

Southern Hills Joint Vocational School District  
Brown County, Ohio

Regular Audit

July 1, 2009, through June 31, 2010  
Fiscal Year Audited Under GAGAS: 2010



**Balestra, Harr & Scherer, CPAs, Inc.**

---

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9076 Ohio River Road, Wheelersburg, Ohio 45694 Phone: 740.876.9121 Fax: 800.210.2573





# Dave Yost • Auditor of State

Board of Education  
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, 2009 through June 30, 2010. 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.

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

Dave Yost  
Auditor of State

February 11, 2011

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

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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by  
*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, Brown County (the District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 17, 2010 in which we indicated that the District implemented GASB Statement No. 51, 53, 57 & 58. 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 the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and timely corrected.

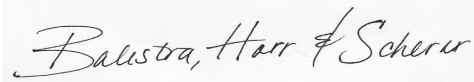
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

**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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under Government Auditing Standards.

Members of the Board  
Southern Hills JVSD  
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by  
*Government Auditing Standards*  
Page 2

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

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 17, 2010





### Independent Auditor's Report on Applying Agreed-Upon Procedures

Southern Hills Joint Vocational School District  
Brown County  
9193 Hamer Road  
Georgetown, OH 45121

To the Board of Education:

Ohio Rev. Code Section 117.53 states "the auditor of state shall identify whether the school district or community school has adopted an anti-harassment policy in accordance with Section 3313.666 of the Revised Code. This determination shall be recorded in the audit report. The auditor of state shall not prescribe the content or operation of any anti-harassment policy adopted by a school district or community school."

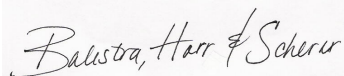
Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Southern Hills Joint Vocational School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible for complying with this requirement. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Board. Consequently; we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. We noted the Board adopted an anti-harassment policy at its meeting on 10/18/10.
2. We read the policy, except as noted, it included the following requirements from the Ohio Rev. Code Section 3313.666(B):
  - 1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - 2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.66;
  - 3) A procedure for reporting prohibited incidents;
  - 4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
  - 5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

- 6) A procedure for documenting any prohibited incident that is reported;
- 7) A procedure for responding to and investigating any reported incident;
- 8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- 9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States;
- 10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the anti-harassment policy. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

December 17, 2010

**Southern Hills**  
**Joint Vocational School District**  
*Georgetown, Ohio*

Comprehensive Annual Financial Report

*For the fiscal year ended June 30, 2010*

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*SOUTHERN HILLS  
JOINT VOCATIONAL SCHOOL DISTRICT*

*GEORGETOWN, OHIO*

*COMPREHENSIVE ANNUAL  
FINANCIAL REPORT*

*FOR THE FISCAL YEAR ENDED JUNE 30, 2010*

Issued by:  
Treasurer's Office

Michael Boyd, CPA  
Treasurer

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# **INTRODUCTORY SECTION**

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 For the Fiscal Year Ended June 30, 2010  
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December 17, 2010

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, 2010. 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 requires reporting on a GAAP (Generally Accepted Accounting Principles) basis, and Section 117.38 of the Ohio Revised Code 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, 2010. 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 Sports Medicine, 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, and 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 62 full-time employees. These employees include certified, non-certified and administrative personnel providing services to 690 secondary students and 1,159 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, 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 generally 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 growth of additional health facilities in the northern part of Brown County, there has been a considerable potential in the Health field. The potential sale of the Brown County Hospital does create an unknown variable in this area. Two offers by corporations have not materialized, and the future of that facility is in question. Brown County has seen slight increases in the northern part of the County in residential housing, but industrial jobs have been in decline during the past five years. The closing of the Batavia Transmission plant, 3M Plant and DHL had a severe impact on the community, not only economically but also in putting significant pressure on the health, mental health and social service agencies in the region.

Brown County is a rural community in Southern Ohio with unemployment rates 1.4 percent above the State unemployment rate of 10.5 percent, an improvement from last year's total of over 13 percent. During the past ten years, the unemployment rate rose from 5.5 percent in 2001 to a high of 13.7 percent in June 2009. 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 the 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.

Although, there is a projected population increase in Brown County based on preliminary results of the 2010 census, 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 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.

In the years after the 2000 census, Brown County saw increases in housing starts. According to estimates provided by the United States Census Bureau, housing units in 2006 and the homeownership rate in 2000 were 18,734 and 79.6 percent, respectfully. However, with the current economic conditions, Brown County has had little recent growth in residential construction.

Because of recent economic conditions, the current housing growth rates, and property values, and market rates are significantly lower and will be suppressed into the 2010 census reporting period. Also, the continuing home foreclosure rates in the local area will continue to have a tremendous impact on tax collections, 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, Hawkline, Highland District Hospital, Mercy Hospital, various area nursing homes, and PCP Champion.

### **FINANCIAL TRENDS**

Due to a decline in student enrollment in previous fiscal years, the School District experienced less than a one percent increase in the State foundation revenue in fiscal year 2011. The reason for the decline in enrollment is two-fold. First, the renovation project provided limited access to the building during sophomore tours and fewer students enrolled for their junior year. Second, 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. Because of these two factors, the School District is deep on the state guarantee and there has not been significant student enrollment to bring the School District out of the guarantee. Since the current biennium has introduced a new school funding system, the state has not indicated how joint vocational school districts will be funded in the future. The funding for fiscal years 2010 and 2011 is a mere .75 percent increase each year of the biennium. The fiscal 2012-2013 biennium forecast indicates potential cuts because of huge State deficits.

### **FINANCIAL PLANNING AND POLICIES**

The School District recently underwent a major renovation project costing a total \$11,115,454. A one-mill permanent improvement levy was earmarked for the renovation project as well as construction projects, maintenance and equipment purchases done after the renovation completion.

The School District acquired a \$500,000 loan from the Ohio Department of Education that helped finance the local share of the project for renovation. The School District was also able to secure help from a federal Qualified Zone Academy Bond (QZAB), a program in which bond holders receive a tax credit, rather than interest, for 12-15 years. Proceeds received from QZAB during fiscal year 2008 were higher than expected and covered the local share of the renovation project.

With the help of the QZAB proceeds, Southern Hills started a new Sports Medicine program that was introduced in fiscal year 2009, and a half day Civil Engineering program in fiscal year 2010. We are also looking at half day programming for a Bio-Medical program in fiscal year 2012. With the new biennium and because of budgetary constraints and decreases in revenue, School District expenses will have to be controlled. Another consideration is how the State will be funding Career and Technical Education. The target date for formulating the Career and Technical funding is prior to the next biennium, which begins in July 2011.



Some significant costs that the School District is incurring are fees, tools and uniforms for students who receive free lunch. The State mandates that all School Districts pick up these costs if they are part of the students' full participation in their career technology or educational program. This was not budgeted and will have to be considered in the current and future budget unless it is legislatively removed.

### **MAJOR INITIATIVES**

The School District is currently seeking ways to provide more efficient heating and cooling to its building, for future cost saving measures. Current considerations include solar and geothermal systems.

In addition, with enrollment declining in local school districts, Southern Hills is planning to evaluate potential incoming enrollment, in order to begin adjusting programs to better reflect the needs of our students. The School District is also working toward articulation agreements with local colleges to provide college credit for some of its secondary programs.

### **AWARDS AND ACKNOWLEDGEMENTS**

#### **GFOA CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Southern Hills Joint Vocational School District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. This was the fifth year that the School District has received this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish 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. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to the GFOA for review.

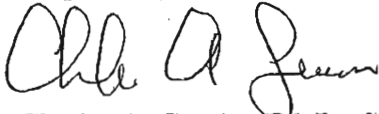
#### **ASBO CERTIFICATE OF EXCELLENCE**

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 fifth CAFR for this award for the fiscal year ended June 30, 2010.

**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 Kari Barnes. 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

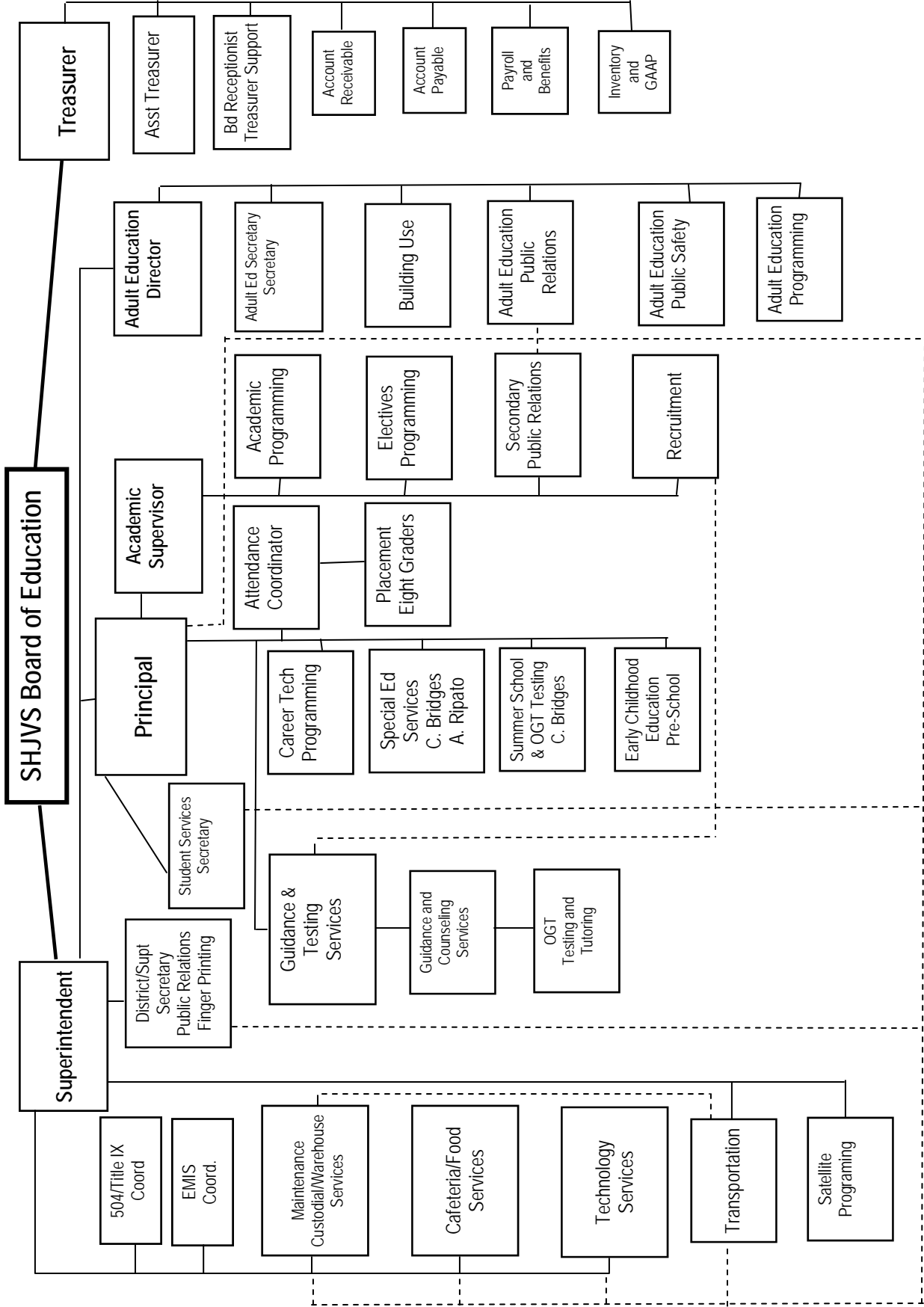
*Southern Hills Joint Vocational School District  
Principal Officials  
As Of June 30, 2010*

ELECTED OFFICIALS

President, Board of Education .....Roger West  
Vice President, Board of Education..... Kenneth Kelch  
Board Member .....Garry Luke  
Board Member .....Steven Dunkin  
Board Member ..... Richard Pride  
Board Member .....Teresa Pfeffer

ADMINISTRATIVE OFFICIALS

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



***Southern Hills Joint Vocational School District***  
***Consultants and Advisors***  
***June 30, 2010***

**Architects**

---

Steed Hammond Paul  
4805 Montgomery Road  
Suite 400  
Cincinnati, Ohio 45212

**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**

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

**Investment Advisors**

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

Multi-Bank Securities  
24280 Woodward Avenue  
Pleasant Ridge, MI 48069

**Legal Counsel**

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Ennis, Roberts & Fischer  
1714 West Galbraith Road  
Cincinnati, Ohio 45239

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

**Official Depositories**

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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, 2009

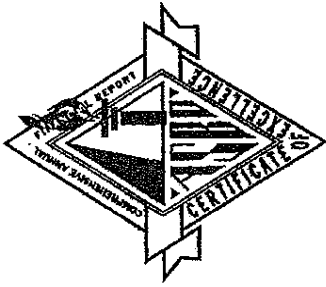
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

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, 2009

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

*Eun Cullen*

\_\_\_\_\_  
President

*John D. Mueser*

\_\_\_\_\_  
Executive Director

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# **FINANCIAL SECTION**

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## 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 District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in 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 Southern Hills Joint Vocational School District, Brown County, as of June 30, 2010, 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.

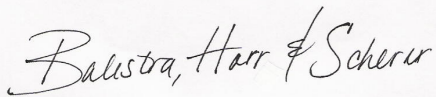
In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements 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.

Members of the Board  
Southern Hills Joint Vocational School District  
Independent Auditor's Report  
Page 2

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund financial statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical 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 3, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, GASB Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, GASB No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*.



Balestra, Harr & Scherer, CPAs, Inc.  
December 17, 2010

***Southern Hills Joint Vocational School District***  
***Management's Discussion and Analysis***  
***For the Fiscal Year Ended June 30, 2010***  
***Unaudited***

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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, 2010. 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, 2010. 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**

- While the School District had a two percent increase in salaries, several teachers who retired and were replaced with teachers in lower pay ranges. This, combined with other cost saving measures, enabled the School District to maintain a level amount of expenditures from 2009 to 2010.
- Due to changes in adult education programs, Charges for Services decreased during the fiscal year. In addition, with the decline in the economy, more students began receiving free and reduced meals, which also caused a decrease in Charges for Services.
- The School District's net assets related to Capital Projects declined significantly during the fiscal year, as the majority of remaining contracts for the prior fiscal years' remodeling of the School District building were paid out.

**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, 2010***  
***Unaudited***

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The *Statement of Net Assets* and the *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 and the Permanent Improvement 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 2010?" 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 eight. 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, 2010*  
*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 provides a summary of the School District’s net assets for fiscal years 2010 and 2009:

(Table 1)  
Net Assets

	Governmental Activities		
	2010	2009	Change
<b>Assets</b>			
Current and Other Assets	\$10,887,159	\$11,190,984	(\$303,825)
Capital Assets, Net	13,459,888	13,104,838	355,050
Total Assets	24,347,047	24,295,822	51,225
<b>Liabilities</b>			
Current and Other Liabilities	2,609,887	2,400,096	(209,791)
Long-Term Liabilities	3,923,263	4,072,187	148,924
Total Liabilities	6,533,150	6,472,283	(60,867)
<b>Net Assets</b>			
Invested in Capital Assets, Net of	11,273,914	10,713,407	560,507
Restricted	4,053,323	4,281,738	(228,415)
Unrestricted	2,486,660	2,828,394	(341,734)
Total Net Assets	\$17,813,897	\$17,823,539	(\$9,642)

***Southern Hills Joint Vocational School District***  
***Management's Discussion and Analysis***  
***For the Fiscal Year Ended June 30, 2010***  
***Unaudited***

Current and Other Assets decreased \$303,825, due mainly to a decrease in Equity in Pooled Cash and Cash Equivalents of \$482,113, which was caused by the School District's completion of final punch list items on the building remodeling project and final payments to contractors. This decrease was offset by an increase in Property Taxes Receivable of \$169,932 due to a triennial update of property values for Brown County, on which taxes will begin collection in fiscal year 2011. Capital Assets, Net increased \$355,050, due to additions, offset by depreciation expense.

Current and Other Liabilities increased \$209,791 due to an increase in Deferred Revenue for taxes receivable. Long-Term Liabilities decreased, due to payments on long-term debt and no new issuances. Unrestricted Net Assets decreased \$341,734 due to the expenditure of cash to pay long-term liabilities, specifically debt obligations. Restricted Net Assets decreased \$228,415, due to decreases in Cash and Cash Equivalents for capital projects.

Table 2 shows the changes in net assets for fiscal years 2010 and 2009.

