

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER**

**Basic Financial Statements**

**June 30, 2010**





# Dave Yost • Auditor of State

Board of Education  
Springfield-Clark Career Technology Center  
1901 Selma Road  
Springfield, Ohio 45505-4239

We have reviewed the *Independent Auditor's Report* of the Springfield-Clark Career Technology Center, Clark County, prepared by Plattenburg & Associates, 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 Springfield-Clark Career Technology Center is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

March 17, 2011

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Springfield-Clark Career Technology Center  
Clark County, Ohio

For the Fiscal Year Ended June 30, 2010

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Education  
Springfield-Clark Career Technology Center

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center (the Center) as of and for the year ended June 30, 2010, which collectively comprise the Center's basic financial statements. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Center, as of June 30, 2010, and the respective changes in financial position 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 31, 2010, on our consideration of the Center'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 31, 2010

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Fiscal Year Ended June 30, 2010

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The discussion and analysis of the Springfield-Clark County Career Technology Center's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2010 are as follows:

*Overall:*

- Total net assets increased \$1.96 million, which represents a 28.70 percent increase from fiscal year 2009.
- General revenues accounted for \$12.09 million or 93.63 percent of total revenue. Program specific revenues in the forms of charges for services and operating grants and contributions account for \$0.82 million or 6.37 percent of total revenues of \$12.91 million.
- Of the School District's \$10.95 million in expenses, only \$0.82 million were offset by program specific charges for services, grants or contributions. General revenues (primarily grants and entitlements, and property taxes) and available balances were used to cover the net expense of \$10.13 million.
- The General Fund, the major fund, had \$11.70 million in revenues and \$10.47 million in expenditures representing 93.74 percent and 92.06 percent of the total governmental funds revenues and expenditures, respectively.

**Using the Basic Financial Statements**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Springfield-Clark County Career Technology Center as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, 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 most significant funds with all other non-major funds presented in total in one column. In the case of Springfield-Clark County Career Technology Center, the General Fund is by far the most significant fund.



**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

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Reporting the School District as a Whole

***Statement of Net Assets and the Statement of Activities***

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions "How did we do financially during 2010?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current 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. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and food service activities. The School District does not have any business-type activities.

Reporting the School District's Most Significant Funds

***Fund Financial Statements***

The analysis of the School District's General Fund begins on page 13. Fund financial reports provide detailed information about the General Fund. 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 most significant funds, and therefore only the General Fund is presented separate from the other governmental funds.

***Governmental Funds***

The School District's activities are reported in governmental funds, which focus on how much money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual, 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 you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

***Fiduciary Funds***

The School District's fiduciary funds are a private purpose trust fund and agency fund. All of the School District's fiduciary funds are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the School District's other financial statements because the School District cannot use these assets to finance its operations. The School District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District as a Whole

Table 1 provides a comparison of the School District's net assets from 2009 to 2010:

**TABLE 1  
NET ASSETS, JUNE 30**

	2009 (restated)	2010
<b>ASSETS:</b>		
Current and Other Assets	\$11,127,095	\$12,995,716
Capital Assets	4,758,253	4,766,504
Total Assets	15,885,348	17,762,220
 <b>LIABILITIES</b>		
Current Liabilities	4,403,193	4,692,696
Noncurrent Liabilities	4,655,482	4,283,910
Total Liabilities	9,058,675	8,976,606
 <b>NET ASSETS:</b>		
Invested in Capital Assets, Net of Debt	720,338	1,120,520
Restricted	182,560	344,354
Unrestricted	5,923,775	7,320,740
Total Net Assets	\$6,826,673	\$8,785,614

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2010, the School District's net assets were \$8.79 million. Of that amount, approximately \$1.12 million was invested in capital assets, net of debt related to those assets. Another \$0.34 million was subject to external restrictions upon its use. The remaining \$7.32 million was unrestricted and available for future use as directed by the Board of Education and the School District's Administration.

The School District saw assets increase significantly through the increase in cash of \$1.35 million and property taxes receivable of \$1.14 million. The School District was able to increase revenues during the year but also reducing general fund expenses which in turn causing the cash balance to increase significantly.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

Table 2 compares the changes in net assets for fiscal year from 2009 to 2010.

**TABLE 2  
CHANGES IN NET ASSETS, JUNE 30**

	2009	2010
<b>REVENUES:</b>		
Program Revenues:		
Charges for Services	\$248,617	\$261,401
Operating Grants and Contributions	572,696	561,460
General Revenues:		
Property Taxes	4,980,715	5,308,770
Grants and Entitlements	6,575,842	6,733,779
Investment Earnings	89,334	39,105
Other	25,985	8,927
Total Revenues	12,493,189	12,913,442
 <b>PROGRAM EXPENSES:</b>		
Instruction	6,543,641	6,376,337
Support Services:		
Pupils and Instructional Staff	1,748,814	1,201,932
Board of Education, Administration		
Fiscal and Business	1,410,067	1,502,613
Operation and Maintenance of Plant	1,650,058	1,350,540
Pupil Transportation	71,418	56,328
Central	24,466	18,115
Food Services	275,331	258,804
Extracurricular Activities	17,258	20,379
Interest and Fiscal Charges	177,468	169,453
Total Expenses	11,918,521	10,954,501
 Change in Net Assets	 574,668	 1,958,941
Beginning Net Assets (restated 2010)	6,252,005	6,826,673
Ending Net Assets	\$6,826,673	\$8,785,614

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Fiscal Year Ended June 30, 2010

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Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. Property taxes made up 41.11 percent of revenues for governmental activities for the School District for fiscal year 2010. The School District is extremely dependent upon intergovernmental revenues provided by the State of Ohio and the federal government; approximately 56.49 percent of the School District's total revenue was received from intergovernmental sources during fiscal year 2010.

The School District saw the expenses decrease slightly in the instruction functions by 2.56 percent and decrease significantly in pupils and instructional staff by 31.27 percent from the prior year amounts. The decrease can be attributed to the economy as a whole, as well as, the School District controlling the number of instructional aides used for classrooms.

Operation and maintenance of plant expenses had decreased 18.16 percent from the prior year amounts as a result of the construction process during 2009. Although, the School District was also greatly impacted by the rising fuel prices not only in heating costs but also in the actual purchase of gasoline resulting in the expenses still 200 percent above 2008 costs.

Despite not having sought new operating funds through a property tax levy in the past several years, the School District has been able to regain stable financial footing after struggling through financial difficulties in the late 1990's. Through careful management of expenses, the School District has been able to maintain a stable fund balance. However, if additional revenue sources are not secured, the School District will have to implement spending reductions in order to avoid depleting cash reserves.

Instruction comprises 58.21 percent of the School District's expenses for fiscal year 2010. Support services expenses make up 37.70 percent of these expenses.

Instructional expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and pupil.

Pupils and instructional staff include the activities involved with assisting the staff with the contents and process of teaching to pupils.

Board of Education, Administration, Fiscal and Business includes expenses associated with administrative and financial supervision of the School District.

Plant operation and maintenance activities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Central includes expenses related to planning, research, development and evaluation of support services, as well as the reporting of this information internally and to the public.

