005,503
1,298,989	1,198,527	1,250,783	1,247,088	1,514,605	974,602
68,734	-	-	-	-	-
4,394,019	3,829,207	4,077,017	2,362,556	3,732,287	3,726,269
18,589,048	10,216,416	5,321,337	2,195,183	3,935,133	4,647,056
12,256,667	11,081,667	13,876,667	9,811,667	12,976,667	12,401,628
7,205,069	3,458,344	3,679,030	3,971,678	4,509,630	5,465,493
367,123	-	-	-	-	-
593,899	-	-	-	-	-
<u>266,201,476</u>	<u>248,363,728</u>	<u>244,843,374</u>	<u>235,805,674</u>	<u>238,939,776</u>	<u>228,705,879</u>

(5,070,370)	17,409,176	23,552,946	27,117,420	7,484,152	(2,332,210)
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1,290,220	1,462,976	1,003,065	1,069,376	1,022,766	866,306
(1,290,220)	(1,462,976)	(1,003,065)	(1,069,376)	(1,022,766)	(866,306)
-	-	3,490,000	-	-	-
-	-	6,670,000	-	-	-
140,250,000	-	-	-	-	-
-	-	32,666	-	-	-
8,711,022	-	-	-	-	-
64,965	-	98,853	12,346	57,808	44,456
-	-	-	-	-	-
<u>149,025,987</u>	<u>-</u>	<u>10,291,519</u>	<u>12,346</u>	<u>57,808</u>	<u>44,456</u>
<u>\$ 143,955,617</u>	<u>\$ 17,409,176</u>	<u>\$ 33,844,465</u>	<u>\$ 27,129,766</u>	<u>\$ 7,541,960</u>	<u>\$ (2,287,754)</u>

7.77%	6.05%	7.24%	5.88%	7.39%	7.91%
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South-Western City School District
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Collection Years

Collection Year	Real Property (1)		Tangible Personal Property (2)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
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	-
2009	2,486,984,970	7,105,671,343	4,619,246	73,907,936
2008	2,430,613,730	6,944,610,657	89,991,185	1,439,858,960

Source: Franklin County Auditor

- (1) The assessed value of real property is fixed at 35% of true value and is determined pursuant to the rules of the State Tax Commissioner.
- (2) The rate at which tangible personal property used in business is assessed for purposes of ad valorem property taxation was 6.25% in 2008 and decreased to 0% in 2009.
- (3) Assumes public utilities are assessed at true value, which is 35% of estimated actual value.
- (4) 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 (3)		Total			
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Effective Tax Rate (4)	
\$ 113,591,020	\$ 324,545,771	\$ 2,454,400,250	\$ 7,012,572,142	48.00	
111,151,060	317,574,457	2,435,081,300	6,957,375,143	47.98	
109,471,420	312,775,486	2,433,530,600	6,952,944,572	48.03	
93,711,540	267,747,257	2,437,525,230	6,964,357,800	47.27	
89,546,940	255,848,400	2,380,686,880	6,801,962,514	47.19	
92,684,960	264,814,171	2,382,980,700	6,808,516,285	47.48	
82,904,850	236,871,000	2,589,641,840	7,398,937,829	43.31	
75,388,180	215,394,800	2,576,271,824	7,354,271,971	43.04	
71,470,170	204,200,486	2,563,074,386	7,383,779,765	35.55	
67,032,840	191,522,400	2,587,637,755	8,575,992,017	35.98	

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
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%
2008/2009	103,732,433	11,099,246	114,831,679	93,169,566	89.82%
2007/2008	105,669,991	9,207,010	114,877,001	95,876,685	90.73%

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>
\$ 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
4,646,962	97,816,528	85.18%	11,284,744	2008/2009
4,127,145	100,003,830	87.05%	10,837,876	2007/2008

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		
2016/2017	18.47 (18.23) (18.47)	3.14 (3.14) (3.14)	3.50 (3.50) (3.50)	61.20 (34.83) (48.28)	6.10 (6.10) (6.10)	2.00 (2.00) (2.00)	3.85 (3.85) (3.85)	73.15 (46.78) (60.23)
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
2008/2009	18.02	3.14	3.50	53.80	5.35	2.00	3.85	65.00
2007/2008	18.49	3.14	3.50	53.80	4.80	2.00	3.85	64.45
2006/2007	18.44	3.14	3.70	53.80	4.90	2.00	3.85	64.55

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.