(Table 2)  
Changes in Net Assets

	Governmental Activities 2010	Governmental Activities 2009	Change
<b>Revenues</b>			
Program Revenues:			
Charges for Services and Sales	\$298,651	\$329,652	(\$31,001)
Operating Grants, Contributions and Interest	1,460,730	1,456,336	4,394
Capital Grants and Contributions	7,500	0	7,500
Total Program Revenues	<u>1,766,881</u>	<u>1,785,988</u>	<u>(19,107)</u>
General Revenues:			
Property Taxes	2,154,994	2,309,962	(154,968)
Grants and Entitlements not Restricted to Specific Programs	2,758,836	2,602,104	156,732
Unrestricted Gifts and Donations	0	23	(23)
Interest	161,092	317,305	(156,213)
Gain on Sale of Capital Assets	432	0	432
Miscellaneous	6,031	2,663	3,368
Total General Revenues	<u>5,081,385</u>	<u>5,232,057</u>	<u>(150,672)</u>
Total Revenues	<u>\$6,848,266</u>	<u>\$7,018,045</u>	<u>(\$169,779)</u>

*continued*



**Southern Hills Joint Vocational School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2010**  
**Unaudited**

(Table 2)  
Changes in Net Assets  
(continued)

	Governmental Activities 2010	Governmental Activities 2009	Change
<b>Program Expenses</b>			
Instruction:			
Regular	\$181,620	\$237,367	(\$55,747)
Special	21,411	32,077	(10,666)
Vocational	3,804,402	3,816,451	(12,049)
Adult/Continuing	143,751	185,832	(42,081)
Support Services:			
Pupils	465,322	368,491	96,831
Instructional Staff	204,486	209,203	(4,717)
Board of Education	39,158	45,910	(6,752)
Administration	638,304	616,272	22,032
Fiscal	380,855	382,329	(1,474)
Business	5,428	17,642	(12,214)
Operation and Maintenance of Plant	536,054	566,361	(30,307)
Pupil Transportation	41,339	29,351	11,988
Central	41,114	41,162	(48)
Operation of Non-Instructional Services:			
Food Service Operations	296,061	277,097	18,964
Extracurricular Activities	10,728	5,149	5,579
Interest and Fiscal Charges	47,875	28,234	19,641
Total Expenses	<u>6,857,908</u>	<u>6,858,928</u>	<u>(1,020)</u>
Change in Net Assets	(9,642)	159,117	(168,759)
Net Assets at Beginning of Year	<u>17,823,539</u>	<u>17,664,422</u>	<u>159,117</u>
Net Assets at End of Year	<u><u>\$17,813,897</u></u>	<u><u>\$17,823,539</u></u>	<u><u>(\$9,642)</u></u>

Program revenues decreased \$19,107. Charges for Services and Sales decreased \$31,001 due primarily to a decrease in adult education, in addition to reduced revenue for student lunches and breakfasts, as more students qualified for free and reduced meal plans. Property Taxes decreased \$154,968 due to a decrease in taxes receivable that were available for advance, which relates to the timing of tax payments to the County by local taxpayers. Grants and Entitlements not Restricted to Specific Programs increased \$156,732, due mainly to an adjustment to State foundation revenues for fiscal year 2009 that was not received until fiscal year 2010. Interest decreased \$156,213, primarily due to a decline in interest rates and a reduction of cash available for investments.

Program Expenses remained relatively unchanged from 2010, due to the School District diligently working to maintain level spending amounts, and due to the retirement of many long-term teachers, which were replaced with teachers in lower pay ranges, and others who were not replaced.

***Southern Hills Joint Vocational School District***  
***Management's Discussion and Analysis***  
***For the Fiscal Year Ended June 30, 2010***  
***Unaudited***

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**Governmental Activities**

Grants and Entitlements made up 54 percent of general revenues for governmental activities of the Southern Hills Joint Vocational School District for fiscal year 2010. 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 47<sup>th</sup> 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 34 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.

(Table 3)  
Governmental Activities

	Total Cost of Services 2010	Total Cost of Services 2009	Net Cost of Services 2010	Net Cost of Services 2009
Instruction	\$4,151,184	\$4,271,727	\$2,841,799	\$2,941,831
Support Services	2,352,060	2,276,721	2,089,668	2,015,470
Operation of Non-Instructional Services:				
Food Service Operations	296,061	277,097	100,957	82,256
Extracurricular Activities	10,728	5,149	10,728	5,149
Interest and Fiscal Charges	47,875	28,234	47,875	28,234
<b>Total</b>	<b>\$6,857,908</b>	<b>\$6,858,928</b>	<b>\$5,091,027</b>	<b>\$5,072,940</b>

**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 \$6,838,248 and expenditures of \$7,342,985. The net change in fund balance for the fiscal year was most significant in the General Fund, a decrease of \$258,926, primarily due to transfers out for debt service payments. The Permanent Improvement Capital Projects Fund had a decrease of \$194,507, primarily due to a decrease in interest revenue, in addition to a reduction in funds available for investment.

*Southern Hills Joint Vocational School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited*

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**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 2010, 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.

For the General Fund, the original budget basis revenues were \$5,347,548, with a final budget estimate of \$5,323,100. There was only a \$24,448 variance between these two amounts. There was a \$3,244 variance between the final budget and actual budget basis revenues.

Original budget basis expenditures and carryover encumbrances for the General Fund were \$5,916,107 and final budget basis expenditures and carryover encumbrances were \$6,100,454, a difference of \$184,347. The increase in estimated expenditures was primarily related to an increase in Vocational Instruction for the purchase of welding equipment that was made mid-year. Final actual expenditures fell below the final budgeted expenditures by \$744,518. This was mainly due to the School District's efforts to control costs during the fiscal year.

The School District's ending unobligated cash balance in the General Fund was \$772,033 above the final budgeted amount.

**Debt**

At June 30, 2010, the School District had \$333,335 in loans outstanding, with \$33,333 due within one year. In addition, the School District had \$3,129,459 in capital leases payable at fiscal year-end. Table 4 summarizes debt outstanding at fiscal year-end for 2010 and 2009:

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

	2010	2009
2005 Facility Improvement and Equipment Replacement Loan	\$333,335	\$366,668
Capital Lease	3,129,459	3,301,583
Total	\$3,462,794	\$3,668,251

***Southern Hills Joint Vocational School District***  
***Management's Discussion and Analysis***  
***For the Fiscal Year Ended June 30, 2010***  
***Unaudited***

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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 JP Morgan Chase Bank, N.A. for building renovations. The School District makes annual interest payments to the lessor in the amount of \$25,995 and annual sinking fund payments to an irrevocable trust with an escrow agent in the amount of \$157,049. On July 31, 2022, J.P.Morgan Chase Bank, N.A. will be repaid, when the entire principal amount of \$3,465,997 is due.

The School District's overall legal debt margin was \$71,276,317, with an unvoted debt margin of \$791,959.

For more information on Debt, refer to the notes to the basic financial statements (Notes 13 and 14).

**Capital Assets**

At the end of fiscal year 2010, the School District had \$13,459,888 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 5 shows fiscal year 2010 balances compared to fiscal year 2009:

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

	Governmental Activities	
	2010	2009
Land	\$339,053	\$339,053
Land Improvements	68,769	54,549
Buildings and Improvements	10,949,384	11,057,162
Furniture and Equipment	1,951,180	1,562,633
Vehicles	151,502	91,441
Totals	\$13,459,888	\$13,104,838

Capital Assets increased \$355,050 from the prior fiscal year. This was due to the purchase of capital assets during fiscal year 2010, 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, 2010  
Unaudited*

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## **Current Issues**

The Southern Hills Joint Vocational School District continues to be 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 sixth 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 15 of all 49 Joint Vocational School Districts in the State of Ohio for the last six years. The School District currently has 12 career-tech programs housed at the Career Technical Center and seven satellite programs at the local schools, with a total of approximately 690 students served by the School District. 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 offered a new Sports Medicine program at the Career Technical Center in fiscal year 2009 due to an anticipated increase in high school junior and senior enrollments at our local districts. In fiscal year 2010, Southern Hills began a half day program in the area of Civil Engineering based on the growth anticipated in that field. Southern Hills may be adding a biomedical half-day program in fiscal year 2012.

The Southern Hills Joint Vocational School District depends dramatically on the State of Ohio School funding system with over 60 percent of the School District's operating budget supplied by the State. With the new funding system that was enacted to solve the lawsuit over funding, joint vocational school districts have only received a .75 percent increase for fiscal year 2010, and another increase of .75 percent for fiscal year 2011. The State has to appoint a 28 member board that will determine how joint vocational school districts will be funded in the future, but there is no representation by anyone from a joint vocational school district that is either a superintendent or treasurer. Currently, no recommendation for future funding has been determined.

The School District recently completed a major renovation project that completely updated the original building that was constructed in 1975. The building project included improvements to the electrical, plumbing, security, and safety systems, the roof, and updates with state of the art technology.

In addition to the remodel, a 10,500 square-foot addition was included in the total project funded with local money. The School District is still trying to close out the project. Significant issues that remained such as structural, HVAC, roofing, paint, asphalt and grading/seeding were completed by August 2010, three years after the building was occupied after the renovation. Further, the School District installed three gas boilers to save on energy costs in the future.

Southern Hills has also replaced fans, exhaust systems, chillers, coolers, freezers and kitchen equipment. The School District doubled the amount of storage space by renovating a barn on the property and building another storage building.

*Southern Hills Joint Vocational School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2010  
Unaudited*

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Southern Hills has positioned itself for future growth and needs to meet the ever changing business and education landscape locally, regionally, and globally.

**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](mailto:mike_shc@scoca-k12.org).

## BASIC FINANCIAL STATEMENTS

***Southern Hills Joint Vocational School District***

*Statement of Net Assets*

*June 30, 2010*

	<u>Governmental Activities</u>
<b><i>Assets</i></b>	
Equity in Pooled Cash and Cash Equivalents	\$8,194,684
Accrued Interest Receivable	90,070
Prepaid Items	2,068
Materials and Supplies Inventory	954
Inventory Held for Resale	7,415
Intergovernmental Receivable	66,924
Property Taxes Receivable	2,525,044
Capital Assets:	
Land	339,053
Depreciable Capital Assets, Net	<u>13,120,835</u>
<b><i>Total Assets</i></b>	<u><u>24,347,047</u></u>
<b><i>Liabilities</i></b>	
Accounts Payable	5,344
Accrued Wages and Benefits Payable	475,357
Contracts Payable	2,049
Accrued Interest Payable	24,118
Intergovernmental Payable	95,109
Deferred Revenue	2,007,910
Long-Term Liabilities:	
Due Within One Year	228,711
Due in More Than One Year	<u>3,694,552</u>
<b><i>Total Liabilities</i></b>	<u><u>6,533,150</u></u>
<b><i>Net Assets</i></b>	
Invested in Capital Assets, Net of Related Debt	11,273,914
Restricted for Capital Outlay	1,978,126
Restricted for Food Service	333,642
Restricted for Adult Education	574,574
Restricted for Classroom Facilities	889,839
Restricted for Other Purposes	256,845
Restricted for Set-Asides	20,297
Unrestricted	<u>2,486,660</u>
<b><i>Total Net Assets</i></b>	<u><u>\$17,813,897</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, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contribution	Governmental Activities	
<b>Governmental Activities</b>					
Instruction:					
Regular	\$181,620	\$300	\$0	\$0	(\$181,320)
Special	21,411	0	165,032	0	143,621
Vocational	3,804,402	72,632	969,422	0	(2,762,348)
Adult/Continuing	143,751	72,220	29,779	0	(41,752)
Support Services:					
Pupils	465,322	0	149,687	0	(315,635)
Instructional Staff	204,486	0	8,157	0	(196,329)
Board of Education	39,158	0	0	0	(39,158)
Administration	638,304	50,196	30,369	0	(557,739)
Fiscal	380,855	0	0	0	(380,855)
Business	5,428	10,575	32	0	5,179
Operation and Maintenance of Plant	536,054	876	0	7,500	(527,678)
Pupil Transportation	41,339	0	0	0	(41,339)
Central	41,114	0	5,000	0	(36,114)
Operation of Non-Instructional Services:					
Food Service Operations	296,061	91,852	103,252	0	(100,957)
Extracurricular Activities	10,728	0	0	0	(10,728)
Interest and Fiscal Charges	47,875	0	0	0	(47,875)
<b>Total Governmental Activities</b>	<b>\$6,857,908</b>	<b>\$298,651</b>	<b>\$1,460,730</b>	<b>\$7,500</b>	<b>(5,091,027)</b>
<b>General Revenues</b>					
Property Taxes Levied for:					
General Purposes					1,576,060
Capital Outlay					578,934
Grants and Entitlements not Restricted to					
Specific Programs					2,758,836
Interest					161,092
Gain on Sale of Capital Assets					432
Miscellaneous					6,031
<b>Total General Revenues</b>					<b>5,081,385</b>
Change in Net Assets					(9,642)
<i>Net Assets at Beginning of Year (Restated - See Note 3)</i>					17,823,539
<i>Net Assets at End of Year</i>					\$17,813,897

See accompanying notes to the basic financial statements

**Southern Hills Joint Vocational School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$2,834,714	\$2,637,046	\$2,702,627	\$8,174,387
Materials and Supplies Inventory	0	0	954	954
Inventory Held for Resale	0	0	7,415	7,415
Accrued Interest Receivable	0	86,647	3,423	90,070
Interfund Receivable	42,832	0	0	42,832
Intergovernmental Receivable	0	0	66,924	66,924
Prepaid Items	1,828	0	240	2,068
Property Taxes Receivable	1,851,320	673,724	0	2,525,044
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	20,297	0	0	20,297
Advances to Other Funds	260,000	0	0	260,000
<b>Total Assets</b>	<b><u>\$5,010,991</u></b>	<b><u>\$3,397,417</u></b>	<b><u>\$2,781,583</u></b>	<b><u>\$11,189,991</u></b>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$5,344	\$0	\$0	\$5,344
Accrued Wages and Benefits Payable	449,218	0	26,139	475,357
Contracts Payable	0	2,049	0	2,049
Interfund Payable	0	0	42,832	42,832
Intergovernmental Payable	85,052	0	10,057	95,109
Deferred Revenue	1,574,148	626,514	12,343	2,213,005
Advances from Other Funds	0	0	260,000	260,000
<b>Total Liabilities</b>	<b><u>2,113,762</u></b>	<b><u>628,563</u></b>	<b><u>351,371</u></b>	<b><u>3,093,696</u></b>
<b>Fund Balances</b>				
Reserved for Encumbrances	11,104	41,075	69,519	121,698
Reserved for Advances	260,000	0	0	260,000
Reserved for Property Taxes	277,172	110,903	0	388,075
Reserved for Budget Stabilization	20,297	0	0	20,297
Unreserved:				
Undesignated, Reported in:				
General Fund	2,328,656	0	0	2,328,656
Special Revenue Funds	0	0	2,034,643	2,034,643
Capital Projects Funds	0	2,616,876	326,050	2,942,926
<b>Total Fund Balances</b>	<b><u>2,897,229</u></b>	<b><u>2,768,854</u></b>	<b><u>2,430,212</u></b>	<b><u>8,096,295</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$5,010,991</u></b>	<b><u>\$3,397,417</u></b>	<b><u>\$2,781,583</u></b>	<b><u>\$11,189,991</u></b>

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, 2010*

**Total Governmental Fund Balances** \$8,096,295

*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	339,053	
Other Capital Assets	19,414,335	
Accumulated Depreciation	<u>(6,293,500)</u>	
Total capital assets		13,459,888

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	129,059	
Intergovernmental	9,827	
Interest	<u>66,209</u>	
		205,095

In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, an interest expenditure is reported when due. (24,118)

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	(333,335)	
Capital Lease	(3,129,459)	
Compensated Absences	<u>(460,469)</u>	
		<u>(3,923,263)</u>

**Net Assets of Governmental Activities** \$17,813,897

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, 2010**

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes	\$1,581,377	\$577,406	\$0	\$2,158,783
Intergovernmental	3,712,358	121,191	377,280	4,210,829
Interest	0	149,344	6,945	156,289
Tuition and Fees	0	0	132,991	132,991
Rent	876	0	0	876
Gifts and Donations	0	7,500	165	7,665
Customer Sales and Services	300	0	164,484	164,784
Miscellaneous	1,158	0	4,873	6,031
<b>Total Revenues</b>	<b>5,296,069</b>	<b>855,441</b>	<b>686,738</b>	<b>6,838,248</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	183,210	0	0	183,210
Special	0	0	19,533	19,533
Vocational	3,236,418	311,356	123,749	3,671,523
Adult/Continuing	0	0	142,655	142,655
Support Services:				
Pupils	308,303	0	145,070	453,373
Instructional Staff	190,676	0	11,573	202,249
Board of Education	39,025	0	0	39,025
Administration	496,896	0	146,478	643,374
Fiscal	370,578	40,456	0	411,034
Business	105	0	5,323	5,428
Operation and Maintenance of Plant	459,862	31,674	45,211	536,747
Pupil Transportation	36,857	0	250	37,107
Central	41,027	0	9	41,036
Operation of Non-Instructional Services:				
Food Service Operations	245	29,821	281,203	311,269
Extracurricular Activities	10,728	0	0	10,728
Capital Outlay	665	247,689	154,888	403,242
Debt Service:				
Principal	0	205,457	0	205,457
Interest and Fiscal Charges	0	25,995	0	25,995
<b>Total Expenditures</b>	<b>5,374,595</b>	<b>892,448</b>	<b>1,075,942</b>	<b>7,342,985</b>
Excess of Revenues Under Expenditures	(78,526)	(37,007)	(389,204)	(504,737)
<b>Other Financing Sources (Uses)</b>				
Transfers In	0	0	341,315	341,315
Proceeds from Sale of Capital Assets	3,415	0	0	3,415
Transfers Out	(183,815)	(157,500)	0	(341,315)
<b>Total Other Financing Sources (Uses)</b>	<b>(180,400)</b>	<b>(157,500)</b>	<b>341,315</b>	<b>3,415</b>
Net Change in Fund Balances	(258,926)	(194,507)	(47,889)	(501,322)
<b>Fund Balances at Beginning of Year (Restated - See Note 3)</b>	<b>3,156,155</b>	<b>2,963,361</b>	<b>2,478,101</b>	<b>8,597,617</b>
<b>Fund Balances at End of Year</b>	<b>\$2,897,229</b>	<b>\$2,768,854</b>	<b>\$2,430,212</b>	<b>\$8,096,295</b>

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, 2010*

**Net Change in Fund Balances - Total Governmental Funds** (\$501,322)

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

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

Capital assets additions	1,124,240	
Depreciation expense	(766,207)	
Excess of capital outlay over depreciation expense		358,033

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 gain on the sale of capital assets in the Statement of Activities.