Food services include the preparation, delivery and servicing of lunches, snacks and other incidental meals to students and school staff in connection with school activities.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Fiscal Year Ended June 30, 2010

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Operation of non-instructional services includes services provided to the community at-large.

Interest and fiscal charges involves the transactions associated with the payment of interest and other related charges to debt of the School District.

The School District's Funds

Information about the School District's General Fund, the major fund, starts on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12.48 million and expenditures of \$11.37 million. Of those amounts the major fund accounts for 93.74 percent of revenues and 92.06 percent of expenditures. The general fund unreserved fund balance increased 18.30 percent from the prior year as the School District continued to generate more revenue than it spent.

General Fund Budgeting 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 amended its general fund budget several times.

For the General Fund, original budget basis revenue was \$8.59 million as compared to the final budget estimates of \$11.69 million. The main variance from final budget to actual revenues was tuition and fees as the School District did not collect certain fees by year end.

The final expenditure budget increased by \$0.11 million from the original budget mainly in instruction as the School District added some teaching and office staff and maintenance needs for those services. Total actual expenditures on the budget basis were less than final budget figures by 8.28 percent. The School District takes an active role in budget maintenance to increase the General Fund cash balance annually.

Capital Assets

At the end of fiscal year 2010, the School District had \$11.42 million invested in land and land improvements, building and improvements, furniture, fixtures and equipment, and vehicles (cost basis) in governmental activities.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2010**

Table 3 shows fiscal year 2009 balances compared to 2010:

*Table 3  
Capital Assets*

Class	2009 (restated)	2010	Percentage Change
Land	\$647,488	\$647,488	0.00%
Land Improvements	364,938	364,938	0.00%
Buildings and Improvements	7,637,785	7,637,785	0.00%
Furniture, Fixtures and Equipment	2,222,317	2,533,810	14.02%
Vehicles	227,073	232,073	2.20%
Accumulated Depreciation	(6,341,348)	(6,649,590)	4.86%
Totals	<u>\$4,758,253</u>	<u>\$4,766,504</u>	<u>0.17%</u>

Overall capital assets increased \$0.01 million from fiscal year 2009. The School District's current year additions was slightly more than the current depreciation expense. See note 7 to the basic financial statements for more detailed information on the School District's capital assets.

Debt Administration

At June 30, 2010, the School District has a school energy conservation improvement bond with a balance due of \$355,000 with \$50,000 due within one year. The energy conservation debt issues were for the purpose of providing energy conservation measures for the School District. The School District has two Vocational School Building Assistance loans outstanding with combined balances due at June 30, 2010 of \$19,130 which is \$4,782 due within one year. The purposes of these two loans were for constructing, remodeling and purchasing equipment for the School District. The School District also had a balance remaining on capital leases through OASBO for the purposes of making capital improvements to the facilities and the copiers totaling \$3,271,854.

Principal payments on all long term debt obligations for fiscal year 2010 totaled \$391,931 with an additional \$462,035 of which is due within one year. For more detailed information regarding the School District's debt obligations, the reader should refer to the note 13 to the basic financial statements.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Fiscal Year Ended June 30, 2010

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For the Future

Springfield-Clark County Career Technology Center continues to struggle with the reduction in operating revenue provided by the State of Ohio. Recent legislative decisions continue to reduce operating funds through the planned phase out of the inventory tax base and reduced foundation subsidy payments. These factors coupled with increasing operating costs will continue to put a financial strain on the School District.

The state lawsuit has benefited the School District in an increased state per pupil amount. The lawsuit has failed to get the state to move away from dependence on property tax and the new formulas make funding very complex and difficult to explain to the public.

Accountability has become a major focus of the CTC Administration. In the past three years the administration, as well as the staff, have determined necessary enrollment criteria for vocational programs. As a result of this a reduction-in-force was necessary in some teaching areas in order to right-size the staff.

The School District has taken many steps to economize the School District's budget without jeopardizing the caliber and selection of programs being offered to students. The Springfield-Clark County CTC and the Northwestern Local School District have just completed the sixth year of a satellite agreement for the Vocational Programs being offered at the Northwestern High School campus. The state requirements to utilize 75% of the weighted funds received for vocational programs in certain expenditure areas have caused a hardship for many local districts. It does not create the same hardship for the CTC due to the fact that the majority of expenditures made by a CTC are for vocational programs specifically, equipment and supplies for the labs, technology enhancements, textbooks, etc. A similar satellite agreement was implemented with the Springfield City High School as well as the middle school vocational programs. The Springfield City Schools were facing a fiscal emergency and discontinued the vocational offerings to the students. Therefore, a massive layoff of staff ensued and programs were dropped. The Springfield-Clark County CTC in cooperation with the Springfield City School District offered to satellite those vocational programs to be housed in the same locations as before only the CTC would hire the staff and provide the materials and supplies necessary for this instruction. In exchange the student funding associated with those classes was received by the CTC. Unfortunately, the Springfield City School District did not want to continue with this arrangement after the completion of one year. So the programs were only under the Springfield-Clark County CTC domain for one fiscal year. It is a constant concern of the CTC environment that future legislative acts would eliminate or again reduce the amount of funding for vocational education (weighted funds), therefore potentially prohibiting the availability of funds to maintain equipment, labs and remain current with technology enhancements.

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 questions about this report or need additional financial information contact the Treasurer's Office at Springfield-Clark County Career Technology Center, 1901 Selma Road, Springfield, Ohio 45505 or call (937) 325-7368.

**Springfield-Clark County Career Technology Center**  
**Clark County, Ohio**  
**Statement of Net Assets**  
**June 30, 2010**

	Primary Government Governmental Activities
<b><u>Assets</u></b>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$7,234,572
Receivables:	
Property Taxes	5,654,725
Accounts	779
Accrued Interest	3,340
Intergovernmental	6,505
Materials and Supplies Inventory	77,885
Prepaid Items	17,910
Non-Depreciable Capital Assets	647,488
Capital Assets (net of accumulated depreciation):	4,119,016
Total Assets	17,762,220
 <b><u>Liabilities</u></b>	
Payables:	
Accounts	87,525
Intergovernmental	123,480
Salaries and Employee Benefits	693,448
Unearned Revenue	3,788,243
Noncurrent Liabilities:	
Due within one year	554,438
Due in more than one year	3,729,472
Total Liabilities	8,976,606
 <b><u>Net Assets</u></b>	
Invested in capital assets, net of related debt	1,120,520
Restricted for:	
Grants	81,373
Capital Improvements	262,981
Unrestricted	7,320,740
Total Net Assets	\$8,785,614

See accompanying notes to the basic financial statements



**Springfield-Clark County Career Technology Center**  
**Clark County, Ohio**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2010**

