

Southern Hills Joint Vocational School District
Brown County, Ohio

Regular Audit

July 1, 2007, through June 31, 2008
Fiscal Year Audited Under GAGAS: 2008



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA
Auditor of State

Board of Trustees
Southern Hills Joint Vocational School District
9193 Hamer Road
Georgetown, Ohio 45121

We have reviewed the *Independent Auditor's Report* of the Southern Hills Joint Vocational School District, Brown County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2007 through June 30, 2008. 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 Southern Hills Joint Vocational School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

January 15, 2008

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**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT
BROWN COUNTY**

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Ohio Society of Certified Public Accountants

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Members of the Board
Southern Hills JVSD
9193 Hamer Road
Georgetown, OH 45121

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Hills Joint Vocational School District (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2008 in which we indicate that the District implemented GASB Statements No. 50, No. 48 and No. 45. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

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

A material weakness is a significant deficiency, or combination of significant deficiencies, resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

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

We noted a certain matter that we reported to the District's management in a separate letter dated December 5, 2008.

Members of the Board
Southern Hills JVSD

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance with *Government Auditing Standards*
Page 2

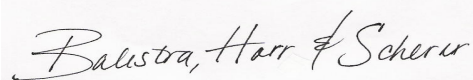
Compliance and Other Matters

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, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings and responses as item 2008-001.

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

We did note certain noncompliance or other matters that we reported to the District's management in a separate letter dated December 5, 2008.

We intend this report solely for the information and use of management and members of the Board. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
December 5, 2008

Southern Hills Joint Vocational School District
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2008

Finding 2008-001

Noncompliance Citation

Ohio Revised Code Section 5705.39 states in part that total appropriations from each fund shall not exceed the total estimated resources.

The District had appropriations in excess of estimated resources at the beginning of the audit period in the Debt Service Fund.

The District should monitor funds to ensure that appropriations do not exceed estimated resources.

Client Response:

The amended certificate submitted to the budget commission on November 4, 2007 corrected the appropriations issue.

Southern Hills Join Vocational School District
 Schedule of Prior Year Findings
 For the Fiscal Year Ended June 30, 2008

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2007-001	Material Weakness – Audit Adjustments	Yes	

*SOUTHERN HILLS
JOINT VOCATIONAL SCHOOL DISTRICT*

GEORGETOWN, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Issued by:
Treasurer's Office

Michael Boyd, CPA
Treasurer

INTRODUCTORY SECTION

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Southern Hills Joint Vocational School District
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For the Fiscal Year Ended June 30, 2008
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December 5, 2008

Board of Education Members
and Residents of the Southern Hills Joint Vocational School District:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Southern Hills Joint Vocational School District for the fiscal year ended June 30, 2008. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. The intent of this report is to provide the taxpayers of the Southern Hills Joint Vocational School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

This report enables the School District to comply with Ohio Administrative Code Section 117-2-03 (B), which required reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Ohio Revised Code Section 117.38 which requires the school districts reporting on a GAAP basis to file an unaudited annual report with the Auditor of State within 150 days of fiscal year end.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Balestra, Harr & Scherer, CPAs, Inc., has issued an unqualified ("clean") opinion on the Southern Hills Joint Vocational School District's financial statements for the fiscal year ended June 30, 2008. The Independent Auditor's Report is located at the front of the Financial Section of this report.

Management's Discussion and Analysis immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's Discussion and Analysis complements this letter of transmittal and should be read in conjunction with it.

FORMATION OF THE SCHOOL DISTRICT

The Southern Hills Joint Vocational School District offers adult and secondary students an array of programs and classes to serve the needs of all school districts in Brown County and Bright Local School District in Highland County. Secondary classes offered at the School District include Power Equipment Mechanics/Agricultural Industrial, Diversified Health Occupations, Information Technology/Computer Systems, Early Childhood Education, Automotive Technology, Carpentry, Welding, Cosmetology, Graphics, Business Technology and Criminal Justice. The Southern Hills Joint Vocational School District with the cooperation of the local school districts offers joint extended career technical programming in the areas of Marketing Education, Information Technology/Computer Systems, and Agricultural Science/Business. Adult Education offers various programming including: Ohio Peace Officers Training, Emergency Medical Technician, Fire Fighting, Nurse Aide and a variety of other career technology and lifelong learning as well as customized training.

The Southern Hills Joint Vocational School District was established in 1970 with classes held at Fincastle School, Winchester, Ohio. On May 8, 1973 voters of the Southern Hills Joint Vocational School District passed a levy to acquire real estate and construct a new school building. This marked the beginning of the joint venture serving all of the Brown County school districts and the Bright Local School District in Highland County. The school was constructed at 9193 Hamer Road, Georgetown, Ohio, and classes began at the site in August of 1975.

FORM OF GOVERNMENT AND REPORTING ENTITY

The Southern Hills Joint Vocational School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The original Southern Hills Joint Vocational School District Board of Education was comprised of five members. Three of the five members were appointed from the Brown County Educational Service Center, with an additional one member each from the Highland County Board of Education and the Georgetown Exempted Village School District. In 1997, the Highland County member was appointed by the newly combined Southern Ohio Educational Service District. In July 2001, because of auditing reasons and better representation for the local school districts, the board composition was changed to a seven member board. The representation currently has a member from the elected boards of five of the six home school districts (Eastern, Fayetteville-Perry, Georgetown Exempted Village, Ripley-Union-Lewis-Huntington, Western Brown), one member from the Brown County Educational Service Center, and one member from the Southern Ohio Educational Service Center to represent Bright Local.

The Board of Education serves as the taxing authority, contracting body and policy maker for the School District. The Board adopts the annual operating budget and approves all expenditures of the School District.

The Superintendent is the chief administrative officer of the School District and is responsible for the development, supervision, and operation of the school programs and facilities.

The Treasurer is the chief financial officer of the School District, and is responsible for maintaining financial records, issuing warrants, acting as the custodian of all School District funds and investing idle funds as specified by Ohio law.

Other administrators include a Principal, an Academic Supervisor, a Director of Adult and Community Education and supervisors of various educational and support services.

The School District employs 60 full-time employees. These employees include certified, non-certified and administrative personnel providing services to 569 secondary students and 1,008 adult students. Secondary students include the full time equivalents of home schooled students and students attending programs offered outside the central building. These students are not included as full time students in the School District's average daily membership.

The reporting entity consists of all funds, departments, boards and agencies that are not legally separate from the School District. This includes general operations, food service and student related activities of the School District.

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

The Member School Districts have not been included in the accompanying financial statements. The boards are not appointed by the School District, nor are they fiscally dependent on the School District. The South Central Ohio Computer Association (SCOCA), and the Coalition of Rural and Appalachian Schools are reported as jointly governed organizations in Note 16. The Ohio Association of School Business Officials Workers' Compensation Group Rating Plan is reported as an insurance purchasing pool in Note 17. The Brown County Schools Benefits Consortium is presented as a public entity shared risk and insurance purchasing pool in Note 18.

At the beginning of each fiscal year, the Board of Education adopts a temporary appropriation resolution for that fiscal year. By Statute, permanent appropriations must be adopted upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates. The School District adopts the permanent appropriation measure in September. The amended certificate of estimated resources and the final appropriation resolution serve as the foundation of the Southern Hills Joint Vocational School District's financial planning and control. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriation resolution. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

ECONOMIC CONDITION AND OUTLOOK

Major industries located within the School District's boundaries include paper, agricultural/trailer equipment, plastics technology, tool box and surgical/medical equipment manufacturing. Further, with the future construction of the healthcare facilities in the northern part of Brown County there should be a considerable growth in the health field. Brown County has seen significant increases in the northern part of the county in residential housing, but industrial jobs have been on a slight decline during the past five years. With the closing of the Batavia Transmission plant, 3M Plant, and DHL these companies will have a severe impact not only economically but it will have a significant effect on the overall health services in the region.

Brown County is a rural community in Southern Ohio with unemployment rates one percent above the State unemployment rate. During the past ten years, the unemployment rate rose from 5.3 percent in 1999 to a high of 7.3 percent in June, 2008. The population of Brown County in the 2000 census was 42,104. Population projections for Brown County are indicating growth over the next decade. The estimate of the 2010 census is approximated at 48,050. This represents a 14.1 percent change since 2000 census, compared to an estimated State increase of (.1) percent for 2007. The population growth rate from 1990 to 2000 was 20.9 percent or 7,285 while the State of Ohio rate was 4.7 percent.

There is a projected population increase in Brown County in 2010. In light of the recent unemployment and economic conditions, the projected numbers may be depressed and the State should re-evaluate the state and county population estimates in light of the current State and local conditions.

The Southern Hills Joint Vocational School District is located in the center of the six member school districts it serves. The School District encompasses Brown and southern Highland counties, approximately 634 square miles which includes eight villages and 26 townships. The Career and Technical Center itself is located approximately 82 miles south of Columbus on U.S. Route 68, 44 miles east of Cincinnati on U.S. Route 125, and 77 miles north of Lexington, Kentucky on U.S. Route 68. This central position provides a strategic location for the future development of business and industry.

Since the 2000 census, Brown County has seen a steady jump in housing starts. According to estimates provided by the United States Census Bureau, housing units in 2006 and homeownership rate in 2000 were 18,734 and 79.6 respectively.

However, because of recent local and state economic condition the current housing growth rates, property values and market rates for housing are significantly lower and will be suppressed into the 2010 census reporting period. Also, the sky rocketing home foreclosure rates in the local area and State will have tremendous impact on tax collections and local and state revenue for this coming biennium and the near foreseeable future.

Tourism has improved and is growing in Brown County. The John Rankin House in Ripley was the first stop on the “Underground Railroad” after crossing the Ohio River. It is now a State memorial and is open to the public. In addition, the John P. Parker House located in Ripley is listed as a National Historic Landmark by the National Park Service. Both historic buildings are continuing to improve the tourism sector of the county’s economy. Other attractions in Brown County include the Ulysses S. Grant home; Ohio Tobacco Museum; St. Martin’s Ursuline Center; Grant Lake State Wildlife area; six covered bridges; Washburn Log House and the Ohio River.

Graduates of the Southern Hills Joint Vocational School District may seek local employment with major industrial employers like Brown County Hospital, Ohio Veterans Home, Ohio Valley Manor, Cincinnati Milacron, Stanley Works, Hawklane, Mercy Hospital and PCP Champion.

FINANCIAL TRENDS

During fiscal year 2008, the School District experienced no increase in the State foundation revenue. This is due to a decline in student enrollment during the fiscal year. The reason for the decline in enrollment is two-fold. The renovation project provided limited access to the building during sophomore tours and fewer students enrolled for their junior year. Secondly, satellite enrollment has declined with the elimination of two programs at the local schools. The School District is currently on the transitional aid guarantee and is expecting to remain on this funding status until enrollment increases.

FINANCIAL PLANNING AND POLICIES

The School District recently underwent a major renovation project that has a total cost of \$11,115,454. A one-mill permanent improvement levy is earmarked for the renovation project as well as construction projects, maintenance, and equipment purchases that will be done after the renovation is completed.

The School District acquired a \$500,000 loan from the State for renovation that has helped in financing the local share of the project. In addition, the School District was also approved for a Qualified Zone Academy Financing Lease, as part of a federal program in which the federal government issued bonds, and then provides financing to qualified school districts. Bond holders receive a tax credit, rather than interest, for 12-15 years. The School District received \$3,465,997 in funding through this program during fiscal year 2008.

With the help of the Qualified Zone Academy Financing Lease monies, Southern Hills will again try to start a Sports Medicine program that was delayed in 2007-08 because of lack of student enrollment. We are hopeful that the program will start in the 2009 fiscal year.

With the new biennium and new governor coming into office, there were very little additional monies given to schools. Because of budgetary constraints and limited increase in revenue, Southern Hills expenses will have to be controlled. Another consideration is a State constitutional amendment for school funding that is being debated by various factions and associations in the education community. The target date for the amendment was the November 2007 election; however due to the lack of enough signatures to put the issue on the ballot, the amendment is on hold for now.

Fiscal year 2008 is a negotiation year with our instructors and with little and/or stagnant funding, salaries increases, benefits and other compensation will be limited.

MAJOR INITIATIVES

The School District houses twelve career-tech programs at the Career and Technical Center with the new addition of Sports Medicine and six satellite programs at the local schools, making a total secondary student population of approximately 569 students served by the School District. State funding is based on our average daily membership, which includes two counts of students one in October and the other in February. Students that attend satellite programs are based on the number of hours they are served by our School District. Therefore, it is imperative that we maintain accurate counts of students attending classes both on and off of our campus.

Southern Hills Joint Vocational School District depends mainly on the State of Ohio for funding, with local funding as a second source of revenue. The School District receives little funding from the federal government. With the potential of decreasing local and state population, there could be significant decrease in federal funding for Ohio and Brown County. Also, with the State tightening the budget, there maybe a cut in our State guarantee. The School District has received the same amount in State funding for the last three years. However, with limited or reduced State revenues, the opportunity for additional funding is doubtful and flat funding would be the best scenario in the current and near future.

AWARDS AND ACKNOWLEDGEMENTS

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to any government unit that publishes an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must also satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is the highest form of recognition in the area of governmental financial reporting. Since this report was prepared with the stringent guidelines of the Certificate of Achievement in mind, it will be submitted to the GFOA to determine its eligibility for the Certificate of Achievement for the fiscal year ended June 30, 2008.

ASBO CERTIFICATE OF EXCELLENCE

The Association of School Business Officials (ASBO) International Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report for review by an ASBO Panel of Review. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The Southern Hills Joint Vocational School District will also be submitting its third CAFR for this award for the fiscal year ended June 30, 2008.

ACKNOWLEDGEMENTS

The publication of this report is a major step toward professionalizing the financial reporting of the Southern Hills Joint Vocational School District. Appreciation is expressed to the Treasurer's staff: Paula Moore and Donna Wallingford. A special thank-you is also extended to the Local Government Services Section of the Office of the Auditor of State for their assistance in preparing this year's CAFR. Sincere gratitude goes to the Board of Education, where the commitment to excellence begins.

Respectfully submitted,



Charles A. Guarino Ed. D., Superintendent



Michael D. Boyd CPA, Treasurer
Southern Hills Joint Vocational School District

***Southern Hills Joint Vocational School District
Principal Officials
As Of June 30, 2008***

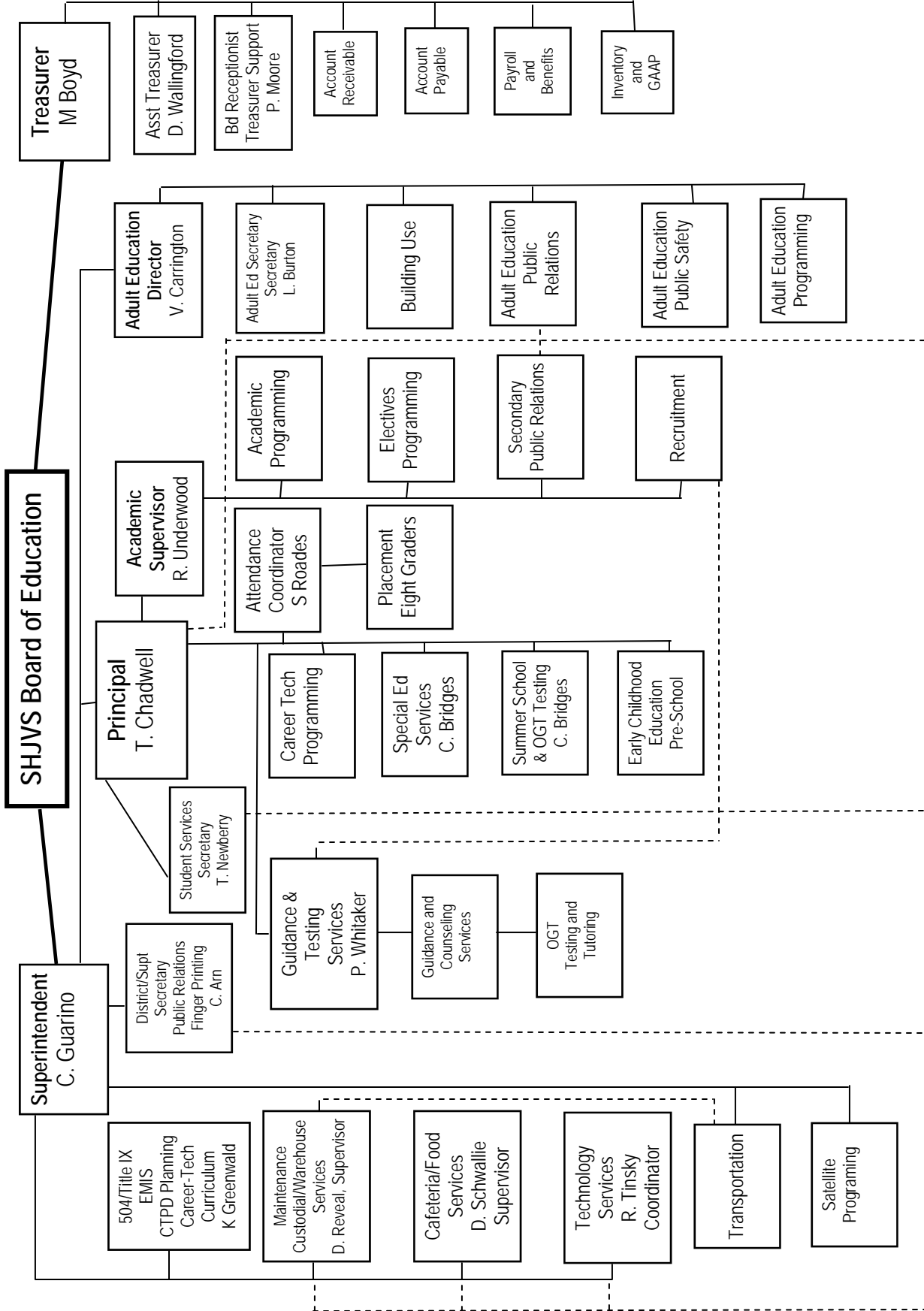
ELECTED OFFICIALS

President, Board of Education William Neal
Vice President, Board of Education..... Roger West
Board Member Garry Luke
Board Member Steven Dunkin
Board Member Kenneth Kelch
Board Member Jimmy Ferguson
Board Member Jay Castle

ADMINISTRATIVE OFFICIALS

Superintendent Charles Guarino
Treasurer Michael Boyd
Principal Tim Chadwell
Special Education Coordinator Chandra Bridges
Building and Grounds Supervisor..... David Reveal
Adult Education Director..... Vicki Carrington
Student Services Coordinator Rachael Underwood
Academic Supervisor Rachael Underwood
Intervention/Career Development Coordinator Kate Greenwald

Southern Hills Joint Vocational School District (SHJVSD) Organizational Chart



Southern Hills Joint Vocational School District
Consultants and Advisors
June 30, 2008

Architects

Steed Hammond Paul
82 Williams Avenue
Hamilton, OH 45011

Bond Counsel

Bricker and Eckler LLP
100 South Third Street
Columbus, OH 43215

Independent Auditor

Balestra, Harr & Scherer, CPAs, Inc.
P.O. Box 687
528 South West Street
Piketon, OH 45661

CAFR Preparation Consultants

Mary Taylor, CPA, Auditor of State
Local Government Services Section
88 East Broad Street
Columbus, OH 43215

**Workers' Compensation/
Unemployment**

Sheakley Uniservice, Inc.
P.O. Box 42212
Cincinnati, OH 45242

Investment Advisor

Fifth Third Bank
38 Fountain Square Plaza
MD #10903B
Cincinnati, OH 45263

Legal Counsel

Ennis, Roberts & Fischer
121 West Ninth Street
Cincinnati, OH 45202

Ohio School Boards Association
8050 North High Street
Suite 100
Columbus, OH 43235

Official Depositories

National Bank & Trust
48 North South Street
Wilmington, OH 45177

State Treasury Asset Reserve of Ohio
National City Bank
P.O. Box 691195
Cincinnati, OH 45269-1195

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southern Hills Joint
Vocational School District
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2007

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

James E. Brendel

President

John A. Mueser

Executive Director

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FINANCIAL SECTION

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board
Southern Hills Joint Vocational School District
9193 Hamer Road
Georgetown, Ohio 45121

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Hills Joint Vocational School District, Brown County, Ohio (the School District), as of and for the year ended June 30, 2008, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

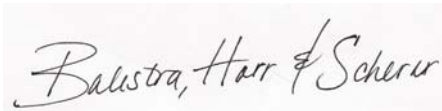
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2008, and the respective changes in financial position thereof, and the respective budgetary comparison for the General fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2008, on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

As described in Note 22, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 50, *Pension Disclosures – an amendment of GASB statement No. 25 and No. 27*, GASB Statement No.48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
December 5, 2008

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

As management of the Southern Hills Joint Vocational School District, we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here, in conjunction with additional information we have provided in the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

This discussion and analysis of Southern Hills Joint Vocational School District's financial performance is intended to serve as an introduction to the School District's basic financial statements, and provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. The Southern Hills Joint Vocational School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Financial Highlights

- In total, net assets increased \$422,514.
- General revenues accounted for \$5,096,286, or 75 percent of all total revenues. Program specific revenues in the form of charges for services and sales, and operating grants, contributions and interest accounted for \$1,714,890, or 25 percent of total revenues of \$6,811,176.
- The School District had \$6,388,662 in expenses related to governmental activities; only \$1,714,890 of these expenses were offset by program specific charges for services and sales, operating grants and contributions. General revenues (primarily grants, entitlements and property taxes) of \$5,096,286 were used to provide for these programs.
- During the fiscal year, the School District entered in to a capital lease and received \$3,465,997 in lease proceeds from the federal government's Qualified Zone Academy Bond program for use in making capital improvements to the School District's building and equipment.