Proceeds from Sale of Capital Assets	(3,415)	
Gain on Sale and Disposal of Capital Assets	432	
		(2,983)

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	(3,789)	
Intergovernmental	1,711	
Interest	11,664	
		9,586

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	172,124	
		205,457

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. The difference in the amount of interest in the Statement of Activities is the result of the following:

Increase in accrued interest		(21,880)
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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		(56,533)
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**Change in Net Assets of Governmental Activities** (\$9,642)

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, 2010*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property Taxes	\$1,934,750	\$1,612,500	\$1,611,747	(\$753)
Intergovernmental	3,409,721	3,707,250	3,712,358	5,108
Tuition and Fees	367	400	0	(400)
Rent	919	1,000	876	(124)
Gifts and Donations	229	250	0	(250)
Customer Sales and Services	229	250	300	50
Miscellaneous	1,333	1,450	1,063	(387)
<b>Total Revenues</b>	<b>5,347,548</b>	<b>5,323,100</b>	<b>5,326,344</b>	<b>3,244</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular	208,780	224,094	182,425	41,669
Special	1,000	1,000	0	1,000
Vocational	3,533,036	3,628,763	3,232,215	396,548
Support Services:				
Pupils	336,312	361,718	302,609	59,109
Instructional Staff	207,176	209,560	191,147	18,413
Board of Education	53,775	53,790	36,306	17,484
Administration	499,554	508,603	495,558	13,045
Fiscal	404,131	420,041	369,419	50,622
Business	250	250	162	88
Operation and Maintenance of Plant	578,114	586,256	458,786	127,470
Pupil Transportation	34,599	41,849	35,190	6,659
Central	46,500	51,400	41,027	10,373
Operation of Non-Instructional Services	0	250	245	5
Extracurricular Activities	10,880	10,880	10,182	698
Capital Outlay	2,000	2,000	665	1,335
<b>Total Expenditures</b>	<b>5,916,107</b>	<b>6,100,454</b>	<b>5,355,936</b>	<b>744,518</b>
Excess of Revenues Over (Under) Expenditures	(568,559)	(777,354)	(29,592)	747,762
<b>Other Financing Sources (Uses)</b>				
Proceeds from Sale of Capital Assets	1,500	1,500	3,415	1,915
Refund of Prior Year Expenditures	1,000	1,000	95	(905)
Refund of Prior Year Receipts	(500)	(500)	(159)	341
Advances In	160,000	80,000	80,261	261
Advances Out	(100,000)	(100,000)	(87,341)	12,659
Transfers Out	(180,000)	(188,815)	(178,815)	10,000
<b>Total Other Financing Sources (Uses)</b>	<b>(118,000)</b>	<b>(206,815)</b>	<b>(182,544)</b>	<b>24,271</b>
Net Change in Fund Balance	(686,559)	(984,169)	(212,136)	772,033
Fund Balance at Beginning of Year	3,039,942	3,039,942	3,039,942	0
Prior Year Encumbrances Appropriated	19,880	19,880	19,880	0
Fund Balance at End of Year	<b>\$2,373,263</b>	<b>\$2,075,653</b>	<b>\$2,847,686</b>	<b>\$772,033</b>

See accompanying notes to the basic financial statements

*Southern Hills Joint Vocational School District*  
*Statement of Fiduciary Net Assets*  
*Fiduciary Funds*  
*June 30, 2010*

	Private Purpose Trust	
	Scholarship	Agency
<b><i>Assets</i></b>		
Equity in Pooled Cash and Cash Equivalents	\$65,667	\$25,035
<b><i>Liabilities</i></b>		
Undistributed Monies	0	\$25,035
<b><i>Net Assets</i></b>		
Held in Trust for Scholarships	\$65,667	

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, 2010***

	<u>Private Purpose Trust</u>	
	<u>Scholarship</u>	
<b><i>Additions</i></b>		
Contributions	\$2,495	
<b><i>Deductions</i></b>		
Payments in Accordance with Trust Agreements	<u>900</u>	
Change in Net Assets	1,595	
<i>Net Assets at Beginning of Year</i>	<u>64,072</u>	
<i>Net Assets at End of Year</i>	<u><u>\$65,667</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, 2010

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**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 Center. 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 42 certificated teaching personnel and administrative employees providing education to 690 secondary students and 1,159 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, 2010

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**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, the Coalition of Rural and Appalachian Schools, the Ohio Association of School Business Officials Workers' Compensation Group Rating Plan 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, 2010

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**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 government-wide 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 rather than reporting by type. 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. 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, 2010

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

Governmental Funds

Governmental funds are those through which most governmental functions of the School District typically 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.

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

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, 2010

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**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 that 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 60 days of fiscal year-end.

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2010

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**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, 2010, but which were levied to finance fiscal year 2011 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, 2010

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**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.

During fiscal year 2010, 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, Federal Home Loan Bank Notes and Federal Home Loan Mortgage Corporation 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, 2010.

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 2010 amounted to \$149,344, which includes \$98,152 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.

**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.

***SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

**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).

**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, 2010, 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.

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 \$500. 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:



**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

<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 15 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.

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 governmental 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.

***SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

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 2010. 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.

**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.

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

**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, all of 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 budgetary 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.

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 – CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND BALANCE/NET ASSETS**

**A. Changes in Accounting Principles**

For fiscal year 2010, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 51, "Accounting and Financial Reporting for Intangible Assets", Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments", Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans", and Statement No. 58, "Accounting and Financial Reporting for Chapter 9 Bankruptcies".

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets to reduce inconsistencies thereby enhancing the comparability of accounting and financial reporting of such assets among state and local governments. The implementation of this statement did not result in any change to the School District's financial statements.

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF FUND BALANCE/NET ASSETS** (continued)

GASB Statement No. 53 addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. It requires governments to measure derivative instruments, with the exception of synthetic guaranteed investment contracts that are fully benefit-responsive, at fair value in their economic resources measurement focus financial statements. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 57 addresses issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans (that is, agent employers). The requirements in this statement will allow more agent employers to use the alternative measurement method to produce actuarially based information for purposes of financial reporting and clarify that OPEB measures reported by agent multiple-employer OPEB plans and their participating employers should be determined at the same minimum frequency and as of a common date to improve the consistency of reporting with regard to funded status and funding progress information. The implementation of this statement did not result in any change in the School District's financial statements.

GASB Statement No. 58 provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The requirements in this statement will provide more consistent recognition, measurement, display, and disclosure guidance for governments that file for Chapter 9 bankruptcy. The implementation of this statement did not result in any change in the School District's financial statements.

**B. Restatement of Fund Balance/Net Assets**

During fiscal year 2010, it was discovered that Contracts Payable were overstated at June 30, 2009. In addition, the OSFC Vocational Renovation Project was a major fund in 2009, but is not a major fund in 2010. Finally, certain reclassifications were made between classes of capital assets. These reclassifications had no effect on net assets. The restatement for contracts payable had the following effect on fund balance/net assets at June 30, 2009, as previously reported.

	Nonmajor Governmental Funds	Governmental Activities
Fund Balance/Net Assets, June 30, 2009, as previously reported	\$2,003,587	\$17,595,691
Contracts Payable	227,848	227,848
Net Assets, June 30, 2009, as restated	<u>\$2,231,435</u>	<u>\$17,823,539</u>

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**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).
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	(\$258,926)
Adjustments:	
Revenue Accruals	30,370
Expenditure Accruals	25,825
Transfers	5,000
Advances	(7,080)
Encumbrances	<u>(7,325)</u>
Budget Basis	<u><u>(\$212,136)</u></u>

***SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT***

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**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.

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) above;
7. The State Treasurer's investment pool (STAROhio); and

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 5 – DEPOSITS AND INVESTMENTS** (continued)

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, 2010, the School District had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			Moody's Rating	Percent of Total Investments
		Less Than 1	1-3	4-5		
STAROhio	\$180,424	\$180,424	\$0	\$0	N/A	N/A
Negotiable Certificates of Deposit Fifth Third Institutional Money	1,508,710	1,102,978	405,732	0	N/A	53.80%
Market Mutual Fund	84,457	84,457	0	0	Aaa	N/A
Repurchase Agreement	680,099	680,099	0	0	Aaa	24.25%
Federal Home Loan Bank Step Up Notes	100,094	0	0	100,094	Aaa	N/A
Federal Home Loan Mortgage Corporation Medium Term Notes	250,581	0	0	250,581	Aaa	8.94%
<b>Total Investments</b>	<b>\$2,804,365</b>	<b>\$2,047,958</b>	<b>\$405,732</b>	<b>\$350,675</b>		

**Interest Rate Risk**

The School District has no investment policy beyond State statute 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.

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 5 – DEPOSITS AND INVESTMENTS** (continued)

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 and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. The negotiable certificates of deposit are in denominations of under \$250,000 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 repurchase agreement is invested in the Goldman Sachs Financial Square Government Money Market Mutual Fund, which is rated Aaa by Moody's. The School District has no investment policy that addresses credit risk.

Concentration of Credit Risk

The School District places no limit on the amount it may invest in any one issuer.

**NOTE 6 – PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis while the School District's 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 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at 35 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 2010 represents collections of calendar year 2009 taxes. Public utility real and tangible personal property taxes received in calendar year 2010 became a lien December 31, 2008, were levied after April 1, 2009 and are collected in calendar year 2010 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.



**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 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.

The School District receives property taxes from Brown County. The Brown 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, 2010, are available to finance fiscal year 2010 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, 2010 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 was 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, 2010, were \$277,172 in the General Fund and \$110,903 in the Permanent Improvement Capital Projects Fund. The amounts available as an advance at June 30, 2009, were \$307,542 in the General Fund and \$128,595 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 2010 taxes were collected are:

	2009 Second- Half Collections		2010 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$718,455,270	95.47%	\$754,640,620	95.16%
Public Utility Personal	32,343,540	4.30%	37,543,190	4.73%
General Business Personal	1,715,740	0.23%	857,870	0.11%
Total Assessed Value	<u>\$752,514,550</u>	<u>100.00%</u>	<u>\$793,041,680</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$6.40		\$6.40	

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 7 – RECEIVABLES**

Receivables at June 30, 2010, 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. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A list of the School District’s intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Adult Education	\$9,827
Miscellaneous State Grants	360
Vocational Education Equipment	56,585
Safe and Drug Free Schools	152
Total Intergovernmental Receivables	<u><u>\$66,924</u></u>

**NOTE 8 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2010, was as follows:

	<u>Ending Balance 6/30/2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6/30/2010</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated				
Land	<u>\$339,053</u>	<u>\$0</u>	<u>\$0</u>	<u>\$339,053</u>
Capital Assets Being Depreciated				
Land Improvements	446,280	43,023	0	489,303
Buildings and Improvements	13,736,677	316,449	0	14,053,126
Furniture and Equipment	3,827,857	670,418	(18,059)	4,480,216
Vehicles	297,340	94,350	0	391,690
Total Capital Assets Being Depreciated	<u>18,308,154</u>	<u>1,124,240</u>	<u>(18,059)</u>	<u>19,414,335</u>
Less Accumulated Depreciation:				
Land Improvements	(391,731)	(28,803)	0	(420,534)
Buildings and Improvements	(2,679,515)	(424,227)	0	(3,103,742)
Furniture and Equipment	(2,265,224)	(278,888)	15,076	(2,529,036)
Vehicles	(205,899)	(34,289)	0	(240,188)
Total Accumulated Depreciation	<u>(5,542,369)</u>	<u>(766,207) *</u>	<u>15,076</u>	<u>(6,293,500)</u>
Total Capital Assets Being Depreciated, Net	<u>12,765,785</u>	<u>358,033</u>	<u>(2,983)</u>	<u>13,120,835</u>
Governmental Activities Capital Assets, Net	<u><u>\$13,104,838</u></u>	<u><u>\$358,033</u></u>	<u><u>(\$2,983)</u></u>	<u><u>\$13,459,888</u></u>

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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

\* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$7,004
Special	4,073
Vocational	660,507
Adult/Continuing	1,096
Support Services:	
Pupils	11,461
Instructional Staff	2,675
Board of Education	133
Administration	9,493
Fiscal	7,803
Operation and Maintenance of Plant	32,021
Pupil Transportation	4,232
Central	78
Operation of Non-Instructional Services:	
Food Service Operations	25,631
Total Depreciation Expense	<u><u>\$766,207</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 2010, the School District contracted with Governmental Underwriters of America, Inc. (GUA) for general liability insurance with a \$6,000,000 single occurrence limit and an \$8,000,000 aggregate. Property is protected by GUA and holds a \$1,000 deductible with a \$18,675,000 limit. The School District's vehicles are covered by GUA under a business policy and hold a \$500 deductible for comprehensive and a \$500 deductible for collision with a \$1,000,000 limit on any accident. School Board errors and omissions coverage is provided by GUA and has a \$6,000,000 general liability and an \$8,000,000 aggregate limit. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant change 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, 2010

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**NOTE 9 – RISK MANAGEMENT** (continued)

**B. Workers' Compensation Group Rating Plan**

For fiscal year 2010, 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 United Healthcare provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member districts' 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, 2010

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**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 2010, 12.78 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, 2010, 2009, and 2008 were \$86,991, \$67,113, and \$63,533, respectively; 92.95 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**B. State Teachers Retirement System of Ohio**

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](http://www.strsoh.org).

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. 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 of 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, 2010

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**NOTE 10 – DEFINED BENEFIT PENSION PLANS** (continued)

Funding Policy – For the fiscal year ended June 30, 2010, 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 2009, 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, 2010, 2009, and 2008 were \$335,776, \$321,611, and \$300,085, respectively; 85.12 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008. Contributions to the DC and Combined Plans for fiscal year 2010 were \$721 made by the School District and \$515 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, 2010, 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, 2010

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**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 2010, 0.46 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 2010, 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, 2010, 2009, and 2008 were \$18,586, \$45,648, and \$43,123, respectively; 92.95 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2010, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2010, 2009, and 2008 were \$5,173, \$5,537, and \$4,578, respectively; 92.95 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**B. State Teachers Retirement System of Ohio**

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](http://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 2010, 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, 2010, 2009, and 2008 were \$25,829, \$24,739, and \$23,083, respectively; 85.12 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**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 10 to 25 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 250 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 62.50 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, respectively, 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 were receipted in to the Permanent Improvement Capital Projects Fund for use in the construction project. The School District makes annual interest payments of 0.75 percent to the lessor and annual sinking fund transfers to an irrevocable trust with an escrow agent. The first sinking fund payment was made on July 31, 2008. The escrow agent will be 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 entire principal amount of \$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, 2010.



**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

**NOTE 13 – CAPITALIZED LEASE – LESSEE DISCLOSURE** (continued)

<u>Fiscal Year Ending June 30,</u>	<u>Total Payments</u>
2011	\$206,190
2012	214,640
2013	223,487
2014	232,748
2015	242,444
2016-2020	1,374,331
2021-2023	973,554
Total	<u>3,467,394</u>
Less: Amount Representing Interest	<u>(337,935)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$3,129,459</u></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>Principal Retirement Through Investment Earnings</u>	<u>Sinking Fund Payments</u>	<u>Total Lease Payments</u>
2011	\$25,995	\$23,146	\$157,049	\$206,190
2012	25,995	31,596	157,049	214,640
2013	25,995	40,443	157,049	223,487
2014	25,995	49,704	157,049	232,748
2015	25,995	59,400	157,049	242,444
2016-2020	129,975	459,111	785,245	1,374,331
2021-2023	77,985	424,422	471,147	973,554
Total Lease Payments	<u><u>\$337,935</u></u>	<u><u>\$1,087,822</u></u>	<u><u>\$2,041,637</u></u>	<u><u>\$3,467,394</u></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, 2010, \$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, 2010

**NOTE 14 – LONG-TERM OBLIGATIONS**

The changes in the School District’s long-term obligations during fiscal year 2010 were as follows:

	Amount Outstanding 6/30/09	Additions	Deductions	Amount Outstanding 6/30/10	Amounts Due in One Year
<u>Governmental Activities:</u>					
2005 Facility Improvement and Equipment Replacement					
Loan - 0%	\$366,668	\$0	\$33,333	\$333,335	\$33,333
Compensated Absences	403,936	125,608	69,075	460,469	38,329
Capital Lease	3,301,583	0	172,124	3,129,459	157,049
Total Governmental Activities Long-Term Obligations	<u>\$4,072,187</u>	<u>\$125,608</u>	<u>\$274,532</u>	<u>\$3,923,263</u>	<u>\$228,711</u>

On February 16, 2005, the School District entered into a loan with the Ohio Department of Education 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, 2010, \$495,174 of the proceeds of this loan had been spent toward the project.

Principal requirements to retire the loan outstanding at June 30, 2010 are as follows:

Fiscal Year Ending June 30,	Loan Principal
2011	\$33,333
2012	33,333
2013	33,333
2014	33,333
2015	33,333
2016-2020	166,670
Total	<u>\$333,335</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 \$71,276,317, with an unvoted debt margin of \$791,959 at June 30, 2010.