<b>Function/Programs</b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Changes in Net Assets</b>
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
Governmental Activities:				
Instruction:				
Special	\$718,893	\$0	\$0	(\$718,893)
Vocational	5,652,595	91,467	367,267	(5,193,861)
Adult/Continuing	4,849	22,949	0	18,100
Support Services:				
Pupils	762,453	0	77,798	(684,655)
Instructional Staff	439,479	0	2,286	(437,193)
Board of Education	59,415	0	0	(59,415)
Administration	789,288	0	0	(789,288)
Fiscal	524,349	0	0	(524,349)
Business	129,561	0	0	(129,561)
Operation and Maintenance of Plant	1,350,540	4,096	0	(1,346,444)
Pupil Transportation	56,328	0	0	(56,328)
Central	18,115	0	0	(18,115)
Food Service	258,804	142,889	114,109	(1,806)
Extracurricular Activities	20,379	0	0	(20,379)
Interest and Fiscal Charges	169,453	0	0	(169,453)
<b>Total Primary Government</b>	<b>\$10,954,501</b>	<b>\$261,401</b>	<b>\$561,460</b>	<b>(10,131,640)</b>

General Revenues:

Property Taxes	5,308,770
Grants and Contributions not restricted to specific programs	6,733,779
Unrestricted investment earnings	39,105
Miscellaneous	8,927
<b>Total General Revenues</b>	<b>12,090,581</b>
Changes in Net Assets	1,958,941
Net Assets-Beginning (restated)	6,826,673
<b>Net Assets-Ending</b>	<b>\$8,785,614</b>

See accompanying notes to the basic financial statements

**Springfield-Clark County Career Technology Center**  
**Clark County, Ohio**  
**Balance Sheet - Governmental Funds**  
**June 30, 2010**

	Other Governmental Funds	Total Governmental Funds
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<b>Assets:</b>		
Equity in Pooled Cash, Cash Equivalents and Investments	\$6,720,630	\$7,234,572
Receivables:		
Property and Other Taxes	0	5,654,725
Accounts	779	779
Interfund	94,176	94,176
Accrued Interest	3,340	3,340
Intergovernmental	0	6,505
Prepaid Items	17,910	17,910
Materials and Supplies Inventory	74,224	77,885
<b>Total Assets</b>	<b>\$12,565,784</b>	<b>\$13,089,892</b>
<b>Liabilities and Fund Balances:</b>		
<b>Liabilities:</b>		
Payables:		
Accounts	\$51,662	\$87,525
Due to Local Governments	113,625	123,480
Salaries and Employee Benefits	682,589	693,448
Interfund	0	94,176
Deferred Revenue	4,387,900	4,387,900
<b>Total Liabilities</b>	<b>5,245,776</b>	<b>5,386,529</b>
<b>Fund Balances:</b>		
Reserved for:		
Encumbrances	172,424	392,351
Inventory	74,224	77,885
Property Taxes	1,266,825	1,266,825
Unreserved, reported in:		
General	5,806,535	5,806,535
Special Revenue	0	5,218
Capital Projects	0	154,549
<b>Total Fund Balances</b>	<b>7,320,008</b>	<b>7,703,363</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$12,565,784</b>	<b>\$13,089,892</b>

**Reconciliation of Total Governmental Fund Balances to Net Asset of Governmental Activities**

Total Governmental Fund Balances \$7,703,363

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. 4,766,504

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 599,657

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. (4,283,910)

**Net Assets of Governmental Activities** **\$8,785,614**

See accompanying notes to the basic financial statements

**Springfield-Clark County Career Technology Center  
Clark County, Ohio  
Statement of Revenues, Expenditures and Changes in Fund Balances -  
Governmental Funds  
For the Fiscal Year Ended June 30, 2010**

	General	Other Governmental Funds	Total Governmental Funds	
<b>Revenues:</b>				
Property Taxes	\$4,873,197	\$0	\$4,873,197	
Intergovernmental	6,733,779	561,460	7,295,239	
Charges for Services	1,480	178,157	179,637	
Tuition and Fees	40,975	0	40,975	
Interest	39,105	0	39,105	
Rent	2,236	0	2,236	
Gifts and Donations	0	19,307	19,307	
Miscellaneous	5,600	22,573	28,173	\$1,155,861
<b>Total Revenues</b>	<b>11,696,372</b>	<b>781,497</b>	<b>12,477,869</b>	
<b>Expenditures:</b>				
Current:				
Instruction:				
Special	716,121	0	716,121	
Vocational	5,224,605	393,492	5,618,097	
Adult Education	0	4,849	4,849	8,251
Support Services:				
Pupils	738,926	67,842	806,768	
Instructional Staff	521,502	5,087	526,589	
Board of Education	59,415	0	59,415	
Administration	731,620	0	731,620	423,258
Fiscal	528,700	0	528,700	
Business	129,494	0	129,494	
Operation and Maintenance of Plant	1,197,438	13,323	1,210,761	
Pupil Transportation	38,927	2,686	41,613	
Central	15,305	2,810	18,115	
Operation of Non-Instructional Services	0	239,143	239,143	
Extracurricular Activities	17,333	3,046	20,379	
Capital Outlay	0	171,044	171,044	
Debt Service:				
Principal Retirement	391,931	0	391,931	
Interest and Fiscal Charges	157,138	0	157,138	
<b>Total Expenditures</b>	<b>10,468,455</b>	<b>903,322</b>	<b>11,371,777</b>	
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,227,917	(121,825)	1,106,092	
<b>Other Financing Sources (Uses):</b>				
Sale of Assets	49,769	0	49,769	
Transfers - In	4,948	150,304	155,252	
Transfers - Out	(150,303)	(4,949)	(155,252)	
<b>Total Other Financing Sources (Uses)</b>	<b>(95,586)</b>	<b>145,355</b>	<b>49,769</b>	
Net Change in Fund Balances	1,132,331	23,530	1,155,861	
Fund Balances - beginning - as restated	6,187,677	359,825	6,547,502	
Fund Balances - ending	<u>\$7,320,008</u>	<u>\$383,355</u>	<u>\$7,703,363</u>	

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities**

**Net Change in Governmental Fund Balances**  
**Amounts reported in governmental activities**  
**in the statement of activities are different because:**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were exceeded by depreciation in the current period.

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Issuance or repayment of long-term obligations is reported as an other financing source or an expenditure in governmental funds, the issuance or repayment increases or reduces long-term liabilities in the statement of net assets. In the current year, this amount is:

Some items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures/revenues in governmental funds.