Using the Basic Financial Statements

This report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Southern Hills Joint Vocational School District as a financial whole, an entire operating entity.

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
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The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. 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 also look at the School District's major funds with all other nonmajor funds presented in total in one column. The major funds for the Southern Hills Joint Vocational School District are the General Fund, the Debt Service Fund, the Permanent Improvement Capital Projects Fund, and the OSFC Vocational Renovation Project Capital Projects Fund.

Reporting the School District as a Whole

One of the most important questions asked about the School District is "How did we do financially during fiscal year 2008?" The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District's financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School 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 School District's property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 8. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's major funds.

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

Governmental Funds - Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds 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 School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Fiduciary Funds – The School District's fiduciary funds consist of an agency fund and a private purpose trust fund. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Fiduciary funds use the accrual basis of accounting.

The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1, on the following page, provides a summary of the School District's net assets for fiscal years 2008 and 2007:

(Table 1)
Net Assets

	Governmental Activities		
	2008	2007	Change
Assets			
Current and Other Assets	\$11,549,938	\$11,051,464	\$498,474
Capital Assets	12,838,064	12,614,169	223,895
Total Assets	<u>24,388,002</u>	<u>23,665,633</u>	<u>722,369</u>
Liabilities			
Long-Term Liabilities	4,234,310	2,840,444	1,393,866
Other Liabilities	2,717,118	3,811,129	(1,094,011)
Total Liabilities	<u>6,951,428</u>	<u>6,651,573</u>	<u>299,855</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	10,258,114	10,389,846	(131,732)
Restricted	4,002,920	3,453,667	549,253
Unrestricted	3,175,540	3,170,547	4,993
Total Net Assets	<u><u>\$17,436,574</u></u>	<u><u>\$17,014,060</u></u>	<u><u>\$422,514</u></u>

Southern Hills Joint Vocational School District
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Total assets increased by \$722,369 due to an increase in Equity in Pooled Cash and Cash Equivalents related to unspent capital lease proceeds that remain from financing of the building project and interest revenue accrued during the fiscal year. This was offset by an increase of \$299,855 in total liabilities related to the capital lease obligation and a decrease in other liabilities related to a decrease in contracts payable. In 2008, the School District paid the remaining significant contractual commitments related to the remodeling of their instructional facility, which caused the decrease in contracts payable from 2007 to 2008. The net effect of these items resulted in an increase in total net assets of \$422,514.

Table 2 shows the changes in net assets for fiscal years 2008 and 2007.

(Table 2)
Changes in Net Assets

	Governmental Activities 2008	Governmental Activities 2007	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$291,180	\$306,484	(\$15,304)
Operating Grants and Contributions	1,423,710	1,530,015	(106,305)
Total Program Revenues	<u>1,714,890</u>	<u>1,836,499</u>	<u>(121,609)</u>
General Revenues:			
Property Taxes	2,103,472	2,361,899	(258,427)
Grants and Entitlements not Restricted to Specific Programs	2,572,144	2,424,552	147,592
Unrestricted Investment Earnings	416,710	490,975	(74,265)
Miscellaneous	3,960	53,827	(49,867)
Total General Revenues	<u>5,096,286</u>	<u>5,331,253</u>	<u>(234,967)</u>
Total Revenues	<u>6,811,176</u>	<u>7,167,752</u>	<u>(356,576)</u>
Program Expenses			
Instruction:			
Regular	258,274	229,212	29,062
Special	99,804	92,471	7,333
Vocational	3,401,204	3,679,851	(278,647)
Adult/Continuing	129,394	121,791	7,603
Support Services:			
Pupils	239,903	276,924	(37,021)
Instructional Staff	226,676	185,025	41,651
Board of Education	49,124	38,179	10,945
Administration	589,615	609,569	(19,954)
Fiscal	381,826	376,687	5,139
Business	62,111	56,884	5,227
Operation and Maintenance of Plant	500,889	498,088	2,801
Pupil Transportation	43,388	41,761	1,627
Central	42,150	40,825	1,325
Operation of Non-Instructional Services:			
Food Service Operations	265,141	233,613	31,528
Extracurricular Activities	9,949	7,496	2,453
Interest and Fiscal Charges	89,214	139,206	(49,992)
Total Expenses	<u>6,388,662</u>	<u>6,627,582</u>	<u>(238,920)</u>
Change in Net Assets Before Special Item	422,514	540,170	(117,656)
Special Item - Loss on Disposal of Capital Assets	0	(1,493,104)	1,493,104
Change in Net Assets	422,514	(952,934)	1,375,448
Net Assets at Beginning of Year	17,014,060	17,966,994	(952,934)
Net Assets at End of Year	<u>\$17,436,574</u>	<u>\$17,014,060</u>	<u>\$422,514</u>

Southern Hills Joint Vocational School District
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Unaudited

Program revenues decreased by \$121,609. Charges for Services decreased by \$15,304 due primarily to the decline in sales of graphics and carpentry projects. Operating Grants, Contributions and Interest decreased by \$106,305 due primarily to a decrease State Foundation funding for vocational programs and a decrease in the Renewed Opportunity grant monies. Property Taxes decreased by \$258,427 due to decreases in delinquent property taxes receivable and the phase out of tangible personal property tax. Grants and Entitlements not Restricted to Specific Programs increased by \$147,592 primarily due to a property tax reimbursement from the State.

Program expenses for Vocational Instruction decreased by \$278,647. This was due to decreased expenses recognized for accounts payable on commitments to purchase goods and services. Interest and fiscal charges decreased by \$49,992 primarily due to the replacement of the lease purchase agreement with the Qualified Zone Academy Financing Program.

Governmental Activities

Grants and Entitlements made up 38 percent of general revenues for governmental activities of the Southern Hills Joint Vocational School District for fiscal year 2008. It is very common for these monies to make up the majority of revenues in low property wealth districts that rely on State revenue to support its daily operations. Southern Hills Joint Vocational School District is ranked 47th out of the 49 Ohio Joint Vocational School Districts in property valuation per pupil.

Instruction comprises 61 percent of governmental program expenses. Support Services expenses make up 33 percent of governmental expenses. Support Services provide a key role in meeting the needs of our students, tutoring to transportation, on-line testing to guidance and maintenance, and assisting our staff in providing an educational process that ranks us near the top of joint vocational school districts' Ohio Department of Education Secondary Workforce Development Report Card in providing education to career technology students.

The Statement of Activities shows the cost of program services and the charges for services, sales, grants and contributions offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

(Table 3)
Governmental Activities

	Total Cost of Services 2008	Total Cost of Services 2007	Net Cost of Services 2008	Net Cost of Services 2007
Instruction	\$3,888,676	\$4,123,325	(\$2,644,651)	(\$2,761,665)
Support Services	2,135,682	2,123,942	(1,849,358)	(1,817,988)
Operation of Non-Instructional Services:				
Food Service Operations	265,141	233,613	(81,586)	(64,958)
Extracurricular Activities	9,949	7,496	(8,963)	(7,266)
Interest and Fiscal Charges	89,214	139,206	(89,214)	(139,206)
Total	\$6,388,662	\$6,627,582	(\$4,673,772)	(\$4,791,083)

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$6,812,766 and expenditures of \$8,687,348. The net change in fund balance for the fiscal year was most significant in the Permanent Improvement Capital Projects Fund, an increase of \$1,348,474. This is due to the proceeds from the new capital lease. Of the \$3,465,997 received in lease proceeds, \$1,271,994 is unspent. The OSFC Vocational Renovation Project Capital Projects Fund had a decrease of \$307,499, related to capital outlay expenditures on the renovation project.

The net change in fund balance in the Debt Service Fund was \$183,045, which was due to the receipt of property tax revenues which will be used to make payments on debt in fiscal year 2009. The net change in fund balance in the General Fund was \$132,647. This was mainly due to decreases in transfers out to other funds.

General Fund - Budget Highlights

The School District's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund.

During the course of fiscal year 2008, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund original and final budgeted amounts is listed on page 20, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

Southern Hills Joint Vocational School District
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For the General Fund, the original budget basis revenues were \$5,165,550, with a final budget estimate of \$5,177,003. There was a \$11,453 variance between these two amounts. This was mainly due to increases in Property Taxes received during the fiscal year. There was a \$20,233 variance between the final budget and actual budget basis revenues.

Original budget basis expenditures and carryover encumbrances for the General Fund were \$5,360,335, and final budget basis expenditures and carryover encumbrances were \$5,543,607, a difference of \$183,272. The increase in estimated expenditures was primarily related to an increase in anticipated expenditures for Vocational Instruction for equipment, repairs and postage. Final actual expenditures fell below the final budgeted expenditures by \$551,133. This was mainly due to the School District's delay in ordering supplies and equipment, as there was limited storage area during the remodeling project, in addition to reduced spending for field trips.

The School District's ending unobligated cash balance in the General Fund was \$619,433 above the final budgeted amount.

Debt

At June 30, 2008, the School District had \$400,001 in loans outstanding, with \$33,333 due within one year. In addition, the School District had \$3,465,997 in capital leases payable at fiscal year-end. Table 4 summarizes debt outstanding at fiscal years 2008 and 2007:

(Table 4)
 Outstanding Debt, at Fiscal Year-End

	2008	2007
2005 Facility Improvement and Equipment Replacement Loan	\$400,001	\$433,334

On February 16, 2005, the School District entered into a loan with the Ohio School Facilities Commission in the amount of \$500,000 for the purpose of making facility improvements and replacing equipment. The loan was issued for a 15 year period, with final maturity during fiscal year 2020. The loan will be retired from the Permanent Improvement Fund.

On July 1, 2007, the School District entered into a lease agreement with JPMorgan for building renovations. The School District makes annual interest payments to the lessor in the amount of \$26,995 and annual sinking fund payments to the escrow agent in the amount of \$157,049. On July 31, 2022, the \$3,465,997 principal is due, along with \$25,995 in interest.

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited

The School District's overall legal debt margin was \$66,081,481, with an unvoted debt margin of \$734,239.

For more information on Debt, refer to the notes to the basic financial statements (Note 14).

Capital Assets

At the end of fiscal year 2008, the School District had \$12,838,064 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 5 shows fiscal year 2008 balances compared to fiscal year 2007:

(Table 5)
 Capital Assets at June 30
 (Net of Depreciation)

	Governmental Activities	
	2008	2007
Land	\$337,853	\$68,701
Land Improvements	715,949	711,621
Buildings and Improvements	10,449,990	10,501,165
Furniture and Equipment	1,258,521	1,265,921
Vehicles	75,751	66,761
Totals	\$12,838,064	\$12,614,169

Capital Assets increased \$223,895 from the prior fiscal year. This was primarily due to the purchase of capital assets during fiscal year 2008, offset by increases in accumulated depreciation. For more information on Capital Assets, refer to the notes to the basic financial statements (Note 8).

*Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2008
Unaudited*

Current Issues

The Southern Hills Joint Vocational School District is very proud of the fact that only one additional operating levy has been needed since the School District began operations in 1975. The School District is currently ranked as the fourth poorest among joint vocational school districts based on average unadjusted property valuation per average daily membership in the State. Although the School District is considered low wealth, it provides a quality education for its students, ranking in the top ten of all forty-nine Joint Vocational School Districts in the State of Ohio the last five years. The School District currently has twelve career-tech programs housed at the Career Technical Center and six satellite programs at the local schools. The School District has seen a decline in program offerings at the Career Technical Center and local school districts due to construction at the Career Technical Center, budget constraints and declining enrollment. Southern Hills is offering a new program, Sport Medicine at the Career Technical Center in fiscal year 2009 in a health career field, due to an anticipated increase in high school junior and senior enrollments at our local districts. Also, Southern Hills will be offering a new program in fiscal year 2010 in the area of engineering, based on the growth anticipated in that field.

The Southern Hills Joint Vocational School District depends dramatically on the State of Ohio School funding system with a large portion of the School District's operating budget supplied by the State. This factor concerns the School District, since the Ohio Supreme Court, in March, 1997, declared the State of Ohio to be operating an unconstitutional educational system, one that was neither "adequate" nor "equitable". However, the Court said that the system could be constitutional if the Ohio Legislature would correct some portions of the funding system. Since 1997 the State has not complied with the Court order. This uncertainty, as well as the current economic conditions causes difficulties in planning and developing a sound five-year forecast.

The School District recently completed a major renovation project in 2007 that completely updated the original building that was constructed in 1975. The building project included improvements to the roof, as well as to the electrical, plumbing, security and safety systems. It also included implementing state of the art technology in the classrooms. In addition to the remodeling, a ten thousand five hundred foot addition was included in the total project funded with local money. The addition provides space for a future lab, extends the existing welding program and creates a small community meeting space. The renovation is a shared funded project with the Ohio School Facilities Commission and local taxpayers. The School District's share of the cost is currently funded through the federal government's Qualified Zone Academy program, with a capital lease and a one mill permanent improvement levy passed by the voters on February 8, 2005. Even though the project had many change orders because of the deplorable conditions of face brick, block and steel beam support over the entire building, the costs were still well below the estimate costs.

Southern Hills Joint Vocational School District
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For the Fiscal Year Ended June 30, 2008
Unaudited

Additionally, the School District with the support of the Ohio School Facilities Commission (OSFC) has replaced the air conditioning chiller in the building as well as installing new metal roof vents and exhaust fans that were not replaced in the original remodeling project.

Further, Southern Hills took the initiative to remodel the kitchen prep and serving areas that did not qualify for OSFC dollars. The kitchen remodeling replaced sinks, placed a new gas oven and gas fryer in the prep area, as well as installing new hot and cold serving counters in both serving lines.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Michael Boyd, Treasurer at Southern Hills Joint Vocational School District, 9193 Hamer Road, Georgetown, Ohio 45121 or e-mail at mike_shc@scoca-k12.org.

BASIC FINANCIAL STATEMENTS

Southern Hills Joint Vocational School District

Statement of Net Assets

June 30, 2008

	<u>Governmental Activities</u>
<i>Assets</i>	
Equity in Pooled Cash and Cash Equivalents	\$8,908,228
Accrued Interest Receivable	103,518
Prepaid Items	23,686
Materials and Supplies Inventory	1,156
Inventory Held for Resale	6,698
Intergovernmental Receivable	69,290
Property Taxes Receivable	2,424,679
Cash and Cash Equivalents with Escrow Agents	12,683
Capital Assets:	
Land	337,853
Depreciable Capital Assets, Net	<u>12,500,211</u>
<i>Total Assets</i>	<u>24,388,002</u>
<i>Liabilities</i>	
Accounts Payable	6,205
Accrued Wages and Benefits Payable	438,652
Contracts Payable	230,218
Intergovernmental Payable	85,771
Deferred Revenue	1,943,589
Retainage Payable	12,683
Long-Term Liabilities:	
Due Within One Year	69,429
Due in More Than One Year	<u>4,164,881</u>
<i>Total Liabilities</i>	<u>6,951,428</u>
<i>Net Assets</i>	
Invested in Capital Assets, Net of Related Debt	10,258,114
Restricted for Debt Service	183,045
Restricted for Capital Outlay	1,999,209
Restricted for Food Service	324,745
Restricted for Adult Education	643,793
Restricted for Other Purposes	831,831
Restricted for Set-Asides	20,297
Unrestricted	<u>3,175,540</u>
<i>Total Net Assets</i>	<u><u>\$17,436,574</u></u>

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2008

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities	
Governmental Activities				
Instruction:				
Regular	\$258,274	\$2,936	\$1,680	(\$253,658)
Special	99,804	0	0	(99,804)
Vocational	3,401,204	35,628	1,104,699	(2,260,877)
Adult/Continuing	129,394	63,410	35,672	(30,312)
Support Services:				
Pupils	239,903	0	133,467	(106,436)
Instructional Staff	226,676	0	11,617	(215,059)
Board of Education	49,124	0	0	(49,124)
Administration	589,615	63,410	35,671	(490,534)
Fiscal	381,826	0	0	(381,826)
Business	62,111	31,088	0	(31,023)
Operation and Maintenance of Plant	500,889	591	2,192	(498,106)
Pupil Transportation	43,388	0	3,288	(40,100)
Central	42,150	0	5,000	(37,150)
Operation of Non-Instructional Services:				
Food Service Operations	265,141	93,131	90,424	(81,586)
Extracurricular Activities	9,949	986	0	(8,963)
Interest and Fiscal Charges	89,214	0	0	(89,214)
Total Governmental Activities	\$6,388,662	\$291,180	\$1,423,710	(4,673,772)
General Revenues				
Property Taxes Levied for:				
General Purposes				1,547,502
Debt Service				183,045
Capital Outlay				372,925
Grants and Entitlements not Restricted to				
Specific Programs				2,572,144
Interest				416,710
Miscellaneous				3,960
Total General Revenues				5,096,286
Change in Net Assets				422,514
<i>Net Assets at Beginning of Year</i>				17,014,060
<i>Net Assets at End of Year</i>				\$17,436,574

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Balance Sheet
Governmental Funds
June 30, 2008

	General	Debt Service	Permanent Improvement	OSFC Vocational Renovation Project	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$3,177,246	\$183,045	\$2,584,769	\$856,863	\$2,086,008	\$8,887,931
Materials and Supplies Inventory	0	0	0	0	1,156	1,156
Inventory Held for Resale	0	0	0	0	6,698	6,698
Accrued Interest Receivable	0	0	99,584	0	3,934	103,518
Interfund Receivable	87,600	0	0	0	0	87,600
Intergovernmental Receivable	0	0	0	0	69,290	69,290
Prepaid Items	20,793	0	0	0	2,893	23,686
Property Taxes Receivable	1,785,622	183,044	456,013	0	0	2,424,679
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	20,297	0	0	0	0	20,297
Cash and Cash Equivalents with Escrow Agents	0	0	0	12,683	0	12,683
Advances to Other Funds	410,000	0	0	0	0	410,000
Total Assets	\$5,501,558	\$366,089	\$3,140,366	\$869,546	\$2,169,979	\$12,047,538
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$6,205	\$0	\$0	\$0	\$0	\$6,205
Accrued Wages and Benefits Payable	417,088	0	0	0	21,564	438,652
Contracts Payable	0	0	2,250	134,925	93,043	230,218
Payable from Restricted Assets:						
Retainage Payable	0	0	0	12,683	0	12,683
Interfund Payable	0	0	0	0	87,600	87,600
Intergovernmental Payable	76,412	0	0	0	9,359	85,771
Deferred Revenue	1,524,303	183,044	425,891	0	59,636	2,192,874
Advances from Other Funds	0	0	0	350,000	60,000	410,000
Total Liabilities	2,024,008	183,044	428,141	497,608	331,202	3,464,003
Fund Balances						
Reserved for Encumbrances	68,174	0	179,230	73,338	27,562	348,304
Reserved for Advances	410,000	0	0	0	0	410,000
Reserved for Property Taxes	261,315	0	104,699	0	0	366,014
Reserved for Budget Stabilization	20,297	0	0	0	0	20,297
Unreserved:						
Undesignated, Reported in:						
General Fund	2,717,764	0	0	0	0	2,717,764
Special Revenue Funds	0	0	0	0	1,731,936	1,731,936
Capital Projects Funds	0	0	2,428,296	298,600	79,279	2,806,175
Debt Service Fund	0	183,045	0	0	0	183,045
Total Fund Balances	3,477,550	183,045	2,712,225	371,938	1,838,777	8,583,535
Total Liabilities and Fund Balances	\$5,501,558	\$366,089	\$3,140,366	\$869,546	\$2,169,979	\$12,047,538

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
 June 30, 2008

Total Governmental Fund Balances \$8,583,535

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	337,853	
Other Capital Assets	18,113,216	
Accumulated Depreciation	<u>(5,613,005)</u>	
Total capital assets		12,838,064

Some of the School District's revenues will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

Taxes	115,072	
Intergovernmental	56,690	
Interest	<u>77,523</u>	
		249,285

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Loans	(400,001)	
Capital Lease	(3,465,997)	
Compensated Absences	<u>(368,312)</u>	
		<u>(4,234,310)</u>

Net Assets of Governmental Activities \$17,436,574

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2008

	General	Debt Service	Permanent Improvement	OSFC Vocational Renovation Project	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$1,602,996	\$183,045	\$398,936	\$0	\$0	\$2,184,977
Intergovernmental	3,506,718	0	100,214	0	340,585	3,947,517
Interest	0	0	309,609	55,434	19,089	384,132
Tuition and Fees	2,600	0	0	0	157,908	160,508
Rent	591	0	0	0	0	591
Extracurricular Activities	986	0	0	0	0	986
Gifts and Donations	1,000	0	0	0	0	1,000
Customer Sales and Services	336	0	0	0	128,759	129,095
Miscellaneous	3,037	0	0	0	923	3,960
Total Revenues	5,118,264	183,045	808,759	55,434	647,264	6,812,766
Expenditures						
Current:						
Instruction:						
Regular	255,277	0	0	0	1,000	256,277
Special	96,749	0	0	0	0	96,749
Vocational	2,767,871	0	0	55,330	141,014	2,964,215
Adult/Continuing	0	0	0	0	129,421	129,421
Support Services:						
Pupils	76,632	0	0	0	150,574	227,206
Instructional Staff	199,205	0	0	0	11,369	210,574
Board of Education	48,883	0	0	0	0	48,883
Administration	460,220	0	359	0	128,471	589,050
Fiscal	352,051	0	20,897	0	0	372,948
Business	25,757	0	0	0	36,354	62,111
Operation and Maintenance of Plant	451,698	0	17,426	0	11,332	480,456
Pupil Transportation	38,291	0	0	0	3,307	41,598
Central	41,010	0	0	0	273	41,283
Operation of Non-Instructional Services:						
Food Service Operations	0	0	0	0	247,569	247,569
Extracurricular Activities	9,949	0	0	0	0	9,949
Capital Outlay	2,294	0	345,263	307,603	26,562	681,722
Debt Service:						
Principal	0	2,104,790	33,333	0	0	2,138,123
Interest and Fiscal Charges	0	36,214	53,000	0	0	89,214
Total Expenditures	4,825,887	2,141,004	470,278	362,933	887,246	8,687,348
Excess of Revenues Over (Under) Expenditures	292,377	(1,957,959)	338,481	(307,499)	(239,982)	(1,874,582)
Other Financing Sources (Uses)						
Transfers In	0	0	0	0	477,390	477,390
Proceeds from Lease	0	2,141,004	1,324,993	0	0	3,465,997
Proceeds from Sale of Capital Assets	2,660	0	0	0	0	2,660
Transfers Out	(162,390)	0	(315,000)	0	0	(477,390)
Total Other Financing Sources (Uses)	(159,730)	2,141,004	1,009,993	0	477,390	3,468,657
Net Change in Fund Balances	132,647	183,045	1,348,474	(307,499)	237,408	1,594,075
Fund Balances at Beginning of Year - (Restated - See Note 3)	3,344,903	0	1,363,751	679,437	1,601,369	6,989,460
Fund Balances at End of Year	\$3,477,550	\$183,045	\$2,712,225	\$371,938	\$1,838,777	\$8,583,535

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational 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, 2008*

Net Change in Fund Balances - Total Governmental Funds \$1,594,075

**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 asset additions	1,022,031	
Depreciation expense	(690,937)	
Excess of capital outlay over depreciation expense		331,094

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

Proceeds from Sale of Capital Assets	(2,660)	
Loss on Sale and Disposal of Capital Assets	(104,539)	
		(107,199)

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 deferred in the governmental funds. Deferred revenues changed by these amounts this fiscal year.