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2010

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**NOTE 15 – INTERFUND ACTIVITY**

**A. Interfund Receivables/Payables**

As of June 30, 2010, interfund receivables and payables that resulted from various interfund transactions were as follows:

		<b>Receivable</b>
		<u>General Fund</u>
<b>Payable</b>	Nonmajor Governmental Funds	<u>\$42,832</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, 2010 were as follows:

		<b>Transfers From</b>		
			Permanent Improvement	
		<u>General Fund</u>	<u>Fund</u>	<u>Total</u>
<b>Transfers To</b>	Nonmajor Governmental Funds	<u>\$183,815</u>	<u>\$157,500</u>	<u>\$341,315</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 \$157,500 were made to the Nonmajor Governmental Funds 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, 2010

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**NOTE 15 – INTERFUND ACTIVITY** (continued)

**C. Advances To/From Other Funds**

As of June 30, 2010, receivables and payables that resulted from various long-term advances were as follows:

	<u>Advances From General Fund</u>
Advances To	
Nonmajor Governmental Funds	<u>\$260,000</u>

The advance from the General Fund to the Nonmajor Governmental Funds was made to cover expenditures for which the School District is awaiting reimbursement from the Ohio School Facilities Commission and to move monies needed to pay for supplies. The General Fund will be reimbursed when the monies are received or 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 \$25,103 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, 2010

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**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 100 school districts in southeastern Ohio. The Coalition is operated by a board which is composed of 14 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 fiscal 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 Districts), 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, 2010

**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 United Healthcare 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 Acquisitions	Budget Stabilization
Set-aside Reserve Balance as of June 30, 2009	(\$1,273,330)	\$0	\$20,297
Current Fiscal Year Set-aside Requirement	63,632	63,632	0
Qualifying Disbursements	(338,720)	(297,325)	0
Totals	<u>(\$1,548,418)</u>	<u>(\$233,693)</u>	<u>\$20,297</u>
Set-aside Reserve Balance as of June 30, 2010	<u>\$0</u>	<u>\$0</u>	<u>\$20,297</u>
Required Set-aside Balances Carried Forward to FY 2011	<u>(\$1,548,418)</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, 2010

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

Although the School District had 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 acquisitions 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, 2010.

**B. Litigation**

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

*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 from the General Fund for use in maintaining classroom facilities, based on statutory requirements.

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

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

*(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 Projects 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 are descriptions of the School District's nonmajor Capital Projects Funds:

*(continued)*

*Southern Hills Joint Vocational School District  
Fund Descriptions*

*Nonmajor Capital Projects Fund (continued)*

**OHIO SCHOOL FACILITIES COMMISSION (OSFC) LOCALLY FUNDED INITIATIVE** –

This fund is used to account for local monies that were transferred from the Permanent Improvement and Nonmajor Governmental Funds for expenditures on the building renovation that are not funded by the Ohio School Facilities Commission.

**OHIO SCHOOL FACILITIES COMMISSION (OSFC) VOCATIONAL RENOVATION**

**PROJECT** – This fund is used to account for all governmental monies, debt proceeds and interest received and expended in connection with contracts entered into by the School District and the Ohio School Facilities Commission for the building and equipping of new classroom facilities.

**Southern Hills Joint Vocational School District**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2009**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$2,115,903	\$586,724	\$2,702,627
Materials and Supplies Inventory	954	0	954
Inventory Held for Resale	7,415	0	7,415
Accrued Interest Receivable	3,423	0	3,423
Intergovernmental Receivable	66,924	0	66,924
Prepaid Items	240	0	240
<b>Total Assets</b>	<b>\$2,194,859</b>	<b>\$586,724</b>	<b>\$2,781,583</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accrued Wages and Benefits Payable	\$26,139	\$0	\$26,139
Interfund Payable	42,832	0	42,832
Intergovernmental Payable	10,057	0	10,057
Deferred Revenue	12,343	0	12,343
Advances from Other Funds	60,000	200,000	260,000
<b>Total Liabilities</b>	<b>151,371</b>	<b>200,000</b>	<b>351,371</b>
<b>Fund Balances</b>			
Reserved for Encumbrances	8,845	60,674	69,519
Unreserved:			
Undesignated, Reported in:			
Special Revenue Funds	2,034,643	0	2,034,643
Capital Projects Fund	0	326,050	326,050
<b>Total Fund Balances</b>	<b>2,043,488</b>	<b>386,724</b>	<b>2,430,212</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$2,194,859</b>	<b>\$586,724</b>	<b>\$2,781,583</b>

**Southern Hills Joint Vocational School District**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2010**

	<u>Lunchroom</u>	<u>Uniform School Supplies</u>	<u>Rotary</u>	<u>Adult Education</u>	<u>Renewed Opportunity</u>
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$344,183	\$107,856	\$84,460	\$579,051	\$54,622
Materials and Supplies Inventory	954	0	0	0	0
Inventory Held for Resale	7,415	0	0	0	0
Accrued Interest Receivable	3,423	0	0	0	0
Intergovernmental Receivable	0	0	0	9,827	0
Prepaid Items	0	0	0	240	0
<b>Total Assets</b>	<u>\$355,975</u>	<u>\$107,856</u>	<u>\$84,460</u>	<u>\$589,118</u>	<u>\$54,622</u>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accrued Wages and Benefits Payable	\$16,343	\$0	\$0	\$9,796	\$0
Interfund Payable	0	0	35,557	0	0
Intergovernmental Payable	5,990	0	0	3,817	0
Deferred Revenue	2,516	0	0	9,827	0
Advances from Other Funds	0	0	0	0	0
<b>Total Liabilities</b>	<u>24,849</u>	<u>0</u>	<u>35,557</u>	<u>23,440</u>	<u>0</u>
<b>Fund Balances</b>					
Reserved for Encumbrances	0	0	0	577	195
Unreserved, Undesignated	331,126	107,856	48,903	565,101	54,427
<b>Total Fund Balances</b>	<u>331,126</u>	<u>107,856</u>	<u>48,903</u>	<u>565,678</u>	<u>54,622</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$355,975</u>	<u>\$107,856</u>	<u>\$84,460</u>	<u>\$589,118</u>	<u>\$54,622</u>

Classroom Facilities Maintenance	Educational Management Information Systems	Technical Preparation Grant	Miscellaneous State Grants	VEPD Grant	Safe and Drug Free Schools	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$888,939	\$20,934	\$22,316	\$3,240	\$6,779	\$748	\$2,775	\$2,115,903
0	0	0	0	0	0	0	954
0	0	0	0	0	0	0	7,415
0	0	0	0	0	0	0	3,423
0	0	0	360	56,585	152	0	66,924
0	0	0	0	0	0	0	240
<u>\$888,939</u>	<u>\$20,934</u>	<u>\$22,316</u>	<u>\$3,600</u>	<u>\$63,364</u>	<u>\$900</u>	<u>\$2,775</u>	<u>\$2,194,859</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,139
0	0	0	3,600	0	900	2,775	42,832
0	0	0	0	250	0	0	10,057
0	0	0	0	0	0	0	12,343
0	0	0	0	60,000	0	0	60,000
0	0	0	3,600	60,250	900	2,775	151,371
7,198	0	0	0	875	0	0	8,845
881,741	20,934	22,316	0	2,239	0	0	2,034,643
<u>888,939</u>	<u>20,934</u>	<u>22,316</u>	<u>0</u>	<u>3,114</u>	<u>0</u>	<u>0</u>	<u>2,043,488</u>
<u>\$888,939</u>	<u>\$20,934</u>	<u>\$22,316</u>	<u>\$3,600</u>	<u>\$63,364</u>	<u>\$900</u>	<u>\$2,775</u>	<u>\$2,194,859</u>

**Southern Hills Joint Vocational School District**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2010**

	OSFC Locally Funded Initiative	OSFC Vocational Renovation Project	Total Nonmajor Capital Projects Funds
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$110,722	\$476,002	\$586,724
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Advances from Other Funds	\$0	\$200,000	\$200,000
<b>Fund Balances</b>			
Reserved for Encumbrances	15,686	44,988	60,674
Unreserved, Undesignated	95,036	231,014	326,050
<b>Total Fund Balances</b>	<b>110,722</b>	<b>276,002</b>	<b>386,724</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$110,722</b>	<b>\$476,002</b>	<b>\$586,724</b>

**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, 2010*

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b>Revenues</b>			
Intergovernmental	\$377,280	\$0	\$377,280
Interest	6,418	527	6,945
Tuition and Fees	132,991	0	132,991
Gifts and Donations	165	0	165
Customer Sales and Services	164,484	0	164,484
Miscellaneous	4,873	0	4,873
<i>Total Revenues</i>	<u>686,211</u>	<u>527</u>	<u>686,738</u>
<b>Expenditures</b>			
Current:			
Instruction:			
Special	19,533	0	19,533
Vocational	123,749	0	123,749
Adult/Continuing	142,655	0	142,655
Support Services:			
Pupils	145,070	0	145,070
Instructional Staff	11,573	0	11,573
Administration	146,478	0	146,478
Business	5,323	0	5,323
Operation and Maintenance of Plant	45,211	0	45,211
Pupil Transportation	250	0	250
Central	9	0	9
Operation of Non-Instructional Services:			
Food Service Operations	281,203	0	281,203
Capital Outlay	0	154,888	154,888
<i>Total Expenditures</i>	<u>921,054</u>	<u>154,888</u>	<u>1,075,942</u>
Excess of Revenues Under Expenditures	(234,843)	(154,361)	(389,204)
<b>Other Financing Sources</b>			
Transfers In	341,315	0	341,315
Net Change in Fund Balances	106,472	(154,361)	(47,889)
<i>Fund Balances at Beginning of Year</i>	<u>1,937,016</u>	<u>541,085</u>	<u>2,478,101</u>
<i>Fund Balances at End of Year</i>	<u><u>\$2,043,488</u></u>	<u><u>\$386,724</u></u>	<u><u>\$2,430,212</u></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, 2010*

	Lunchroom	Uniform School Supplies	Rotary	Adult Education	Public School Support
<b>Revenues</b>					
Intergovernmental	\$96,391	\$0	\$0	\$58,068	\$0
Interest	6,418	0	0	0	0
Tuition and Fees	0	10,359	0	122,632	0
Gifts and Donations	0	0	0	0	0
Customer Sales and Services	91,852	0	72,632	0	0
Miscellaneous	0	0	409	4,219	245
<i>Total Revenues</i>	<u>194,661</u>	<u>10,359</u>	<u>73,041</u>	<u>184,919</u>	<u>245</u>
<b>Expenditures</b>					
Current:					
Instruction:					
Special	0	0	0	0	0
Vocational	0	0	78,133	0	0
Adult/Continuing	0	0	0	142,655	0
Support Services:					
Pupils	0	0	0	0	0
Instructional Staff	0	0	0	0	0
Administration	0	0	0	145,894	584
Business	0	5,172	0	151	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	281,203	0	0	0	0
<i>Total Expenditures</i>	<u>281,203</u>	<u>5,172</u>	<u>78,133</u>	<u>288,700</u>	<u>584</u>
Excess of Revenues Over (Under) Expenditures	(86,542)	5,187	(5,092)	(103,781)	(339)
<b>Other Financing Sources</b>					
Transfers In	89,000	0	0	85,000	0
Net Change in Fund Balances	2,458	5,187	(5,092)	(18,781)	(339)
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>328,668</u>	<u>102,669</u>	<u>53,995</u>	<u>584,459</u>	<u>339</u>
<i>Fund Balances at End of Year</i>	<u>\$331,126</u>	<u>\$107,856</u>	<u>\$48,903</u>	<u>\$565,678</u>	<u>\$0</u>



Renewed Opportunity	Classroom Facilities Maintenance	Educational Management Information Systems	OneNet	Technical Preparation Grant	Miscellaneous State Grants	VEPD Grant
\$54,803	\$0	\$5,000	\$2,286	\$0	\$4,000	\$152,791
0	0	0	0	0	0	0
0	0	0	0	0	0	0
165	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
54,968	0	5,000	2,286	0	4,000	152,791
0	0	0	0	0	0	19,533
0	0	0	0	0	7,241	38,375
0	0	0	0	0	0	0
47,404	0	0	0	0	0	96,687
0	0	0	5,286	0	0	3,000
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	45,211	0	0	0	0	0
0	0	0	0	0	0	0
0	0	9	0	0	0	0
0	0	0	0	0	0	0
47,404	45,211	9	5,286	0	7,241	157,595
7,564	(45,211)	4,991	(3,000)	0	(3,241)	(4,804)
0	157,500	0	0	0	9,490	0
7,564	112,289	4,991	(3,000)	0	6,249	(4,804)
47,058	776,650	15,943	3,000	22,316	(6,249)	7,918
\$54,622	\$888,939	\$20,934	\$0	\$22,316	\$0	\$3,114

(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, 2010*  
*(continued)*

	Safe and Drug Free Schools	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
<b>Revenues</b>				
Intergovernmental	\$979	\$2,962	\$0	\$377,280
Interest	0	0	0	6,418
Tuition and Fees	0	0	0	132,991
Gifts and Donations	0	0	0	165
Customer Sales and Services	0	0	0	164,484
Miscellaneous	0	0	0	4,873
<b>Total Revenues</b>	<b>979</b>	<b>2,962</b>	<b>0</b>	<b>686,211</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Special	0	0	0	19,533
Vocational	0	0	0	123,749
Adult/Continuing	0	0	0	142,655
<b>Support Services:</b>				
Pupils	979	0	0	145,070
Instructional Staff	0	3,287	0	11,573
Administration	0	0	0	146,478
Business	0	0	0	5,323
Operation and Maintenance of Plant	0	0	0	45,211
Pupil Transportation	0	0	250	250
Central	0	0	0	9
<b>Operation of Non-Instructional Services:</b>				
Food Service Operations	0	0	0	281,203
<b>Total Expenditures</b>	<b>979</b>	<b>3,287</b>	<b>250</b>	<b>921,054</b>
Excess of Revenues Over (Under) Expenditures	0	(325)	(250)	(234,843)
<b>Other Financing Sources</b>				
Transfers In	0	325	0	341,315
Net Change in Fund Balances	0	0	(250)	106,472
<b>Fund Balances (Deficit) at Beginning of Year</b>	<b>0</b>	<b>0</b>	<b>250</b>	<b>1,937,016</b>
<b>Fund Balances at End of Year</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,043,488</b>

**Southern Hills Joint Vocational School District**  
*Combining Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Nonmajor Capital Projects Funds*  
*For the Fiscal Year Ended June 30, 2010*

	OSFC Locally Funded Initiative	OSFC Vocational Renovation Project	Total Nonmajor Special Revenue Funds
<b><i>Revenues</i></b>			
Interest	\$0	\$527	\$527
<b><i>Expenditures</i></b>			
Capital Outlay	48,772	106,116	154,888
Net Change in Fund Balances	(48,772)	(105,589)	(154,361)
<i>Fund Balances at Beginning of Year</i>	159,494	381,591	541,085
<i>Fund Balances at End of Year</i>	\$110,722	\$276,002	\$386,724

**Southern Hills Joint Vocational School**  
*Statement of Changes in Fiduciary Assets and Liabilities*  
*Agency Fund*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Balance at</u> <u>6/30/09</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>6/30/10</u>
<b><u>STUDENT MANAGED ACTIVITY</u></b>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	<u>\$24,772</u>	<u>\$37,128</u>	<u>\$36,865</u>	<u>\$25,035</u>
<i>Liabilities</i>				
Undistributed Monies	<u>\$24,772</u>	<u>\$37,128</u>	<u>\$36,865</u>	<u>\$25,035</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$1,934,750	\$1,612,500	\$1,611,747	(\$753)
Intergovernmental	3,409,721	3,707,250	3,712,358	5,108
Tuition and Fees	367	400	0	(400)
Rent	919	1,000	876	(124)
Gifts and Donations	229	250	0	(250)
Customer Sales and Services	229	250	300	50
Miscellaneous	1,333	1,450	1,063	(387)
<b>Total Revenues</b>	<b>5,347,548</b>	<b>5,323,100</b>	<b>5,326,344</b>	<b>3,244</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular:				
Salaries and Wages	154,920	159,815	139,146	20,669
Fringe Benefits	44,060	54,059	41,141	12,918
Purchased Services	500	500	26	474
Materials and Supplies	3,000	3,420	1,363	2,057
Capital Outlay - New	6,300	6,300	749	5,551
<b>Total Regular</b>	<b>208,780</b>	<b>224,094</b>	<b>182,425</b>	<b>41,669</b>
Special:				
Purchased Services	1,000	1,000	0	1,000
Vocational:				
Salaries and Wages	1,830,383	1,854,431	1,833,830	20,601
Fringe Benefits	626,894	633,222	614,683	18,539
Purchased Services	328,843	342,679	212,103	130,576
Materials and Supplies	368,879	400,524	273,184	127,340
Capital Outlay - New	360,159	17,878	9,905	7,973
Other	17,878	380,029	288,510	91,519
<b>Total Vocational</b>	<b>3,533,036</b>	<b>3,628,763</b>	<b>3,232,215</b>	<b>396,548</b>
<b>Total Instruction</b>	<b>3,742,816</b>	<b>3,853,857</b>	<b>3,414,640</b>	<b>439,217</b>
Support Services:				
Pupils:				
Salaries and Wages	223,028	244,728	213,541	31,187
Fringe Benefits	91,884	89,500	70,597	18,903
Purchased Services	9,400	14,600	10,594	4,006
Materials and Supplies	4,800	4,800	1,737	3,063
Capital Outlay - New	7,200	8,090	6,140	1,950
<b>Total Pupils</b>	<b>336,312</b>	<b>361,718</b>	<b>302,609</b>	<b>59,109</b>
Instructional Staff:				
Salaries and Wages	127,185	128,385	125,859	2,526
Fringe Benefits	54,241	54,245	53,049	1,196
Purchased Services	9,500	9,500	866	8,634
Materials and Supplies	14,000	15,180	10,640	4,540
Capital Outlay - New	2,250	2,250	733	1,517
<b>Total Instructional Staff</b>	<b>\$207,176</b>	<b>\$209,560</b>	<b>\$191,147</b>	<b>\$18,413</b>