**Change in net assets of governmental activities**

391,930  
(20,359)  
**\$1,958,941**

See accompanying notes to the basic financial statements

**Springfield-Clark County Career Technology Center**  
**Clark County, Ohio**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

	Private-Purpose Trust Fund	Agency
<b><u>Assets</u></b>		
Equity in Pooled Cash and Cash Equivalents	\$191,800	\$35,627
Accrued Interest Receivable	243	0
Total Assets	192,043	35,627
<b><u>Liabilities</u></b>		
Due to Students	0	35,627
Total Liabilities	0	35,627
<b><u>Net Assets</u></b>		
Held in trust for scholarships	192,043	0
Total Net Assets	\$192,043	\$0

See accompanying notes to the basic financial statements

**Springfield-Clark County Career Technology Center**  
**Clark County, Ohio**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2010**

	<b>Private-Purpose Trust Fund</b>
<b>Additions:</b>	
Interest	\$530
Total Additions	530
<b>Deductions:</b>	
Scholarships	8,500
Change in Net Assets	(7,970)
Net Assets - Beginning of Year	200,013
Net Assets - End of Year	\$192,043

See accompanying notes to the basic financial statements

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**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 Springfield-Clark County Career Technology Center (the “School District”) is a joint vocational school district as defined by Section 3322.28 of the Ohio Revised Code. The 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 Springfield-Clark County “JVS Plan” was approved by the State Department of Education on April 13, 1964. On May 18, 1964, the Springfield-Clark County Joint Vocational School Board of Education was organized. The Board is comprised of two members of the Springfield City Board of Education and one from the Clark County Educational Service Center. The number of representatives from the City and the Educational Service Center was based on the student population at that time. The City and the Educational Service Center each select who will also serve as members of the board of the School District. The School District is staffed by 34 classified employees, 69 certified teaching personnel, and 8 administrative employees who provide services to 1090 students and other community members. The School District currently operates 6 instructional buildings and an administration building. During 2008, our name was changed from Joint Vocational School to Career Technology Center.

The school systems participating in the School District include: Springfield City, Northeastern Local, Southeastern Local, Clark-Shawnee Local, Greenon Local, Tecumseh Local and Northwestern Local. Each of these districts may send students to the School District, which offers students job training leading to employment upon graduation from high school. Each of the participating appoints a member from its Board to the Springfield-Clark County Career Technology Center Board.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, preschool 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; or (3) 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 (4) 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 following entity which performs activities within the School District boundaries for the benefit of its residents is excluded from the accompanying financial statements because the School District is not financially accountable for this entity nor is it fiscally dependent on the School District.

**City of Springfield** – The city government of Springfield is a separate body politic and corporate. The council is elected independent of any School District relationships and administers the provision of traditional city services. Council acts as the taxing and budgeting authority for these city services.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**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)**

The School District is associated with one joint venture, three jointly governed organizations and one insurance purchasing pool. These organizations are discussed in Notes 15, 16 and 17 to the basic financial statements. These organizations are:

Joint Venture:

Early Childhood Education Center (the Center)

Jointly Governed Organizations:

Miami Valley Educational Computer Association (MVECA)

Southwestern Ohio Educational Purchasing Council (SOEPC)

Southwestern Ohio Instructional Technology Association (SOITA)

Insurance Purchasing Pool:

Ohio School Board Association Workers' Compensation Group Rating Plan

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

The financial statements of the Springfield-Clark County Career Technology Center 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 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.

**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 primary government, except for fiduciary funds.

The statement of net assets presents the financial condition of the governmental activities of the School District at year-end. The government-wide 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 and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that 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.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**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)**

Fund Financial Statements

During the year, the School District segregates transactions related to certain School District functions or activities in 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 funds by type. The major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type on a separate financial statement.

***B. Fund Accounting***

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain School District functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The various funds of the School District are grouped into the categories governmental and fiduciary.

Governmental Funds

Governmental funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The General Fund is the major fund of the School District.

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

The other governmental funds of the School District account for grants and other resources and capital projects of the School District whose uses are 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 has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for the activity of the numerous student-managed activities within the School District are classified as agency funds.



**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**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 all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. Fiduciary funds are reported using the accrual basis of accounting; however, since the agency funds only report assets and liabilities they have no measurement focus whereas the private purpose trust fund uses the economic resource measurement focus.

***D. Basis of Accounting***

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

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

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the 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 nonexchange transactions must also be available before it can be recognized.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**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)**

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

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. 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 governmental funds.

***E. Cash, Cash Equivalents and Investments***

To improve cash management, cash received by the School District is pooled. Monies for all funds, including fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash, Cash Equivalents and Investments" on the statement of net assets and governmental balance sheet.

During fiscal year 2010, investments included were limited to non-negotiable certificates of deposits, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Commercial Paper, STAROhio, and money market accounts.

The School District has invested funds in the State Treasury Assets Reserve of Ohio (STAR Ohio) during fiscal year 2010. STAR Ohio is an investment pool managed by the State Treasurer's Office that 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 STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2010.

The School District allocates interest according to State statutes. Interest revenue credited to the General Fund during fiscal year was \$39,105 which included \$1,843 assigned from other School District funds. Interest was also recorded in the Private Purpose Trust Fund for \$530.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**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)**

***F. Materials and Supplies Inventory***

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption and purchased food. The cost of inventory items is recorded as an expenditure in the governmental funds when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds, which indicates that it does not constitute available expendable resources even though it is a component of net current assets.

***G. 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 is reported in the year in which services are consumed.

***H. Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

***I. Capital Assets and Depreciation***

Capital assets, which include land, land improvements, buildings and improvements, furniture, fixtures, equipment and vehicles, are reported in the government-wide financial statements. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements throughout the year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of one thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest incurred during the construction of capital assets is also not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 – 30 years
Buildings and Improvements	20 – 40 years
Furniture, Fixtures and Equipment	5 – 20 years
Vehicles	5 years

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**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)**

***J. Interfund Activity***

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 and uses in governmental funds. Repayments from funds responsible for particular expenditures or expenses to the funds that initially paid for them are not presented on the balance sheet. Transfers made within governmental activities are eliminated on the statement of activities.

***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 all employees after ten years of service with the School District.

For governmental funds, the current portion of unpaid compensated absences is the amount normally due for payment during the current year. Matured leave payable in the fund financial statements represents the entire current portion. These amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The entire liability is reported on the government-wide statement of net assets

***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 funds. However, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes, general obligation bonds, and capital leases are recognized as a liability on the governmental fund financial statements when due.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
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**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)**

***M. Interfund Balances***

On fund financial statements, receivables and payables resulting from the short-term interfund loans are classified as “Interfund Receivables” and “Interfund Payables”. These amounts are eliminated in the statement of net assets.

***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. None of the School District’s net assets are restricted by enabling legislation.

***O. Fund Balance Reserves***

The School District reserves those portions of fund equity 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 that is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, materials and supplies inventory, and property taxes.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

***P. Reconciliation of government-wide and fund financial statements***

*Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.*

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$4,283,910) difference are as follows:

School Facilities Loan Payable	(\$19,130)
Energy Conservation Bonds Payable	(355,000)
Capital Lease Payable	(3,271,854)
Compensated Absences	<u>(637,926)</u>
Net Adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u><u>(\$4,283,910)</u></u>

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

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

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of the \$4,766,504 difference are as follows:

Capital assets	\$11,416,094
Accumulated depreciation	<u>(6,649,590)</u>
Net Adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$4,766,504</u>

*Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities*

Another element of that reconciliation states that the issuance or repayment of long-term obligations is reported as an other financing source or an expenditure in governmental funds, the issuance or repayments increase or reduce the long-term liabilities in the statement of net assets. The details of this \$391,930 are as follows:

Principal paid on outstanding debt	\$363,781
Payment on capital lease obligations	<u>28,149</u>
Net Adjustment – current financial resources focus to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$391,930</u>

Another element of that reconciliation states that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$8,251 are as follows:

Current capital additions	\$339,081
Depreciation expense	<u>(339,830)</u>
Net Adjustment – capital assets to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$8,251</u>

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2010

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**NOTE 3 – ACCOUNTABILITY AND COMPLIANCE**

**A. Accountability**

At June 30, 2010, the Food Service Fund and Miscellaneous Federal Grants special revenue funds had deficit fund balances of \$38,039 and \$1,487, respectively. The deficits were created by application of generally accepted accounting principles. The general fund provides cash to these funds; however that does not happen until needed.