Delinquent Property Taxes	(81,505)	
Intergovernmental	25,883	
Interest	54,032	
		(1,590)

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 Assets. In the current fiscal year, these amounts consist of:

Loan principal payment	33,333	
Lease principal payment	2,104,790	
		2,138,123

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		(65,992)
----------------------------------	--	----------

Lease proceeds are reported as other financing sources in governmental funds and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the Statement of Net Assets and does not affect the Statement of Activities.

(3,465,997)

Change in Net Assets of Governmental Activities \$422,514

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$1,648,000	\$1,688,828	\$1,687,435	(\$1,393)
Intergovernmental	3,511,015	3,481,694	3,504,723	23,029
Tuition and Fees	3,025	3,000	2,600	(400)
Rent	2,017	2,000	591	(1,409)
Gifts and Donations	252	250	1,000	750
Customer Sales and Services	0	0	336	336
Miscellaneous	1,241	1,231	551	(680)
Total Revenues	5,165,550	5,177,003	5,197,236	20,233
Expenditures				
Current:				
Instruction:				
Regular Instruction	254,712	256,608	253,384	3,224
Special Instruction	99,337	100,934	95,535	5,399
Vocational Instruction	3,168,360	3,288,605	2,935,024	353,581
Support Services:				
Pupils	82,799	94,813	88,739	6,074
Instructional Staff	194,427	194,954	185,803	9,151
Board of Education	50,225	53,775	50,583	3,192
Administration	462,982	464,971	453,885	11,086
Fiscal	349,383	377,309	366,141	11,168
Business	26,675	26,905	26,706	199
Operation and Maintenance of Plant	578,524	551,554	445,001	106,553
Pupil Transportation	46,338	56,338	39,154	17,184
Central	35,930	63,130	41,010	22,120
Extracurricular Activities	10,243	11,416	9,214	2,202
Capital Outlay	400	2,295	2,295	0
Total Expenditures	5,360,335	5,543,607	4,992,474	551,133
Excess of Revenues Over (Under) Expenditures	(194,785)	(366,604)	204,762	571,366
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	2,630	2,660	30
Refund of Prior Year Expenditures	0	4,480	4,480	0
Advances In	25,000	25,000	28,644	3,644
Advances Out	(100,000)	(100,000)	(77,230)	22,770
Transfers Out	(250,000)	(184,013)	(162,390)	21,623
Total Other Financing Sources (Uses)	(325,000)	(251,903)	(203,836)	48,067
Net Change in Fund Balance	(519,785)	(618,507)	926	619,433
Fund Balance at Beginning of Year (Restated - See Note 3)	2,956,401	2,956,401	2,956,401	0
Unexpended Prior Year Encumbrances	170,235	170,235	170,235	0
Fund Balance at End of Year	\$2,606,851	\$2,508,129	\$3,127,562	\$619,433

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2008

	Private Purpose Trust	
	Scholarship	Agency
<i>Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$64,357	\$23,589
<i>Liabilities</i>		
Undistributed Monies	0	\$23,589
<i>Net Assets</i>		
Held in Trust for Scholarships	\$64,357	

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2008

	<u>Private Purpose Trust</u>	
	<u>Scholarship</u>	
<i>Additions</i>		
Contributions	\$1,055	
<i>Deductions</i>		
Payments in Accordance with Trust Agreements	<u>2,300</u>	
Change in Net Assets	(1,245)	
<i>Net Assets Beginning of Year</i>	<u>65,602</u>	
<i>Net Assets End of Year</i>	<u><u>\$64,357</u></u>	

See accompanying notes to the basic financial statements

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Southern Hills Joint Vocational School District (the “School District”) is a distinct political subdivision of the State of Ohio operated under the direction of a seven-member Board of Education. The Board of Education is not directly elected. The Board of Education is comprised of members of other elected boards who, by charter, also serve as board members of the Southern Hills Joint Vocational School. The School District provides educational services as authorized by State statute and federal guidelines.

A board member is appointed by each local board of education within the Joint Vocational School District. The Board is appointed by the boards of Georgetown Exempted Village School District and Western Brown, Eastern, Fayetteville Perry and Ripley-Union-Lewis-Huntington Local School Districts. Bright Local School District has assigned their appointment to the Southern Ohio Educational Service District. The Brown County Educational Service Center makes the final appointment to the Board. The School District is responsible for levying taxes, approving its own budget, appointing personnel, and accounting and finance related activities.

The School District, located in Brown County, was established in 1970 and includes all of Brown County and the Bright Local School District in Highland County. The School District serves an area of approximately 634 square miles. It is staffed by 20 non-certificated and 40 certificated teaching personnel and administrative employees providing education to 569 secondary students and 1,008 adult students. Secondary students include the full time equivalents of home schooled students and students attending programs offered outside the central building. These students are not included as full time students in the School District’s average daily membership.

Reporting Entity

The School District is a jointly governed organization, legally separate from other organizations. None of the school districts that appoint Board members are financially accountable for the School District.

The reporting entity is comprised of the jointly governed organization, component units, and other organizations that are included to ensure that the financial statements are not misleading. The jointly governed organization of the School District consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Southern Hills Joint Vocational School District, this includes general operations, food service, continuing education and student related activities of the School District.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

(continued)

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

The School District participates in four organizations, two of which are defined as jointly governed organizations, one as an insurance purchasing pool, and one as a public entity shared risk and insurance purchasing pool. These organizations are the South Central Ohio Computer Association (SCOCA), the Coalition of Rural and Appalachian Schools, the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP) and the Brown County Schools Benefits Consortium. These organizations are presented in Notes 16, 17 and 18 to the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Southern Hills Joint Vocational School District have been prepared in conformity with generally accepted accounting principles (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 School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the School District, except for fiduciary funds. The statements usually distinguish between those activities that are governmental and those that are considered business-type activities; however, the School District has no business-type activities.

The Statement of Net Assets presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements

During the fiscal year, the School District segregates transactions related to certain School District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

B. Fund Accounting

The School 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 School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The School District accounts for its activities using two categories of funds: governmental and fiduciary.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the School District are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General – The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general obligation bond principal and interest and certain long-term obligations when the School District is obligated for the payment.

Permanent Improvement – This fund accounts for all transactions, including property taxes, intergovernmental monies and interest, related to acquiring, constructing, or improving permanent improvements.

Ohio School Facilities Commission (OSFC) Vocational Renovation Project – This fund is used to account for all intergovernmental monies, debt proceeds and interest received and expended in connection with the contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of new classroom facilities.

The other governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District's only fiduciary funds are a private purpose trust fund, and an agency fund. The private purpose trust fund accounts for college scholarship programs for students. The School District's agency fund accounts for those student activities which consist of a student body, student president, student treasurer and faculty advisor.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the School District are included on the Statement of Net Assets. The Statement of Activities reports increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Fund Financial Statements

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

The private purpose trust fund is reported using the economic resources measurement focus.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The government-wide financial statements and the financial statements of the fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year-end.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 6). 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 fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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 and amortization, are not recognized in the governmental funds.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents” on the financial statements. The School District utilizes a fiscal agent to hold retainage on construction contracts. The balance in this account is presented on the financial statements as “Restricted Assets: Cash and Cash Equivalents with Escrow Agents” and represents deposits.

During fiscal year 2008, the School District’s investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio), negotiable and non-negotiable certificates of deposit, the Fifth Third Institutional Money Market Mutual Fund, a repurchase agreement, the Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Mortgage Corporation Medium Term Notes, Federal Home Loan Bank Notes and Federal National Mortgage Association Notes. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements are reported at cost. For investments in open-ended mutual funds, the fair value is determined by the fund’s current share price.

STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for on June 30, 2008.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the Permanent Improvement Capital Projects Fund during fiscal year 2008 amounted to \$309,609 which includes \$199,106 assigned from other School District funds. Interest revenue credited to the OSFC Vocational Renovation Project Capital Projects Fund during fiscal year 2008 amounted to \$55,434 which includes \$43,958 assigned from other School District funds.

Investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are reported as "Interfund Receivable" and "Interfund Payable." Long-term interfund loan receivables are reported as "Advances to Other Funds" or "Advances from Other Funds" and are equally offset by a fund balance reserve in the funds making the advances, which indicates that they do not constitute available expendable resources. These amounts are eliminated in the governmental activities column of the Statement of Net Assets.

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund include amounts required by statute to be set-aside by the School District to create a reserve for budget stabilization (see Note 19). Restricted assets in the OSFC Vocational Renovation Project Capital Projects Fund represent amounts held in escrow accounts for retainage which are related to the school building renovation project.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of purchased food held for resale and consumable supplies.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

J. Capital Assets

All capital assets of the School District are general capital assets that are associated with governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the fiscal year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 years
Buildings and Improvements	20 - 50 years
Furniture and Equipment	8 - 10 years
Vehicles	10 years

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for employees with at least fifteen years of service for all positions.

L. Accrued Liabilities and Long-term Obligations

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Loans and capital leases are recognized as a liability on the governmental fund financial statements when due.

M. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, advances, property taxes and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute for fiscal year 2008. The reserve for budget stabilization represents money required to be set aside by statute to protect against cyclical changes in revenues and expenditures.

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net assets restricted for other purposes include federal and State grants restricted to expenditures for specified purposes.

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Internal Activity

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

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities. Payments for interfund 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. 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.

P. Estimates

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

Q. Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The School District did not anticipate any activity in the Technical Preparation Grant Special Revenue Fund, and none occurred. Therefore, no budgetary statement is presented. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statement reflect the amounts in the certificate when the original appropriations were adopted. The amounts reported in the final budgeted amounts in the budgetary statement reflect the amounts in the amended certificate in effect at the time the final appropriations were passed.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The appropriation resolution is subject to amendment by the Board throughout the fiscal year with the restriction that appropriations may not exceed estimated revenues. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from prior fiscal years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the fiscal year, including all supplemental appropriations.

NOTE 3 – CORRECTION OF AN ERROR/RESTATEMENT OF FUND BALANCE

During fiscal year 2008, it was determined that contracts payable at June 30, 2007 was misstated. In addition, the School District reclassified its Telecommunications Act Grant Special Revenue Fund to the General Fund. This resulted in the following restatement of fund balances:

	<u>General Fund</u>	<u>OSFC Vocational Renovation Project</u>	<u>Nonmajor Governmental Funds</u>
Fund Balance June 30, 2007, as reported	\$3,337,248	\$1,056,448	\$1,232,013
Restatement of Contracts Payable	0	(377,011)	377,011
Reclassification of Funds	7,655	0	(7,655)
Restated Fund Balance June 30, 2007	<u>\$3,344,903</u>	<u>\$679,437</u>	<u>\$1,601,369</u>

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund is presented on the budgetary basis 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).

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 4 – BUDGETARY BASIS OF ACCOUNTING (continued)

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 (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$132,647
Adjustments:	
Revenue Accruals	83,452
Expenditure Accruals	(96,606)
Advances	(48,586)
Encumbrances	<u>(69,981)</u>
Budget Basis	<u><u>\$926</u></u>

NOTE 5 – DEPOSITS AND INVESTMENTS

Monies held by the School District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School District treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the Board has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above;
4. Bonds and other obligations of the State of Ohio;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2);
7. The State Treasurer's investment pool (STAR Ohio); and
8. Commercial paper and bankers acceptances if training requirements have been met.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Investments may only be made through specified dealers and institutions.

Investments

As of June 30, 2008, the School District had the following investments:

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-2	2-3	3-5
STAROhio	\$1,941,279	\$1,941,279	\$0	\$0	\$0
Negotiable Certificates of Deposit	1,571,857	490,848	788,517	194,772	97,720
Fifth Third Institutional Money Market Mutual Fund	83,432	83,432			
Repurchase Agreement	960,271	960,271	0	0	0
Federal Home Loan Mortgage Corporation Notes	261,339	0	0	0	261,339
Federal Home Loan Mortgage Corporation Medium Term Notes	516,259	0	0	0	516,259
Federal Home Loan Bank Notes	247,423	0	0	0	247,423
Federal National Mortgage Association Notes	198,938	0	0	0	198,938
Total Investments	<u>\$5,780,798</u>	<u>\$3,475,830</u>	<u>\$788,517</u>	<u>\$194,772</u>	<u>\$1,321,679</u>

Interest Rate Risk

The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least two percent and be marked to market daily.

Credit Risk

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Mortgage Corporation Medium Term Notes, Federal Home Loan Bank Notes and Federal National Mortgage Association Notes carry ratings of Aaa by Moody's. The Repurchase Agreement is invested in Goldman Sachs Financial Square Government Fund, which carries an Aaa rating by Moody's and the Fifth Third Institutional Money Market Mutual Fund also carries an Aaa rating by Moody's. The negotiable certificates of deposit are in denominations of under \$100,000 each, in separate banks, and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk. The School District has no investment policy that addresses credit risk.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 5 – DEPOSITS AND INVESTMENTS (continued)

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer. Of the School District's total investments, 27 percent is invested in negotiable certificates of deposit, 17 percent is invested in a repurchase agreement and 9 percent is invested in Federal Home Loan Mortgage Corporation Medium Term Notes.

NOTE 6 – PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School 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 and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, 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 semi-annually. If paid annually, payment is due December 31; if paid semi-annually, 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 revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value as of December 31, 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out. The assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 6 – PROPERTY TAXES (continued)

The School District receives property taxes from Brown County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 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 and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amounts available as an advance at June 30, 2008, were \$261,315 in the General Fund and \$104,699 in the Permanent Improvement Capital Projects Fund. The amounts available as an advance at June 30, 2007, were \$332,549 in the General Fund and \$133,490 in the Permanent Improvement Capital Projects Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

The assessed values upon which fiscal year 2008 taxes were collected are:

	2007 Second- Half Collections		2008 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$696,274,080	93.34%	\$706,000,900	94.69%
Public Utility Personal	32,590,390	4.37%	31,647,450	4.24%
General Business Personal	17,096,520	2.29%	7,944,203	1.07%
Total Assessed Value	<u>\$745,960,990</u>	<u>100.00%</u>	<u>\$745,592,553</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$6.40		\$6.40	

Each fiscal year, the Treasurer allocates a portion of tax revenues that would be received in the Permanent Improvement fund to the Debt Service Fund to pay principal and interest on the School District's capital lease.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 7 – RECEIVABLES

Receivables at June 30, 2008, consisted of interest, interfund, intergovernmental grants, and property taxes. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivable amounts, except delinquent property taxes, are expected to be received within one year. A list of the School District's intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Adult Education	\$10,701
Vocational Education Equipment	45,989
Miscellaneous State Grants	3,600
Miscellaneous Federal Grants	9,000
Total Intergovernmental Receivables	<u><u>\$69,290</u></u>

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Ending Balance 6/30/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6/30/2008</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	68,701	\$269,152	\$0	\$337,853
Total Capital Assets, Not Being Depreciated	<u>68,701</u>	<u>269,152</u>	<u>0</u>	<u>337,853</u>
Capital Assets Being Depreciated				
Land Improvements	1,026,054	6,687	0	1,032,741
Buildings and Improvements	12,371,931	442,882	(73,451)	12,741,362
Furniture and Equipment	3,952,787	285,755	(171,350)	4,067,192
Vehicles	254,366	17,555	0	271,921
Total Capital Assets Being Depreciated	<u>17,605,138</u>	<u>752,879</u>	<u>(244,801)</u>	<u>18,113,216</u>
Less Accumulated Depreciation:				
Land Improvements	(314,433)	(2,359)	0	(316,792)
Buildings and Improvements	(1,870,766)	(420,606)	0	(2,291,372)
Furniture and Equipment	(2,686,866)	(259,407)	137,602	(2,808,671)
Vehicles	(187,605)	(8,565)	0	(196,170)
Total Accumulated Depreciation	<u>(5,059,670)</u>	<u>(690,937) *</u>	<u>137,602</u>	<u>(5,613,005)</u>
Total Capital Assets Being Depreciated, Net	<u>12,545,468</u>	<u>61,942</u>	<u>(107,199)</u>	<u>12,500,211</u>
Governmental Activities Capital Assets, Net	<u><u>\$12,614,169</u></u>	<u><u>\$331,094</u></u>	<u><u>(\$107,199)</u></u>	<u><u>\$12,838,064</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 8 – CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$6,568
Special	3,599
Vocational	586,625
Adult/Continuing	844
Support Services:	
Pupils	11,683
Instructional Staff	16,984
Board of Education	241
Administration	7,468
Fiscal	6,465
Operation and Maintenance of Plant	28,453
Pupil Transportation	1,790
Central	867
Operation of Non-Instruction Services:	
Food Service Operations	19,350
Total Depreciation Expense	<u><u>\$690,937</u></u>

NOTE 9 – RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the School District contracted with Selective Insurance Company for general liability insurance with a \$2,000,000 single occurrence limit and a \$4,000,000 aggregate. Property is protected by the Indiana Insurance Company and holds a \$1,000 deductible with a \$17,566,497 limit. The School District's vehicles are covered by Auto-Owners Insurance under a business policy and hold a \$100 deductible for comprehensive and a \$250 deductible for collision with a \$1,000,000 limit on any accident. School Board errors and omissions coverage is provided by Marsh USA, Inc. and has a \$1,000,000 limit. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in coverage from the prior fiscal year.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 9 – RISK MANAGEMENT (continued)

B. Workers' Compensation Group Rating Plan

For fiscal year 2008, the School District participated in the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice, Inc. provides administrative, cost control, and actuarial services to the GRP.

C. Employee Medical and Dental Benefits

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 18) consisting of nine districts. The Consortium has elected to have Humana of Ohio provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member district's number of employees. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member assumes and is responsible for the payment of any delinquent contributions relating to the medical insurance and all claims related to dental of its employees from the date of termination, regardless of the date such claims were incurred.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$63,533, \$66,629 and \$76,718 respectively; 93.52 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement plan. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 10 – DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$300,085, \$288,039, and \$291,965 respectively; 84.81 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$4,442 made by the School District and \$4,231 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2008, two members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

NOTE 11 – POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System (SERS) for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 11 – POSTEMPLOYMENT BENEFITS (continued)

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

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.

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$43,123, \$36,985, and \$48,500 respectively; 93.52 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$4,578, \$4,531, and \$6,106 respectively; 93.52 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System

Plan Description – The School District contributes to the cost-sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio law 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 Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$23,083, \$22,157, and \$22,459 respectively; 84.81 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 12 – EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Vacation leave may be accumulated up to a maximum of 100 days. Teachers do not earn vacation time. Accumulated, unused vacation time is paid to classified employees and certified employees who earn vacation time upon termination of employment.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 days of sick leave for each fiscal year under contract. Sick leave may be accumulated up to a maximum of 245 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 61.25 days for all personnel.

B. Other Employee Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Lincoln National Insurance Company. Vision insurance is provided to the School District by Vision Service Plan.