*(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, 2010*  
*(continued)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Board of Education:				
Salaries and Wages	\$10,625	\$10,625	\$9,750	\$875
Fringe Benefits	4,650	4,650	2,815	1,835
Purchased Services	19,500	19,515	12,444	7,071
Other	19,000	19,000	11,297	7,703
<b>Total Board of Education</b>	<b>53,775</b>	<b>53,790</b>	<b>36,306</b>	<b>17,484</b>
Administration:				
Salaries and Wages	327,944	327,944	325,118	2,826
Fringe Benefits	145,353	146,037	140,248	5,789
Purchased Services	11,757	15,122	14,218	904
Materials and Supplies	11,000	16,000	14,965	1,035
Capital Outlay - New	3,500	3,500	1,009	2,491
<b>Total Administration</b>	<b>499,554</b>	<b>508,603</b>	<b>495,558</b>	<b>13,045</b>
Fiscal:				
Salaries and Wages	168,050	174,550	162,449	12,101
Fringe Benefits	130,581	141,891	120,625	21,266
Purchased Services	9,250	11,350	6,883	4,467
Materials and Supplies	3,500	3,500	2,902	598
Capital Outlay - New	2,000	86,750	75,521	11,229
Other	90,750	2,000	1,039	961
<b>Total Fiscal</b>	<b>404,131</b>	<b>420,041</b>	<b>369,419</b>	<b>50,622</b>
Business:				
Fringe Benefits	50	50	0	50
Other	200	200	162	38
<b>Total Business</b>	<b>250</b>	<b>250</b>	<b>162</b>	<b>88</b>
Operation and Maintenance of Plant:				
Salaries and Wages	172,835	173,595	172,313	1,282
Fringe Benefits	91,339	96,521	91,210	5,311
Purchased Services	246,000	248,250	167,063	81,187
Materials and Supplies	67,940	67,890	28,200	39,690
<b>Total Operation and Maintenance of Plant</b>	<b>578,114</b>	<b>586,256</b>	<b>458,786</b>	<b>127,470</b>
Pupil Transportation:				
Salaries and Wages	12,500	13,250	13,239	11
Fringe Benefits	2,010	2,010	1,898	112
Purchased Services	6,631	14,131	11,481	2,650
Materials and Supplies	13,458	12,458	8,572	3,886
<b>Total Pupil Transportation</b>	<b>\$34,599</b>	<b>\$41,849</b>	<b>\$35,190</b>	<b>\$6,659</b>

*(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, 2010*  
*(continued)*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Central:				
Purchased Services	\$45,500	\$50,400	\$41,027	\$9,373
Materials and Supplies	1,000	1,000	0	1,000
Total Central	46,500	51,400	41,027	10,373
Total Support Services	2,160,411	2,233,467	1,930,204	303,263
Operation of Non-Instructional Services:				
Services:				
Food Service Operations:				
Salaries and Wages	0	250	245	5
Extracurricular Activities:				
Occupational Oriented Activities:				
Salaries and Wages	9,350	9,350	8,800	550
Fringe Benefits	1,530	1,530	1,382	148
Total Extracurricular Activities	10,880	10,880	10,182	698
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	2,000	2,000	665	1,335
<i>Total Expenditures</i>	5,916,107	6,100,454	5,355,936	744,518
Excess of Revenues Over (Under) Expenditures	(568,559)	(777,354)	(29,592)	747,762
<b><i>Other Financing Sources (Uses)</i></b>				
Proceeds from Sale of Capital Assets	1,500	1,500	3,415	1,915
Refund of Prior Year Expenditures	1,000	1,000	95	(905)
Refund of Prior Year Receipts	(500)	(500)	(159)	341
Advances In	160,000	80,000	80,261	261
Advances Out	(100,000)	(100,000)	(87,341)	12,659
Transfers Out	(180,000)	(188,815)	(178,815)	10,000
<i>Total Other Financing Sources (Uses)</i>	(118,000)	(206,815)	(182,544)	24,271
Net Change in Fund Balance	(686,559)	(984,169)	(212,136)	772,033
Fund Balance at Beginning of Year	3,039,942	3,039,942	3,039,942	0
Prior Year Encumbrances Appropriated	19,880	19,880	19,880	0
Fund Balance at End of Year	\$2,373,263	\$2,075,653	\$2,847,686	\$772,033



**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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$708,000	\$600,000	\$595,098	(\$4,902)
Intergovernmental	44,823	115,750	121,191	5,441
Interest	60,022	155,000	171,261	16,261
Gifts and Donations	2,905	7,500	7,500	0
<b>Total Revenues</b>	<b>815,750</b>	<b>878,250</b>	<b>895,050</b>	<b>16,800</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	7,050	315,994	312,436	3,558
Support Services:				
Fiscal:				
Capital Outlay - New	0	21,635	21,256	379
Other	24,000	24,000	19,200	4,800
<b>Total Fiscal</b>	<b>24,000</b>	<b>45,635</b>	<b>40,456</b>	<b>5,179</b>
Operation and Maintenance of Plant:				
Purchased Services	11,354	10,000	1,354	8,646
Capital Outlay - New	0	31,250	31,674	(424)
<b>Total Operation and Maintenance of Plant</b>	<b>11,354</b>	<b>41,250</b>	<b>33,028</b>	<b>8,222</b>
<b>Total Support Services</b>	<b>35,354</b>	<b>86,885</b>	<b>73,484</b>	<b>13,401</b>
Operation of Non-Instructional Services:				
Food Service Operations:				
Capital Outlay - New	0	63,000	61,492	1,508
Capital Outlay:				
Site Improvement Services:				
Purchased Services	20,000	26,497	26,497	0
Capital Outlay - New	0	121,295	121,295	0
Capital Outlay - Replacement	150,000	173,083	71,483	101,600
<b>Total Site Improvement Services</b>	<b>\$170,000</b>	<b>\$320,875</b>	<b>\$219,275</b>	<b>\$101,600</b>

*(continued)*

**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, 2010*  
*(continued)*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Other Facilities Acquisition and Construction Services: Capital Outlay - Replacement	\$25,000	\$40,000	\$34,250	\$5,750
Total Capital Outlay	195,000	360,875	253,525	107,350
Debt Service:				
Principal Retirement	222,044	196,049	190,382	5,667
Interest and Fiscal Charges	0	25,995	25,995	0
Total Debt Service	222,044	222,044	216,377	5,667
<i>Total Expenditures</i>	459,448	1,048,798	917,314	131,484
Excess of Revenues Over (Under) Expenditures	356,302	(170,548)	(22,264)	148,284
<b><i>Other Financing Uses</i></b>				
Transfers Out	(157,500)	(157,500)	(157,500)	0
Net Change in Fund Balance	198,802	(328,048)	(179,764)	148,284
Fund Balance at Beginning of Year	2,737,421	2,737,421	2,737,421	0
Prior Year Encumbrances Appropriated	1,354	1,354	1,354	0
Fund Balance at End of Year	<u>\$2,937,577</u>	<u>\$2,410,727</u>	<u>\$2,559,011</u>	<u>\$148,284</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, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$68,775	\$61,350	\$75,646	\$14,296
Interest	7,847	7,000	7,879	879
Customer Sales and Services	108,628	96,900	91,852	(5,048)
<i>Total Revenues</i>	<u>185,250</u>	<u>165,250</u>	<u>175,377</u>	<u>10,127</u>
<b>Expenditures</b>				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	86,500	101,000	98,952	2,048
Fringe Benefits	73,408	73,408	61,449	11,959
Purchased Services	3,000	3,000	1,015	1,985
Materials and Supplies	150,000	105,000	92,910	12,090
Capital Outlay - New	10,000	10,000	2,539	7,461
Other	150	150	7	143
<i>Total Expenditures</i>	<u>323,058</u>	<u>292,558</u>	<u>256,872</u>	<u>35,686</u>
Excess of Revenues Over (Under) Expenditures	(137,808)	(127,308)	(81,495)	45,813
<b>Other Financing Sources</b>				
Transfers In	41,500	41,500	89,000	47,500
Net Change in Fund Balance	(96,308)	(85,808)	7,505	93,313
Fund Balance at Beginning of Year	336,254	336,254	336,254	0
Prior Year Encumbrances Appropriated	36	36	36	0
Fund Balance at End of Year	<u>\$239,982</u>	<u>\$250,482</u>	<u>\$343,795</u>	<u>\$93,313</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, 2010*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Tuition and Fees	\$0	\$10,250	\$10,359	\$109
<b>Expenditures</b>				
Current:				
Support Services:				
Business:				
Materials and Supplies	22,000	22,000	5,172	16,828
Other	100	100	0	100
<b>Total Expenditures</b>	<b>22,100</b>	<b>22,100</b>	<b>5,172</b>	<b>16,928</b>
Net Change in Fund Balance	(22,100)	(11,850)	5,187	17,037
Fund Balance at Beginning of Year	102,669	102,669	102,669	0
Fund Balance at End of Year	<u>\$80,569</u>	<u>\$90,819</u>	<u>\$107,856</u>	<u>\$17,037</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
<b>Revenues</b>				
Customer Sales and Services	\$70,299	\$71,747	\$72,632	\$885
Miscellaneous	401	409	409	0
<i>Total Revenues</i>	<u>70,700</u>	<u>72,156</u>	<u>73,041</u>	<u>885</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Fringe Benefits	2,500	2,500	0	2,500
Purchased Services	700	700	64	636
Materials and Supplies	68,439	85,984	78,069	7,915
<i>Total Expenditures</i>	<u>71,639</u>	<u>89,184</u>	<u>78,133</u>	<u>11,051</u>
Excess of Revenues Over (Under) Expenditures	<u>(939)</u>	<u>(17,028)</u>	<u>(5,092)</u>	<u>11,936</u>
Net Change in Fund Balance	(939)	2,972	14,908	11,936
Fund Balance at Beginning of Year	69,183	69,183	69,183	0
Prior Year Encumbrances Appropriated	<u>369</u>	<u>369</u>	<u>369</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$68,613</u></u>	<u><u>\$72,524</u></u>	<u><u>\$84,460</u></u>	<u><u>\$11,936</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, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Intergovernmental	\$71,232	\$67,000	\$58,068	(\$8,932)
Tuition and Fees	130,768	123,000	122,632	(368)
<i>Total Revenues</i>	<u>202,000</u>	<u>190,000</u>	<u>180,700</u>	<u>(9,300)</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	119,000	119,700	87,241	32,459
Fringe Benefits	18,409	18,644	13,709	4,935
Purchased Services	18,290	18,840	8,069	10,771
Materials and Supplies	63,478	63,703	32,943	30,760
Capital Outlay - New	7,000	7,000	496	6,504
Total Instruction	<u>226,177</u>	<u>227,887</u>	<u>142,458</u>	<u>85,429</u>
Support Services:				
Administration:				
Salaries and Wages	84,000	84,000	80,495	3,505
Fringe Benefits	53,506	54,077	51,885	2,192
Materials and Supplies	800	385	28	357
Capital Outlay - New	0	138,462	132,408	6,054
Total Administration	<u>138,306</u>	<u>276,924</u>	<u>264,816</u>	<u>12,108</u>
Business:				
Other	<u>700</u>	<u>770</u>	<u>151</u>	<u>619</u>
Total Support Services	<u>139,006</u>	<u>277,694</u>	<u>264,967</u>	<u>12,727</u>
<i>Total Expenditures</i>	<u>365,183</u>	<u>505,581</u>	<u>407,425</u>	<u>98,156</u>
Excess of Revenues Over (Under) Expenditures	(163,183)	(315,581)	(226,725)	88,856
<b>Other Financing Sources</b>				
Refund of Prior Year Expenditures	0	0	4,219	4,219
Transfers In	<u>65,000</u>	<u>65,000</u>	<u>85,000</u>	<u>20,000</u>
<i>Total Other Financing Sources</i>	<u>65,000</u>	<u>65,000</u>	<u>89,219</u>	<u>24,219</u>
Net Change in Fund Balance	(98,183)	(250,581)	(137,506)	113,075
Fund Balance at Beginning of Year	596,386	596,386	596,386	0
Prior Year Encumbrances Appropriated	<u>827</u>	<u>827</u>	<u>827</u>	<u>0</u>
Fund Balance at End of Year	<u>\$499,030</u>	<u>\$346,632</u>	<u>\$459,707</u>	<u>\$113,075</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$450	\$245	\$245	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Administration:				
Materials and Supplies	<u>290</u>	<u>584</u>	<u>584</u>	<u>0</u>
Net Change in Fund Balance	160	(339)	(339)	0
Fund Balance at Beginning of Year	<u>339</u>	<u>339</u>	<u>339</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$499</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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  
Renewed Opportunity  
For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$54,318	\$53,470	\$54,803	\$1,333
Gifts and Donations	152	150	165	15
<i>Total Revenues</i>	<u>54,470</u>	<u>53,620</u>	<u>54,968</u>	<u>1,348</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	3,500	13,997	12,328	1,669
Fringe Benefits	2,005	7,746	7,391	355
Purchased Services	25,310	44,017	28,404	15,613
Materials and Supplies	50	1,370	547	823
<i>Total Expenditures</i>	<u>30,865</u>	<u>67,130</u>	<u>48,670</u>	<u>18,460</u>
Net Change in Fund Balance	23,605	(13,510)	6,298	19,808
Fund Balance at Beginning of Year	47,819	47,819	47,819	0
Prior Year Encumbrances Appropriated	310	310	310	0
Fund Balance at End of Year	<u>\$71,734</u>	<u>\$34,619</u>	<u>\$54,427</u>	<u>\$19,808</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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<b>Revenues</b>	\$0	\$0	\$0	\$0
<b>Expenditures</b>				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	10,000	75,000	20,202	54,798
Materials and Supplies	100,000	250,000	32,207	217,793
<b>Total Expenditures</b>	<u>110,000</u>	<u>325,000</u>	<u>52,409</u>	<u>272,591</u>
Excess of Revenues Over (Under) Expenditures	(110,000)	(325,000)	(52,409)	272,591
<b>Other Financing Sources</b>				
Transfers In	<u>157,500</u>	<u>157,500</u>	<u>157,500</u>	<u>0</u>
Net Change in Fund Balance	47,500	(167,500)	105,091	272,591
Fund Balance at Beginning of Year	<u>776,650</u>	<u>776,650</u>	<u>776,650</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$824,150</u></u>	<u><u>\$609,150</u></u>	<u><u>\$881,741</u></u>	<u><u>\$272,591</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, 2010*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Current:				
Support Services:				
Central:				
Salaries and Wages	3,000	3,000	0	3,000
Fringe Benefits	575	575	0	575
Purchased Services	13,250	13,250	9	13,241
Materials and Supplies	<u>250</u>	<u>250</u>	<u>0</u>	<u>250</u>
<b>Total Expenditures</b>	<u>17,075</u>	<u>17,075</u>	<u>9</u>	<u>17,066</u>
Net Change in Fund Balance	(12,075)	(12,075)	4,991	17,066
Fund Balance at Beginning of Year	<u>15,943</u>	<u>15,943</u>	<u>15,943</u>	<u>0</u>
Fund Balance at End of Year	<u>\$3,868</u>	<u>\$3,868</u>	<u>\$20,934</u>	<u>\$17,066</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, 2010*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$3,000	\$2,286	\$2,286	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	<u>5,286</u>	<u>5,286</u>	<u>5,286</u>	<u>0</u>
Net Change in Fund Balance	(2,286)	(3,000)	(3,000)	0
Fund Balance at Beginning of Year	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$714</u></u>	<u><u>\$0</u></u>	<u><u>\$0</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*  
*Miscellaneous State Grants*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$7,400	\$4,000	\$3,640	(\$360)
<b>Expenditures</b>				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	0	3,100	3,100	0
Fringe Benefits	0	500	500	0
Purchased Services	503	3,578	3,578	0
Capital Outlay - New	0	63	63	0
<b>Total Expenditures</b>	<b>503</b>	<b>7,241</b>	<b>7,241</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	6,897	(3,241)	(3,601)	(360)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	3,240	3,600	360
Advances Out	3,600	(13,600)	(13,600)	0
Transfers In	0	9,490	9,490	0
<b>Total Other Financing Sources (Uses)</b>	<b>3,600</b>	<b>(870)</b>	<b>(510)</b>	<b>360</b>
Net Change in Fund Balance	10,497	(4,111)	(4,111)	0
Fund Balance at Beginning of Year	6,848	6,848	6,848	0
Prior Year Encumbrances Appropriated	503	503	503	0
Fund Balance at End of Year	<u>\$17,848</u>	<u>\$3,240</u>	<u>\$3,240</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, 2010*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$258,908	\$175,123	\$118,538	(\$56,585)
<b>Expenditures</b>				
Current:				
Instruction:				
Special:				
Salaries and Wages	21,860	17,211	17,211	0
Fringe Benefits	3,452	2,757	2,757	0
Total Special	25,312	19,968	19,968	0
Vocational:				
Salaries and Wages	5,020	10,028	10,028	0
Fringe Benefits	4,949	5,120	5,120	0
Purchased Services	15,901	14,045	13,529	516
Materials and Supplies	9,721	10,573	10,573	0
Total Vocational	35,591	39,766	39,250	516
Total Instruction	60,903	59,734	59,218	516
Support Services:				
Pupils:				
Salaries and Wages	63,500	71,200	71,200	0
Fringe Benefits	21,204	24,568	24,568	0
Purchased Services	2,805	959	959	0
Total Pupils	87,509	96,727	96,727	0
Instructional Staff:				
Purchased Services	4,540	3,000	3,000	0
Total Support Services	92,049	99,727	99,727	0
<b>Total Expenditures</b>	152,952	159,461	158,945	516
Excess of Revenues Over (Under) Expenditures	105,956	15,662	(40,407)	(56,069)
<b>Other Financing Sources (Uses)</b>				
Advances In	5,000	5,000	60,000	55,000
Advances Out	(60,000)	(60,000)	(60,000)	0
<b>Total Other Financing Sources (Uses)</b>	(55,000)	(55,000)	0	55,000
Net Change in Fund Balance	50,956	(39,338)	(40,407)	(1,069)
Fund Balance at Beginning of Year	39,642	39,642	39,642	0
Prior Year Encumbrances Appropriated	6,669	6,669	6,669	0
Fund Balance at End of Year	\$97,267	\$6,973	\$5,904	(\$1,069)