**B. Compliance**

The following fund had appropriations in excess of estimated resources and available balances:

Non Major Funds:	
Miscellaneous State Grants	\$732

The following funds had expenditures and encumbrances in excess of appropriations:

Non Major Funds:	
Public School Support Fund	\$474
Public School Connectivity Grant	2,286
HSTW Grant	900

**NOTE 4 – DEPOSITS AND INVESTMENTS**

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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 the Board of Education 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.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2010

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**NOTE 4 – DEPOSITS AND INVESTMENTS** (continued)

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds 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 obligations or securities 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 provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time, and;
8. Under limited circumstances, debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.



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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

**NOTE 4 – DEPOSITS AND INVESTMENTS** (continued)

**Cash on Hand:** At fiscal year end, the School District had \$585 in undeposited cash on hand which is included on the statement of net assets and governmental balance sheet of the School District as part of “Equity in Pooled Cash, Cash Equivalents and Investments.”

**Deposits:** Custodial credit risk is the risk that in the event of a bank failure, the School District’s deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District’s policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2010 the School District’s bank balance of \$5,721,209 was either covered by FDIC or collateralized by the financial institution’s public entity deposit pool in the manner described above.

**Investments:** The School district’s investments are categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered for which the School District or its agent in the School District’s name holds the securities. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty’s trust department or agent in the School District’s name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the School District’s name. STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

Investment Type:	Fair Value	Maturity	
		Less than OneYear	1-5 Years
Federal Home Loan Bank Notes	\$990,144	\$260,050	\$730,094
Federal Farm Credit Bureau Notes	304,869	149,953	154,916
Federal Home Loan Mortgage Corporation Notes	100,016	0	100,016
Federal National Mortgage Association Notes	329,010	329,010	0
STAR Ohio	77,092	77,092	0
Money Market Fund	5,779	5,779	0
	\$1,806,910	\$821,884	\$985,026

**Interest Rate Risk –** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the investment policy, the School District manages its exposure to declined in fair values by limiting the weighted average maturity of its investment portfolio.

**Credit Risk –** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**NOTE 4 – DEPOSITS AND INVESTMENTS** (continued)

The District limits their investments to securities in STAR Ohio, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Commercial Paper and money market funds. Below are the credit ratings of the School District's investments:

Security	Rating Agency	
	Moody's	Standard & Poor's
STAR Ohio	N/A	AAAm
Federal Home Loan Bank Notes	Aaa	AAA
Federal Farm Credit Bureau Notes	Aaa	AAA
Federal Home Loan Mortgage Corporation Notes	Aaa	AAA
Federal National Mortgage Association Notes	Aaa	AAA
First American Treasury Money Market fund	Aaa	AAAm

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The School District's investment policy allows investments in Federal Agencies or Instrumentalities. Federal Home Loan Bank Notes, Federal Farm Credit Bureau Notes, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes and STAROhio comprised 54.8%, 16.9%, 5.5%, 18.2% and 4.3% of the School District's investments, respectively.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the School District's securities are secured and held in the name of the School District.

Cash, cash equivalents and investments are pooled for balance sheet classification on the basic financial statements because the pool consists of deposits, short-term investments and long-term investments that can be converted to liquid assets. A reconciliation between the classifications of cash and investments on the fund financial statements and classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
Equity in Pooled Cash and Cash Equivalents	\$7,461,999	\$0
Cash on Hand	(585)	0
Investments:		
Federal Home Loan Bank Notes	(990,144)	990,144
Federal Farm Credit Bureau Notes	(304,869)	304,869
Federal Home Loan Mortgage Corporation Notes	(100,016)	100,016
Federal National Mortgage Association Notes	(329,010)	329,010
First American Treasury Money Market fund	(5,779)	5,779
STAR Ohio	(77,092)	77,092
GASB Statement No. 3	\$5,654,504	\$1,806,910

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

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**NOTE 5 – PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar year 2010 for real and public utility property taxes represents collections of calendar year 2009 taxes. Property tax payments received during calendar year 2010 for tangible personal property (other than public utility property) is for calendar year 2010 taxes.

2010 real property taxes are levied after April 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2010 public utility property taxes became a lien December 31, 2009, are levied after April 1, 2010, and are collected in 2010 with real property taxes.

2010 tangible personal property taxes are levied after April 1, 2009, on the value as of December 31, 2008. Collections are made in 2010. Tangible personal property assessments are twenty-five percent of true value.

Ohio House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2010. The tax is phased out by reducing the assessment rate on the property each year. In the calendar years 2006-2010, the School District will be fully reimbursed at the level of calendar year 2004 assessed values for the lost revenue. In calendar years 2011-2017, the reimbursements will be phased out.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

**NOTE 5 – PROPERTY TAXES (Continued)**

The assessed values upon which fiscal year 2010 taxes were collected are:

	<u>2009 Second- Half Collections</u>		<u>2010 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$2,330,482,390	96.87%	\$2,287,486,710	96.79%
Public Utility	69,652,320	2.90	72,976,900	3.09
Tangible Personal Property	5,674,901	0.23	2,834,019	0.12
Total Assessed Value	<u>\$2,405,809,611</u>	<u>100.00%</u>	<u>2,363,297,629</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$3.00		\$3.00	

The School District receives property taxes from Clark, Miami, Champaign, and Greene Counties. The County Auditors periodically advance 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 represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes, which became measurable as of June 30, 2010. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available, from Clark County only, as an advance at June 30, 2010, was \$1,266,825 and is recognized as revenue in the General Fund.

**NOTE 6 – RECEIVABLES**

Receivables at June 30, 2010, consisted of current and delinquent property taxes, accounts (rent and student fees), intergovernmental grants, interest and interfund transactions. 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.