NOTE 13 – CAPITALIZED LEASE – LESSEE DISCLOSURE

The School District has entered into a lease agreement for a renovation project involving the School District building, which meets the definition of a Qualified Zone Academy. As part of the agreement, the School District received \$3,465,997 in lease proceeds from JPMorgan, the lessor. Of these proceeds, \$2,141,004 was receipted in to the Debt Service fund and was used to pay the outstanding principal and interest of \$2,104,790 and \$36,214 on a lease that was originally entered into in 2006 with Fifth Third Bank for the construction project. The remaining proceeds of \$1,324,993 was receipted in to the Permanent Improvement fund for use in the construction project. The School District makes annual interest payments of 0.75% to the lessor and annual sinking fund payments to an escrow agent. The first sinking fund payment is due July 31, 2008. The escrow agent will investing the School District's deposits and has guaranteed a return on the investments to meet the School District's lease liability. JPMorgan Chase Bank, N.A. will be repaid in fiscal year 2023 when the \$3,465,997 is due. There are mandatory deposits required to be made with the escrow agent in order to ensure that the lease is paid timely.

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2008.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2008

NOTE 13 – CAPITALIZED LEASE – LESSEE DISCLOSURE (continued)

<u>Fiscal Year Ending June 30,</u>	<u>Total Payments</u>
2009	\$25,995
2010	25,995
2011	25,995
2012	25,995
2013	25,995
2014-2018	129,975
2019-2023	3,595,972
Total	3,855,922
Less: Amount Representing Interest	(389,925)
Present Value of Net Minimum Lease Payments	<u>\$3,465,997</u>

The following is a schedule of the interest and sinking fund payments required under the lease and escrow agreements:

<u>Fiscal Year Ending June 30,</u>	<u>Interest</u>	<u>Sinking Fund Payments</u>	<u>Total Lease Payments</u>
2009	\$25,995	\$157,049	\$183,044
2010	25,995	157,049	183,044
2011	25,995	157,049	183,044
2012	25,995	157,049	183,044
2013	25,995	157,049	183,044
2014-2018	129,975	785,245	915,220
2019-2023	129,975	628,196	758,171
Present Value of Net Minimum Lease Payments	<u>\$389,925</u>	<u>\$2,198,686</u>	<u>\$2,588,611</u>

The lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee

As of June 30, 2008, \$2,194,003 of the proceeds of the lease had been spent toward the project.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 14 – LONG-TERM OBLIGATIONS

The changes in the School District’s long-term obligations during fiscal year 2008 were as follows:

	Amount Outstanding 6/30/07	Additions	Deductions	Amount Outstanding 6/30/08	Amounts Due in One Year
<u>Governmental Activities:</u>					
2005 Facility Improvement and Equipment Replacement Loan - 0%	\$433,334	\$0	\$33,333	\$400,001	\$33,333
Compensated Absences	302,320	81,657	15,665	368,312	36,096
Capital Lease	2,104,790	3,465,997	2,104,790	3,465,997	0
Total Governmental Activities Long-Term Obligations	<u>\$2,840,444</u>	<u>\$3,547,654</u>	<u>\$2,153,788</u>	<u>\$4,234,310</u>	<u>\$69,429</u>

On February 16, 2005, the School District entered into a loan with the Ohio School Facilities Commission in the amount of \$500,000 for the purpose of making facility improvements and replacing equipment. The loan was issued for a 15 year period, with final maturity during fiscal year 2020. The loan will be retired from the Permanent Improvement Fund.

As of June 30, 2008, \$485,946 of the proceeds of this loan had been spent toward the project.

Principal requirements to retire the loan outstanding at June 30, 2008 are as follows:

Fiscal Year Ending June 30,	Equipment Replacement Loan Principal
2009	\$33,333
2010	33,333
2011	33,333
2012	33,333
2013	33,333
2014-2018	166,665
2019-2020	66,671
Total	<u>\$400,001</u>

Compensated absences will be paid from the General Fund and the Adult Education Special Revenue Fund.

The School District’s overall legal debt margin was \$66,081,481, with an unvoted debt margin of \$734,239 at June 30, 2008.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 15 – INTERFUND ACTIVITY

A. Interfund Receivables/Payables

As of June 30, 2008, interfund receivables and payables that resulted from various interfund transactions were as follows:

		Receivable
		<u>General Fund</u>
Payable	Nonmajor Governmental Funds	<u>\$87,600</u>

The amounts due to the General Fund from Nonmajor Governmental Funds are the result of the School District moving unrestricted balances to support programs and projects accounted for in other funds. The General Fund will be reimbursed when funds become available in the Nonmajor Governmental Funds. All amounts are expected to be repaid within one year.

B. Interfund Transfers

Transfers made during the fiscal year ended June 30, 2008 were as follows:

		Transfers From		
		Permanent Improvement		
		<u>General Fund</u>	<u>Fund</u>	<u>Totals</u>
Transfers To	Nonmajor Governmental Funds	<u>\$162,390</u>	<u>315,000</u>	<u>\$477,390</u>

Transfers were made from the General Fund to move unrestricted balances to support programs and projects accounted for in other funds. In addition, transfers totaling \$315,000 were made to the Classroom Facilities Maintenance Special Revenue Fund to provide monies for future maintenance of the School District's building, as required by the Ohio School Facilities Commission.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 15 – INTERFUND ACTIVITY (continued)

C. Advances To/From Other Funds

As of June 30, 2008, receivables and payables that resulted from various long-term advances were as follows:

	<u>Advances From General Fund</u>
Advances To	
OSFC Vocational Renovation Project Fund	\$350,000
Nonmajor Governmental Funds	<u>60,000</u>
	<u><u>\$410,000</u></u>

The advance from the General Fund to the OSFC Vocational Renovation Project Fund was made to cover expenditures for which the School District is awaiting reimbursement from the Ohio School Facilities Commission. The General Fund will be reimbursed when the monies are received. The advance from the General Fund to the Rotary Special Revenue Fund was made to move monies needed to pay for supplies. The money will be advanced back to the General Fund when balances become available.

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, Vinton, Jackson, and Lawrence 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 school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$24,865 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (continued)

B. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (the “Coalition”) is a jointly governed organization of over one hundred school districts in southeastern Ohio. The Coalition is operated by a board which is composed of fourteen members. The board is composed of one superintendent from each county elected by the school districts within that county. The Coalition provides various services for School District administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for School District personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District paid \$300 to the Coalition for services provided during the fiscal year.

NOTE 17 – INSURANCE PURCHASING POOL

Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan

The School District participates in a group rating plan for workers’ compensation as established under Section 4123.29 of the Ohio Revised Code. The Ohio Association of School Business Officials Workers’ Compensation Group Rating Plan (GRP) was established through the Ohio Association of School Business Officials (OASBO) as a group insurance purchasing pool.

The GRP’s business and affairs are conducted by a five member Board of Directors. Each year, the participants pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 18 – PUBLIC ENTITY SHARED RISK AND INSURANCE PURCHASING POOL

Brown County Schools Benefits Consortium

The Brown County Schools Benefits Consortium, a public entity shared risk and insurance purchasing pool, currently operates to provide medical insurance (insurance purchasing pool) and dental coverage (public entity shared risk pool) to enrolled employees of the consortium members and to eligible dependents of those enrolled employees. Six Brown County school districts (Eastern, Fayetteville-Perry, Georgetown, Ripley-Union-Lewis-Huntington, Southern Hills Joint Vocational, and Western Brown Schools) and two Highland County school districts (Bright Local and Lynchburg-Clay Local School District) along with the Brown County Educational Service Center have entered into an agreement to form the Brown County Schools Benefits Consortium. The Consortium is governed by a nine member board consisting of the superintendents of each participating school district along with the superintendent of the Brown County Educational Service Center.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 18 – PUBLIC ENTITY SHARED RISK AND INSURANCE PURCHASING POOL

(continued)

The overall objectives of the consortium are to formulate and administer a program of medical and dental insurance for the benefit of the consortium members' employees and their dependents. The consortium contracts with Humana of Ohio to provide medical insurance directly to consortium member employees. The School District pays premiums to the consortium based on employee membership. For dental coverage the consortium acts as a public entity shared risk pool. Each member district pays dental premiums based on the consortium estimates of future claims. If the member district's dental claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the School District's claims are low, it will not receive a refund. Dental coverage is administered through a third party administrator, Dental Care Plus. Participating member districts pay an administrative fee to the fiscal agent to cover the costs associated with the administering of the Consortium. To obtain financial information write to the Brown County Educational Service Center at 325 West State St., Georgetown, Ohio 45121.

NOTE 19 – SET-ASIDE CALCULATIONS AND FUND RESERVES

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by 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 purposes in future fiscal years.

The School District is no longer required to set aside funds in the budget stabilization reserve set-aside, with the exception of refunds received from the Bureau of Workers' Compensation, which must be spent for specified purposes.

The following cash basis information describes the change in the fiscal year-end set-aside amounts. Disclosure of this information is required by State statute.

	Textbooks	Capital Acquisition	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2007	(\$890,324)	\$0	\$20,297
Current Fiscal Year Set-aside Requirement	60,923	60,923	0
Qualifying Disbursements	(213,110)	(308,344)	0
Totals	<u>(\$1,042,511)</u>	<u>(\$247,421)</u>	<u>\$20,297</u>
Set-aside Reserve Balance as of June 30, 2008	<u>\$0</u>	<u>\$0</u>	<u>\$20,297</u>
Required Set-aside Balances Carried Forward to FY 2009	<u>(\$1,042,511)</u>	<u>\$0</u>	<u>\$20,297</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 19 – SET-ASIDE CALCULATIONS AND FUND RESERVES (continued)

Although the School District had offsets and qualifying disbursements during the fiscal year that reduced the set-aside amounts to below zero for textbooks and capital acquisition, only the amount for the textbooks set-aside may be used to reduce the set-aside requirement of future fiscal years. The capital acquisition negative amount is therefore not presented as being carried forward to the next fiscal year.

NOTE 20 – CONTINGENCIES

A. Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could 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 School District at June 30, 2008.

B. Litigation

There are currently no matters in litigation with the School District as defendant.

NOTE 21 – ACCOUNTABILITY AND COMPLIANCE

A. Accountability

At June 30, 2008, the VEPD Grant Special Revenue Fund had a deficit fund balance of \$37,443. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

B. Compliance

The Debt Service Fund had original appropriations in excess of original estimated resources plus available balances for the fiscal year ended June 20, 2008 in the amount of \$1,991,003.

The School District will monitor budgetary controls more closely in the future to alleviate such compliance issues.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2008

NOTE 22 – CHANGES IN ACCOUNTING PRINCIPLES

For fiscal year 2008, the School District has implemented GASB Statement No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other than Pension Plans*”, GASB Statement No. 48, “*Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*”, and GASB Statement No. 50, “*Pension Disclosures*”.

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees’ years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this Statement for both the SERS and the STRS post-employment healthcare plans in the amount of \$1,554 and \$3,452, respectively, which are the same as the previously reported liabilities.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this Statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this Statement did not result in any change to the financial statements.

Southern Hills Joint Vocational School

Combining and Individual Fund Statements and Schedules

*Southern Hills Joint Vocational School District
Fund Descriptions*

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes. The following are descriptions of the School District's nonmajor Special Revenue Funds:

Nonmajor Special Revenue Funds

LUNCHROOM – This fund accounts for the provision of food services for the School District.

UNIFORM SCHOOL SUPPLIES – This fund accounts for the purchase and sale of school supplies as adopted by the Board of Education for use in the School District. Revenues derived from such sale is to be used for school purposes or activities in connection with the School District.

ROTARY – This fund accounts for fees charged to cover materials and equipment used in internal School District departments and in providing services to outside customers in the community.

ADULT EDUCATION – This fund accounts for the revenues and expenditures involved in advancing and retraining out-of-school youths and adults for the purpose of improving their skills and knowledge in their occupation or their planned occupation.

PUBLIC SCHOOL SUPPORT – This fund accounts for specific local revenue sources (other than taxes) generated by individual school buildings (i.e., sales of pictures, profits from vending machines, etc.). Expenditures include field trips, materials, equipment and other items to supplement co-curricular and extracurricular programs.

RENEWED OPPORTUNITY – This fund accounts for the revenues and expenditures involved in a collaborative effort of the Brown County Juvenile Court, Adams Brown JTPA, United Way and the School District to provide career opportunities to high risk juveniles.

CLASSROOM FACILITIES MAINTENANCE – This fund accounts for transfers in from the General Fund for use in maintaining classroom facilities, based on Ohio School Facilities Commission requirements.

EDUCATIONAL MANAGEMENT INFORMATION SYSTEMS – This fund accounts for hardware and software development, or other costs associated with the requirements of the management information systems.

ONENET – This fund accounts for monies appropriated for Ohio Educational Network connections.

SCHOOLNET PROFESSIONAL DEVELOPMENT – This fund accounts for State monies used to provide professional development for teachers.

(continued)

*Southern Hills Joint Vocational School District
Fund Descriptions*

Nonmajor Special Revenue Funds (continued)

TECHNICAL PREPARATION GRANT – This fund accounts for State monies used to provide career development and supplemental equipment to enhance training and inform students about job opportunities. The School District did not anticipate any activity in this fund, and none occurred. Therefore, no budgetary statement is presented.

MISCELLANEOUS STATE GRANTS – This fund accounts for various monies received from State agencies which are not classified elsewhere. A separate special cost center is used for each grant.

VOCATIONAL EDUCATION PLANNING DISTRICT (VEPD) GRANT – This fund accounts for federal funding used for career education and intervention services provided to secondary students.

TITLE V – This fund accounts for federal funding used for improving State assessment test scores of economically disadvantaged students, students with disabilities and students with limited English proficiency.

SAFE AND DRUG FREE SCHOOLS – This fund accounts for federal funds used to establish, operate and improve local programs of drug abuse prevention, early intervention, rehabilitation referral and education in elementary and secondary schools, and to engage in development, training, technical assistance and coordination activities.

IMPROVING TEACHER QUALITY – This fund accounts for federal funds used for teacher in-service days.

MISCELLANEOUS FEDERAL GRANTS – This fund accounts for the proceeds of specific federal grants that are legally restricted to expenditures for specific purposes.

Capital Project Funds

The Capital Projects Funds are used to account for the financing and acquisition or construction of major capital facilities, such as new school buildings or additions to existing buildings, and for major renovation projects including equipment purchases. The following is a description of the School District's nonmajor Capital Projects Fund:

Nonmajor Capital Project Fund

OHIO SCHOOL FACILITIES COMMISSION (OSFC) LOCALLY FUNDED INITIATIVE – This fund is used to account for local monies that were transferred in from the Permanent Improvement and Nonmajor Governmental Funds for expenditures on the building renovation that are not funded by the Ohio School Facilities Commission.

(continued)

*Southern Hills Joint Vocational School District
Fund Descriptions*

(continued)

Agency Fund

The Agency Fund is used to account for assets held by the School District as an agent for individuals, private organizations, other governmental units, and/or other funds.

STUDENT MANAGED ACTIVITY – This fund accounts for student activity programs which have student participation in the activity and have students involved in the management of the program.

Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,895,957	\$190,051	\$2,086,008
Materials and Supplies Inventory	1,156	0	1,156
Inventory Held for Resale	6,698	0	6,698
Accrued Interest Receivable	3,934	0	3,934
Intergovernmental Receivable	69,290	0	69,290
Prepaid Items	2,893	0	2,893
Total Assets	\$1,979,928	\$190,051	\$2,169,979
Liabilities and Fund Balances			
Liabilities			
Accrued Wages and Benefits Payable	\$21,564	\$0	\$21,564
Contracts Payable	120	92,923	93,043
Interfund Payable	87,600	0	87,600
Intergovernmental Payable	9,359	0	9,359
Deferred Revenue	59,636	0	59,636
Advances from Other Funds	60,000	0	60,000
Total Liabilities	238,279	92,923	331,202
Fund Balances			
Reserved for Encumbrances	9,713	17,849	27,562
Undesignated, Reported in:			
Special Revenue Funds	1,731,936	0	1,731,936
Capital Projects Fund	0	79,279	79,279
Total Fund Balances	1,741,649	97,128	1,838,777
Total Liabilities and Fund Balances	\$1,979,928	\$190,051	\$2,169,979

Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008

	<u>Lunchroom</u>	<u>Uniform School Supplies</u>	<u>Rotary</u>	<u>Adult Education</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$335,860	\$99,340	\$43,960	\$638,871
Materials and Supplies Inventory	1,156	0	0	0
Inventory Held for Resale	6,698	0	0	0
Accrued Interest Receivable	3,934	0	0	0
Intergovernmental Receivable	0	0	0	10,701
Prepaid Items	0	0	0	2,893
Total Assets	<u>\$347,648</u>	<u>\$99,340</u>	<u>\$43,960</u>	<u>\$652,465</u>
Liabilities and Fund Balances				
Liabilities				
Accrued Wages and Benefits Payable	\$16,894	\$0	\$0	\$4,670
Contracts Payable	0	0	0	120
Interfund Payable	0	0	15,000	0
Intergovernmental Payable	6,009	0	0	2,970
Deferred Revenue	2,946	0	0	10,701
Advances from Other Funds	0	0	0	0
Total Liabilities	<u>25,849</u>	<u>0</u>	<u>15,000</u>	<u>18,461</u>
Fund Balances				
Reserved for Encumbrances	0	0	0	1,068
Unreserved, Undesignated (Deficit)	321,799	99,340	28,960	632,936
Total Fund Balances (Deficit)	<u>321,799</u>	<u>99,340</u>	<u>28,960</u>	<u>634,004</u>
Total Liabilities and Fund Balances	<u>\$347,648</u>	<u>\$99,340</u>	<u>\$43,960</u>	<u>\$652,465</u>

Public School Support	Renewed Opportunity	Classroom Facilities Maintenance	Educational Management Information Systems	OneNet	SchoolNet Professional Development
\$4	\$35,525	\$620,845	\$11,229	\$3,000	\$2,070
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$4</u>	<u>\$35,525</u>	<u>\$620,845</u>	<u>\$11,229</u>	<u>\$3,000</u>	<u>\$2,070</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	1,695	0	0	0
4	35,525	619,150	11,229	3,000	2,070
4	35,525	620,845	11,229	3,000	2,070
<u>\$4</u>	<u>\$35,525</u>	<u>\$620,845</u>	<u>\$11,229</u>	<u>\$3,000</u>	<u>\$2,070</u>

(continued)

Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2008
(continued)

	Technical Preparation Grant	Miscellaneous State Grants	VEPD Grant	Miscellaneous Federal Grants
Assets				
Equity in Pooled Cash and Cash Equivalents	\$22,316	\$0	\$82,937	\$0
Materials and Supplies Inventory	0	0	0	0
Inventory Held for Resale	0	0	0	0
Accrued Interest Receivable	0	0	0	0
Intergovernmental Receivable	0	3,600	45,989	9,000
Prepaid Items	0	0	0	0
Total Assets	\$22,316	\$3,600	\$128,926	\$9,000
Liabilities and Fund Balances				
Liabilities				
Accrued Wages and Benefits Payable	\$0	\$0	\$0	\$0
Contracts Payable	0	0	0	0
Interfund Payable	0	3,600	60,000	9,000
Intergovernmental Payable	0	0	380	0
Deferred Revenue	0	0	45,989	0
Advances from Other Funds	0	0	60,000	0
Total Liabilities	0	3,600	166,369	9,000
Fund Balances				
Reserved for Encumbrances	0	0	6,950	0
Unreserved, Undesignated (Deficit)	22,316	0	(44,393)	0
Total Fund Balances (Deficit)	22,316	0	(37,443)	0
Total Liabilities and Fund Balances	\$22,316	\$3,600	\$128,926	\$9,000

Total
Nonmajor
Special Revenue
Funds

\$1,895,957
1,156
6,698
3,934
69,290
2,893

\$1,979,928

\$21,564
120
87,600
9,359
59,636
60,000

238,279

9,713
1,731,936

1,741,649

\$1,979,928

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2008

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Fund	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	\$340,585	\$0	\$340,585
Interest	19,089	0	19,089
Tuition and Fees	157,908	0	157,908
Customer Sales and Services	128,759	0	128,759
Miscellaneous	923	0	923
<i>Total Revenues</i>	<u>647,264</u>	<u>0</u>	<u>647,264</u>
Expenditures			
Current:			
Instruction:			
Regular	1,000	0	1,000
Vocational	141,014	0	141,014
Adult/Continuing	129,421	0	129,421
Support Services:			
Pupils	150,574	0	150,574
Instructional Staff	11,369	0	11,369
Administration	128,471	0	128,471
Business	36,354	0	36,354
Operation and Maintenance of Plant	11,332	0	11,332
Pupil Transportation	3,307	0	3,307
Central	273	0	273
Operation of Non-Instructional Services:			
Food Service Operations	247,569	0	247,569
Capital Outlay	0	26,562	26,562
<i>Total Expenditures</i>	<u>860,684</u>	<u>26,562</u>	<u>887,246</u>
Excess of Revenues Under Expenditures	(213,420)	(26,562)	(239,982)
Other Financing Sources			
Transfers In	477,390	0	477,390
Net Change in Fund Balances	263,970	(26,562)	237,408
<i>Fund Balances at Beginning of Year</i>	<u>1,477,679</u>	<u>123,690</u>	<u>1,601,369</u>
<i>Fund Balances at End of Year</i>	<u>\$1,741,649</u>	<u>\$97,128</u>	<u>\$1,838,777</u>