<u>LIBRARY</u>	<u>VILLAGES</u>		<u>TOWNSHIPS</u>				
<u>Southwest Public Library</u>	<u>Village of Harrisburg</u>	<u>Village of Urbancrest</u>	<u>Franklin Township</u>	<u>Jackson Township</u>	<u>Pleasant Township</u>	<u>Harrisburg- Pleasant Township</u>	<u>Prairie Township</u>
1.00	1.00	0.60	31.09	23.95	21.20	20.80	18.20
(1.00)	(1.00)	(0.60)	(27.35)	(12.80)	(12.49)	(12.09)	(17.48)
(1.00)	(1.00)	(0.60)	(30.92)	(12.55)	(13.40)	(13.00)	(17.49)
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
-	1.00	0.60	25.20	20.20	18.70	18.30	18.20
-	1.00	0.60	21.31	20.20	18.70	18.30	18.20
-	1.00	0.60	21.31	20.20	18.70	18.30	18.20

South-Western City School District
Principal Taxpayers
December 31, 2016 and December 31, 2007

	<u>December 31, 2016</u>	
	<u>Total</u> <u>Assessed</u> <u>Valuation</u>	<u>% of Total</u> <u>Assessed</u> <u>Valuation</u>
<u>Public Utilities</u>		
Ohio Power Company	\$ 82,300,430	3.35%
AEP Ohio Transmission	16,770,390	0.68%
Columbia Gas of Ohio Inc.	11,882,230	0.48%
<u>Real Estate</u>		
GLP Capital LP	\$ 55,931,860	2.28%
Wal Mart Stores Inc.	10,990,600	0.45%
Big Lots Stores Inc.	9,861,370	0.40%
Security Capital	8,275,530	0.34%
Ohio Becknell Investors 2007 LLC	7,612,510	0.31%
Distribution Funding III Inc.	7,499,600	0.31%
Dugan Realty LLC	7,367,510	0.30%
Parkway Centre East LLC	7,236,780	0.29%
Plymouth 3500 Southwest LLC	7,000,000	0.29%
Big Box Property Owners D LLC	5,387,170	0.22%
All Others	<u>2,216,284,270</u>	<u>90.30%</u>
Total Assessed Valuation	<u><u>\$ 2,454,400,250</u></u>	<u><u>100.00%</u></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, 2007</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	\$ 58,236,600	2.28%
Columbia Gas of Ohio Inc.	5,399,420	0.21%
<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	0.46%
Distribution Funding III	8,888,090	0.35%
Dispatch Printing Co.	8,750,000	0.34%
PCCP IRG Columbus LLC	7,700,010	0.30%
Weston Town Center LLC	5,740,020	0.22%
NHSE Harvest Glen LLC	5,688,180	0.22%
Parkway Village LLC	4,970,000	0.19%
Feder Road Associates	4,725,000	0.19%
<u>Tangible Personal Property</u>		
Medco Health Solutions Inc.	\$ 6,909,730	0.27%
Wal Mart Stores	5,229,400	0.20%
Big Lots Stores Inc.	4,262,160	0.17%
Masterfoods USA	3,155,055	0.12%
Dispatch Printing Company	2,663,850	0.10%
Ohio Machinery Co.	2,488,460	0.10%
Ohio Bell Telephone Company	2,469,610	0.10%
Tosoh S M D Inc.	2,442,090	0.10%
Delphi Automotive Systems LLC	2,191,760	0.09%
Borders, Inc.	1,804,270	0.07%
All Others	<u>2,374,391,835</u>	<u>92.97%</u>
Total Assessed Valuation	<u>\$ 2,554,021,370</u>	<u>100.00%</u>

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

Year	(1) Net General Obligation Bonds	(1) Tax Anticipation Notes	(1) Energy Conservation Bonds	(1) Technical Equipment Loan	Total Primary Government	(2) Percentage of Personal Income	(3) Per Capita	(4) Per ADM
2017	\$ 176,457,390	\$ -	\$ 6,670,000	\$ -	\$ 183,127,390	not available	\$ 1,331.95	\$ 8,459.71
2016	185,081,271	-	6,670,000	66,666	191,817,937	not available	1,413.39	9,273.29
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
2009	99,051,609	-	2,550,000	533,332	102,134,941	4.10%	769.20	4,921.93
2008	107,479,693	7,505,000	2,920,000	599,999	118,504,692	4.64%	893.05	5,647.11

Sources:

(1) Per District records

(2) Personal Income provided by Ohio Department of Taxation

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

(4) ADM per District records

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

Year	(1) Assessed Value	(2) Gross Bonded Debt	(2) Less Debt Service Funds	Net Bonded Debt	Percentage of Net Bonded Debt to Assessed Value	(3) Net Bonded Debt Per Capita	(4) Net Bonded Debt Per ADM
2017	\$ 2,454,400,250	\$ 183,127,390	\$ 17,777,247	\$ 165,350,143	6.74%	\$ 1,202.65	\$ 7,638.48
2016	2,433,530,600	191,751,271	16,885,449	174,865,822	7.19%	1,288.48	8,453.75
2015	2,435,081,300	199,070,545	16,182,756	182,887,789	7.51%	1,347.59	8,841.57
2014	2,437,525,230	206,620,067	15,054,139	191,565,928	7.86%	1,422.94	9,374.40
2013	2,380,686,880	213,321,014	12,695,521	200,625,493	8.43%	1,502.37	9,924.59
2012	2,382,980,700	76,885,329	17,057,485	59,827,844	2.51%	448.70	2,980.07
2011	2,589,641,840	88,021,502	15,035,563	72,985,939	2.82%	548.29	3,668.74
2010	2,576,271,824	91,750,321	8,506,596	83,243,725	3.23%	626.37	4,174.71
2009	2,563,074,386	101,601,609	7,766,585	93,835,024	3.66%	706.69	4,521.95
2008	2,587,637,755	110,399,693	8,565,519	101,834,174	3.94%	767.42	4,852.71

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

South-Western City School District
 Computation of Direct and Overlapping Governmental Activities Debt
 June 30, 2017

Governmental Unit	Gross Debt Outstanding	Percent Applicable to School District	Amount Applicable to School District
Direct:			
South-Western City School District	\$ 183,127,390	100.00%	\$ 183,127,390
Indirect:			
Franklin County	\$ 399,040,000	9.05%	\$ 36,113,120
City of Columbus	3,024,883,898	6.12%	185,122,895
City of Grove City	42,390,000	100.00%	42,390,000
Franklin Township	564,750	93.52%	528,154
Prairie Township	9,680,000	71.47%	6,918,296
Total Overlapping Debt	\$ 3,476,558,648		\$ 271,072,465
Total Direct and Overlapping Debt	\$ 3,659,686,038		\$ 454,199,855

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 2016 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	\$ 2,454,400,250
Bonded Debt Limit - 9% of Assessed Value	\$ 220,896,023
Amount of Debt Applicable to 9% Debt Limit:	<u>169,695,000</u>
9% Voted Debt Margin	<u><u>\$ 51,201,023</u></u>
Bonded Debt Limit - .10% of Assessed Value	\$ 2,454,400
Amount of Debt Applicable to .10% Debt Limit	<u>-</u>
.10% Unvoted Debt Margin	<u><u>\$ 2,454,400</u></u>

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 220,896,023	\$ 219,157,317	\$ 219,017,754	\$ 219,377,271
Total Net Debt Applicable to Limit	<u>169,695,000</u>	<u>180,959,989</u>	<u>188,094,989</u>	<u>195,454,989</u>
Legal Debt Margin	<u><u>\$ 51,201,023</u></u>	<u><u>\$ 38,197,328</u></u>	<u><u>\$ 30,922,765</u></u>	<u><u>\$ 23,922,282</u></u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	76.82%	82.57%	85.88%	89.10%

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.

<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 214,261,819	\$ 214,468,263	\$ 233,067,766	\$ 231,864,464	\$ 230,676,695	\$ 232,887,398
201,899,989	73,839,989	84,854,989	88,504,989	98,249,989	106,949,989
<u>\$ 674,141</u>	<u>\$ 137,249,603</u>	<u>\$ 144,646,266</u>	<u>\$ 139,647,478</u>	<u>\$ 128,541,754</u>	<u>\$ 121,887,706</u>
94.23%	34.43%	36.41%	38.17%	42.59%	45.92%

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Teaching Staff						
Regular Education	985.76	971.76	925.49	921.99	914.21	915.18
Special Education	335.30	323.80	309.30	305.50	294.30	284.30
Vocational Education	53.00	50.50	52.50	55.50	55.00	55.50
Tutors	55.87	58.50	58.50	56.50	56.50	56.40
Administrators						
Buildings/Departments	99.00	99.00	100.00	100.00	100.00	100.50
Other Positions						
Psychologists	14.80	13.80	12.80	12.80	12.30	12.30
Nurses	9.40	9.40	9.40	9.40	8.95	8.95
Speech	22.40	18.40	19.20	19.10	17.60	19.60
OT/PT	17.60	11.20	12.80	12.80	12.00	11.10
Adapted Physical Education Therapist	4.00	4.00	3.00	3.00	3.00	3.00
Sign Interpreter	3.00	3.00	3.00	1.00	2.00	3.00
Social Worker	-	-	0.50	0.50	0.50	0.50
Counselors	25.00	25.00	25.00	25.00	25.00	25.00
Library Media Specialists	4.00	4.00	3.00	4.00	4.00	4.00
Other Professionals	11.00	12.00	13.00	11.00	11.00	11.00
Support Staff						
Technology	9.00	9.00	8.00	10.00	10.00	10.00
Aides	302.17	297.00	290.00	275.50	281.03	279.08
Accounting	9.00	9.00	9.00	9.00	9.00	9.00
Clerical	107.50	108.50	109.50	108.00	108.00	109.00
Custodial	105.00	101.50	104.00	102.00	105.00	102.00
Printer	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	30.00	30.00	27.00	29.00	29.00	29.00
Mechanics	7.00	8.00	8.00	7.00	8.00	8.00
Bus Drivers	165.00	164.00	158.00	150.00	155.00	153.00
Food Service Transporters	-	-	3.00	3.00	3.00	3.00
Cooks	137.36	128.09	128.93	129.76	127.93	128.18
Hall Monitors	32.78	34.38	33.79	34.89	33.42	41.10
Recreation Center	9.00	9.00	10.50	11.50	13.50	14.00
Athletic Trainer	-	-	-	0.50	0.50	0.50
Total	<u>2,554.94</u>	<u>2,503.83</u>	<u>2,438.21</u>	<u>2,409.24</u>	<u>2,400.74</u>	<u>2,397.19</u>