A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amounts</u>
Nonmajor Governmental Funds	
HSTW Grant	\$900
Drug Free Act Grant	1,344
Reducing Class Size Grant	4,261

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

**NOTE 7 – CAPITAL ASSETS**

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

	Restated Balance 7/01/09	Increases	Decreases	Balance 6/30/10
<b>Governmental Activities</b>				
Capital Assets, not being depreciated				
Land	\$647,488	\$0	\$0	\$647,488
Total Capital Assets, not depreciated	647,488	0	0	647,488
Capital Assets, being depreciated				
Land Improvements	364,938	0	0	364,938
Buildings and Improvements	7,637,785	0	0	7,637,785
Furniture, Fixtures and Equipment	2,222,317	334,081	(22,588)	2,533,810
Vehicles	227,073	5,000	0	232,073
Total Capital Assets, depreciated	10,452,113	339,081	(22,588)	10,768,606
Less: Accumulated Depreciation				
Land Improvements	(326,023)	(3,295)	0	(329,948)
Buildings and Improvements	(4,580,597)	(129,250)	0	(4,709,847)
Furniture, Fixtures and Equipment	(1,236,190)	(185,958)	22,588	(1,399,560)
Vehicles	(198,538)	(11,697)	0	(210,235)
Total Accumulated Depreciation	(6,341,348)	(330,830)	22,588	(6,649,590)
Capital Asset, being depreciated, net	4,110,765	8,251	0	4,119,016
Governmental Activities				
Capital Assets, Net	\$4,758,253	\$8,251	\$0	\$4,766,504

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

Instruction:	
Vocational	\$247,675
Support Services:	
Instructional Staff	15,526
Administration	34,313
Fiscal	888
Operation and Maintenance of Plant	7,729
Pupil Transportation	14,715
Food Service	9,984
Total Depreciation Expense	\$330,830

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

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**NOTE 8 – RISK MANAGEMENT**

***A. Property and Liability***

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2010, the School District contracted with Selective Insurance Company and Travelers Insurance Company for the coverages identified below.

Building and Contents-replacement cost (\$1,000 deductible)	\$300,000,000
Automobile Liability (\$250 deductible)	1,000,000
Uninsured Motorists (\$250 deductible)	1,000,000
General Liability:	
Per occurrence	1,000,000
Total per year	3,000,000

Settled claims have not exceeded this commercial coverage in any of the past three years. There have been no significant deductions in insurance coverage from last year.

***B. Workers' Compensation***

For fiscal year 2010, the School District participated in the Ohio School Board Association Workers' Compensation Group Rating Plan (GRP), a workers' compensation 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.

Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP.

A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement ensures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Comp Management, Incorporated provides administrative, cost control, and actuarial services to the GRP.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2010

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit 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 43215-3476.

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 \$134,536, \$132,757, and \$139,217 respectively; 97 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

***B. State Teachers Retirement System***

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

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

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2010

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**NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)**

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

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 \$437,894, \$610,177, and \$629,789 respectively; 90 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 \$18,508 made by the School District and \$13,220 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 have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As June 30, 2010, six members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid. The remaining members of the board have elected SERS.

**NOTE 10 – POSTEMPLOYMENT BENEFITS**

***A. School Employee 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 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 the System 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 St., Suite 100, Columbus, Ohio 43215-3746.



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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2010

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**NOTE 10 – 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, 046 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 \$22,203.

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 \$27,045, \$91,786, and \$84,435 respectively; 97 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 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 year ended June 30, 2010, 2009 and 2008 were \$8,001, \$9,639 and \$10,031, 97 percent has been contributed for fiscal year 2010 with 100% for fiscal years 2009 and 2008.

***B. State Teachers Retirement System***

Plan Description – The School District contributes to the cost sharing multiple employer defined benefit Health Plan administered by the State Teachers Retirement System of Ohio (STRS Ohio) for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS Ohio. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which may be obtained by visiting [www.strsoh.org](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 1 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 \$33,684, \$46,937, and \$48,445 respectively; 90 percent has been contributed for fiscal year 2010 and 100 percent for fiscal years 2009 and 2008.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

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**NOTE 11 – OTHER EMPLOYEE BENEFITS**

***A. Compensated Absences***

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service.

Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators do not earn vacation time with the exception of the Superintendent and Treasurer.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 240 days for all employees. Upon retirement, payment is made for one-fourth of the first 120 days of total sick leave accumulation plus 20.83 percent of days in excess of 120 days up to a maximum of 55 days for teachers and classified employees. For administrators, 30 percent of the first 120 days of total sick leave accumulation is paid, plus 20 percent of days in excess of 120 up to a maximum of 65 days for administrative personnel.

***B. Insurance Benefits***

The School District provides life insurance to most employees through Coresource. Medical/surgical benefits are provided through Anthem Community Mutual.

**NOTE 12 – CAPITAL LEASES - LESSEE DISCLOSURE**

During 2009, the School District entered into capitalized leases for copiers. Also during 2008, the School District entered into capitalized leases as part of the OASBO loan financing program for the improvement of the educational facility. Each 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. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements in the General Fund.

Principal payments for capital leases in fiscal year 2010 totaled \$337,149 in the General Fund.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2010.

<u>Fiscal Year Ending June 30,</u>	<u>Capital Lease</u>
2011	\$507,218
2012	505,483
2013	502,495
2014	482,055
2015	463,010
2016-2017	1,349,701
Total	<u>3,809,962</u>
Less: Amount Representing Interest	<u>(538,108)</u>
Present Value of Net Minimum Lease Payments	<u>\$3,271,854</u>

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2010

**NOTE 12 – CAPITAL LEASES - LESSEE DISCLOSURE (Continued)**

The annual debt service requirements to maturity for the capital lease paid are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2011	\$379,253	\$127,965	\$507,218
2012	394,861	110,622	505,483
2013	409,893	92,602	502,495
2014	407,847	74,208	482,055
2015	405,000	58,010	463,010
2016-2017	1,275,000	74,701	1,349,701
Total	<u>\$3,271,854</u>	<u>\$538,108</u>	<u>\$3,809,962</u>

**NOTE 13 – LONG-TERM OBLIGATIONS**

Changes in long-term obligations of the School District during fiscal year 2010 were as follows:

	Restated Amount Outstanding 6/30/09	Additions	Deductions	Amount Outstanding 6/30/10	Amounts Due in One Year
<b>Governmental Activities:</b>					
Vocational School Building Assistance Fund Loans 0.00%	\$23,912	\$0	\$4,782	\$19,130	\$4,782
School Energy Conservation Improvement Bonds 2000 4.60%-6.25%	405,000	0	50,000	355,000	50,000
Capital Leases	3,609,003	0	337,149	3,271,854	379,253
Compensated Absences	617,567	350,173	329,814	637,926	120,403
Total	<u>\$4,655,482</u>	<u>\$350,173</u>	<u>\$721,745</u>	<u>\$4,283,910</u>	<u>\$554,438</u>

**School Energy Conservation Improvement Bonds** – On November 1, 2000, the School District issued \$715,000 in unvoted general obligation bonds for the purpose of providing energy conservation measures for Springfield-Clark County Career Technology Center. The bond issue included serial and term bonds in the amounts of \$410,000 and \$305,000, respectively. The bonds were issued for a fifteen-year period, with final maturity during fiscal year 2016. The bonds are being retired from the General Fund.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2010

**NOTE 13 – LONG-TERM OBLIGATIONS (Continued)**

**Vocational School Building Assistance Fund Loan** - On April 27, 1999, Springfield-Clark County Joint Vocational School District was loaned \$71,729 by the State of Ohio for the purpose of constructing, remodeling and purchasing equipment for the School District. The loan was issued for a fifteen-year period with a final maturity on April 1, 2014. The loan is being retired from the General Fund.

Capital leases will be paid from the General Fund. Compensated absences will be paid from the fund from which the employees' salaries are paid.