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008

	Lunchroom	Uniform School Supplies	Rotary	Adult Education	Public School Support
Revenues					
Intergovernmental	\$68,970	\$0	\$0	\$72,646	\$0
Interest	19,089	0	0	0	0
Tuition and Fees	0	31,088	0	126,820	0
Customer Sales and Services	93,131	0	35,628	0	0
Miscellaneous	40	0	408	0	245
Total Revenues	181,230	31,088	36,036	199,466	245
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	0	0
Vocational	0	0	58,133	0	0
Adult/Continuing	0	0	0	129,421	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	126,056	2,415
Business	0	36,024	0	330	0
Operation and Maintenance of Plant	0	0	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	0	0	0
Operation of Non-Instructional Services:					
Food Service Operations	247,569	0	0	0	0
Total Expenditures	247,569	36,024	58,133	255,807	2,415
Excess of Revenues Over (Under) Expenditures	(66,339)	(4,936)	(22,097)	(56,341)	(2,170)
Other Financing Sources					
Transfers In	81,000	0	6,390	75,000	0
Net Change in Fund Balances	14,661	(4,936)	(15,707)	18,659	(2,170)
Fund Balances (Deficit) at Beginning of Year	307,138	104,276	44,667	615,345	2,174
Fund Balances (Deficit) at End of Year	\$321,799	\$99,340	\$28,960	\$634,004	\$4

(continued)

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008
(continued)

	Renewed Opportunity	Classroom Facilities Maintenance	Educational Management Information Systems	OneNet	SchoolNet Professional Development
Revenues					
Intergovernmental	\$49,800	\$0	\$5,000	\$3,000	\$2,070
Interest	0	0	0	0	0
Tuition and Fees	0	0	0	0	0
Customer Sales and Services	0	0	0	0	0
Miscellaneous	200	0	0	0	0
<i>Total Revenues</i>	<u>50,000</u>	<u>0</u>	<u>5,000</u>	<u>3,000</u>	<u>2,070</u>
Expenditures					
Current:					
Instruction:					
Regular	0	0	0	0	0
Vocational	0	0	0	0	0
Adult/Continuing	0	0	0	0	0
Support Services:					
Pupils	68,820	0	0	0	0
Instructional Staff	0	0	0	0	5,025
Administration	0	0	0	0	0
Business	0	0	0	0	0
Operation and Maintenance of Plant	0	9,155	0	0	0
Pupil Transportation	0	0	0	0	0
Central	0	0	273	0	0
Operation of Non-Instructional Services:					
Food Service Operations	0	0	0	0	0
<i>Total Expenditures</i>	<u>68,820</u>	<u>9,155</u>	<u>273</u>	<u>0</u>	<u>5,025</u>
Excess of Revenues Over (Under) Expenditures	(18,820)	(9,155)	4,727	3,000	(2,955)
Other Financing Sources					
Transfers In	0	315,000	0	0	0
Net Change in Fund Balances	(18,820)	305,845	4,727	3,000	(2,955)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>54,345</u>	<u>315,000</u>	<u>6,502</u>	<u>0</u>	<u>5,025</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$35,525</u>	<u>\$620,845</u>	<u>\$11,229</u>	<u>\$3,000</u>	<u>\$2,070</u>

Technical Preparation Grant	Miscellaneous State Grants	VEPD Grant	Title V	Safe and Drug Free Schools
\$0	\$4,000	\$117,567	\$1,407	\$1,172
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	4,000	117,567	1,407	1,172
0	1,000	0	0	0
0	5,000	73,715	1,407	0
0	0	0	0	0
0	0	77,076	0	1,172
0	0	3,000	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	6,000	153,791	1,407	1,172
0	(2,000)	(36,224)	0	0
0	0	0	0	0
0	(2,000)	(36,224)	0	0
22,316	2,000	(1,219)	0	0
\$22,316	\$0	(\$37,443)	\$0	\$0

(continued)

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2008
(continued)

	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
Revenues			
Intergovernmental	\$2,776	\$12,177	\$340,585
Interest	0	0	19,089
Tuition and Fees	0	0	157,908
Customer Sales and Services	0	0	128,759
Miscellaneous	0	30	923
<i>Total Revenues</i>	<u>2,776</u>	<u>12,207</u>	<u>647,264</u>
Expenditures			
Current:			
Instruction:			
Regular	0	0	1,000
Vocational	0	2,759	141,014
Adult/Continuing	0	0	129,421
Support Services:			
Pupils	0	3,506	150,574
Instructional Staff	2,776	568	11,369
Administration	0	0	128,471
Business	0	0	36,354
Operation and Maintenance of Plant	0	2,177	11,332
Pupil Transportation	0	3,307	3,307
Central	0	0	273
Operation of Non-Instructional Services:			
Food Service Operations	0	0	247,569
<i>Total Expenditures</i>	<u>2,776</u>	<u>12,317</u>	<u>860,684</u>
Excess of Revenues Over (Under) Expenditures	0	(110)	(213,420)
Other Financing Sources			
Transfers In	0	0	477,390
Net Change in Fund Balances	0	(110)	263,970
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>0</u>	<u>110</u>	<u>1,477,679</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$1,741,649</u>

Southern Hills Joint Vocational School
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2008

	<u>Balance at</u> <u>6/30/07</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/08</u>
<u>STUDENT MANAGED ACTIVITY</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	<u>\$23,429</u>	<u>\$34,901</u>	<u>\$34,741</u>	<u>\$23,589</u>
<i>Liabilities</i>				
Undistributed Monies	<u>\$23,429</u>	<u>\$34,901</u>	<u>\$34,741</u>	<u>\$23,589</u>

Southern Hills Joint Vocational School District
Individual Fund Schedules of Revenues, Expenditures and
Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$1,648,000	\$1,688,828	\$1,687,435	(\$1,393)
Intergovernmental	3,511,015	3,481,694	3,504,723	23,029
Tuition and Fees	3,025	3,000	2,600	(400)
Rent	2,017	2,000	591	(1,409)
Gifts and Donations	252	250	1,000	750
Customer Sales and Services	0	0	336	336
Miscellaneous	1,241	1,231	551	(680)
Total Revenues	5,165,550	5,177,003	5,197,236	20,233
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	192,366	193,854	192,927	927
Fringe Benefits	59,846	59,754	59,316	438
Purchased Services	200	200	192	8
Materials and Supplies	1,500	1,500	0	1,500
Capital Outlay - New	800	1,300	949	351
Total Regular	254,712	256,608	253,384	3,224
Special:				
Salaries and Wages	68,415	68,415	67,874	541
Fringe Benefits	28,672	28,697	24,198	4,499
Purchased Services	300	412	412	0
Materials and Supplies	1,150	1,150	798	352
Capital Outlay - New	800	2,260	2,253	7
Total Special	99,337	100,934	95,535	5,399
Vocational:				
Salaries and Wages	1,607,617	1,616,546	1,591,171	25,375
Fringe Benefits	536,327	552,076	522,828	29,248
Purchased Services	325,549	369,559	244,161	125,398
Materials and Supplies	349,345	348,357	215,139	133,218
Capital Outlay - New	341,522	394,067	353,898	40,169
Other	8,000	8,000	7,827	173
Total Vocational	3,168,360	3,288,605	2,935,024	353,581
Total Instruction	3,522,409	3,646,147	3,283,943	362,204
Support Services:				
Pupils:				
Salaries and Wages	60,288	65,972	65,959	13
Fringe Benefits	15,661	20,874	20,679	195
Purchased Services	5,000	5,000	324	4,676
Materials and Supplies	1,350	1,350	549	801
Capital Outlay - New	500	1,617	1,228	389
Total Pupils	82,799	94,813	88,739	6,074
Instructional Staff:				
Salaries and Wages	122,288	124,167	122,034	2,133
Fringe Benefits	49,984	50,266	49,127	1,139
Purchased Services	12,455	8,821	7,084	1,737
Materials and Supplies	8,700	8,700	4,938	3,762
Capital Outlay - New	1,000	3,000	2,620	380
Total Instructional Staff	\$194,427	\$194,954	\$185,803	\$9,151

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2008
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Board of Education:				
Salaries and Wages	\$10,800	\$9,780	\$9,500	\$280
Fringe Benefits	3,175	3,175	1,996	1,179
Purchased Services	18,250	21,570	19,921	1,649
Capital Outlay - New	0	0	0	0
Other	18,000	19,250	19,166	84
Total Board of Education	50,225	53,775	50,583	3,192
Administration:				
Salaries and Wages	298,471	298,761	297,150	1,611
Fringe Benefits	129,309	131,608	128,721	2,887
Purchased Services	10,202	11,202	6,895	4,307
Materials and Supplies	14,500	14,500	12,822	1,678
Capital Outlay - New	10,500	8,900	8,297	603
Total Administration	462,982	464,971	453,885	11,086
Fiscal:				
Salaries and Wages	132,147	130,147	127,044	3,103
Fringe Benefits	121,832	120,458	118,758	1,700
Purchased Services	8,000	10,400	8,191	2,209
Materials and Supplies	3,000	8,000	7,324	676
Capital Outlay - New	5,000	10,500	10,447	53
Other	79,404	97,804	94,377	3,427
Total Fiscal	349,383	377,309	366,141	11,168
Business:				
Salaries and Wages	22,500	22,500	22,476	24
Fringe Benefits	3,975	4,205	4,205	0
Other	200	200	25	175
Total Business	26,675	26,905	26,706	199
Operation and Maintenance of Plant:				
Salaries and Wages	141,800	140,810	134,888	5,922
Fringe Benefits	80,274	78,894	77,087	1,807
Purchased Services	299,450	270,450	185,164	85,286
Materials and Supplies	52,000	56,400	47,261	9,139
Capital Outlay - New	5,000	5,000	601	4,399
Total Operation and Maintenance of Plant	578,524	551,554	445,001	106,553
Pupil Transportation:				
Salaries and Wages	8,500	8,500	7,773	727
Fringe Benefits	1,800	1,800	1,457	343
Purchased Services	16,300	26,300	22,908	3,392
Materials and Supplies	19,738	19,738	7,016	12,722
Total Pupil Transportation	\$46,338	\$56,338	\$39,154	\$17,184

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2008
(continued)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Central:				
Salaries and Wages	\$750	\$750	\$0	\$750
Fringe Benefits	130	130	0	130
Purchased Services	34,050	61,250	40,121	21,129
Materials and Supplies	1,000	1,000	889	111
Total Central	35,930	63,130	41,010	22,120
Total Support Services	1,827,283	1,883,749	1,697,022	186,727
Extracurricular Activities:				
Occupational Oriented Activities:				
Salaries and Wages	9,000	9,987	8,487	1,500
Fringe Benefits	1,243	1,429	727	702
Total Extracurricular Activities	10,243	11,416	9,214	2,202
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	400	2,295	2,295	0
Total Expenditures	5,360,335	5,543,607	4,992,474	551,133
Excess of Revenues Over (Under) Expenditures	(194,785)	(366,604)	204,762	571,366
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	0	2,630	2,660	30
Refund of Prior Year Expenditures	0	4,480	4,480	0
Advances In	25,000	25,000	28,644	3,644
Advances Out	(100,000)	(100,000)	(77,230)	22,770
Transfers Out	(250,000)	(184,013)	(162,390)	21,623
Total Other Financing Sources (Uses)	(325,000)	(251,903)	(203,836)	48,067
Net Change in Fund Balance	(519,785)	(618,507)	926	619,433
Fund Balance at Beginning of Year	2,956,401	2,956,401	2,956,401	0
Prior Year Encumbrances Appropriated	170,235	170,235	170,235	0
Fund Balance at End of Year	\$2,606,851	\$2,508,129	\$3,127,562	\$619,433

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$150,000	\$183,045	\$183,045	\$0
Expenditures				
Debt Service:				
Principal Retirement	2,104,790	2,104,790	2,104,790	0
Interest and Fiscal Charges	36,213	36,214	36,214	0
<i>Total Expenditures</i>	<u>2,141,003</u>	<u>2,141,004</u>	<u>2,141,004</u>	<u>0</u>
Excess of Revenues Under Expenditures	(1,991,003)	(1,957,959)	(1,957,959)	0
Other Financing Sources				
Proceeds of Lease	0	2,141,004	2,141,004	0
Net Change in Fund Balance	(1,991,003)	183,045	183,045	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>(\$1,991,003)</u>	<u>\$183,045</u>	<u>\$183,045</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$448,394	\$424,566	\$430,173	\$5,607
Intergovernmental	86,990	93,357	100,214	6,857
Interest	232,950	250,000	309,613	59,613
<i>Total Revenues</i>	<u>768,334</u>	<u>767,923</u>	<u>840,000</u>	<u>72,077</u>
Expenditures				
Current:				
Support Services:				
Administration:				
Capital Outlay - New	0	400	359	41
Fiscal:				
Capital Outlay - New	0	500	359	141
Other	20,500	20,600	20,538	62
Total Fiscal	<u>20,500</u>	<u>21,100</u>	<u>20,897</u>	<u>203</u>
Operation and Maintenance of Plant:				
Purchased Services	186,297	146,297	10,147	136,150
Capital Outlay - New	0	10,000	9,333	667
Total Operation and Maintenance of Plant	<u>186,297</u>	<u>156,297</u>	<u>19,480</u>	<u>136,817</u>
Total Support Services	<u>206,797</u>	<u>177,797</u>	<u>40,736</u>	<u>137,061</u>
Capital Outlay:				
Site Acquisition Services:				
Capital Outlay - New	0	252,000	251,712	288
Site Improvement Services:				
Capital Outlay - Replacement	640,000	325,400	167,710	157,690
Other Facilities Acquisition and Construction Services:				
Capital Outlay - New	45,000	59,300	59,292	8
Capital Outlay - Replacement	20,000	43,725	43,725	0
Total Other Facilities Acquisition and Construction Services	<u>65,000</u>	<u>103,025</u>	<u>103,017</u>	<u>8</u>
Total Capital Outlay	<u>705,000</u>	<u>680,425</u>	<u>522,439</u>	<u>157,986</u>
Debt Service:				
Principal Retirement	70,000	70,000	33,333	36,667
Interest and Fiscal Charges	128,000	128,000	53,000	75,000
Total Debt Service	<u>198,000</u>	<u>198,000</u>	<u>86,333</u>	<u>111,667</u>
Total Expenditures	<u>1,109,797</u>	<u>1,056,222</u>	<u>649,508</u>	<u>406,714</u>
Excess of Revenues Over (Under) Expenditures	<u>(341,463)</u>	<u>(288,299)</u>	<u>190,492</u>	<u>478,791</u>
Other Financing Sources (Uses)				
Proceeds of Lease	0	1,324,993	1,324,993	0
Transfers Out	0	(315,000)	(315,000)	0
Total Other Financing Sources (Uses)	<u>0</u>	<u>1,009,993</u>	<u>1,009,993</u>	<u>0</u>
Net Change in Fund Balance	<u>(341,463)</u>	<u>721,694</u>	<u>1,200,485</u>	<u>478,791</u>
Fund Balance at Beginning of Year	<u>1,205,172</u>	<u>1,205,172</u>	<u>1,205,172</u>	<u>0</u>
Prior Year Encumbrances Appropriated	<u>6,297</u>	<u>6,297</u>	<u>6,297</u>	<u>0</u>
Fund Balance at End of Year	<u>\$870,006</u>	<u>\$1,933,163</u>	<u>\$2,411,954</u>	<u>\$478,791</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OSFC Vocational Renovation Project
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Interest	\$530,000	\$64,500	\$66,767	\$2,267
Expenditures				
Capital Outlay:				
Site Improvement Services:				
Purchased Services	39,279	39,986	23,943	16,043
Capital Outlay - New	1,530,507	1,551,647	1,312,002	239,645
Total Site Improvement Services	1,569,786	1,591,633	1,335,945	255,688
Architecture and Engineering Services:				
Purchased Services	73,817	167,433	167,348	85
Total Expenditures	1,643,603	1,759,066	1,503,293	255,773
Net Change in Fund Balance	(1,113,603)	(1,694,566)	(1,436,526)	258,040
Fund Balance at Beginning of Year	855,423	855,423	855,423	0
Prior Year Encumbrances Appropriated	1,364,628	1,364,628	1,364,628	0
Fund Balance at End of Year	<u>\$1,106,448</u>	<u>\$525,485</u>	<u>\$783,525</u>	<u>\$258,040</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Lunchroom
For the Fiscal Year Ended June 30, 2008*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$46,150	\$46,150	\$59,630	\$13,480
Interest	10,500	10,500	19,089	8,589
Customer Sales and Services	86,700	86,700	93,131	6,431
<i>Total Revenues</i>	<u>143,350</u>	<u>143,350</u>	<u>171,850</u>	<u>28,500</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	78,653	78,653	77,704	949
Fringe Benefits	62,806	62,906	62,782	124
Purchased Services	1,400	2,480	1,826	654
Materials and Supplies	154,000	158,415	90,117	68,298
Capital Outlay - New	10,000	10,000	1,191	8,809
Other	50	76	76	0
<i>Total Expenditures</i>	<u>306,909</u>	<u>312,530</u>	<u>233,696</u>	<u>78,834</u>
Excess of Revenues Over (Under) Expenditures	<u>(163,559)</u>	<u>(169,180)</u>	<u>(61,846)</u>	<u>107,334</u>
Other Financing Sources				
Refund of Prior Year Expenditures	0	0	40	40
Transfers In	55,000	55,000	81,000	26,000
<i>Total Other Financing Sources</i>	<u>55,000</u>	<u>55,000</u>	<u>81,040</u>	<u>26,040</u>
Net Change in Fund Balance	(108,559)	(114,180)	19,194	133,374
Fund Balance at Beginning of Year	<u>317,007</u>	<u>317,007</u>	<u>317,007</u>	<u>0</u>
Fund Balance at End of Year	<u>\$208,448</u>	<u>\$202,827</u>	<u>\$336,201</u>	<u>\$133,374</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Uniform School Supplies
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Tuition and Fees	\$27,400	\$31,290	\$31,077	(\$213)
Expenditures				
Current:				
Support Services:				
Business:				
Materials and Supplies	47,050	47,050	36,009	11,041
Other	50	50	15	35
Total Expenditures	<u>47,100</u>	<u>47,100</u>	<u>36,024</u>	<u>11,076</u>
Excess of Revenues Over (Under) Expenditures	(19,700)	(15,810)	(4,947)	10,863
Other Financing Sources				
Refund of Prior Year Expenditures	<u>0</u>	<u>11</u>	<u>11</u>	<u>0</u>
Net Change in Fund Balance	(19,700)	(15,799)	(4,936)	10,863
Fund Balance at Beginning of Year	<u>104,275</u>	<u>104,275</u>	<u>104,275</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$84,575</u></u>	<u><u>\$88,476</u></u>	<u><u>\$99,339</u></u>	<u><u>\$10,863</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Rotary
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Customer Sales and Services	\$89,360	\$35,289	\$35,628	\$339
Miscellaneous	950	375	408	33
<i>Total Revenues</i>	<u>90,310</u>	<u>35,664</u>	<u>36,036</u>	<u>372</u>
Expenditures				
Current:				
Instruction:				
Vocational:				
Fringe Benefits	1,500	1,500	0	1,500
Purchased Services	2,100	285	283	2
Materials and Supplies	81,520	60,888	57,661	3,227
<i>Total Expenditures</i>	<u>85,120</u>	<u>62,673</u>	<u>57,944</u>	<u>4,729</u>
Excess of Revenues Over (Under) Expenditures	<u>5,190</u>	<u>(27,009)</u>	<u>(21,908)</u>	<u>5,101</u>
Other Financing Sources (Uses)				
Refund of Prior Year Receipts	(339)	(189)	(189)	0
Advances Out	0	(6,390)	(6,390)	0
Transfers In	6,390	6,390	6,390	0
<i>Total Other Financing Sources (Uses)</i>	<u>6,051</u>	<u>(189)</u>	<u>(189)</u>	<u>0</u>
Net Change in Fund Balance	11,241	(27,198)	(22,097)	5,101
Fund Balance at Beginning of Year	<u>66,059</u>	<u>66,059</u>	<u>66,059</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$77,300</u></u>	<u><u>\$38,861</u></u>	<u><u>\$43,962</u></u>	<u><u>\$5,101</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Education
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$48,443	\$72,650	\$72,646	(\$4)
Tuition and Fees	88,057	132,060	126,820	(5,240)
<i>Total Revenues</i>	<u>136,500</u>	<u>204,710</u>	<u>199,466</u>	<u>(5,244)</u>
Expenditures				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	101,500	92,740	76,021	16,719
Fringe Benefits	17,255	17,595	11,846	5,749
Purchased Services	22,955	23,555	10,380	13,175
Materials and Supplies	35,524	38,584	33,244	5,340
Capital Outlay - New	5,500	4,250	2,327	1,923
Total Instruction	<u>182,734</u>	<u>176,724</u>	<u>133,818</u>	<u>42,906</u>
Support Services:				
Administration:				
Salaries and Wages	81,600	81,600	75,616	5,984
Fringe Benefits	48,728	48,803	47,483	1,320
Materials and Supplies	750	750	594	156
Total Administration	<u>131,078</u>	<u>131,153</u>	<u>123,693</u>	<u>7,460</u>
Business:				
Other	<u>425</u>	<u>505</u>	<u>330</u>	<u>175</u>
Total Support Services	<u>131,503</u>	<u>131,658</u>	<u>124,023</u>	<u>7,635</u>
<i>Total Expenditures</i>	<u>314,237</u>	<u>308,382</u>	<u>257,841</u>	<u>50,541</u>
Excess of Revenues Over (Under) Expenditures	(177,737)	(103,672)	(58,375)	45,297
Other Financing Sources				
Transfers In	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Net Change in Fund Balance	(102,737)	(28,672)	16,625	45,297
Fund Balance at Beginning of Year	620,785	620,785	620,785	0
Prior Year Encumbrances Appropriated	<u>274</u>	<u>274</u>	<u>274</u>	<u>0</u>
Fund Balance at End of Year	<u>\$518,322</u>	<u>\$592,387</u>	<u>\$637,684</u>	<u>\$45,297</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public School Support
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Miscellaneous	\$1,500	\$245	\$245	\$0
Expenditures				
Current:				
Support Services:				
Administration:				
Materials and Supplies	2,200	2,415	2,415	0
Net Change in Fund Balance	(700)	(2,170)	(2,170)	0
Fund Balance at Beginning of Year	2,174	2,174	2,174	0
Fund Balance at End of Year	<u>\$1,474</u>	<u>\$4</u>	<u>\$4</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Renewed Opportunity
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues				
Intergovernmental	\$61,907	\$46,907	\$49,800	\$2,893
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	37,387	37,447	34,387	3,060
Fringe Benefits	12,875	12,900	12,808	92
Purchased Services	44,069	44,741	22,357	22,384
Materials and Supplies	2,000	828	240	588
Total Expenditures	96,331	95,916	69,792	26,124
Excess of Revenues Over (Under) Expenditures	(34,424)	(49,009)	(19,992)	29,017
Other Financing Sources				
Refund of Prior Year Expenditures	0	200	200	0
Net Change in Fund Balance	(34,424)	(48,809)	(19,792)	29,017
Fund Balance at Beginning of Year	55,321	55,321	55,321	0
Fund Balance at End of Year	<u>\$20,897</u>	<u>\$6,512</u>	<u>\$35,529</u>	<u>\$29,017</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Classroom Facilities Maintenance
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Current:				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	<u>10,850</u>	<u>10,850</u>	<u>10,850</u>	<u>0</u>
Total Support Services	10,850	10,850	10,850	0
Other Financing Sources				
Transfers In	<u>0</u>	<u>315,000</u>	<u>315,000</u>	<u>0</u>
Net Change in Fund Balance	(10,850)	304,150	304,150	0
Fund Balance at Beginning of Year	<u>315,000</u>	<u>315,000</u>	<u>315,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$304,150</u></u>	<u><u>\$619,150</u></u>	<u><u>\$619,150</u></u>	<u><u>\$0</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$5,000	\$5,000	\$5,000	\$0
Expenditures				
Current:				
Support Services:				
Central:				
Salaries and Wages	3,000	3,000	0	3,000
Fringe Benefits	500	500	0	500
Purchased Services	5,000	5,300	273	5,027
<i>Total Expenditures</i>	<u>8,500</u>	<u>8,800</u>	<u>273</u>	<u>8,527</u>
Net Change in Fund Balance	(3,500)	(3,800)	4,727	8,527
Fund Balance at Beginning of Year	<u>6,503</u>	<u>6,503</u>	<u>6,503</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,003</u></u>	<u><u>\$2,703</u></u>	<u><u>\$11,230</u></u>	<u><u>\$8,527</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<i>Revenues</i>				
Intergovernmental	\$0	\$3,000	\$3,000	\$0
<i>Expenditures</i>				
	0	0	0	0
Net Change in Fund Balance	0	3,000	3,000	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$3,000</u>	<u>\$3,000</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
SchoolNet Professional Development
For the Fiscal Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$2,070	\$2,070	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	5,025	7,095	5,025	2,070
Net Change in Fund Balance	(5,025)	(5,025)	(2,955)	2,070
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	5,025	5,025	5,025	0
Fund Balance at End of Year	\$0	\$0	\$2,070	\$2,070