Function

Instructional						
Regular and Special	1,620.01	1,595.19	1,528.99	1,506.49	1,317.69	1,310.73
Support Services						
Pupil	122.86	114.12	115.96	116.82	114.50	119.91
Instructional Staff	71.25	65.50	70.50	84.00	259.88	259.21
Administration	167.17	167.50	169.00	154.20	153.70	154.92
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	158.03	155.12	154.09	154.22	156.99	157.69
Pupil Transportation	221.00	221.50	210.50	201.00	206.00	202.50
Central	20.00	20.00	19.00	20.00	20.00	20.00
Food Service	142.36	133.09	136.18	137.01	135.18	134.93
Community Services	13.27	12.80	15.00	16.00	17.30	17.80
Extracurricular Activities	4.00	4.00	4.00	4.50	4.50	4.50
Total	<u>2,554.94</u>	<u>2,503.81</u>	<u>2,438.21</u>	<u>2,409.24</u>	<u>2,400.74</u>	<u>2,397.19</u>

Source: School District Records

(1) The District converted to State Software, different reports were available. Data may not be comparable.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008 (1)</u>
909.78	926.33	934.04	936.68
283.25	270.75	254.75	253.19
56.50	59.00	59.50	60.00
56.40	65.75	56.00	70.23
100.50	100.00	105.00	105.00
11.30	12.80	12.80	12.80
8.95	8.90	9.40	9.40
19.20	19.70	18.80	18.80
11.70	10.40	10.30	8.20
3.00	3.00	3.00	3.00
3.00	3.00	4.00	3.00
0.50	0.50	0.50	0.50
25.00	25.00	24.50	24.00
4.00	4.00	4.00	4.00
14.00	13.00	12.50	12.50
10.00	11.00	13.00	13.00
286.28	288.16	290.50	275.75
9.00	8.00	8.00	8.00
108.00	108.00	115.00	117.00
103.00	116.00	116.50	116.50
1.00	1.00	1.00	1.00
29.00	30.00	31.00	31.00
8.00	8.00	8.00	9.00
148.00	152.00	160.00	154.00
3.00	3.00	3.00	3.00
128.17	134.76	132.74	128.00
39.16	38.56	43.00	39.00
14.00	13.50	14.00	16.00
0.50	0.50	1.00	1.00
<u>2,394.19</u>	<u>2,434.61</u>	<u>2,445.83</u>	<u>2,433.55</u>
1,304.93	1,320.08	1,322.54	1,314.30
117.50	116.76	124.47	120.00
270.93	270.31	253.35	258.00
154.40	154.35	161.15	162.00
13.00	12.00	12.00	12.00
2.00	2.00	3.00	3.00
158.19	171.64	177.08	179.00
195.50	201.00	208.00	201.00
20.00	21.00	21.50	23.00
134.92	142.26	138.74	134.00
17.82	18.21	19.75	22.50
5.00	5.00	4.25	4.75
<u>2,394.19</u>	<u>2,434.61</u>	<u>2,445.83</u>	<u>2,433.55</u>

South-Western City School District
 Operating Expenditures Necessary to Educate
 a District Student for Graduation in June, 2017
 (Actual Dollars Expended by Year)