**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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b><i>Revenues</i></b>				
Intergovernmental	\$406	\$406	\$406	\$0
<b><i>Other Financing Uses</i></b>				
Advances Out	(800)	(800)	(800)	0
Net Change in Fund Balance	(394)	(394)	(394)	0
Fund Balance at Beginning of Year	394	394	394	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, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$1,265	\$1,065	\$913	(\$152)
<b>Expenditures</b>				
Current:				
Support Services:				
Pupils:				
Purchased Services	<u>979</u>	<u>979</u>	<u>979</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	286	86	(66)	(152)
<b>Other Financing Sources (Uses)</b>				
Advances In	0	200	900	700
Advances Out	<u>0</u>	<u>(86)</u>	<u>(86)</u>	<u>0</u>
<b>Total Other Financing Sources (Uses)</b>	<u>0</u>	<u>114</u>	<u>814</u>	<u>700</u>
Net Change in Fund Balance	286	200	748	548
Fund Balance at Beginning of Year	0	0	0	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u>\$286</u>	<u>\$200</u>	<u>\$748</u>	<u>\$548</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, 2010*

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$2,767	\$3,067	\$3,067	\$0
<b>Expenditures</b>				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	2,987	3,287	3,287	0
Excess of Revenues Under Expenditures	(220)	(220)	(220)	0
<b>Other Financing Sources (Uses)</b>				
Advances In	1,000	1,000	2,775	1,775
Advances Out	(2,775)	(2,775)	(2,775)	0
Transfers In	325	325	325	0
<b>Total Other Financing Sources (Uses)</b>	<b>(1,450)</b>	<b>(1,450)</b>	<b>325</b>	<b>1,775</b>
Net Change in Fund Balance	(1,670)	(1,670)	105	1,775
Fund Balance at Beginning of Year	2,670	2,670	2,670	0
Fund Balance at End of Year	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$2,775</u>	<u>\$1,775</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, 2010*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$22,700	\$0	\$0	\$0
<b>Expenditures</b>				
Current:				
Instruction:				
Purchased Services	250	250	250	0
Excess of Revenues Over (Under) Expenditures	22,450	(250)	(250)	0
<b>Other Financing Uses</b>				
Advances Out	(3,000)	(3,000)	(3,000)	0
Net Change in Fund Balance	19,450	(3,250)	(3,250)	0
Fund Balance at Beginning of Year	3,000	3,000	3,000	0
Prior Year Encumbrances Appropriated	250	250	250	0
Fund Balance at End of Year	<u>\$22,700</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*  
*OSFC Locally Funded Initiative*  
*For the Fiscal Year Ended June 30, 2010*

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
<b>Revenues</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Expenditures</b>				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	115,000	108,217	51,310	56,907
Architecture and Engineering Services:				
Purchased Services	<u>55,000</u>	<u>58,072</u>	<u>26,775</u>	<u>31,297</u>
<b>Total Expenditures</b>	<u>170,000</u>	<u>166,289</u>	<u>78,085</u>	<u>88,204</u>
Net Change in Fund Balance	(170,000)	(166,289)	(78,085)	88,204
Fund Balance at Beginning of Year	166,457	166,457	166,457	0
Prior Year Encumbrances Appropriated	<u>6,664</u>	<u>6,664</u>	<u>6,664</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3,121</u></u>	<u><u>\$6,832</u></u>	<u><u>\$95,036</u></u>	<u><u>\$88,204</u></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, 2010*

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				(Negative)
<b>Revenues</b>				
Interest	\$3,250	\$490	\$527	\$37
<b>Expenditures</b>				
Capital Outlay:				
Site Improvement Services:				
Purchased Services	2,000	4,375	2,362	2,013
Capital Outlay - New	149,667	165,392	113,294	52,098
Total Site Improvement Services	151,667	169,767	115,656	54,111
Architecture and Engineering Services:				
Purchased Services	93,694	93,694	67,514	26,180
<b>Total Expenditures</b>	<b>245,361</b>	<b>263,461</b>	<b>183,170</b>	<b>80,291</b>
Excess of Revenues Over (Under) Expenditures	(242,111)	(262,971)	(182,643)	80,328
<b>Other Financing Uses</b>				
Advances Out	(200,000)	(200,000)	0	200,000
Net Change in Fund Balance	(442,111)	(462,971)	(182,643)	280,328
Fund Balance at Beginning of Year	585,122	585,122	585,122	0
Prior Year Encumbrances Appropriated	28,535	28,535	28,535	0
Fund Balance at End of Year	<u>\$171,546</u>	<u>\$150,686</u>	<u>\$431,014</u>	<u>\$280,328</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.

<b><u>Contents</u></b>	<b><u>Page(s)</u></b>
<b>Financial Trends</b> 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
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S21
<b>Debt Capacity</b> 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.	S22-S26
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S27-S28
<b>Operating Information</b> 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.	S29-S42

**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 Ten Fiscal Years  
(accrual basis of accounting)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b><i>Governmental Activities</i></b>				
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
Classroom Facilities	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>
<b><i>Total Governmental Activities Net Assets</i></b>	<u><u>\$7,071,954</u></u>	<u><u>8,033,957</u></u>	<u><u>9,161,970</u></u>	<u><u>9,436,927</u></u>
<b><i>Business-type Activities (3)</i></b>				
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>
<b><i>Total Business-type Activities Net Assets</i></b>	<u><u>\$448,078</u></u>	<u><u>520,403</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
<b><i>Primary Government</i></b>				
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>
<b><i>Total Primary Government Net Assets</i></b>	<u><u>\$7,520,032</u></u>	<u><u>\$8,554,360</u></u>	<u><u>\$9,161,970</u></u>	<u><u>\$9,436,927</u></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 an Enterprise Fund to a Special Revenue Fund.
- (4) In fiscal year 2009, net assets restricted for capital outlay was restated by \$227,848 to correct an error.



<u>2005</u>	<u>2006</u>	<u>2007 (1)</u>	<u>2008</u>	<u>2009 (4)</u>	<u>2010</u>
\$3,726,544	\$4,053,447	\$10,389,846	\$10,258,114	\$10,713,407	\$11,273,914
0	0	0	0	0	0
0	0	0	183,045	0	0
1,712,865	9,353,818	1,933,301	1,999,209	2,314,245	1,978,126
0	0	307,719	324,745	326,565	333,642
0	0	626,287	643,793	590,832	574,574
0	0	0	0	776,650	889,839
1,237,748	1,174,010	566,063	831,831	253,149	256,845
20,297	20,297	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>2,828,394</u>	<u>2,486,660</u>
<u>9,817,847</u>	<u>17,966,994</u>	<u>17,014,060</u>	<u>17,436,574</u>	<u>17,823,539</u>	<u>17,813,897</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>
3,726,544	3,907,516	10,389,846	10,258,114	10,713,407	11,273,914
2,970,910	10,694,056	3,453,667	4,002,920	4,281,738	4,053,323
<u>3,120,393</u>	<u>3,365,422</u>	<u>3,170,547</u>	<u>3,175,540</u>	<u>2,828,394</u>	<u>2,486,660</u>
<u>\$9,817,847</u>	<u>\$17,966,994</u>	<u>\$17,014,060</u>	<u>\$17,436,574</u>	<u>\$17,823,539</u>	<u>\$17,813,897</u>

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Expenses</b>			
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>
<b>Program Revenues</b>			
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	2009	2010
\$171,717	\$263,850	\$229,212	\$258,274	\$237,367	\$181,620
0	0	92,471	99,804	32,077	21,411
3,132,897	3,249,122	3,679,851	3,401,204	3,816,451	3,804,402
170,921	134,454	121,791	129,394	185,832	143,751
335,928	352,923	276,924	239,903	368,491	465,322
114,298	128,853	185,025	226,676	209,203	204,486
39,710	37,046	38,179	49,124	45,910	39,158
532,155	534,841	609,569	589,615	616,272	638,304
317,705	330,085	376,687	381,826	382,329	380,855
46,887	53,684	56,884	62,111	17,642	5,428
499,742	468,309	498,088	500,889	566,361	536,054
31,143	43,826	41,761	43,388	29,351	41,339
50,989	46,406	40,825	42,150	41,162	41,114
211,106	199,037	233,613	265,141	277,097	296,061
10,195	7,146	7,496	9,949	5,149	10,728
0	0	139,206	89,214	28,234	47,875
<u>5,665,393</u>	<u>5,849,582</u>	<u>6,627,582</u>	<u>6,388,662</u>	<u>6,858,928</u>	<u>6,857,908</u>
0	0	0	0	0	0
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>5,665,393</u>	<u>5,849,582</u>	<u>6,627,582</u>	<u>6,388,662</u>	<u>6,858,928</u>	<u>6,857,908</u>
15,740	16,772	10,280	2,936	3,519	300
108,911	62,365	79,631	35,628	83,129	72,632
84,203	54,481	50,236	63,410	74,053	72,220
0	0	0	0	0	0
51,608	48,313	50,236	63,410	51,469	50,196
26,026	25,085	29,678	31,088	18,360	10,575
1,999	2,849	0	591	550	876
92,256	79,378	86,193	93,131	98,572	91,852
0	0	230	986	0	0
1,548,663	1,557,618	1,530,015	1,423,710	1,456,336	1,460,730
0	0	0	0	0	7,500
<u>\$1,929,406</u>	<u>\$1,846,861</u>	<u>\$1,836,499</u>	<u>\$1,714,890</u>	<u>\$1,785,988</u>	<u>\$1,766,881</u>

(continued)

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Business-type Activities:</b>			
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>
<b>Net (Expense)/Revenue</b>			
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>
<b>General Revenues and Other Changes in Net Assets</b>			
<b>Governmental Activities:</b>			
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
Unrestricted Gifts and Donations	0	0	0
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>
<b>Business-type Activities:</b>			
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>
<b>Change in Net Assets</b>			
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>

2005	2006	2007	2008	2009	2010
\$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
1,929,406	1,846,861	1,836,499	1,714,890	1,785,988	1,766,881
(3,735,987)	(4,002,721)	(4,791,083)	(4,673,772)	(5,072,940)	(5,091,027)
0	0	0	0	0	0
(3,735,987)	(4,002,721)	(4,791,083)	(4,673,772)	(5,072,940)	(5,091,027)
1,674,339	1,727,845	1,729,569	1,547,502	1,685,650	1,576,060
0	0	560,504	183,045	0	0
36,357	495,074	71,826	372,925	624,312	578,934
2,225,064	9,644,073	2,424,552	2,572,144	2,602,104	2,758,836
0	0	0	0	23	0
172,349	234,969	490,975	416,710	317,305	161,092
0	36,202	0	0	0	432
0	0	0	0	0	0
8,798	13,705	53,827	3,960	2,663	6,031
0	0	0	0	0	0
4,116,907	12,151,868	5,331,253	5,096,286	5,232,057	5,081,385
0	0	0	0	0	0
4,116,907	12,151,868	5,331,253	5,096,286	5,232,057	5,081,385
0	0	(1,493,104)	0	0	0
380,920	8,149,147	(952,934)	422,514	159,117	(9,642)
0	0	0	0	0	0
\$380,920	\$8,149,147	(\$952,934)	\$422,514	\$159,117	(\$9,642)

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Program Revenues by Function, Governmental Activities

Last Nine Fiscal Years

(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b><i>Governmental Activities</i></b>				
Instruction:				
Regular	\$12,673	\$14,444	\$30,981	\$19,719
Special	0	0	0	0
Vocational	1,127,475	1,112,329	1,285,421	1,311,098
Adult/Continuing	0	0	195,726	131,835
Support Services:				
Pupils	170,631	172,751	158,955	177,318
Instructional Staff	22,754	22,172	21,927	21,481
Administration	8,156	0	108,855	87,660
Business	0	0	23,502	26,026
Operation and Maintenance of Plant	8,448	2,066	630	3,716
Pupil Transportation	0	0	0	900
Central	35,994	36,015	22,083	20,430
Operation of Non-Instructional Services:				
Food Service Operations	110,782	112,844	108,752	129,223
Extracurricular Activities	0	0	655	0
<b><i>Total Program Revenues</i></b>	<u><u>\$1,496,913</u></u>	<u><u>\$1,472,621</u></u>	<u><u>\$1,957,487</u></u>	<u><u>\$1,929,406</u></u>

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
\$20,456	\$10,280	\$4,616	\$3,519	\$300
0	0	0	175,078	165,032
1,271,488	1,261,868	1,140,327	1,040,134	1,042,054
95,934	89,512	99,082	111,165	101,999
164,824	156,012	133,467	148,932	149,687
14,407	20,022	11,617	9,563	8,157
96,323	89,512	99,081	77,263	80,565
25,085	29,678	31,088	18,471	10,607
2,849	1,200	2,783	550	8,376
6,450	4,530	3,288	1,472	0
11,881	5,000	5,000	5,000	5,000
137,164	168,655	183,555	194,841	195,104
0	230	986	0	0
<u>\$1,846,861</u>	<u>\$1,836,499</u>	<u>\$1,714,890</u>	<u>\$1,785,988</u>	<u>\$1,766,881</u>

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Fund Balances, Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	<u>2001</u>	<u>2002 (1)</u>	<u>2003 (1)</u>	<u>2004</u>
General Fund				
Reserved	\$289,653	\$413,720	\$273,310	\$367,086
Unreserved	<u>1,683,484</u>	<u>2,091,991</u>	<u>2,436,497</u>	<u>2,636,093</u>
<i>Total General Fund</i>	<u>1,973,137</u>	<u>2,505,711</u>	<u>2,709,807</u>	<u>3,003,179</u>
All Other Governmental Funds				
Reserved	123,748	25,664	85,946	72,696
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	30,468	368,480	996,829	1,111,833
Debt Service Fund	0	0	0	0
Capital Projects Funds	<u>957,808</u>	<u>1,321,753</u>	<u>1,578,257</u>	<u>1,653,830</u>
<i>Total All Other Governmental Funds</i>	<u>1,112,024</u>	<u>1,715,897</u>	<u>2,661,032</u>	<u>2,838,359</u>
<i>Total Governmental Funds</i>	<u><u>\$3,085,161</u></u>	<u><u>\$4,221,608</u></u>	<u><u>\$5,370,839</u></u>	<u><u>\$5,841,538</u></u>

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

(2) In 2009, All Other Governmental Fund, Unreserved, Undesignated, Report in Capital Projects Funds was restated by \$227,848 to correct an error.