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$4,000	\$4,000	\$400	(\$3,600)
Expenditures				
Current:				
Instruction:				
Regular Instruction:				
Purchased Services	1,000	1,000	1,000	0
Vocational:				
Salaries and Wages	3,457	3,457	3,457	0
Fringe Benefits	543	543	543	0
Purchased Services	1,000	1,000	1,000	0
Total Vocational	5,000	5,000	5,000	0
Total Expenditures	6,000	6,000	6,000	0
Excess of Revenues Under Expenditures	(2,000)	(2,000)	(5,600)	(3,600)
Other Financing Sources (Uses)				
Advances In	0	0	3,600	3,600
Advances Out	(3,600)	(3,600)	(3,600)	0
Total Other Financing Sources (Uses)	(3,600)	(3,600)	0	3,600
Net Change in Fund Balance	(5,600)	(5,600)	(5,600)	0
Fund Balance at Beginning of Year	5,600	5,600	5,600	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
VEPD Grant
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$149,139	\$162,475	\$117,567	(\$44,908)
Expenditures				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	46,062	54,490	54,490	0
Fringe Benefits	11,671	14,135	14,135	0
Purchased Services	11,924	11,529	11,529	0
Materials and Supplies	8,570	1,296	1,296	0
Total Instruction	<u>78,227</u>	<u>81,450</u>	<u>81,450</u>	<u>0</u>
Support Services:				
Pupils:				
Salaries and Wages	68,577	65,635	65,635	0
Fringe Benefits	19,125	20,565	20,565	0
Purchased Services	3,594	1,955	1,955	0
Materials and Supplies	325	325	325	0
Total Pupils	<u>91,621</u>	<u>88,480</u>	<u>88,480</u>	<u>0</u>
Instructional Staff:				
Purchased Services	<u>2,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Total Support Services	<u>93,621</u>	<u>91,480</u>	<u>91,480</u>	<u>0</u>
Total Expenditures	<u>171,848</u>	<u>172,930</u>	<u>172,930</u>	<u>0</u>
Excess of Revenues Under Expenditures	(22,709)	(10,455)	(55,363)	(44,908)
Other Financing Sources				
Advances In	<u>20,000</u>	<u>20,000</u>	<u>60,000</u>	<u>40,000</u>
Net Change in Fund Balance	(2,709)	9,545	4,637	(4,908)
Fund Balance at Beginning of Year	56,617	56,617	56,617	0
Prior Year Encumbrances Appropriated	<u>14,749</u>	<u>14,749</u>	<u>14,749</u>	<u>0</u>
Fund Balance at End of Year	<u>\$68,657</u>	<u>\$80,911</u>	<u>\$76,003</u>	<u>(\$4,908)</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Title V
For the Fiscal Year Ended June 30, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$195	\$1,529	\$1,529	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	873	1,407	1,407	0
Excess of Revenues Over (Under) Expenditures	(678)	122	122	0
Other Financing Sources (Uses)				
Advances In	800	800	800	0
Advances Out	(1,097)	(1,897)	(1,897)	0
<i>Total Other Financing Sources (Uses)</i>	(297)	(1,097)	(1,097)	0
Net Change in Fund Balance	(975)	(975)	(975)	0
Fund Balance at Beginning of Year	975	975	975	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe and Drug Free Schools
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$1,335	\$1,335	\$1,335	\$0
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	1,172	1,172	1,172	0
Excess of Revenues Over Expenditures	163	163	163	0
Other Financing Sources (Uses)				
Advances In	0	1,055	1,055	0
Advances Out	(1,466)	(2,521)	(2,521)	0
Total Other Financing Sources (Uses)	(1,466)	(1,466)	(1,466)	0
Net Change in Fund Balance	(1,303)	(1,303)	(1,303)	0
Fund Balance at Beginning of Year	1,303	1,303	1,303	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality
For the Fiscal Year Ended June 30, 2008*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$3,343	\$3,343	\$3,343	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	2,776	2,776	2,776	0
Excess of Revenues Over Expenditures	567	567	567	0
Other Financing Sources (Uses)				
Advances In	0	2,775	2,775	0
Advances Out	(2,975)	(5,750)	(5,750)	0
Total Other Financing Sources (Uses)	(2,975)	(2,975)	(2,975)	0
Net Change in Fund Balance	(2,408)	(2,408)	(2,408)	0
Fund Balance at Beginning of Year	2,408	2,408	2,408	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$10,279	\$12,456	\$3,456	(\$9,000)
Expenditures				
Current:				
Instructional:				
Vocational:				
Materials and Supplies	1,490	2,759	2,759	0
Support Services:				
Pupils:				
Salaries and Wages	3,000	3,000	3,000	0
Fringe Benefits	1,020	476	476	0
Materials and Supplies	0	30	30	0
Total Pupils	4,020	3,506	3,506	0
Instructional Staff:				
Purchased Services	2,100	568	568	0
Operation and Maintenance of Plant:				
Materials and Supplies	0	2,176	2,176	0
Pupil Transportation:				
Purchased Services	2,499	3,307	3,307	0
Total Support Services	8,619	9,557	9,557	0
Total Expenditures	10,109	12,316	12,316	0
Excess of Revenues Over (Under) Expenditures	170	140	(8,860)	(9,000)
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	0	30	30	0
Advances In	0	0	9,000	9,000
Advances Out	(7,500)	(7,500)	(7,500)	0
Total Other Financing Sources (Uses)	(7,500)	(7,470)	1,530	9,000
Net Change in Fund Balance	(7,330)	(7,330)	(7,330)	0
Fund Balance at Beginning of Year	7,220	7,220	7,220	0
Prior Year Encumbrances Appropriated	110	110	110	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OSFC Locally Funded Initiative
For the Fiscal Year Ended June 30, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues	\$0	\$0	\$0	\$0
Expenditures				
Capital Outlay:				
Site Improvement Services:				
Purchased Services	10	14	14	0
Capital Outlay - New	150,191	167,627	160,230	7,397
Total Site Improvement Services	150,201	167,641	160,244	7,397
Architecture and Engineering Services:				
Purchased Services	18,092	18,092	17,274	818
Total Expenditures	<u>168,293</u>	<u>185,733</u>	<u>177,518</u>	<u>8,215</u>
Net Change in Fund Balance	(168,293)	(185,733)	(177,518)	8,215
Fund Balance at Beginning of Year	186,540	186,540	186,540	0
Prior Year Encumbrances Appropriated	163,181	163,181	163,181	0
Fund Balance at End of Year	<u>\$181,428</u>	<u>\$163,988</u>	<u>\$172,203</u>	<u>\$8,215</u>

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STATISTICAL SECTION

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Statistical Section

This part of the Southern Hills Joint Vocational 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 School District's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S19
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S20-S24
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S25-S26
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S27-S34

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant fiscal year. The School District implemented GASB Statement No. 34 in 2002; schedules presenting government-wide information include information beginning in that fiscal year.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<i>Governmental Activities</i>				
Invested in Capital Assets, Net of Related Debt	\$3,818,678	\$3,842,441	\$3,729,348	\$3,683,672
Restricted - Uncategorized (2)	1,363,287	0	0	0
Restricted for:				
Debt Service	0	0	0	0
Capital Outlay	0	1,411,034	1,652,749	1,737,212
Food Service	0	0	0	0
Adult Education	0	0	0	0
Other Purposes	0	396,916	1,100,302	1,158,339
Set-Asides	0	0	0	48,505
Unrestricted	<u>1,889,989</u>	<u>2,383,566</u>	<u>2,679,571</u>	<u>2,809,199</u>
<i>Total Governmental Activities Net Assets</i>	<u>7,071,954</u>	<u>8,033,957</u>	<u>9,161,970</u>	<u>9,436,927</u>
<i>Business-type Activities (3)</i>				
Invested in Capital Assets, Net of Related Debt	3,189	5,734	0	0
Unrestricted	<u>444,889</u>	<u>514,669</u>	<u>0</u>	<u>0</u>
<i>Total Business-type Activities Net Assets</i>	<u>448,078</u>	<u>520,403</u>	<u>0</u>	<u>0</u>
<i>Primary Government</i>				
Invested in Capital Assets, Net of Related Debt	3,821,867	3,848,175	3,729,348	3,683,672
Restricted	1,363,287	1,807,950	2,753,051	2,944,056
Unrestricted	<u>2,334,878</u>	<u>2,898,235</u>	<u>2,679,571</u>	<u>2,809,199</u>
<i>Total Primary Government Net Assets</i>	<u>\$7,520,032</u>	<u>\$8,554,360</u>	<u>\$9,161,970</u>	<u>\$9,436,927</u>

(1) In prior fiscal years, Net Assets Restricted for Food Service and Adult Education were included with Unrestricted Net Assets.

(2) Classifications for Restricted Net Assets at June 30, 2001 are not available.

(3) In fiscal year 2003, the School District reclassified its Food Service Fund from Enterprise to Special Revenue fund type.

<u>2005</u>	<u>2006</u>	<u>2007 (1)</u>	<u>2008</u>
\$3,726,544	\$4,053,447	\$10,389,846	\$10,258,114
0	0	0	0
0	0	0	183,045
1,712,865	9,353,818	1,933,301	1,999,209
0	0	307,719	324,745
0	0	626,287	643,793
1,237,748	1,174,010	566,063	831,831
20,297	20,297	20,297	20,297
<u>3,120,393</u>	<u>3,365,422</u>	<u>3,170,547</u>	<u>3,175,540</u>
<u>9,817,847</u>	<u>17,966,994</u>	<u>17,014,060</u>	<u>17,436,574</u>
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,726,544	3,907,516	10,389,846	10,258,114
2,970,910	10,694,056	3,453,667	4,002,920
<u>3,120,393</u>	<u>3,365,422</u>	<u>3,170,547</u>	<u>3,175,540</u>
<u>\$9,817,847</u>	<u>\$17,966,994</u>	<u>\$17,014,060</u>	<u>\$17,436,574</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Expenses			
Governmental Activities:			
Instruction:			
Regular	\$136,871	\$143,681	\$140,266
Special	0	0	0
Vocational	2,774,383	2,967,743	3,090,159
Adult/Continuing	3,972	0	202,395
Support Services:			
Pupils	295,848	310,476	330,181
Instructional Staff	99,619	122,202	114,036
Board of Education	29,791	30,652	36,002
Administration	346,171	374,406	505,658
Fiscal	271,754	295,554	311,520
Business	17,169	16,112	38,876
Operation and Maintenance of Plant	454,708	492,466	598,992
Pupil Transportation	39,140	41,998	31,712
Central	61,885	49,797	51,418
Operation of Non-Instructional Services:			
Food Service Operations	175,017	190,762	176,821
Extracurricular Activities	4,770	17,761	7,373
Interest and Fiscal Charges	0	0	0
<i>Total Governmental Activities Expenses</i>	<u>4,711,098</u>	<u>5,053,610</u>	<u>5,635,409</u>
Business-type Activities:			
Adult Education	242,070	280,506	0
Customer Services	66,096	55,538	0
Uniform Supply	21,494	28,110	0
<i>Total Business-type Activities Expenses</i>	<u>329,660</u>	<u>364,154</u>	<u>0</u>
<i>Total Expenses</i>	<u>5,040,758</u>	<u>5,417,764</u>	<u>5,635,409</u>
Program Revenues			
Governmental Activities:			
Charges for Services and Sales			
Instruction:			
Regular	12,673	12,035	25,784
Vocational	27,062	0	82,316
Adult/Continuing	0	0	135,948
Support Services:			
Pupils	17,778	15,500	15,500
Administration	0	0	72,936
Business	0	0	23,502
Operation and Maintenance of Plant	7,549	0	0
Operation of Non-Instructional Services:			
Food Service Operations	81,787	74,044	79,969
Extracurricular Activities	0	0	655
Operating Grants, Contributions and Interest	1,324,381	1,367,599	1,520,877
Capital Grants, Contributions and Interest	25,683	3,443	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$1,496,913</u>	<u>\$1,472,621</u>	<u>\$1,957,487</u>

2005	2006	2007	2008
\$171,717	\$263,850	\$229,212	\$258,274
0	0	92,471	99,804
3,132,897	3,249,122	3,679,851	3,401,204
170,921	134,454	121,791	129,394
335,928	352,923	276,924	239,903
114,298	128,853	185,025	226,676
39,710	37,046	38,179	49,124
532,155	534,841	609,569	589,615
317,705	330,085	376,687	381,826
46,887	53,684	56,884	62,111
499,742	468,309	498,088	500,889
31,143	43,826	41,761	43,388
50,989	46,406	40,825	42,150
211,106	199,037	233,613	265,141
10,195	7,146	7,496	9,949
0	0	139,206	89,214
<u>5,665,393</u>	<u>5,849,582</u>	<u>6,627,582</u>	<u>6,388,662</u>
0	0	0	0
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>5,665,393</u>	<u>5,849,582</u>	<u>6,627,582</u>	<u>6,388,662</u>
15,740	16,772	10,280	2,936
108,911	62,365	79,631	35,628
84,203	54,481	50,236	63,410
0	0	0	0
51,608	48,313	50,236	63,410
26,026	25,085	29,678	31,088
1,999	2,849	0	591
92,256	79,378	86,193	93,131
0	0	230	986
1,548,663	1,557,618	1,530,015	1,423,710
0	0	0	0
<u>\$1,929,406</u>	<u>\$1,846,861</u>	<u>\$1,836,499</u>	<u>\$1,714,890</u>

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)
(continued)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
Business-type Activities:			
Adult Education			
Charges for Services and Sales	\$113,135	\$136,797	\$0
Operating Grants and Contributions	87,302	77,737	0
Rotary			
Charges for Services and Sales	47,247	103,886	0
Uniform Supply			
Charges for Services and Sales	19,301	25,186	0
<i>Total Business-type Activity Program Revenues</i>	<u>266,985</u>	<u>343,606</u>	<u>0</u>
<i>Total Program Revenues</i>	<u>1,763,898</u>	<u>1,816,227</u>	<u>1,957,487</u>
 Net (Expense)/Revenue			
Governmental Activities	(3,214,185)	(3,580,989)	(3,677,922)
Business-type Activities	(62,675)	(20,548)	0
<i>Total Net (Expense)/Revenue</i>	<u>(3,276,860)</u>	<u>(3,601,537)</u>	<u>(3,677,922)</u>
 General Revenues and Other Changes in Net Assets			
Governmental Activities:			
Property Taxes Levied for:			
General Purposes	1,622,644	1,599,305	1,579,672
Debt Service	0	0	0
Capital Outlay	137,199	135,191	134,394
Grants and Entitlements not			
Restricted to Specific Programs	2,238,274	2,293,052	2,155,907
Interest	278,652	166,663	65,418
Gain on Sale of Capital Assets	0	0	0
Rent	0	0	5,649
Miscellaneous	34,419	14,936	11,839
Transfers	(135,000)	(160,000)	0
<i>Total Governmental Activities</i>	<u>4,176,188</u>	<u>4,049,147</u>	<u>3,952,879</u>
 Business-type Activities:			
Transfers	135,000	160,000	0
<i>Total Primary Government</i>	<u>4,311,188</u>	<u>4,209,147</u>	<u>3,952,879</u>
Special Item - Loss on Disposal of Capital Assets	<u>0</u>	<u>0</u>	<u>0</u>
 Change in Net Assets			
Governmental Activities	962,003	468,158	274,957
Business-type Activities	72,325	139,452	0
<i>Total Change in Net Assets</i>	<u>\$1,034,328</u>	<u>\$607,610</u>	<u>\$274,957</u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$0	\$0	\$0	\$0
0	0	0	0
0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,929,406</u>	<u>1,846,861</u>	<u>1,836,499</u>	<u>1,714,890</u>
(3,735,987)	(4,002,721)	(4,791,083)	(4,673,772)
0	0	0	0
<u>(3,735,987)</u>	<u>(4,002,721)</u>	<u>(4,791,083)</u>	<u>(4,673,772)</u>
1,674,339	1,727,845	1,729,569	1,547,502
0	0	560,504	183,045
36,357	495,074	71,826	372,925
2,225,064	9,644,073	2,424,552	2,572,144
172,349	234,969	490,975	416,710
0	36,202	0	0
0	0	0	0
8,798	13,705	53,827	3,960
0	0	0	0
<u>4,116,907</u>	<u>12,151,868</u>	<u>5,331,253</u>	<u>5,096,286</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>4,116,907</u>	<u>12,151,868</u>	<u>5,331,253</u>	<u>5,096,286</u>
<u>0</u>	<u>0</u>	<u>(1,493,104)</u>	<u>0</u>
380,920	8,149,147	(952,934)	422,514
0	0	0	0
<u>\$380,920</u>	<u>\$8,149,147</u>	<u>(\$952,934)</u>	<u>\$422,514</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Program Revenues by Function, Governmental Activities

Last Seven Fiscal Years

(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>
<i>Governmental Activities</i>			
Function			
Instruction:			
Regular	\$12,673	\$14,444	\$30,981
Vocational	1,127,475	1,112,329	1,285,421
Adult/Continuing	0	0	195,726
Support Services:			
Pupils	170,631	172,751	158,955
Instructional Staff	22,754	22,172	21,927
Administration	8,156	0	108,855
Business	0	0	23,502
Operation and Maintenance of Plant	8,448	2,066	630
Pupil Transportation	0	0	0
Central	35,994	36,015	22,083
Operation of Non-Instructional Services:			
Food Service Operations	110,782	112,844	108,752
Extracurricular Activities	0	0	655
<i>Total Program Revenues</i>	<u><u>\$1,496,913</u></u>	<u><u>\$1,472,621</u></u>	<u><u>\$1,957,487</u></u>

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$19,719	\$20,456	\$10,280	\$4,616
1,311,098	1,271,488	1,261,868	1,140,327
131,835	95,934	89,512	99,082
177,318	164,824	156,012	133,467
21,481	14,407	20,022	11,617
87,660	96,323	89,512	99,081
26,026	25,085	29,678	31,088
3,716	2,849	1,200	2,783
900	6,450	4,530	3,288
20,430	11,881	5,000	5,000
129,223	137,164	168,655	183,555
<u>0</u>	<u>0</u>	<u>230</u>	<u>986</u>
<u><u>\$1,929,406</u></u>	<u><u>\$1,846,861</u></u>	<u><u>\$1,836,499</u></u>	<u><u>\$1,714,890</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002 (1)</u>
General Fund				
Reserved	\$426,065	\$346,546	\$289,653	\$413,720
Unreserved	<u>1,134,632</u>	<u>1,394,880</u>	<u>1,683,484</u>	<u>2,091,991</u>
<i>Total General Fund</i>	<u>1,560,697</u>	<u>1,741,426</u>	<u>1,973,137</u>	<u>2,505,711</u>
All Other Governmental Funds				
Reserved	101,713	86,061	123,748	25,664
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	44,803	3,486	30,468	368,480
Debt Service Funds	0	0	0	0
Capital Projects Funds	<u>1,158,522</u>	<u>1,202,812</u>	<u>957,808</u>	<u>1,321,753</u>
<i>Total All Other Governmental Funds</i>	<u>1,305,038</u>	<u>1,292,359</u>	<u>1,112,024</u>	<u>1,715,897</u>
<i>Total Governmental Funds</i>	<u><u>\$2,865,735</u></u>	<u><u>\$3,033,785</u></u>	<u><u>\$3,085,161</u></u>	<u><u>\$4,221,608</u></u>

(1) In 2002 and 2003, fund balances totaling \$222,249 and \$630,655 were reclassified to properly reflect their purpose as special revenue funds.