	Grade	South-Western	State Average	Franklin County
	Level	City School	for All	Franklin County
		District	School Districts	Average
2004-05	K	\$ 9,140	\$ 8,404	\$ 9,714
2005-06	1	10,170	8,727	10,275
2006-07	2	8,876	9,283	10,655
2007-08	3	9,336	9,388	11,079
2008-09	4	9,627	10,184	11,428
2009-10	5	9,893	10,512	11,908
2010-11	6	10,397	10,571	12,018
2011-12	7	10,273	10,508	11,998
2012-13	8	10,388	10,526	11,684
2013-14	9	10,386	10,913	11,854
2014-15	10	10,451	10,984	11,993
2015-16	11	10,274	11,164	11,901
2016-17	12	10,502	11,605	12,194
Total		<u>\$ 129,713</u>	<u>\$ 132,769</u>	<u>\$ 148,701</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Function-Governmental Activities					
Instruction and Support Services - Pupils					
Graduates	1,390	1,401	1,522	1,281	1,250
% of Students with IEP	14.9%	16.0%	15.5%	14.6%	14.5%
% of Limited English Proficient Students	11.1%	14.0%	13.1%	15.6%	16.0%
Student Attendance	93.3%	93.6%	93.6%	94.3%	94.1%
Fiscal					
Purchase Orders Processed	15,802	15,448	15,439	15,703	16,708
Nonpayroll Checks Issued	10,156	11,509	11,329	11,815	12,661
Operations and Maintenance					
Work Orders Completed	7,850	8,137	7,150	9,850	10,349
District Square Footage Maintained by Staff (in thousands)	3,103	2,890	2,890	2,800	2,800
District Acreage Maintained by Staff	669	669	669	669	669
Pupil Transportation					
Average Number of Students Transported Each Day	14,154	14,302	13,756	13,568	13,231
Average Daily Miles driven Each Day	15,637	15,210	14,745	14,745	13,756
Food Service					
Meals Served to Students:					
Breakfast	1,025,365	918,050	763,187	729,398	716,094
Lunch	2,310,063	2,272,435	2,100,808	2,086,810	2,128,765
Number of Free and Reduced Students	12,903	12,438	12,527	11,638	11,405
Extracurricular Activities					
High School Varsity Teams *	66	66	66	66	65

* 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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
1,305	1,263	1,287	1,212	1,280
15.3%	14.5%	14.3%	14.4%	13.1%
12.4%	10.9%	14.1%	12.4%	11.5%
94.4%	94.3%	94.2%	93.9%	94.3%
16,748	17,653	16,015	17,186	16,458
13,152	13,319	13,353	15,970	14,751
7,151	14,955	8,701	7,858	7,789
2,800	2,800	2,800	2,800	2,800
610	610	610	610	610
12,636	12,314	12,134	13,823	13,737
13,033	12,602	12,886	12,958	12,355
704,846	622,072	576,270	583,161	582,650
2,235,348	2,175,309	2,181,936	2,263,668	2,231,198
10,996	10,605	10,427	10,126	9,498
65	64	37	65	65