<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (2)</u>	<u>2010</u>
\$339,030	\$714,693	\$764,760	\$759,786	\$607,520	\$568,573
<u>2,945,269</u>	<u>2,840,755</u>	<u>2,564,833</u>	<u>2,717,764</u>	<u>2,548,635</u>	<u>2,328,656</u>
<u>3,284,299</u>	<u>3,555,448</u>	<u>3,329,593</u>	<u>3,477,550</u>	<u>3,156,155</u>	<u>2,897,229</u>
221,542	520,771	1,353,518	384,829	196,433	221,497
1,182,196	1,117,914	1,485,255	1,731,936	1,928,176	2,034,643
0	0	0	183,045	0	0
<u>2,020,419</u>	<u>5,168,536</u>	<u>821,094</u>	<u>2,806,175</u>	<u>3,316,853</u>	<u>2,942,926</u>
<u>3,424,157</u>	<u>6,807,221</u>	<u>3,659,867</u>	<u>5,105,985</u>	<u>5,441,462</u>	<u>5,199,066</u>
<u><u>\$6,708,456</u></u>	<u><u>\$10,362,669</u></u>	<u><u>\$6,989,460</u></u>	<u><u>\$8,583,535</u></u>	<u><u>\$8,597,617</u></u>	<u><u>\$8,096,295</u></u>

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Changes in Fund Balances

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2001	2002	2003	2004
<b>Revenues</b>				
Property Taxes	\$1,722,748	\$1,779,860	\$1,669,712	\$1,760,329
Intergovernmental	2,912,948	3,585,173	3,616,761	3,721,937
Interest	169,909	229,537	175,847	50,080
Tuition and Fees	5,825	12,673	11,990	241,994
Rent	2,772	7,549	4,972	5,649
Extracurricular Activities	0	0	0	655
Gifts and Donations	37,000	0	5,095	32
Customer Sales and Services	8,491	126,627	89,589	185,269
Miscellaneous	62,108	34,419	48,551	20,531
<b>Total Revenues</b>	<b>4,921,801</b>	<b>5,775,838</b>	<b>5,622,517</b>	<b>5,986,476</b>
<b>Expenditures</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	130,186	129,328	137,486	149,831
Special	0	0	0	0
Vocational	2,589,944	2,850,609	2,942,906	3,021,586
Adult/Continuing	0	3,972	0	201,619
<b>Support Services:</b>				
Pupils	275,352	287,579	304,975	334,182
Instructional Staff	230,010	70,712	95,701	88,894
Board of Education	17,084	34,181	30,306	35,096
Administration	298,913	337,477	363,712	492,296
Fiscal	259,869	263,243	290,034	303,079
Business	14,567	17,115	16,059	37,603
Operation and Maintenance of Plant	451,355	438,390	470,382	555,178
Pupil Transportation	14,063	42,587	24,804	29,049
Central	67,860	57,725	45,637	47,305
<b>Operation of Non-Instructional Services:</b>				
Food Service Operations	4,158	166,536	181,557	173,732
Extracurricular Activities	5,095	4,770	17,761	7,373
Capital Outlay	378,933	25,034	28,295	40,693
<b>Debt Service:</b>				
Principal	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<b>Total Expenditures</b>	<b>4,737,389</b>	<b>4,729,258</b>	<b>4,949,615</b>	<b>5,517,516</b>
Excess of Revenues Over (Under) Expenditures	184,412	1,046,580	672,902	468,960
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,263	120,110	85,000	161,250
Proceeds from Lease	0	0	0	0
Proceeds from Sale of Capital Assets	764	2,618	5,674	1,739
Transfers Out	(136,063)	(255,110)	(245,000)	(161,250)
Inception of Capital Lease	0	0	0	0
Proceeds from Loan	0	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>(133,036)</b>	<b>(132,382)</b>	<b>(154,326)</b>	<b>1,739</b>
<b>Net Change in Fund Balances</b>	<b>\$51,376</b>	<b>\$914,198</b>	<b>\$518,576</b>	<b>\$470,699</b>
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%

2005	2006	2007	2008	2009	2010
\$1,708,920	\$2,193,737	\$2,277,227	\$2,184,977	\$2,292,186	\$2,158,783
3,762,188	7,046,707	8,063,662	3,947,517	4,094,701	4,210,829
208,017	210,706	535,112	384,132	352,596	156,289
177,577	142,634	139,930	160,508	144,670	132,991
1,999	2,849	0	591	550	876
0	0	230	986	0	0
15	1,325	0	1,000	23	7,665
201,167	143,760	166,324	129,095	184,432	164,784
8,798	13,705	53,827	3,960	2,663	6,031
<u>6,068,681</u>	<u>9,755,423</u>	<u>11,236,312</u>	<u>6,812,766</u>	<u>7,071,821</u>	<u>6,838,248</u>
166,774	229,285	247,770	256,277	235,772	183,210
0	0	89,120	96,749	29,250	19,533
3,086,492	3,150,317	3,239,157	2,964,215	3,614,713	3,671,523
173,658	132,561	120,405	129,421	188,290	142,655
319,058	344,802	256,849	227,206	356,036	453,373
90,457	105,657	163,412	210,574	203,977	202,249
40,507	36,805	37,938	48,883	45,750	39,025
528,753	572,906	539,251	589,050	605,068	643,374
311,241	312,680	413,443	372,948	361,225	411,034
48,267	53,684	56,884	62,111	17,642	5,428
507,195	466,129	470,457	480,456	552,832	536,747
23,859	37,910	39,842	41,598	51,573	37,107
48,794	43,630	39,822	41,283	41,016	41,036
202,055	206,109	216,972	247,569	341,669	311,269
10,195	7,146	7,496	9,949	5,149	10,728
166,273	3,026,921	8,043,543	681,722	424,236	403,242
0	33,333	497,543	2,138,123	197,747	205,457
0	0	139,206	89,214	25,996	25,995
<u>5,723,578</u>	<u>8,759,875</u>	<u>14,619,110</u>	<u>8,687,348</u>	<u>7,297,941</u>	<u>7,342,985</u>
<u>345,103</u>	<u>995,548</u>	<u>(3,382,798)</u>	<u>(1,874,582)</u>	<u>(226,120)</u>	<u>(504,737)</u>
190,500	1,786,228	456,131	477,390	296,500	341,315
0	0	0	3,465,997	0	0
21,815	89,665	9,589	2,660	12,354	3,415
(190,500)	(1,786,228)	(456,131)	(477,390)	(296,500)	(341,315)
0	2,569,000	0	0	0	0
500,000	0	0	0	0	0
<u>521,815</u>	<u>2,658,665</u>	<u>9,589</u>	<u>3,468,657</u>	<u>12,354</u>	<u>3,415</u>
<u>\$866,918</u>	<u>\$3,654,213</u>	<u>(\$3,373,209)</u>	<u>\$1,594,075</u>	<u>(\$213,766)</u>	<u>(\$501,322)</u>
0.0%	0.6%	9.7%	29.1%	3.6%	3.7%

**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
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
2009	652,578,070	65,877,200	2,052,729,343	32,343,540	40,429,425
2010	687,771,430	66,869,190	2,156,116,057	37,543,190	46,928,988

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, 6.25 percent for 2008, and zero percent for 2009.

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 General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$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
8,293,196	132,691,136	745,941,546	2,189,395,878	34.07	3.29
1,715,740	27,451,840	752,514,550	2,120,610,608	35.52	3.26
857,870	13,725,920	793,041,680	2,216,770,965	35.59	3.27

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

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

Direct and Overlapping Governments

Last Ten Collection (Calendar) Years

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Voted Millage</b>				
Operating				
Residential/Agricultural Real	2.67	2.68	2.68	2.43
Commerical/Industrial and Public Utility Real	3.24	3.24	3.27	3.10
General Business and Public Utility Personal	5.40	5.40	5.40	5.40
1989 10 Year Permanent Improvement				
Residential/Agricultural Real	0.23	0.23	0.23	0.21
Commerical/Industrial and Public Utility Real	0.33	0.33	0.33	0.31
General Business and Public Utility Personal	0.40	0.40	0.40	0.40
2005 Continuous Permanent Improvement				
Residential/Agricultural Real	0.00	0.00	0.00	0.00
Commerical/Industrial and Public Utility Real	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Total voted millage by type of property</b>				
Residential/Agricultural Real	2.91	2.91	2.91	2.64
Commerical/Industrial and Public Utility Real	3.56	3.57	3.60	3.41
General Business and Public Utility Personal	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>
<b>Total School District Millage</b>	<u><u>5.80</u></u>	<u><u>5.80</u></u>	<u><u>5.80</u></u>	<u><u>5.80</u></u>
<b>Overlapping Rates by Taxing District</b>				
<b>County Units</b>				
General	3.80	3.80	3.80	3.80
General (Highland)	2.90	2.90	2.90	2.90
Board of MR/DD	2.00	2.00	2.00	2.00
Board of MR/DD (Highland)	4.35	4.35	4.35	4.35
Health District	1.00	1.00	1.00	1.00
Total	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>
<b>School Districts</b>				
Bright Local	32.69	32.69	32.69	30.69
Eastern Local	36.75	37.80	37.80	37.80
Fayetteville Local	36.50	34.10	34.10	34.10
Georgetown Exempted Village	28.50	27.00	27.00	30.40
Ripley Union Lewis Huntington Local	36.40	36.35	36.35	36.35
Western Brown Local	25.20	23.70	23.70	23.70
<b>Corporations</b>				
Aberdeen Village	6.00	6.00	6.00	6.00
Fayetteville Village	13.30	13.30	13.30	13.30
Georgetown Village	2.30	3.30	3.30	3.30
Hamersville Village	3.60	4.60	4.60	4.60
Higginsport Village	15.20	15.20	15.20	15.20
Mt. Orab Village	9.10	9.10	9.10	9.10
Ripley Village	9.00	9.00	9.00	9.00
Russellville Village	18.60	18.60	13.60	17.60
Sardinia Village	14.00	14.00	14.00	14.00
St. Martin Village	0.50	0.50	0.50	0.50
Mowrystown	16.90	16.90	16.90	16.90

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
2.43	2.43	2.17	2.17	2.17	2.07
3.16	3.16	2.73	2.74	2.75	2.76
5.40	5.40	5.40	5.40	5.40	5.40
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
0.00	1.00	0.89	0.89	0.89	0.85
0.00	1.00	0.86	0.87	0.87	0.87
0.00	1.00	1.00	1.00	1.00	1.00
2.43	3.43	3.06	3.06	3.06	2.92
3.16	4.16	3.59	3.61	3.62	3.63
5.40	6.40	6.40	6.40	6.40	6.40
<u>5.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>
3.80	3.80	3.80	3.80	3.80	3.80
2.90	2.90	2.90	2.90	2.90	2.90
2.00	2.00	2.00	2.00	2.00	1.00
4.35	4.35	4.35	4.35	4.35	4.35
1.00	1.00	1.00	1.00	1.00	1.00
<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>13.05</u>
30.76	30.76	30.76	27.40	27.20	27.20
37.80	40.20	40.20	40.20	40.20	40.20
34.10	39.55	39.55	39.55	39.80	39.80
30.40	30.40	28.90	30.40	30.40	30.40
36.35	36.35	36.35	36.35	34.65	34.65
23.70	23.00	23.00	23.00	22.75	22.75
6.00	6.00	6.00	6.00	6.00	1.00
13.30	13.30	14.10	14.10	14.10	14.10
3.30	3.30	3.30	3.30	3.30	3.30
2.90	2.90	2.90	2.90	2.90	2.90
15.20	15.20	15.20	15.20	15.20	15.20
7.60	7.60	7.60	7.60	7.60	7.60
9.00	9.00	9.00	7.00	8.00	8.00
17.60	17.60	17.60	17.60	18.10	18.10
14.00	10.50	10.50	10.50	7.60	7.60
0.50	0.50	0.50	0.50	0.50	0.50
16.90	16.90	21.90	21.90	21.90	16.90

(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)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
<b>Townships</b>				
Byrd	8.00	8.00	8.00	8.00
Clark	4.60	4.60	4.60	4.60
Eagle	4.40	4.40	4.40	4.40
Franklin	2.20	2.20	2.60	2.60
Green	3.50	4.50	4.50	4.50
Huntington	5.10	6.30	6.30	6.30
Jackson	1.70	1.70	1.70	1.70
Jefferson	1.60	1.60	1.60	1.60
Lewis	3.25	3.25	3.25	3.25
Perry	6.40	6.90	6.90	6.90
Pike	3.50	4.50	4.50	4.50
Pleasant	1.80	1.80	1.80	1.80
Scott	3.30	3.30	4.00	4.00
Sterling	5.50	6.50	6.50	6.50
Union	1.40	1.40	1.40	1.40
Washington	3.70	3.70	3.70	3.70
Brushcreek	5.20	6.20	6.20	6.20
Concord	3.10	3.10	2.70	3.10
Hamer	3.80	3.80	3.80	3.80
Jackson	3.60	3.60	3.60	3.60
Marshall	4.65	4.65	4.65	4.65
New Market	4.40	4.40	4.40	4.40
Paint	3.40	3.40	3.40	3.40
Salem	1.80	1.80	1.80	1.80
Washington	3.10	3.10	3.10	3.10
Whiteoak	1.80	1.80	1.80	1.80
<b>Other Units</b>				
Library	1.00	1.00	0.75	0.75
Mental Health (Highland County)	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. Property values are updated in the third year following each reappraisal.



<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
8.00	8.50	8.50	8.50	8.50	8.50
4.60	4.15	4.60	4.60	4.00	4.60
4.40	4.40	4.40	4.40	4.40	4.40
2.60	3.10	3.10	3.10	2.20	3.10
4.50	4.50	4.50	4.50	4.50	1.40
6.30	6.30	6.30	6.30	6.30	6.30
2.20	2.20	2.20	2.20	2.20	2.50
1.60	1.60	3.60	3.60	3.60	1.60
3.25	3.25	3.25	3.25	3.25	3.25
6.90	6.90	6.90	6.90	6.40	10.00
4.50	4.50	4.50	4.50	4.50	4.50
1.80	1.80	2.10	2.10	2.10	2.10
4.00	4.00	4.00	4.00	4.00	4.00
6.50	6.50	6.50	6.50	6.50	6.50
1.40	1.40	2.10	2.10	2.10	2.10
3.70	3.70	3.70	3.70	3.70	3.70
6.20	6.20	6.20	6.20	6.20	6.20
2.60	3.10	3.10	3.10	3.10	2.10
3.80	3.80	3.80	3.80	3.80	4.60
3.60	2.20	3.60	3.60	3.60	3.60
4.65	4.65	4.65	4.65	4.65	4.65
4.40	4.40	4.40	4.40	4.40	4.40
3.40	3.40	3.40	3.40	3.40	4.40
1.80	1.80	1.80	1.80	1.80	1.80
2.60	3.10	3.10	2.60	3.70	0.90
1.80	1.80	1.80	1.80	1.80	1.05
0.75	0.75	0.50	0.50	0.35	0.35
1.00	1.00	1.00	1.00	1.00	1.00

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

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

Collection Year (2)	Current Tax Levy (3)	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (4)	Total Tax Collections (4)	Percent of Total Tax Collections to Current Tax Levy
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	1,775,805	80.43	134,063	1,909,868	86.50
2009	2,359,488	1,797,396	76.18	127,624	1,925,020	81.59
2010	N/A	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 2010 collections cannot be presented because all collections have not been made by June 30, 2010.
- (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. Therefore, in years when delinquent collections include amounts from previous tax years, the total tax collections exceed the current tax levy.

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Principal Real and Personal Property Tax Payers

2009 and 2004 (Calendar Years) (1)

Name of Taxpayer	2009	
	Assessed Value	Percent of Real and Personal Property Assessed Value
Kroger Limited Partnership	\$5,769,657	0.76%
Mac Tool, Inc.	5,158,914	0.68%
Ohio Valley Manor	5,132,371	0.68%
Cincinnati Milacron	4,805,114	0.63%
Sterling Group	4,000,000	0.53%
Reyton Georgetown	3,265,942	0.43%
Ripley Federal Savings	2,590,914	0.34%
Ripley Foundation	2,564,542	0.34%
Crout Properties	2,229,571	0.29%
Barry Burkenmeier	1,990,400	0.26%
Totals	<u>\$37,507,425</u>	<u>4.94%</u>
Total Assessed Valuation	<u>\$752,339,220</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	2,030,028	0.36%
Georgetown Land Company	2,875,114	0.51%
AHE of Ohio, Inc.	1,770,771	0.31%
HPWFP Limited Partnership	1,581,971	0.28%
Timothy R. Hale	1,572,457	0.28%
Davon, Inc.	1,541,485	0.27%
Totals	<u>\$30,990,568</u>	<u>5.49%</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.

2010 information was not provided by the Brown County Auditor.

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

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

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<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Facility Improvement and Equipment Replacement Loan</u>	<u>Capital Lease</u>
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
2009	42,104	735,009,528	366,668	3,301,583
2010	42,104	735,009,528	333,335	3,129,459

Sources: (1) National Center for Education Statistics  
2000-2010 from 2000 U.S. Census Data

(2) National Center for Education Statistics  
2000-2010 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
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
3,668,251	0.17%	87.12	0.50
3,462,794	0.16%	82.24	0.47

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Legal Debt Margin  
Last Ten Fiscal Years

	2001	2002	2003	2004
Assessed Valuation (1)	\$501,942,333	\$490,504,460	\$503,183,702	\$564,349,831
Less:				
General Business Personal Property	0	0	0	0
Railroad and Telephone Tangible Property	0	0	0	0
Total Assessed Valuation used to calculate Legal Debt Margin	<u>\$501,942,333</u>	<u>\$490,504,460</u>	<u>\$503,183,702</u>	<u>\$564,349,831</u>
Debt Limit - 9% of Assessed Value (2)	\$45,174,810	\$44,145,401	\$45,286,533	\$50,791,485
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$45,174,810</u>	<u>\$44,145,401</u>	<u>\$45,286,533</u>	<u>\$50,791,485</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 (2)	\$501,942	\$490,504	\$503,184	\$564,350
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$501,942</u>	<u>\$490,504</u>	<u>\$503,184</u>	<u>\$564,350</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) 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.
- (2) Ohio Bond Law sets a limit of nine percent for overall debt and 1/10 of one percent for unvoted debt.
- (3) Beginning in 2009, telephone tangible property is included as part of general business personal property.