<u>2003 (1)</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
\$273,310	\$367,086	\$339,030	\$714,693	\$764,760	\$759,786
<u>2,436,497</u>	<u>2,636,093</u>	<u>2,945,269</u>	<u>2,840,755</u>	<u>2,564,833</u>	<u>2,717,764</u>
<u>2,709,807</u>	<u>3,003,179</u>	<u>3,284,299</u>	<u>3,555,448</u>	<u>3,329,593</u>	<u>3,477,550</u>
85,946	72,696	221,542	520,771	1,353,518	384,829
996,829	1,111,833	1,182,196	1,117,914	1,485,255	1,731,936
0	0	0	0	0	183,045
<u>1,578,257</u>	<u>1,653,830</u>	<u>2,020,419</u>	<u>5,168,536</u>	<u>821,094</u>	<u>2,806,175</u>
<u>2,661,032</u>	<u>2,838,359</u>	<u>3,424,157</u>	<u>6,807,221</u>	<u>3,659,867</u>	<u>5,105,985</u>
<u>\$5,370,839</u>	<u>\$5,841,538</u>	<u>\$6,708,456</u>	<u>\$10,362,669</u>	<u>\$6,989,460</u>	<u>\$8,583,535</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Changes in Fund Balances

Last Ten Fiscal Years

(modified accrual basis of accounting)

	1999	2000	2001	2002
Revenues				
Property Taxes	\$1,708,135	\$1,729,118	\$1,722,748	\$1,779,860
Intergovernmental	2,395,498	2,701,997	2,912,948	3,585,173
Interest	190,354	200,808	169,909	229,537
Tuition and Fees	4,490	4,140	5,825	12,673
Rent	4,531	7,246	2,772	7,549
Extracurricular Activities	0	30,000	0	0
Gifts and Donations	6,005	0	37,000	0
Customer Sales and Services	62,321	26,542	8,491	126,627
Miscellaneous	5,331	3,420	62,108	34,419
Total Revenues	4,376,665	4,703,271	4,921,801	5,775,838
Expenditures				
Current:				
Instruction:				
Regular	460,834	95,941	130,186	129,328
Special	0	0	0	0
Vocational	1,894,419	2,488,490	2,589,944	2,850,609
Adult/Continuing	39,752	10,096	0	3,972
Support Services:				
Pupils	296,899	296,510	275,352	287,579
Instructional Staff	132,132	106,866	230,010	70,712
Board of Education	16,553	34,902	17,084	34,181
Administration	272,363	293,646	298,913	337,477
Fiscal	207,956	235,771	259,869	263,243
Business	0	5,345	14,567	17,115
Operation and Maintenance of Plant	408,887	418,922	451,355	438,390
Pupil Transportation	15,341	13,419	14,063	42,587
Central	34,439	46,680	67,860	57,725
Operation of Non-Instructional Services:				
Food Service Operations	4,095	3,641	4,158	166,536
Extracurricular Activities	6,538	5,541	5,095	4,770
Capital Outlay	145,431	400,714	378,933	25,034
Debt Service:				
Principal	50,000	0	0	0
Interest and Fiscal Charges	7,950	0	0	0
Advance Refunding Escrow	153,518	0	0	0
Total Expenditures	4,147,107	4,456,484	4,737,389	4,729,258
Excess of Revenues Over (Under) Expenditures	229,558	246,787	184,412	1,046,580
Other Financing Sources (Uses)				
Transfers In	42,846	2,595	2,263	120,110
Proceeds from Lease	0	0	0	0
Proceeds from Sale of Capital Assets	1,840	4,838	764	2,618
Transfers Out	(97,161)	(86,170)	(136,063)	(255,110)
Inception of Capital Lease	0	0	0	0
Proceeds from Loan	0	0	0	0
Total Other Financing Sources (Uses)	(52,475)	(78,737)	(133,036)	(132,382)
Net Change in Fund Balances	\$177,083	\$168,050	\$51,376	\$914,198
Debt Service as a Percentage of				
Noncapital Expenditures	1.4%	0.0%	0.0%	0.0%

2003	2004	2005	2006	2007	2008
\$1,669,712	\$1,760,329	\$1,708,920	\$2,193,737	\$2,277,227	\$2,184,977
3,616,761	3,721,937	3,762,188	7,046,707	8,063,662	3,947,517
175,847	50,080	208,017	210,706	535,112	384,132
11,990	241,994	177,577	142,634	139,930	160,508
4,972	5,649	1,999	2,849	0	591
0	655	0	0	230	986
5,095	32	15	1,325	0	1,000
89,589	185,269	201,167	143,760	166,324	129,095
48,551	20,531	8,798	13,705	53,827	3,960
<u>5,622,517</u>	<u>5,986,476</u>	<u>6,068,681</u>	<u>9,755,423</u>	<u>11,236,312</u>	<u>6,812,766</u>
137,486	149,831	166,774	229,285	247,770	256,277
0	0	0	0	89,120	96,749
2,942,906	3,021,586	3,086,492	3,150,317	3,239,157	2,964,215
0	201,619	173,658	132,561	120,405	129,421
304,975	334,182	319,058	344,802	256,849	227,206
95,701	88,894	90,457	105,657	163,412	210,574
30,306	35,096	40,507	36,805	37,938	48,883
363,712	492,296	528,753	572,906	539,251	589,050
290,034	303,079	311,241	312,680	413,443	372,948
16,059	37,603	48,267	53,684	56,884	62,111
470,382	555,178	507,195	466,129	470,457	480,456
24,804	29,049	23,859	37,910	39,842	41,598
45,637	47,305	48,794	43,630	39,822	41,283
181,557	173,732	202,055	206,109	216,972	247,569
17,761	7,373	10,195	7,146	7,496	9,949
28,295	40,693	166,273	3,026,921	8,043,543	681,722
0	0	0	33,333	497,543	2,138,123
0	0	0	0	139,206	89,214
0	0	0	0	0	0
<u>4,949,615</u>	<u>5,517,516</u>	<u>5,723,578</u>	<u>8,759,875</u>	<u>14,619,110</u>	<u>8,687,348</u>
<u>672,902</u>	<u>468,960</u>	<u>345,103</u>	<u>995,548</u>	<u>(3,382,798)</u>	<u>(1,874,582)</u>
85,000	161,250	190,500	1,786,228	456,131	477,390
0	0	0	0	0	3,465,997
5,674	1,739	21,815	89,665	9,589	2,660
(245,000)	(161,250)	(190,500)	(1,786,228)	(456,131)	(477,390)
0	0	0	2,569,000	0	0
0	0	500,000	0	0	0
<u>(154,326)</u>	<u>1,739</u>	<u>521,815</u>	<u>2,658,665</u>	<u>9,589</u>	<u>3,468,657</u>
<u>\$518,576</u>	<u>\$470,699</u>	<u>\$866,918</u>	<u>\$3,654,213</u>	<u>(\$3,373,209)</u>	<u>\$1,594,075</u>
0.0%	0.0%	0.0%	0.6%	9.7%	29.1%

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property

Last Ten Collection (Calendar) Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
1999	\$304,214,080	\$36,351,800	\$973,045,371	\$51,318,850	\$64,148,563
2000	318,285,610	37,030,920	1,015,190,086	48,068,010	60,085,013
2001	382,351,870	44,045,600	1,218,278,486	48,331,590	60,414,488
2002	392,740,930	45,510,580	1,252,147,171	26,828,190	33,535,238
2003	407,749,970	46,290,510	1,297,258,514	26,721,530	33,401,913
2004	465,496,910	50,345,480	1,473,835,400	26,705,570	33,381,963
2005	480,268,210	49,524,170	1,513,692,514	27,491,040	34,363,800
2006	495,641,230	53,515,160	1,569,018,257	27,693,710	34,617,138
2007	631,795,500	64,478,580	1,989,354,514	32,590,390	40,737,988
2008	641,867,610	64,133,290	2,017,145,429	31,647,450	39,559,313

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and 23 percent for inventories. General business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, and 6.25 percent for 2008.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent and 2 1/2 percent rollback reductions, and the homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback reduction for commercial/industrial property has been eliminated.

Source: State of Ohio Department of Taxation

Tangible Personal Property		Total			Weighted Average Tax Rate
General Business		Assessed	Estimated	Ratio	
Assessed Value	Actual Value	Value	Value		
\$23,694,413	\$94,777,652	\$415,579,143	\$1,131,971,586	36.71%	\$3.89
23,631,699	94,526,796	427,016,239	1,169,801,894	36.50	3.86
27,213,273	108,853,092	501,942,333	1,387,546,065	36.17	3.40
25,424,760	101,699,040	490,504,460	1,387,381,449	35.35	3.28
22,421,692	89,686,768	503,183,702	1,420,347,195	35.43	3.25
21,801,871	87,207,484	564,349,831	1,594,424,847	35.40	2.98
22,619,850	90,479,400	579,903,270	1,638,535,714	35.39	2.75
21,466,778	114,489,483	598,316,878	1,718,124,877	34.82	3.74
17,096,520	136,772,160	745,960,990	2,166,864,662	34.43	3.33
7,944,203	127,107,248	745,592,553	2,183,811,990	34.14	3.28

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Property Tax Levies and Collections (1)
Last Ten Collection (Calendar) Years (2)

Collection Year	Current Tax Levy (3)	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (4)	Total Tax Collections	Percent of Total Tax Collections to Current Tax Levy
1999	\$1,936,490	\$1,868,792	96.50%	\$209,186	\$2,077,978	107.31%
2000	1,807,356	1,870,191	103.48	127,677	1,997,868	110.54
2001	1,854,373	1,961,551	105.78	208,909	2,170,460	117.05
2002	1,781,039	1,867,601	104.86	142,151	2,009,752	112.84
2003	1,830,350	1,898,205	103.71	259,864	2,158,069	117.90
2004	1,860,866	1,993,373	107.12	147,150	2,140,523	115.03
2005	2,381,724	1,821,752	76.49	95,804	1,917,556	80.51
2006	2,467,733	2,538,936	102.89	6,373	2,545,309	103.14
2007	2,482,873	1,967,970	79.26	1,475,514	3,443,484	138.69
2008	2,207,931	N/A	N/A	N/A	N/A	N/A

Source: Brown County Auditor (Delinquent Tax Collection Information)
Southern Hills Joint Vocational School District Records (Current Tax Levy Information)

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2008 collections cannot be presented because all collections have not been made by June 30, 2008.
- (3) Current tax levy information is based on estimates at June 30 of each year, while tax collections are based on actual receipts.
- (4) The County does not identify delinquent tax collections by tax year.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Property Tax Rates (Per \$1,000 of Assessed Valuation)

Direct and Overlapping Governments

Last Ten Collection (Calendar) Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Voted Millage										
Operating										
Residential/Agricultural Real	3.13	3.13	2.67	2.68	2.68	2.43	2.43	2.43	2.17	2.17
Commerical/Industrial and Public Utility Real	3.72	3.72	3.24	3.24	3.27	3.10	3.16	3.16	2.73	2.74
General Business and Public Utility Personal	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40	5.40
1989 10 Year Permanent Improvement										
Residential/Agricultural Real	0.27	0.27	0.23	0.23	0.23	0.21	0.00	0.00	0.00	0.00
Commerical/Industrial and Public Utility Real	0.37	0.37	0.33	0.33	0.33	0.31	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.40	0.40	0.40	0.40	0.40	0.40	0.00	0.00	0.00	0.00
2005 Continuous Permanent Improvement										
Residential/Agricultural Real	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.89	0.89
Commerical/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	0.86	0.87
General Business and Public Utility Personal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00
Total voted millage by type of property										
Residential/Agricultural Real	0.27	0.27	0.23	0.23	0.23	0.21	0.00	1.00	0.89	0.89
Commerical/Industrial and Public Utility Real	0.37	0.37	0.33	0.33	0.33	0.31	0.00	1.00	0.86	0.87
General Business and Public Utility Personal	0.40	0.40	0.40	0.40	0.40	0.40	0.00	1.00	1.00	1.00
Total School District Millage										
	0.40	0.40	0.40	0.40	0.40	0.40	0.00	1.00	1.00	1.00
Overlapping Rates by Taxing District										
County Units										
General	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
General (Highland)	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Board of MR/DD	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Board of MR/DD (Highland)	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35
Health District	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	14.05	14.05	14.05	14.05	14.05	14.05	14.05	14.05	14.05	14.05
School Districts										
Bright Local	32.69	32.69	32.69	32.69	32.69	30.69	30.76	30.76	30.76	27.40
Eastern Local	38.70	38.70	36.75	37.80	37.80	37.80	37.80	40.20	40.20	40.20
Fayetteville Local	35.40	36.50	36.50	34.10	34.10	34.10	34.10	39.55	39.55	39.55
Georgetown Exempted Village	29.00	29.00	28.50	27.00	27.00	30.40	30.40	30.40	28.90	30.40
Ripley Union Lewis Huntington Local	36.40	36.40	36.40	36.35	36.35	36.35	36.35	36.35	36.35	36.35
Western Brown Local	25.20	25.20	25.20	23.70	23.70	23.70	23.70	23.00	23.00	23.00
Corporations										
Aberdeen Village	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Fayetteville Village	13.30	13.30	13.30	13.30	13.30	13.30	13.30	13.30	14.10	14.10
Georgetown Village	2.30	2.30	2.30	3.30	3.30	3.30	3.30	3.30	3.30	3.30
Hammersville Village	3.60	3.60	3.60	4.60	4.60	4.60	2.90	2.90	2.90	2.90
Higginsport Village	15.20	15.20	15.20	15.20	15.20	15.20	15.20	15.20	15.20	15.20
Mt. Orab Village	9.10	9.10	9.10	9.10	9.10	9.10	7.60	7.60	7.60	7.60
Ripley Village	5.00	5.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	7.00
Russellville Village	18.60	18.60	18.60	18.60	13.60	17.60	17.60	17.60	17.60	17.60
Sardinia Village	16.70	10.50	14.00	14.00	14.00	14.00	14.00	10.50	10.50	10.50
St. Martin Village	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Mowrystown	16.90	16.90	16.90	16.90	16.90	16.90	16.90	16.90	21.90	21.90

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Property Tax Rates (Per \$1,000 of Assessed Valuation)

Direct and Overlapping Governments

Last Ten Collection (Calendar) Years

(continued)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Townships										
Byrd	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.50	8.50	8.50
Clark	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.15	4.60	4.60
Eagle	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Franklin	2.20	2.20	2.20	2.20	2.60	2.60	2.60	3.10	3.10	3.10
Green	3.50	3.50	3.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Huntington	6.30	6.30	5.10	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Jackson	1.70	1.70	1.70	1.70	1.70	1.70	2.20	2.20	2.20	2.20
Jefferson	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	3.60	3.60
Lewis	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
Perry	6.40	6.40	6.40	6.90	6.90	6.90	6.90	6.90	6.90	6.90
Pike	3.50	3.50	3.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Pleasant	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	2.10	2.10
Scott	3.30	3.30	3.30	3.30	4.00	4.00	4.00	4.00	4.00	4.00
Sterling	5.50	5.50	5.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
Union	1.40	1.40	1.40	1.40	1.40	1.40	1.40	1.40	2.10	2.10
Washington	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70	3.70
Brushcreek	5.20	5.20	5.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20
Concord	3.10	3.10	3.10	3.10	2.70	3.10	2.60	3.10	3.10	3.10
Hamer	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80	3.80
Jackson	3.60	3.60	3.60	3.60	3.60	3.60	3.60	2.20	3.60	3.60
Marshall	4.15	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65	4.65
New Market	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Paint	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Salem	2.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Washington	3.10	3.10	3.10	3.10	3.10	3.10	2.60	3.10	3.10	2.60
Whiteoak	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80	1.80
Other Units										
Library	1.00	1.00	1.00	1.00	0.75	0.75	0.75	0.75	0.50	0.50
Mental Health (Highland County)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Source: Brown County Auditor and Ohio Department of Taxation

Direct rates of localities can be raised only by a majority of the voters in a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is appraised every six years and property values are updated in the third year following each reappraisal.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Principal Real and Personal Property Tax Payers

2008 and 2004 (Calendar Years) (1)

Name of Taxpayer	2008	
	Assessed Value	Percent of Real and Personal Property Assessed Value
Kroger Limited Partnership	\$5,209,342	0.70%
Mac Tool, Inc.	5,158,914	0.69%
Ohio Valley Manor	5,132,371	0.69%
Cincinnati Milacron	4,805,114	0.64%
Reyton Georgetown	3,265,942	0.44%
Ripley Federal Savings	2,590,914	0.35%
Crout Properties, LTD	2,229,571	0.30%
Brown County Industrial	1,977,914	0.26%
AHE of Ohio, Inc.	1,920,142	0.26%
Shriji Krupa, LLC	1,741,400	0.23%
Totals	<u>\$34,031,624</u>	<u>4.56%</u>
Total Assessed Valuation	<u>\$745,592,553</u>	<u>100.00%</u>
Name of Taxpayer	2004	
	Assessed Value	Percent of Real and Personal Property Assessed Value
Kroger Limited Partnership	\$5,137,000	0.91%
Ohio Valley Manor	5,037,885	0.89%
Mac Tool, Inc.	4,948,400	0.88%
Cincinnati Milacron	4,495,457	0.80%
Crout Properties, LTD	2,030,028	0.51%
Georgetown Land Company	2,875,114	0.31%
AHE of Ohio, Inc.	1,770,771	0.28%
HPWFP Limited Partnership	1,581,971	0.28%
Timothy R. Hale	1,572,457	0.27%
Davon, Inc.	1,541,485	5.49%
Totals	<u>\$30,990,568</u>	<u>10.62%</u>
Total Assessed Valuation	<u>\$564,349,831</u>	<u>100.00%</u>

Source: Brown County Auditor.

(1) Information prior to 2004 was not available.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Ratio of General Debt
to Personal Income and Debt per Capita
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Facility Improvement and Equipment Replacement Loan</u>	<u>Capital Leases</u>
1999	34,819	\$364,589,749	\$0	\$0
2000	42,104	735,009,528	0	0
2001	42,104	735,009,528	0	0
2002	42,104	735,009,528	0	0
2003	42,104	735,009,528	0	0
2004	42,104	735,009,528	0	0
2005	42,104	735,009,528	500,000	0
2006	42,104	735,009,528	466,667	2,569,000
2007	42,104	735,009,528	433,334	2,104,790
2008	42,104	735,009,528	400,001	3,465,997

Sources: (1) National Center for Education Statistics
1997-1999 from 1990 U.S. Census Data
2000-2008 from 2000 U.S. Census Data

(2) National Center for Education Statistics
1997-1999 from 1990 U.S. Census Data
2000-2008 from 2000 U.S. Census Data
(Per Capita Personal Income multiplied by population)

The School District has no bonded debt.