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental Activities							
Instruction							
Land	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965	\$ 6,720,965	\$ 4,794,159	\$ 4,794,159
Buildings	338,280,643	280,278,779	182,061,641	139,654,408	141,389,904	141,582,072	138,501,697
Improvements to Land	31,469,418	23,920,981	6,768,432	1,115,928	1,044,772	1,044,772	973,718
Furniture and Equipment	1,798,361	1,824,662	1,468,616	1,315,351	1,323,658	653,992	639,032
Special							
Buildings	947,974	942,086	942,086	942,086	942,086	942,086	1,006,835
Improvements to Land	9,688	9,688	43,595	43,595	43,595	43,595	43,595
Furniture and Equipment	209,000	218,902	218,902	236,434	225,110	334,673	334,673
Vehicle	40,796	40,796	40,796	40,796	40,796	40,796	40,796
Vocational							
Land	994,583	994,583	994,583	994,583	994,583	994,583	994,583
Buildings	18,361,528	18,305,935	18,305,935	18,305,935	18,305,935	18,178,118	18,178,118
Improvements to Land	20,555	20,555	20,555	20,555	20,555	20,555	20,555
Furniture and Equipment	1,260,758	1,240,079	1,231,929	1,246,452	1,146,172	1,023,836	1,036,056
Vehicle	17,151	17,151	17,151	17,151	17,151	17,151	17,151
Other							
Furniture and Equipment	32,230	-	-	-	-	-	-
Support Services:							
Pupil							
Furniture and Equipment	7,410	7,410	7,410	7,410	7,410	7,410	7,410
Instructional Staff							
Furniture and Equipment	474,288	474,288	497,691	495,351	501,410	501,410	507,010
Administration							
Land	570,242	570,242	570,242	570,242	570,242	570,242	570,242
Buildings	5,182,521	5,182,521	5,193,143	5,180,148	5,180,148	5,180,148	5,147,081
Improvements to Land	491,320	491,320	491,320	491,320	491,320	491,320	491,320
Furniture and Equipment	530,793	585,624	602,632	602,632	614,947	654,217	612,743
Fiscal							
Furniture and Equipment	-	-	10,592	10,592	10,592	10,592	10,592
Business							
Furniture and Equipment	16,929	16,929	-	-	-	-	-
Operations and Maintenance							
Land	20,375	20,375	20,375	20,375	20,375	20,375	20,375
Buildings	280,873	270,565	96,598	96,598	96,598	96,598	96,598
Improvements to Land	34,259	34,259	13,759	13,759	13,759	13,759	13,759
Furniture and Equipment	1,027,529	933,116	815,003	944,510	867,563	885,257	844,261
Vehicle	1,531,936	1,454,859	1,493,009	1,345,598	1,243,976	1,210,896	1,219,242
Transportation							
Land	172,546	172,546	172,546	172,546	172,546	172,546	172,546
Buildings	1,169,891	1,169,891	1,135,561	1,135,561	1,135,561	1,135,561	1,135,561
Improvements to Land	712,469	712,469	712,469	712,469	661,648	661,648	661,648
Furniture and Equipment	120,013	120,013	120,013	120,013	134,476	120,013	97,677
Vehicle	97,300	97,300	97,300	97,300	150,967	150,967	150,967
Buses	15,400,243	15,785,195	14,815,993	13,804,273	12,950,298	12,009,460	11,181,380
Central							
Buildings	30,832,060	31,263,325	31,272,775	31,305,242	31,315,742	31,315,742	31,245,335
Improvements to Land	295,560	402,881	1,582,224	2,941,846	3,096,369	3,228,911	3,292,065
Furniture and Equipment	745,047	661,247	697,256	677,573	666,865	620,561	554,812
Vehicle	19,860	68,173	68,173	68,173	68,173	68,173	68,173
Food Service							
Buildings	22,213	22,213	22,213	22,213	22,213	22,213	22,213
Improvements to Land	8,200	8,200	8,200	8,200	8,200	8,200	8,200
Furniture and Equipment	3,715,084	3,789,365	2,394,959	1,978,218	1,971,016	1,993,247	1,993,247
Vehicle	87,065	104,498	104,498	104,498	104,498	104,498	104,498
Community Services							
Land	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Buildings	7,488,836	7,445,294	7,236,635	7,502,648	7,502,648	7,368,561	7,368,561
Improvements to Land	210,304	210,304	240,666	235,066	235,066	235,066	235,066
Furniture and Equipment	279,587	267,923	267,923	267,923	267,923	272,933	272,933
Extracurricular Activities							
Buildings	3,463,190	3,445,520	3,041,671	3,046,988	3,046,988	3,120,319	3,115,239
Improvements to Land	3,265,101	3,200,707	2,293,100	943,847	943,847	412,688	476,762
Furniture and Equipment	727,449	720,906	348,590	341,380	341,380	331,186	319,052
Vehicle	5,626	5,626	5,626	-	-	-	-
Total	<u>\$ 479,369,769</u>	<u>\$ 414,450,266</u>	<u>\$ 295,485,351</u>	<u>\$ 246,118,751</u>	<u>\$ 246,830,046</u>	<u>\$ 242,865,105</u>	<u>\$ 238,797,536</u>

Source: District Capital Asset Records

Capital Asset software changed July 1, 2008. Group assets no longer tracked in this database.

<u>2010</u>	<u>2009</u>	<u>2008</u>
\$ 4,794,159	\$ 4,794,159	\$ 4,794,159
138,702,141	138,935,001	138,399,696
890,517	734,182	572,555
431,640	418,678	2,243,336
1,006,835	1,006,835	1,006,835
43,595	43,595	43,595
202,223	202,223	216,123
-	-	-
994,583	994,583	994,583
18,178,118	18,178,118	18,178,118
40,880	40,880	40,880
1,040,220	955,188	1,218,476
17,151	-	-
-	-	-
7,410	13,215	13,215
500,121	500,121	604,421
570,242	570,242	570,242
5,147,081	5,147,081	5,147,081
491,320	491,320	491,320
609,851	603,856	725,345
10,592	10,592	10,592
-	-	-
20,375	20,375	20,375
96,598	96,598	96,598
13,759	13,759	13,759
841,709	803,073	904,913
1,352,865	1,265,116	1,236,471
172,546	172,546	172,546
1,135,561	1,135,561	1,135,561
661,648	639,097	474,185
97,677	97,677	107,990
120,721	120,721	120,721
11,686,091	11,806,858	11,569,581
31,144,487	31,090,861	31,090,861
3,430,085	3,504,947	3,504,946
496,264	442,531	385,726
68,173	68,173	68,172
22,213	22,213	22,213
8,200	-	-
1,998,359	1,952,329	1,923,556
99,315	71,025	71,025
200,000	200,000	200,000
7,368,561	7,368,561	7,342,908
235,066	243,266	243,266
272,933	272,933	340,649
3,108,519	3,108,519	3,108,519
465,764	465,764	429,927
275,562	275,516	275,516
-	-	-
<u>\$ 239,071,730</u>	<u>\$ 238,897,888</u>	<u>\$ 240,130,556</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>
<u>Elementary Schools</u>						
Alton Hall	Basic	2014		69,984	9.09	600
Bolton Crossing	Basic	2015		61,615	43.38	520
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
<u>Intermediate Schools</u>						
Franklin Woods	Basic	2000		87,981	21.45	800
Galloway Ridge	Basic	2000		87,981	6.51	800
Holt Crossing	Basic	2000		87,981	20.70	800
Park Street	Basic	2000		87,981	12.71	800
Hayes	Basic	1966	1981,1982,1986, 2003	58,677	10.85	520
<u>Middle Schools</u>						
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
<u>High Schools</u>						
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
<u>Additional Schools</u>						
Kingston	Basic	1949		13,180	2.00	70
Preschool Center	Basic	1950	2004	10,000	0.75	60
South-Western Career Academy	Basic	2002		130,156	22.10	750