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (3)</u>	<u>2010</u>
\$579,903,270	\$598,316,878	\$745,960,990	\$745,941,546	\$752,514,550	\$793,041,680
0	0	(17,096,520)	(8,293,196)	(1,715,740)	(857,870)
<u>0</u>	<u>(5,854,500)</u>	<u>(4,963,690)</u>	<u>(3,409,670)</u>	<u>(1,275,440)</u>	<u>(224,730)</u>
<u>\$579,903,270</u>	<u>\$592,462,378</u>	<u>\$723,900,780</u>	<u>\$734,238,680</u>	<u>\$749,523,370</u>	<u>\$791,959,080</u>
\$52,191,294	\$53,321,614	\$65,151,070	\$66,081,481	\$67,457,103	\$71,276,317
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$52,191,294</u>	<u>\$53,321,614</u>	<u>\$65,151,070</u>	<u>\$66,081,481</u>	<u>\$67,457,103</u>	<u>\$71,276,317</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$579,903	\$592,462	\$723,901	\$734,239	\$749,523	\$791,959
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$579,903</u>	<u>\$592,462</u>	<u>\$723,901</u>	<u>\$734,239</u>	<u>\$749,523</u>	<u>\$791,959</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, 2010

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
<b>Direct:</b>			
Southern Hills Joint Vocational School District			
Facility Improvement and Equipment Replacement Loan	\$333,335	100.00%	\$333,335
Capital Lease Obligation	3,129,459	100.00	3,129,459
<b>Total Direct</b>	<b>3,462,794</b>	<b>100.00</b>	<b>3,462,794</b>
<b>Overlapping:</b>			
Eastern Local School District			
General Obligation Bonds	8,645,000	100.00	8,645,000
Bright Local School District			
General Obligation Bonds	539,496	100.00	539,496
Fayetteville Perry Local School District			
General Obligation Bonds	8,095,000	100.00	8,095,000
Ripley Union Lewis Huntington Local School District			
General Obligation Bonds	2,164,422	100.00	2,164,422
Capital Lease Obligation	475,000	100.00	475,000
Western Brown Local School District			
General Obligation Bonds	4,795,000	100.00	4,795,000
Capital Lease Obligation	947,000	100.00	947,000
Georgetown Exempted Village School District			
General Obligation Bonds	4,137,998	100.00	4,137,998
Certificates of Participation	497,000	100.00	497,000
<b>Total Overlapping</b>	<b>30,295,916</b>		<b>30,295,916</b>
<b>Total</b>	<b>\$33,758,710</b>		<b>\$33,758,710</b>

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>
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
2009	42,104	735,009,528	17,457	38,189	13.70
2010	42,104	735,009,528	17,457	38,189	11.90

- Sources:
- (1) National Center for Education Statistics  
2000-2010 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  
2000-2010 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  
2000-2010 from 2000 U.S. Census Data  
Average Median Household Income for all school districts within Southern Hills Joint Vocational School District
  - (5) Bureau of Labor Statistics

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Principal Employers  
2010 and 2006 (1)

2010

Employer	Nature of Business	Number of Employees	Rank
Western Brown Local School District	School	328	1
Brown County Government	Government	290	2
Brown County General Hospital	Health Care	260	3
Ohio Valley Manor	Health Care	240	4
Southern Ohio Veterans' Home	Health Care	201	5
Kroger	Retail Grocer	200	6
Cincinnati Milacron	Plastic Injection	175	7
McDonalds	Fast Food	127	8
Rumpke	Waste Removal	107	9
Hawklina Nevada	Farm Implements	100	10
Total		<u>2,028</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>
2001	8.7
2002	11.5
2003	10.9
2004	10.5
2005	10.7
2006	10.3
2007	10.7
2008	9.9
2009	10.4
2010	8.8

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

	2001	2002	2003	2004
<i><b>Governmental Activities</b></i>				
Instruction (1):				
Regular	2	2	2	2
Vocational	39	36	37	37
Adult/Continuing	3	3	3	3
Support Services:				
Pupils	5	4	4	4
Instructional Staff	1	1	1	1
Administration	4	4	5	5
Fiscal	3	3	3	3
Operation and Maintenance of Plant	5	5	5	5
Operation of Non-Instructional Services:				
Food Service Operations	4	4	4	4
<i>Total Number of Employees</i>	66	62	64	64

Source: Southern Hills Joint Vocational School District records

(1) Includes instructional aides

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
2	2	2	2	2	2
37	36	33	33	34	35
3	3	3	3	3	3
4	4	4	4	4	4
1	1	1	1	1	1
5	5	5	5	5	5
3	3	3	3	3	3
5	5	5	5	5	5
<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
<u>64</u>	<u>63</u>	<u>60</u>	<u>60</u>	<u>61</u>	<u>62</u>

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**  
 Staff Education, Experience and Teacher Salary Data  
 June 30, 2010

<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	43.55%	10	\$57,448	\$41,695-\$64,744
Bachelor's Degree	9	14.52%	5	44,541	34,802-53,177
Bachelor with 150 Hours	3	4.84%	3	51,179	42,440-61,374
Master's Degree	10	16.13%	9	59,929	43,592-69,270
Master's Degree + 18 Hours	13	20.97%	10	68,331	53,076-78,869
Total	<u>62</u>	<u>100.00%</u>	<u>37</u>		

<u>Years of Experience</u>	<u>Number of Staff</u>	<u>Percent of Total</u>
0-5	10	16.13%
6-10	11	17.74%
11 and over	41	66.13%
Total	<u>62</u>	<u>100.00%</u>

Source: Southern Hills Joint Vocational School District records

*SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT*

Percentage of Students who Receive Free and Reduced Lunches

Last Nine Fiscal Years (1)

2002	2003	2004	2005	2006	2007	2008	2009	2010
25.15%	19.66%	24.09%	27.69%	32.54%	34.92%	38.85%	44.44%	48.80%

Source: Ohio Department of Education

(1) Information prior to 2002 was not available.

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

	2001	2002	2003	2004
<b>Southern Hills Joint Vocational School</b>				
Constructed Completed in 1975				
Total Building Square Footage	103,000	103,000	103,000	103,000
Total Enrollment (1)	255	333	292	295
Student Capacity	400	400	400	400
<b>Power Equipment Mechanics/Agricultural Industrial</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	22	23	21	20
Students Who Graduated from Program	7	9	11	6
Cost of Program	\$105,592	\$65,901	\$97,270	\$65,065
Percentage of Students to Maximum Capacity of Program	44%	46%	42%	40%
Cost of Program Per Student	4,800	2,865	4,632	3,253
Square ft. of Program Space	5,953	5,953	5,953	5,953
<b>Diversified Health Occupations</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	19	25	32	26
Students Who Graduated from Program	8	3	10	9
Cost of Program	\$121,639	\$96,315	\$98,484	\$86,036
Percentage of Students to Maximum Capacity of Program	38%	50%	64%	52%
Cost of Program Per Student	6,402	3,853	3,078	3,309
Square ft. of Program Space	2,141	2,141	2,141	2,141
<b>Information Technology/Computer Systems</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	17	24	19	18
Students Who Graduated from Program	5	9	11	6
Cost of Program	\$119,793	\$117,850	\$94,478	\$88,388
Percentage of Students to Maximum Capacity of Program	34%	48%	38%	36%
Cost of Program Per Student	7,047	4,910	4,973	4,910
Square ft. of Program Space	2,254	2,254	2,254	2,254

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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



2005	2006	2007	2008	2009	2010
103,000	103,000	113,500	113,500	113,500	113,500
308	300	286	286	312	325
400	400	400	400	400	400
50	50	50	50	50	50
33	29	22	31	30	31
13	15	9	11	12	11
\$105,987	\$85,329	\$91,449	\$91,235	\$139,974	\$176,595
66%	58%	44%	62%	60%	62%
3,212	2,942	4,157	2,943	4,666	5,697
5,953	5,953	5,953	5,953	5,953	5,953
50	50	50	50	50	50
23	19	33	38	34	32
12	5	9	17	17	10
\$86,917	\$94,448	\$90,476	\$96,341	\$99,375	\$114,434
46%	38%	66%	76%	68%	64%
3,779	4,971	2,742	2,535	2,923	3,576
2,141	2,141	2,141	2,141	2,141	2,141
50	50	50	50	50	50
20	22	33	22	15	16
8	8	11	14	7	7
\$94,355	\$58,093	\$95,728	\$79,691	\$116,531	\$94,146
40%	44%	66%	44%	30%	32%
4,718	2,641	2,901	3,622	7,769	5,884
2,254	2,254	2,254	2,254	2,254	2,254

(continued)

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Operating Statistics and Classroom Space by Program

Last Ten Fiscal Years

(cash basis of accounting)

(continued)

	2001	2002	2003	2004
<b>Early Childhood Education</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	17	26	20	34
Students Who Graduated from Program	4	14	5	10
Cost of Program	\$66,997	\$70,143	\$76,440	\$89,757
Percentage of Students to Maximum Capacity of Program	34%	52%	40%	68%
Cost of Program Per Student	3,941	2,698	3,822	2,640
Square ft. of Program Space	2,853	2,853	2,853	2,853
<b>Automobile Technology</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	21	31	39	35
Students Who Graduated from Program	9	8	11	15
Cost of Program	\$154,245	\$170,148	\$192,696	\$184,921
Percentage of Students to Maximum Capacity of Program	42%	62%	78%	70%
Cost of Program Per Student	7,345	5,489	4,941	5,283
Square ft. of Program Space	6,677	6,677	6,677	6,677
<b>Carpentry</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	23	23	27	29
Students Who Graduated from Program	6	7	6	14
Cost of Program	\$88,327	\$126,737	\$99,873	\$158,772
Percentage of Students to Maximum Capacity of Program	46%	46%	54%	58%
Cost of Program Per Student	3,840	5,510	3,699	5,475
Square ft. of Program Space	5,569	5,569	5,569	5,569
<b>Machining Technology</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	19	31	26	17
Students Who Graduated from Program	8	11	12	8
Cost of Program	\$133,400	\$170,000	\$154,720	\$193,483
Percentage of Students to Maximum Capacity of Program	38%	62%	52%	34%
Cost of Program Per Student	7,021	5,484	5,951	11,381
Square ft. of Program Space	4,086	4,086	4,086	4,086

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

2005	2006	2007	2008	2009	2010
50	50	50	50	50	50
27	23	23	25	26	23
15	11	8	11	14	9
\$107,343	\$99,195	\$106,964	\$102,759	\$137,554	\$115,426
54%	46%	46%	50%	52%	46%
3,976	4,313	4,651	4,110	5,291	5,019
2,853	2,853	2,853	2,853	2,853	2,853
50	50	50	50	50	50
42	42	36	40	33	34
18	23	17	15	14	17
\$267,631	\$174,855	\$141,590	\$198,485	\$228,617	\$226,263
84%	84%	72%	80%	66%	68%
6,372	4,163	3,933	4,962	6,928	6,655
6,677	6,677	6,677	6,677	6,677	6,677
50	50	50	50	50	50
27	17	16	18	22	19
13	5	7	8	4	14
\$141,109	\$108,423	\$118,770	\$112,423	\$109,086	\$160,574
54%	34%	32%	36%	44%	38%
5,226	6,378	7,423	6,246	4,958	8,451
5,569	5,569	5,569	5,569	5,569	5,569
50	25	n/a	n/a	n/a	n/a
15	6	n/a	n/a	n/a	n/a
6	5	n/a	n/a	n/a	n/a
\$161,981	\$23,487	n/a	n/a	n/a	n/a
30%	24%	n/a	n/a	n/a	n/a
10,799	3,915	n/a	n/a	n/a	n/a
4,086	4,086	n/a	n/a	n/a	n/a

(continued)

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Operating Statistics and Classroom Space by Program

Last Ten Fiscal Years

(cash basis of accounting)

(continued)

	2001	2002	2003	2004
<b>Welding</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	18	19	16	23
Students Who Graduated from Program	7	4	6	7
Cost of Program	\$99,491	\$76,625	\$92,660	\$95,599
Percentage of Students to Maximum Capacity of Program	36%	38%	32%	46%
Cost of Program Per Student	5,527	4,033	5,791	4,156
Square ft. of Program Space	4,273	4,273	4,273	4,273
<b>Cosmotology</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	29	36	34	25
Students Who Graduated from Program	5	16	14	12
Cost of Program	\$132,530	\$145,856	\$142,905	\$161,869
Percentage of Students to Maximum Capacity of Program	58%	72%	68%	50%
Cost of Program Per Student	4,570	4,052	4,203	6,475
Square ft. of Program Space	2,746	2,746	2,746	2,746
<b>Criminal Justice</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	15	23	14	16
Students Who Graduated from Program	5	9	5	7
Cost of Program	\$83,716	\$83,594	\$113,401	\$111,098
Percentage of Students to Maximum Capacity of Program	30%	46%	28%	32%
Cost of Program Per Student	5,581	3,635	8,100	6,944
Square ft. of Program Space	2,776	2,776	2,776	2,776
<b>Graphics</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	16	23	16	19
Students Who Graduated from Program	8	3	9	4
Cost of Program	\$82,147	\$94,997	\$123,427	\$133,703
Percentage of Students to Maximum Capacity of Program	32%	46%	32%	38%
Cost of Program Per Student	5,134	4,130	7,714	7,037
Square ft. of Program Space	2,389	2,389	2,389	2,389

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

2005	2006	2007	2008	2009	2010
50	50	50	50	50	50
23	23	22	19	35	30
12	7	13	8	12	14
\$110,028	\$111,158	\$122,163	\$122,679	\$274,715	\$377,028
46%	46%	44%	38%	70%	60%
4,784	4,833	5,553	6,457	7,849	12,568
4,273	4,273	9,273	9,273	9,273	9,273
50	50	50	50	50	50
24	30	26	24	32	43
11	10	16	10	11	18
\$141,191	\$142,822	\$155,139	\$155,752	\$172,459	\$177,625
48%	60%	52%	48%	64%	86%
5,883	4,761	5,967	6,490	5,389	4,131
2,746	2,746	2,746	2,746	2,746	2,746
50	50	50	50	50	50
21	17	13	21	21	25
6	6	4	9	9	10
\$101,139	\$100,073	\$74,743	\$56,522	\$71,519	\$62,174
42%	34%	26%	42%	42%	50%
4,816	5,887	5,749	2,692	3,406	2,487
2,776	2,776	2,776	2,776	2,776	2,776
50	50	50	50	50	50
34	47	42	31	29	36
11	21	18	17	16	9
\$141,459	\$167,829	\$113,744	\$93,236	\$88,661	\$103,143
68%	94%	84%	62%	58%	72%
4,161	3,571	2,708	3,008	3,057	2,865
2,389	2,389	2,389	2,389	2,389	2,389

(continued)

**SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT**

Operating Statistics and Classroom Space by Program

Last Ten Fiscal Years

(cash basis of accounting)

(continued)

	2001	2002	2003	2004
<b>Administration/Office Technology</b>				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	22	37	28	33
Students Who Graduated from Program	10	10	18	24
Cost of Program	\$109,593	\$128,939	\$143,848	\$75,341
Percentage of Students to Maximum Capacity of Program	44%	74%	56%	66%
Cost of Program Per Student	4,982	3,485	5,137	2,283
Square ft. of Program Space	2,508	2,508	2,508	2,508
<b>Marketing Education</b>				
Maximum Capacity of Program	25	25	n/o	n/o
Number of Students at End of Year (1)	10	12	n/o	n/o
Students Who Graduated from Program	10	11	n/o	n/o
Cost of Program	\$50,118	\$63,447	n/o	n/o
Percentage of Students to Maximum Capacity of Program	40%	48%	n/o	n/o
Cost of Program Per Student	5,012	5,287	n/o	n/o
Square ft. of Program Space	1,754	1,754	n/o	n/o
<b>Occupational Work Experience</b>				
Maximum Capacity of Program	25	n/o	n/o	n/o
Number of Students at End of Year (1)	7	n/o	n/o	n/o
Students Who Graduated from Program	7	n/o	n/o	n/o
Cost of Program	\$63,192	n/o	n/o	n/o
Percentage of Students to Maximum Capacity of Program	28%	n/o	n/o	n/o
Cost of Program Per Student	9,027	n/o	n/o	n/o
Square ft. of Program Space	558	n/o	n/o	n/o
<b>Sports Medicine</b>				
Maximum Capacity of Program	n/o	n/o	n/o	n/o
Number of Students at End of Year (1)	n/o	n/o	n/o	n/o
Students Who Graduated from Program	n/o	n/o	n/o	n/o
Cost of Program	n/o	n/o	n/o	n/o
Percentage of Students to Maximum Capacity of Program	n/o	n/o	n/o	n/o
Cost of Program Per Student	n/o	n/o	n/o	n/o

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

n/o - Program not offered.

2005	2006	2007	2008	2009	2010
50	50	50	50	50	50
19	25	20	17	20	19
6	11	11	15	10	8
\$74,883	\$98,636	\$75,787	\$83,136	\$85,440	\$71,652
38%	50%	40%	34%	40%	38%
3,941	3,945	3,789	4,890	4,272	3,771
2,508	2,508	2,508	2,508	2,508	2,508
n/o	n/o	n/a	n/a	n/a	n/a
n/o	n/o	n/a	n/a	n/a	n/a
n/o	n/o	n/a	n/a	n/a	n/a
n/o	n/o	n/a	n/a	n/a	n/a
n/o	n/o	n/a	n/a	n/a	n/a
n/o	n/o	n/a	n/a	n/a	n/a
n/o	n/o	n/a	n/a	n/a	n/a
25	n/o	n/a	n/a	n/a	n/a
14	n/o	n/a	n/a	n/a	n/a
14	n/o	n/a	n/a	n/a	n/a
\$69,697	n/o	n/a	n/a	n/a	n/a
56%	n/o	n/a	n/a	n/a	n/a
4,978	n/o	n/a	n/a	n/a	n/a
558	n/o	n/a	n/a	n/a	n/a
n/o	n/o	n/o	n/o	50	50
n/o	n/o	n/o	n/o	15	12
n/o	n/o	n/o	n/o	4	3
n/o	n/o	n/o	n/o	\$85,440	\$88,891
n/o	n/o	n/o	n/o	30%	24%
n/o	n/o	n/o	n/o	5,696	7,408

**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
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
2009	365	7,074,198	19,381	6,830,694	18,714
2010	325	7,111,533	21,882	6,810,033	20,954

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.





# Dave Yost • 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  
FEBRUARY 24, 2011**