Principal and interest requirements to retire the vocational school building assistance fund loans and the school energy conservation bonds and at June 30, 2010, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2011	\$54,782	\$19,063	\$73,845
2012	59,782	18,000	77,782
2013	59,782	16,000	75,782
2014	64,781	12,000	76,781
2015	135,003	5,000	140,003
Total	<u>\$374,130</u>	<u>\$70,063</u>	<u>\$444,193</u>

**NOTE 14 – INTERFUND ACTIVITY**

As of June 30, 2010 various interfund transactions were as follows:

Fund Type/Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
General	\$94,176	\$0	\$4,948	\$150,303
Nonmajor Funds:				
Permanent Improvement	0	0	150,000	0
Food Service Fund	0	45,199	0	0
Rotary Fund	0	0	0	191
Other Grants	0	0	0	1,493
Educational Mgmt Information Systems	0	1,132	0	3,265
HSTW Grant	0	900	304	0
Carl D. Perkins Grants	0	39,103	0	0
Drug Free Act Grant	0	1,344	0	0
Reducing Class Size Grant	0	4,261	0	0
Miscellaneous Federal Grants	0	2,237	0	0
Total Nonmajor Funds	<u>0</u>	<u>94,176</u>	<u>150,304</u>	<u>4,949</u>
Total All Funds	<u>\$94,176</u>	<u>\$94,176</u>	<u>\$155,252</u>	<u>\$155,252</u>

The transfer to the permanent improvement fund was related to the building reserves for capital improvement needs. The other interfund activity relates to timing of revenues being later than anticipated.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

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**NOTE 15 – JOINT VENTURE**

**Early Childhood Education Center** – The Springfield-Clark County Career Technology Center entered into an agreement with Clark State Community College to operate the Early Childhood Education Center (the Center). Clark State Community College is acting as the fiscal agent. The School District has a financial responsibility to the Center to finance any operating deficits based upon a formula in the agreement. The Center incurred an operating profit for the fiscal year ended June 30, 2010. To obtain financial information, write to Joe Jackson, who serves as Vice President of Business Affairs, at 770 East Leffel Lane, Post Office Box 570, Springfield, Ohio 45501.

**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS**

**Miami Valley Educational Computer Association** – The School District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene and Highland 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 MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The School District paid MVECA \$23,791 for services provided during the fiscal year. Financial information can be obtained from Dean Reineke, Executive Director, at MVECA at 330 Enon Road, Yellow Springs, Ohio 45387.

**Southwestern Ohio Educational Purchasing Council** – The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of 124 school districts in 18 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group.

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2010, the School District paid \$123,626 to the SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

For the Fiscal Year Ended June 30, 2010

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**NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (Continued)**

**Southwestern Ohio Instructional Technology Association** – The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs. The Board of Trustees is comprised of twenty-three representatives of SOITA member schools or institutions. Twenty-one representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members in the State-assigned SOITA service area representative. One at-large higher education representative is elected by higher education SOITA members from within the State-assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2010, the School District paid \$490 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Larry Pogue, who serves as Executive Director, at 150 East Sixth Street, Franklin, Ohio 45005.

**NOTE 17 – INSURANCE POOL**

**Ohio School Boards Workers' Compensation Group Rating Plan** - The School District participates in the Ohio School Board Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice-Chairperson, a representative from the Montgomery County Educational Service Center and eight other members elected by majority vote of all member school districts. The Chief Administrator of GRP serves as the coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 18 - 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 are 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**

The School District is not party to any legal proceedings.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2010**

**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 year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks, and capital acquisition. Disclosure of this information is required by State statute.

	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set-aside Reserve Balance as of June 30, 2009	(\$3,048,030)	\$0
Current Year Set-aside Requirement	125,558	125,558
Offsets	0	(150,000)
Qualifying Disbursements	(687,339)	(695,213)
Subtotal	<u>(3,609,811)</u>	<u>(719,655)</u>
Set-aside Balances Carried Forward to Future Fiscal Years	<u>(\$3,609,811)</u>	<u>\$0</u>
Set-aside Reserve Balances as of June 30, 2010	<u>\$0</u>	<u>\$0</u>

Although the School District had qualifying disbursements during the year that reduced the set-aside below zero for capital acquisition, the extra amounts may not be used to reduce the set-aside requirements of future years.

**NOTE 20 – RESTATEMENT OF NET ASSETS AND FUND BALANCE**

In the prior year, the School District had \$216,692 available in a segregated bank account in relation to the capital lease obligation on the construction project. The School District did not record this cash balance which resulted in the cash and fund balance/net assets in the prior year being under-reported. The School District had reported cash balances in the general fund and the debt service (nonmajor fund) that were incorrect per the School District's cash position report. The School District's current year appraisal report showed the beginning balances were overstated and have been corrected. The following shows the impact the adjustments had on the financial statements.

	<u>Governmental Activities</u>	<u>General Fund</u>	<u>Nonmajor Funds</u>
Net Assets/Fund Balance, as reported 6/30/09	\$9,278,453	\$6,146,752	\$186,400
Cash adjustment	214,350	40,925	173,425
Debt correction	(229,008)	0	0
Capital assets, adjust to cost appraisal	(2,449,438)	0	0
Other adjustments	12,316	0	0
Net Assets/Fund Balance, as restated 7/1/09	<u>\$6,826,673</u>	<u>\$6,187,677</u>	<u>\$359,825</u>

## Required Supplementary Information



**Springfield-Clark County Career Technology Center**  
**Clark County, Ohio**  
**Schedule 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		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$5,071,208	\$4,833,458	\$4,828,074	(\$5,384)
Intergovernmental	3,500,000	6,740,267	6,733,779	(6,488)
Tuition and Fees	0	61,714	46,695	(15,019)
Interest	14,908	45,180	43,842	(1,338)
Rent	0	2,236	2,236	0
Charges for Services	0	1,485	1,480	(5)
Miscellaneous	0	7,330	5,515	(1,815)
<b>Total Revenues</b>	<b>8,586,116</b>	<b>11,691,670</b>	<b>11,661,621</b>	<b>(30,049)</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Special	742,180	741,939	704,895	37,044
Vocational	5,803,018	5,622,302	5,245,503	376,799
Support Services:				
Pupils	562,415	785,554	758,502	27,052
Instructional Staff	596,561	591,067	586,232	4,835
Board of Education	155,417	149,817	58,499	91,318
Administration	747,734	784,061	727,550	56,511
Fiscal	543,056	569,756	539,562	30,194
Business	161,259	151,309	129,972	21,337
Operation and Maintenance of Plant	1,544,751	1,562,909	1,362,813	200,096
Pupil Transportation	53,798	53,798	41,447	12,351
Central	72,952	71,492	25,541	45,951
Extracurricular Activities	16,191	17,666	17,258	408
Debt Service:				
Principal Retirement	480,000	359,085	363,782	(4,697)
Interest and Fiscal Charges	90,000	214,900	147,907	66,993
<b>Total Expenditures</b>	<b>11,569,332</b>	<b>11,675,655</b>	<b>10,709,463</b>	<b>966,192</b>
Excess of Revenues Over (Under) Expenditures	(2,983,216)	16,015	952,158	936,143
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Assets	73,703	72,705	71,489	(1,216)
Insurance Recoveries	4,902	100	0	(100)
Refund of Prior Year Expenditures	9,770	9,770	9,640	(130)
Refund of Prior Year Receipts	(10,000)	0	0	0
Advances In	5,077	11,157	11,157	0
Advances Out	0	(26,000)	(25,852)	148
Transfers In	37,791	37,791	37,467	(324)
Transfers Out	(50,000)	(182,824)	(182,823)	1
<b>Total Other Financing Sources (Uses)</b>	<b>71,243</b>	<b>(77,301)</b>	<b>(78,922)</b>	<b>(1,621)</b>
<b>Net Change in Fund Balance</b>	<b>(2,911,973)</b>	<b>(61,286)</b>	<b>873,236</b>	<b>934,522</b>
Fund Balances at Beginning of Year	5,310,547	5,310,547	5,310,547	0
Prior Year Encumbrances Appropriated	318,655	318,655	318,655	0
<b>Fund Balance at End of Year</b>	<b>\$2,717,229</b>	<b>\$5,567,916</b>	<b>\$6,502,438</b>	<b>\$934,522</b>