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>
<u>Recreation Centers</u>						
Falcons Nest	Basic	1986		37,507		
Grove City	Basic	1986		37,507		
Cougar Community	Basic	1986		37,507		
<u>Miscellaneous</u>						
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 2017	Fiscal 2016	Fiscal 2015	Fiscal 2014	Fiscal 2013
<u>3rd Grade</u>					
Mathematics	61.8%	60.5%	59.2%	79.7%	74.1%
Reading	53.6%	47.0%	68.9%	78.2%	72.6%
<u>4th Grade</u>					
Mathematics	74.7%	65.7%	66.1%	75.1%	78.7%
Reading	57.5%	52.8%	78.4%	80.7%	85.0%
Social Studies	72.5%	68.7%	69.7%	N/A	N/A
<u>5th Grade</u>					
Mathematics	63.0%	62.2%	66.3%	68.1%	64.9%
Reading	69.0%	57.6%	76.1%	66.5%	69.2%
Science	68.6%	61.9%	57.6%	58.3%	60.5%
<u>6th Grade</u>					
Mathematics	61.7%	58.5%	68.7%	79.7%	76.1%
Reading	62.2%	52.4%	77.4%	83.3%	81.8%
Social Studies	58.0%	54.9%	51.1%	N/A	N/A
<u>7th Grade</u>					
Mathematics	51.8%	50.3%	64.0%	73.5%	74.5%
Reading	55.8%	48.3%	72.2%	83.0%	77.0%
<u>8th Grade</u>					
Mathematics	48.4%	54.6%	61.9%	81.3%	78.4%
Reading	43.2%	41.2%	70.6%	87.5%	85.7%
Science	65.1%	63.5%	70.7%	66.3%	65.1%
High School End of Course					
Government	63.6%	63.3%	48.5%	N/A	N/A
History	63.6%	70.0%	58.1%	N/A	N/A
Physical Science	36.4%	NC	62.7%	N/A	N/A
English I	51.8%	46.0%	75.7%	N/A	N/A
English II	48.7%	39.0%	NC	N/A	N/A
Algebra I	38.3%	40.8%	57.7%	N/A	N/A
Geometry	35.3%	35.4%	96.3%	N/A	N/A
Biology	49.6%	59.1%	N/A	N/A	N/A
<u>Student Attendance Rate</u>	93.3%	93.6%	93.4%	94.3%	94.1%

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

Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009	Fiscal 2008
78.2%	79.8%	70.5%	75.2%	74.9%
74.3%	75.2%	70.1%	70.5%	69.7%
79.9%	78.3%	73.3%	77.1%	72.1%
79.3%	80.9%	74.7%	75.2%	76.4%
N/A	N/A	N/A	N/A	N/A
67.4%	66.2%	68.1%	60.4%	59.2%
73.1%	71.1%	69.1%	67.2%	68.4%
65.3%	65.5%	63.6%	66.8%	58.3%
83.0%	82.2%	79.6%	77.0%	77.7%
85.4%	85.1%	85.1%	78.5%	78.1%
N/A	N/A	N/A	N/A	N/A
75.5%	75.1%	68.3%	71.2%	67.4%
78.2%	75.4%	75.6%	72.7%	73.1%
77.7%	73.8%	66.1%	70.1%	70.5%
82.6%	83.0%	76.9%	66.6%	75.9%
71.8%	67.1%	62.8%	59.5%	59.2%
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
N/A	N/A	N/A	N/A	N/A
94.4%	94.3%	94.2%	93.9%	94.3%

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>
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
2009	1,212	7,728	3,292	3,220	6,511	20,751
2008	1,280	7,977	3,229	3,240	6,539	20,985

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>
2017	137,488	21,647	not available	not available	3.80%
2016	136,231	21,246	not available	not available	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%
2009	132,781	20,751	43,933	2,492,962,534	8.20%
2008	132,696	20,985	44,344	2,555,402,593	6.10%

Sources:

- (1) Ohio Municipal Advisory Council and Mid Ohio Regional Planning Commission
 2011 Population information is based on 2010 Census Data
- (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 2016 and 2007