General Debt

Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita	Percentage of Personal Income
\$0	0.00%	\$0.00	0.00%
0	0.00%	0.00	0.00
0	0.00%	0.00	0.00
0	0.00%	0.00	0.00
0	0.00%	0.00	0.00
0	0.00%	0.00	0.00
500,000	0.03%	11.88	0.07
3,035,667	0.18%	72.10	0.41
2,538,124	0.12%	60.28	0.35
3,865,998	0.18%	91.82	0.53

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Legal Debt Margin
Last Ten Fiscal Years

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Assessed Valuation (2)	\$415,579,143	\$427,016,239	\$501,942,333	\$490,504,460
Less:				
General Business Personal Property	0	0	0	0
Railroad and Telephone Tangible Property	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assessed Valuation used to calculate Legal Debt Margin	<u>\$415,579,143</u>	<u>\$427,016,239</u>	<u>\$501,942,333</u>	<u>\$490,504,460</u>
Debt Limit - 9% of Assessed Value (1)	<u>\$37,402,123</u>	<u>\$38,431,462</u>	<u>\$45,174,810</u>	<u>\$44,145,401</u>
Amount of Debt Subject to Debt Limit				
Gross Indebtedness	0	0	0	0
Less Exempt Debt	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$37,402,123</u>	<u>\$38,431,462</u>	<u>\$45,174,810</u>	<u>\$44,145,401</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (1)	\$415,579	\$427,016	\$501,942	\$490,504
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$415,579</u>	<u>\$427,016</u>	<u>\$501,942</u>	<u>\$490,504</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial Records

- (1) Ohio Bond Law sets a limit of 9% for overall debt and 1/10 of 1% for unvoted debt.
- (2) The definition of tax valuation for the purpose of calculating the legal debt margin was modified by H.B. 360, effective March 30, 2006, to exclude tangible personal property used in business, telephone and telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.

2003	2004	2005	2006	2007	2008
\$503,183,702	\$564,349,831	\$579,903,270	\$598,316,878	\$745,960,990	\$745,592,553
0	0	0	0	(17,096,520)	(7,944,203)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,854,500)</u>	<u>(4,963,690)</u>	<u>(3,409,670)</u>
<u>\$503,183,702</u>	<u>\$564,349,831</u>	<u>\$579,903,270</u>	<u>\$592,462,378</u>	<u>\$723,900,780</u>	<u>\$734,238,680</u>
<u>\$45,286,533</u>	<u>\$50,791,485</u>	<u>\$52,191,294</u>	<u>\$53,321,614</u>	<u>\$65,151,070</u>	<u>\$66,081,481</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$45,286,533</u>	<u>\$50,791,485</u>	<u>\$52,191,294</u>	<u>\$53,321,614</u>	<u>\$65,151,070</u>	<u>\$66,081,481</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$503,184	\$564,350	\$579,903	\$592,462	\$723,901	\$734,239
0	0	0	0	0	0
<u>\$503,184</u>	<u>\$564,350</u>	<u>\$579,903</u>	<u>\$592,462</u>	<u>\$723,901</u>	<u>\$734,239</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Computation of Direct and Overlapping Debt

Governmental Activities

June 30, 2008

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Southern Hills Joint Vocational School District			
Facility Improvement and Equipment Replacement Loan	\$400,001	100.00%	\$400,001
Capital Lease Obligation	3,465,997	100.00	3,465,997
Total Direct	3,865,998	100.00	3,865,998
Overlapping:			
Eastern Local School District			
General Obligation Bonds	9,315,000	100.00	9,315,000
Bright Local School District			
General Obligation Bonds	670,000	100.00	670,000
Fayetteville Perry Local School District			
General Obligation Bonds	8,700,952	100.00	8,700,952
Ripley Union Lewis Huntington Local School District			
General Obligation Bonds	2,719,891	100.00	2,719,891
Capital Lease Obligation	528,000	100.00	528,000
Western Brown Local School District			
General Obligation Bonds	5,320,000	100.00	5,320,000
Capital Lease Obligation	448,000	100.00	448,000
Georgetown Exempted Village School District			
General Obligation Bonds	4,396,630	100.00	4,396,630
Capital Lease Obligation	541,000	100.00	541,000
Total Overlapping	32,639,473		32,639,473
Total	\$36,505,471		\$36,505,471

Sources: Southern Hills Joint Vocational School District Records
Individual overlapping governments' records

Percentages were determined by dividing each overlapping subdivision's assessed valuation within the County by its total assessed valuation.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the School District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the School District. This process recognizes that, when considering the School District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Household Income (4)</u>	<u>Brown County Unemployment Rate (5)</u>
1999	34,819	\$364,589,749	\$10,471	N/A	5.30%
2000	42,104	735,009,528	17,457	\$38,189	5.90
2001	42,104	735,009,528	17,457	38,189	5.50
2002	42,104	735,009,528	17,457	38,189	7.20
2003	42,104	735,009,528	17,457	38,189	6.20
2004	42,104	735,009,528	17,457	38,189	6.20
2005	42,104	735,009,528	17,457	38,189	6.50
2006	42,104	735,009,528	17,457	38,189	6.20
2007	42,104	735,009,528	17,457	38,189	6.60
2008	42,104	735,009,528	17,457	38,189	7.30

Sources: (1) National Center for Education Statistics
 1998-1999 from 1990 U.S. Census Data
 2000-2008 from 2000 U.S. Census Data
 Sum of Populations for all school districts within Southern Hills Joint Vocational School District

(2) Computation of Per Capita Personal Income multiplied by population

(3) National Center for Education Statistics
 1998-1999 from 1990 U.S. Census Data
 2000-2008 from 2000 U.S. Census Data
 Average Per Capita Personal Income for all school districts within Southern Hills Joint Vocational School District

(4) National Center for Education Statistics
 1998-1999 from 1990 U.S. Census Data
 2000-2008 from 2000 U.S. Census Data
 Average Median Household Income for all school districts within Southern Hills Joint Vocational School District
 1998-1999 Median Household Income not available.

(5) Ohio Department of Jobs and Family Services

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Principal Employers
2008 and 2006 (1)

2008

Employer	Nature of Business	Number of Employees	Rank
Brown County Government	Government	304	1
Brown County General Hospital	Health Care	300	2
Kroger	Retail Grocer	287	3
Ohio Valley Manor	Health Care	240	4
Cincinnati Milacron	Plastic Injection	234	5
Southern Ohio Veterans' Home	Health Care	205	6
McDonalds	Fast Food	127	7
PCP Champion	Surgical Appliance	120	8
Hawklinedevada	Farm Implements	80	9
Rumpke	Waste Removal	107	10
Total		<u>2,004</u>	

2006

Employer	Nature of Business	Number of Employees	Rank
Brown County Government	Government	304	1
Brown County General Hospital	Health Care	300	2
Kroger	Retail Grocer	287	3
Cincinnati Milacron	Plastic Injection	263	4
Ohio Valley Manor	Health Care	240	5
Southern Ohio Veterans' Home	Health Care	205	6
McDonalds	Fast Food	127	7
PCP Champion	Surgical Appliance	120	8
Rumpke	Waste Removal	115	9
Stanley Mechanics	Tool Company	100	10
Total		<u>2,061</u>	

Source: Brown County Department of Economic Development

(1) Information prior to 2006 and information on total employment within the School District was not available.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Teacher to Student Ratio

Last Ten Fiscal Years

<u>Year</u>	<u>Average Number of Students per Teacher</u>
1999	10.1
2000	10.1
2001	8.7
2002	11.5
2003	10.9
2004	10.5
2005	10.7
2006	10.3
2007	10.7
2008	9.9

Source: Southern Hills Joint Vocational School District records.
Calculation does not include instructional aides

Average is based on average daily membership divided by total teachers. Instructional aides are excluded from the calculation.

Southern Hills Joint Vocational School District

Employees by Function

Last Ten Fiscal Years

	1999	2000	2001	2002	2003
<i>Governmental Activities</i>					
Instruction (1):					
Regular	2	2	2	2	2
Vocational	36	37	39	36	37
Adult/Continuing	2	2	3	3	3
Support Services:					
Pupils	5	5	5	4	4
Instructional Staff	1	1	1	1	1
Administration	4	4	4	4	5
Fiscal	3	3	3	3	3
Operation and Maintenance of Plant	4	5	5	5	5
Operation of Non-Instructional Services					
Food Service Operations	4	4	4	4	4
<i>Total Number of Employees</i>	61	63	66	62	64

Source: Southern Hills Joint Vocational School District records

(1) Includes three instructional aides

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
2	2	2	2	2
37	37	36	33	33
3	3	3	3	3
4	4	4	4	4
1	1	1	1	1
5	5	5	5	5
3	3	3	3	3
5	5	5	5	5
<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>64</u>	<u>64</u>	<u>63</u>	<u>60</u>	<u>60</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT
 Staff Education, Experience and Teacher Salary Data
 June 30, 2008

<u>Degree</u>	<u>Number of Staff</u>	<u>Percent of Total</u>	<u>Number of Teachers</u>	<u>Average Teacher's Salary</u>	<u>Salary Range</u>
Non-Degree	27	45.00%	9	\$55,774	\$44,382-\$61,775
Bachelor's Degree	7	11.67%	4	42,998	36,595-50,327
Bachelor with 150 Hours	2	3.33%	2	50,352	42,144-58,560
Master's Degree	12	20.00%	12	52,159	38,491-66,094
Master's Degree + 18 Hours	12	20.00%	8	65,325	58,399-75,253
Total	<u>60</u>	<u>100.00%</u>	<u>35</u>		

<u>Years of Experience</u>	<u>Number of Staff</u>	<u>Percent of Total</u>
0-5	14	23.33%
6-10	14	23.33%
11 and over	<u>32</u>	<u>53.34%</u>
Total	<u>60</u>	<u>100.00%</u>

Source: Southern Hills Joint Vocational School District records

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	Average Daily Membership (1)	General Government		Governmental Activities	
		Total Expenditures (2)	Per Pupil Cost	Total Expenses (3)	Per Pupil Cost
1999	372	\$4,147,107	\$11,148	N/A	N/A
2000	384	4,456,484	11,605	N/A	N/A
2001	357	4,737,389	13,270	N/A	N/A
2002	436	4,729,258	10,847	\$4,711,098	\$10,805
2003	427	4,949,615	11,592	5,033,201	11,787
2004	411	5,517,516	13,425	5,635,409	13,711
2005	416	5,723,580	13,759	5,665,393	13,619
2006	392	8,726,542	22,262	5,849,582	14,922
2007	376	13,982,361	37,187	6,488,376	17,256
2008	346	6,460,011	18,671	6,299,448	18,206

Source: Southern Hills Joint Vocational School District Records

(1) Average daily membership does not include home schooled students and students attending programs offered outside the central building.

(2) Excludes debt service expenditures

(3) Excludes interest and fiscal charges

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT
 Building Statistics, Operating Statistics and Classroom Space by Program
 Last Nine Fiscal Years (1)
 (cash basis of accounting)

	2000	2001	2002	2003	2004
Southern Hills Joint Vocational School					
Constructed Completed in 1975					
Total Building Square Footage	103,000	103,000	103,000	103,000	103,000
Total Enrollment (2)	252	255	333	292	295
Student Capacity	400	400	400	400	400
Power Equipment Mechanics/Agricultural Industrial					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	22	22	23	21	20
Students Who Graduated from Program	10	7	9	11	6
Cost of Program	\$154,120	\$105,592	\$65,901	\$97,270	\$65,065
Percentage of Students to Maximum Capacity of Program	44%	44%	46%	42%	40%
Cost of Program Per Student	7,005	4,800	2,865	4,632	3,253
Square ft. of Program Space	5,953	5,953	5,953	5,953	5,953
Diversified Health Occupations					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	22	19	25	32	26
Students Who Graduated from Program	12	8	3	10	9
Cost of Program	\$120,591	\$121,639	\$96,315	\$98,484	\$86,036
Percentage of Students to Maximum Capacity of Program	44%	38%	50%	64%	52%
Cost of Program Per Student	5,481	6,402	3,853	3,078	3,309
Square ft. of Program Space	2,141	2,141	2,141	2,141	2,141
Information Technology/Computer Systems					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	11	17	24	19	18
Students Who Graduated from Program	4	5	9	11	6
Cost of Program	\$81,758	\$119,793	\$117,850	\$94,478	\$88,388
Percentage of Students to Maximum Capacity of Program	22%	34%	48%	38%	36%
Cost of Program Per Student	7,433	7,047	4,910	4,973	4,910
Square ft. of Program Space	2,254	2,254	2,254	2,254	2,254
Early Childhood Education					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	14	17	26	20	34
Students Who Graduated from Program	9	4	14	5	10
Cost of Program	\$50,944	\$66,997	\$70,143	\$76,440	\$89,757
Percentage of Students to Maximum Capacity of Program	28%	34%	52%	40%	68%
Cost of Program Per Student	3,639	3,941	2,698	3,822	2,640
Square ft. of Program Space	2,853	2,853	2,853	2,853	2,853
Automobile Technology					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	27	21	31	39	35
Students Who Graduated from Program	13	9	8	11	15
Cost of Program	\$141,071	\$154,245	\$170,148	\$192,696	\$184,921
Percentage of Students to Maximum Capacity of Program	54%	42%	62%	78%	70%
Cost of Program Per Student	5,225	7,345	5,489	4,941	5,283
Square ft. of Program Space	6,677	6,677	6,677	6,677	6,677
Carpentry					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	18	23	23	27	29
Students Who Graduated from Program	10	6	7	6	14
Cost of Program	\$129,671	\$88,327	\$126,737	\$99,873	\$158,772
Percentage of Students to Maximum Capacity of Program	36%	46%	46%	54%	58%
Cost of Program Per Student	7,204	3,840	5,510	3,699	5,475
Square ft. of Program Space	5,569	5,569	5,569	5,569	5,569
Machining Technology					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	18	19	31	26	17
Students Who Graduated from Program	11	8	11	12	8
Cost of Program	\$143,512	\$133,400	\$170,000	\$154,720	\$193,483
Percentage of Students to Maximum Capacity of Program	36%	38%	62%	52%	34%
Cost of Program Per Student	7,973	7,021	5,484	5,951	11,381
Square ft. of Program Space	4,086	4,086	4,086	4,086	4,086

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures

(1) Information prior to 2000 was not available

(2) Does not include home schooled students and students attending programs offered outside the central building

2005	2006	2007	2008
103,000	103,000	113,500	113,500
308	300	286	286
400	400	400	400
50	50	50	50
33	29	22	31
13	15	9	11
\$105,987	\$85,329	\$91,449	\$91,235
66%	58%	44%	62%
3,212	2,942	4,157	2,943
5,953	5,953	5,953	5,953
50	50	50	50
23	19	33	38
12	5	9	17
\$86,917	\$ 94,448	\$ 90,476	\$ 96,341
46%	38%	66%	76%
3,779	4,971	2,742	2,535
2,141	2,141	2,141	2,141
50	50	50	50
20	22	33	22
8	8	11	14
\$94,355	\$ 58,093	\$ 95,728	\$ 79,691
40%	44%	66%	44%
4,718	2,641	2,901	3,622
2,254	2,254	2,254	2,254
50	50	50	50
27	23	23	25
15	11	8	11
\$107,343	\$ 99,195	\$ 106,964	\$ 102,759
54%	46%	46%	50%
3,976	4,313	4,651	4,110
2,853	2,853	2,853	2,853
50	50	50	50
42	42	36	40
18	23	17	15
\$267,631	\$174,855	\$141,590	\$198,485
84%	84%	72%	80%
6,372	4,163	3,933	4,962
6,677	6,677	6,677	6,677
50	50	50	50
27	17	16	18
13	5	7	8
\$141,109	\$108,423	\$118,770	\$112,423
54%	34%	32%	36%
5,226	6,378	7,423	6,246
5,569	5,569	5,569	5,569
50	25	n/a	n/a
15	6	n/a	n/a
6	5	n/a	n/a
\$161,981	\$23,487	n/a	n/a
30%	24%	n/a	n/a
10,799	3,915	n/a	n/a
4,086	4,086	n/a	n/a

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Operating Statistics and Classroom Space by Program

Last Nine Fiscal Years (1)

(cash basis of accounting)

(continued)

	2000	2001	2002	2003	2004
Welding					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	18	18	19	16	23
Students Who Graduated from Program	10	7	4	6	7
Cost of Program	\$69,917	\$99,491	\$76,625	\$92,660	\$95,599
Percentage of Students to Maximum Capacity of Program	36%	36%	38%	32%	46%
Cost of Program Per Student	3,884	5,527	4,033	5,791	4,156
Square ft. of Program Space	4,273	4,273	4,273	4,273	4,273
Cosmotology					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	20	29	36	34	25
Students Who Graduated from Program	9	5	16	14	12
Cost of Program	\$137,045	\$132,530	\$145,856	\$142,905	\$161,869
Percentage of Students to Maximum Capacity of Program	40%	58%	72%	68%	50%
Cost of Program Per Student	6,852	4,570	4,052	4,203	6,475
Square ft. of Program Space	2,746	2,746	2,746	2,746	2,746
Criminal Justice					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	20	15	23	14	16
Students Who Graduated from Program	11	5	9	5	7
Cost of Program	\$62,470	\$83,716	\$83,594	\$113,401	\$111,098
Percentage of Students to Maximum Capacity of Program	40%	30%	46%	28%	32%
Cost of Program Per Student	3,123	5,581	3,635	8,100	6,944
Square ft. of Program Space	2,776	2,776	2,776	2,776	2,776
Graphics					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	20	16	23	16	19
Students Who Graduated from Program	9	8	3	9	4
Cost of Program	\$67,903	\$82,147	\$94,997	\$123,427	\$133,703
Percentage of Students to Maximum Capacity of Program	40%	32%	46%	32%	38%
Cost of Program Per Student	3,395	5,134	4,130	7,714	7,037
Square ft. of Program Space	2,389	2,389	2,389	2,389	2,389
Administration/Office Technology					
Maximum Capacity of Program	50	50	50	50	50
Number of Students at End of Year (2)	31	22	37	28	33
Students Who Graduated from Program	15	10	10	18	24
Cost of Program	\$98,629	\$109,593	\$128,939	\$143,848	\$75,341
Percentage of Students to Maximum Capacity of Program	62%	44%	74%	56%	66%
Cost of Program Per Student	3,182	4,982	3,485	5,137	2,283
Square ft. of Program Space	2,508	2,508	2,508	2,508	2,508
Marketing Education					
Maximum Capacity of Program	25	25	25	n/o	n/o
Number of Students at End of Year (2)	11	10	12	n/o	n/o
Students Who Graduated from Program	11	10	11	n/o	n/o
Cost of Program	\$47,655	\$50,118	\$63,447	n/o	n/o
Percentage of Students to Maximum Capacity of Program	44%	40%	48%	n/o	n/o
Cost of Program Per Student	4,332	5,012	5,287	n/o	n/o
Square ft. of Program Space	1,754	1,754	1,754	n/o	n/o
Occupational Work Experience					
Maximum Capacity of Program	n/o	25	n/o	n/o	n/o
Number of Students at End of Year (2)	n/o	7	n/o	n/o	n/o
Students Who Graduated from Program	n/o	7	n/o	n/o	n/o
Cost of Program	n/o	\$63,192	n/o	n/o	n/o
Percentage of Students to Maximum Capacity of Program	n/o	28%	n/o	n/o	n/o
Cost of Program Per Student	n/o	9,027	n/o	n/o	n/o
Square ft. of Program Space	n/o	558	n/o	n/o	n/o

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures

(1) Information prior to 2000 was not available

(2) Does not include home schooled students and students attending programs offered outside the central building

n/o - Program not offered.

2005	2006	2007	2008
50	50	50	50
23	23	22	19
12	7	13	8
\$110,028	\$111,158	\$122,163	\$122,679
46%	46%	44%	38%
4,784	4,833	5,553	6,457
4,273	4,273	9,273	9,273
50	50	50	50
24	30	26	24
11	10	16	10
\$141,191	\$142,822	\$155,139	\$155,752
48%	60%	52%	48%
5,883	4,761	5,967	6,490
2,746	2,746	2,746	2,746
50	50	50	50
21	17	13	21
6	6	4	9
\$101,139	\$100,073	\$74,743	\$56,522
42%	34%	26%	42%
4,816	5,887	5,749	2,692
2,776	2,776	2,776	2,776
50	50	50	50
34	47	42	31
11	21	18	17
\$141,459	\$167,829	\$113,744	\$93,236
68%	94%	84%	62%
4,161	3,571	2,708	3,008
2,389	2,389	2,389	2,389
50	50	50	50
19	25	20	17
6	11	11	15
\$74,883	\$98,636	\$75,787	\$83,136
38%	50%	40%	34%
3,941	3,945	3,789	4,890
2,508	2,508	2,508	2,508
n/o	n/o	n/a	n/a
n/o	n/o	n/a	n/a
n/o	n/o	n/a	n/a
n/o	n/o	n/a	n/a
n/o	n/o	n/a	n/a
n/o	n/o	n/a	n/a
n/o	n/o	n/a	n/a
25	n/o	n/a	n/a
14	n/o	n/a	n/a
14	n/o	n/a	n/a
\$69,697	n/o	n/a	n/a
56%	n/o	n/a	n/a
4,978	n/o	n/a	n/a
558	n/o	n/a	n/a

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Percentage of Students who Receive Free and Reduced Lunches

Last Seven Fiscal Years (1)

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
25.15%	19.66%	24.09%	27.69%	32.54%	34.92%	38.85%

Source: Ohio Department of Education

(1) Information prior to 2002 was not available.



Mary Taylor, CPA
Auditor of State

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

BROWN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 29, 2009**