See accompanying notes to the required supplementary information

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended June 30, 2010

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Basis of Budgeting

Basis of budgeting refers to when revenues and expenditures or expenses are recognized in the accounts. The Springfield-Clark County Career Technology Center (the School District) budget for all legislated funds are prepared on a cash-encumbrance basis wherein transactions are recorded when cash is received or disbursed, or when a commitment has been recorded as an encumbrance against an applicable appropriation. Fund balances shown are unencumbered cash balances. This basis is utilized for all interim financial statements issued during the year.

The basis of budgeting differs from generally accepted accounting principles (GAAP) used for the School District's year-end basic financial statements. Under that basis of accounting, revenues are generally recognized when the obligation to the School District arises; the budget basis however, recognizes revenue only when cash has been received. In the basic financial statements, expenditures are generally recognized in the period in which they are incurred. Under the budget basis, expenditures are recognized when cash has been disbursed or when an encumbrance has been placed against an appropriation.

General Budget Policies

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The level of budgetary control is at the fund/object level for the General Fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Advances in and advances out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

Prior to January 15, the Superintendent and Treasurer submit, to the Board of Education, a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the Clark County Budget Commission for rate determination.

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates, as determined by the County Budget Commission, and receives the commission's certificate of estimated resources, which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate of estimated resources is amended to include any unencumbered cash balances from the preceding fiscal year. The certificate of estimated resources may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer.

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended June 30, 2010

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The amounts reported in the final budget columns of the budgetary schedule reflects the amounts in the final amended certificate of estimated resources issued during fiscal year 2010.

Upon receipt from the County Auditor of an amended certificate of estimated resources, based on final assessed values and tax rates, or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund/object for the General Fund and the fund level for all other funds, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total fund appropriation, or alter total appropriation at the legal level of control must be approved by the Board of Education.

The Board may pass supplemental fund appropriations as long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriation resolutions were legally enacted.

The budget figures which appear in the schedule of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental fund types.

At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

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 Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual - 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 as follows:

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 fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER  
CLARK COUNTY, OHIO**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

For the Fiscal Year Ended June 30, 2010

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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 basis statements to the budgetary basis schedule for the General Fund.

Excess of Revenues and Other Financing Sources  
Over Expenditures and Other Financing Uses  
General Fund

GAAP Basis	\$1,132,331
Revenue Accruals	(3,391)
Expenditure Accruals	(23,468)
Encumbrances	(217,541)
Advances	(14,695)
Budget Basis	<u>\$873,236</u>

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER**

**Single Audit Report**

**June 30, 2010**

**SPRINGFIELD CLARK CAREER TECHNOLOGY CENTER  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2010**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed Through Ohio Department of Education:				
Nutrition Cluster:				
School Breakfast Program	3L70	10.553	\$21,191	\$0
National School Lunch Program	3L60	10.555	92,918	18,755
Total Nutrition Cluster			<u>114,109</u>	<u>18,755</u>
Total U.S. Department of Agriculture			<u>114,109</u>	<u>18,755</u>
Career & Technical Education Basic Grants to States	N/A	84.048	401,969	0
Safe and Drug Free Schools and Communities	3D10	84.186	1,205	0
Improving Teacher Quality	3Y60	84.367	2,443	0
Total Department of Education			<u>405,617</u>	<u>0</u>
Total Federal Assistance			<u><u>\$519,726</u></u>	<u><u>\$18,755</u></u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

To the Board of Education  
Springfield-Clark Career Technology Center

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center (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 31, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2010-1 to be a material weakness.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated December 31, 2010.

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

This report is intended solely for the information and use of management, the Auditor of State, the Board of Education, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 31, 2010



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education  
Springfield-Clark Career Technology Center

Compliance

We have audited the compliance of the Springfield-Clark Career Technology Center (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program

in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2010, and have issued our report thereon dated December 31, 2010, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of management, the Auditor of State, the Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.  
December 31, 2010

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2010**

**Section I – Summary of Auditor’s Results**

(d)(1)(i)	<i>Type of Financial Statement Opinion</i>	Unqualified
(d)(1)(ii)	<i>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</i>	Yes
(d)(1)(ii)	<i>Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?</i>	No
(d)(1)(iii)	<i>Was there any material reported non-compliance at the financial statement level (GAGAS)?</i>	No
(d)(1)(iv)	<i>Were there any material internal control weakness conditions reported for major federal programs?</i>	No
(d)(1)(iv)	<i>Were there any other significant control deficiencies reported for major federal programs?</i>	No
(d)(1)(v)	<i>Type of Major Programs' Compliance Opinion</i>	Unqualified
(d)(1)(vi)	<i>Are there any reportable findings under Section .510?</i>	No
(d)(1)(vii)	<i>Major Programs (list):</i>  Career & Technical Education Basic Grants to States	84.048
(d)(1)(viii)	<i>Dollar Threshold: Type A/B Programs</i>	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	<i>Low Risk Auditee?</i>	No

## **Section II – Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS**

### **2010-1 – Material Weakness Related to Financial Reporting:**

Material misstatements were identified during the course of the audit which were not prevented or detected by the District's internal controls over financial reporting. The following items were misstated:

- Equity in Pooled Cash and Investments
- Depreciable Capital Assets, Net
- Long-Term Liabilities Due In More Than One Year
- Invested in Capital Assets, Net of Related Debt

These misstatements were corrected prior to issuance of the financial statements.

The design of the District's application and monitoring controls over financial reporting appears in need of significant revision to ensure that all financial statement transactions are accurately and completely reported.

### **Management Response and Corrective Action Plan:**

The District will investigate this matter and implement a solution.

## **Section III – Federal Award Findings and Questioned Costs**

None

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2010**

**2009-1 – Material Weakness Related to Financial Reporting:**

Status: Not corrected, see Finding 2010-1.

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# Dave Yost • Auditor of State

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER**

**CLARK 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  
MARCH 29, 2011**