<u>Employer</u>	<u>2016</u>			<u>Employer</u>	<u>2007</u>		
	<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>
South-Western City School District	1,197	1	5.34%	South-Western City School District	1,305	1	8.47%
Wal-Mart Associates, Inc	1,041	2	4.64%	Wal-Mart Associates, Inc	1,000	2	6.49%
FedEx Ground Package Systems, Inc.	517	3	2.31%	FedEx Ground Package Systems, Inc.	806	3	5.23%
Halcore Group, Inc.	442	4	1.97%	The Gap, Inc.	600	4	3.90%
Manheim Remarketing, Inc.	402	5	1.79%	Ohio Auto Auction	485	5	3.15%
Wal-Mart Super Center	335	6	1.49%	Nationwide Mutual Insurance Co.	450	6	2.92%
Tigerpoly Manufacturing, Inc.	303	7	1.35%	Wal-Mart Super Center	450	7	2.92%
Tosoh SMD, Inc.	301	8	1.34%	Tigerpoly Manufacturing, Inc.	400	8	2.60%
Nationwide Mutual Insurance Co.	290	9	1.29%	Halcore Group, Inc.	384	9	2.49%
The Gap, Inc.	204	10	0.91%	Tosoh SMD, Inc.	325	10	2.12%
Total Employees from Top Ten Employers	<u>5,032</u>		<u>22.43%</u>	Total Employees from Top Ten Employers	<u>6,205</u>		<u>40.29%</u>
All Other Employers	<u>17,384</u>		<u>77.57%</u>	All Other Employers	<u>9,196</u>		<u>59.71%</u>
Total Employees	<u><u>22,416</u></u>		<u><u>100.00%</u></u>	Total Employees	<u><u>15,401</u></u>		<u><u>100.00%</u></u>

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 2016

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Ohio State University	29,601	1	2.86%
State of Ohio	23,680	2	2.29%
JP Morgan Chase & Co.	18,700	3	1.81%
Ohio Health	15,417	4	1.49%
Nationwide Mutual Insurance Co.	13,570	5	1.31%
Kroger Co.	10,713	6	1.03%
Honda North America, Inc.	10,701	7	1.03%
Nationwide Children's Hospital	9,262	8	0.89%
Mount Carmel Health System	8,840	9	0.85%
City of Columbus	8,616	10	0.83%
Columbus City Schools	7,825	11	0.76%
Wal-Mart Stores	7,572	12	0.73%
L. Brands Inc.	7,456	13	0.72%
Franklin County	6,499	14	0.63%
Huntington Bancshares, Inc.	5,614	15	0.54%
Cardinal Health Inc.	5,058	16	0.49%
Group Management Services Inc.	4,246	17	0.41%
Giant Eagle Inc.	3,876	18	0.37%
Alliance Data	3,817	19	0.37%
American Electric Power Company, Inc.	3,733	20	0.36%
Abercrombie & Fitch Co.	3,529	21	0.34%
U.S. Postal Service	3,250	22	0.31%
UPS	3,130	23	0.30%
PNC Financial Services Group	3,000	24	0.29%
Covelli Enterprises/Panera Stores	2,750	25	0.27%

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 2007

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
State of Ohio	26,239	1	N/A
Ohio State University	20,345	2	N/A
JPMorgan Chase & Co.	14,469	3	N/A
Nationwide	11,768	4	N/A
Federal Government/United States Postal Services (1)	10,726	5	N/A
Ohio Health	9,336	6	N/A
City of Columbus	8,227	7	N/A
Honda of America Mfg., Inc.	8,000	8	N/A
Columbus Public Schools	7,181	9	N/A
Franklin County	6,055	10	N/A
Mount Carmel Health	5,750	11	N/A
Limited Brands	4,800	12a	N/A
Huntington Bancshares, Inc.	4,800	12b	N/A
American Electric Power	4,221	14	N/A
Kroger Co.	3,982	15	N/A
Nationwide Children's Hospital	3,618	16	N/A
AT&T Ohio	3,000	17	N/A
Cardinal Health Inc.	2,700	18	N/A
Medco Health Solutions, Inc.	2,470	19	N/A
Battelle	2,420	20	N/A
South-Western City Schools	2,353	21	N/A
State Farm Insurance	2,000	22	N/A
Emerson Network Power/Leibert Corp	1,920	23	N/A
United Parcel Service	1,915	24	N/A
Alliance Data	1,900	25	N/A

(1) Federal Government employees includes: 5,526 Federal Government and US Postal Service FTEs; 2,700 Defense Supply Center FTEs; and 2,500 Defense Finance & Accounting Service Center FTEs.

Source: City of Columbus Comprehensive Annual Financial Report

Percentage of Total Employment data for 2007 not available.

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.



Dave Yost • Auditor of State

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
FEBRUARY 1, 2018**