



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Southern Hills Joint Vocational School District
Brown County, Ohio

Regular Audit

For the Year Ended June 30, 2013
Fiscal Year Audited Under GAGAS: 2013



Dave Yost • Auditor of State

Board of Education
Southern Hills Joint Vocational School District
9193 Hamer Rd.
Georgetown, Ohio 45121

We have reviewed the *Independent Auditor's Report* of the Southern Hills Joint Vocational School District, Brown County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

January 30, 2014

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Southern Hills Joint Vocational School District
For the Fiscal Year Ended June 30, 2013
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Balestra, Harr & Scherer, CPAs, Inc.

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Southern Hills Joint Vocational School District
9193 Hamer Rd.
Georgetown, Ohio 45121

Members of the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Hills Joint Vocational School District, Brown County, Ohio (the School District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 12, 2013, wherein we noted the School District adopted the provisions of Governmental Accounting Standards Boards (GASB) Statement No. 63, and GASB Statement No. 65.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
December 12, 2013



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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Independent Accountants' Report on Applying Agreed-Upon Procedure

Southern Hills Joint Vocational School District
9193 Hamer Rd.
Georgetown, Ohio 45121

Members of the Board of Education

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

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

1. We noted Southern Hills Joint Vocational School District amended its anti-harassment policy at its meeting on October 24, 2012 to include prohibiting harassment, intimidation, or bullying of any student "on a school bus" or by an "electronic act".

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

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

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
December 12, 2013

*SOUTHERN HILLS
JOINT VOCATIONAL SCHOOL DISTRICT*

GEORGETOWN, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Issued by:
Treasurer's Office

Michael Boyd, CPA
Treasurer

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INTRODUCTORY SECTION

Southern Hills Joint Vocational School District
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 For the Fiscal Year Ended June 30, 2013
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December 12, 2013

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Southern Hills Joint Vocational School District for the fiscal year ended June 30, 2013. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. The intent of this report is to provide the taxpayers of the Southern Hills Joint Vocational School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

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

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

Balestra, Harr & Scherer, CPAs, Inc., has issued an unmodified ("clean") opinion on the Southern Hills Joint Vocational School District's financial statements for the fiscal year ended June 30, 2013. The Independent Auditor's Report is located at the front of the Financial Section of this report.

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

FORMATION OF THE SCHOOL DISTRICT

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

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

FORM OF GOVERNMENT AND REPORTING ENTITY

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

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

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

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

The Treasurer is the chief financial officer of the School District, and is responsible for maintaining financial records, issuing warrants, acting as the custodian of all School District funds and investing idle funds as specified by Ohio law. Other administrators include a Principal, a Director of Adult and Community Education and supervisors of various educational and support services.

The School District employs 54 full-time employees. These employees include certified, non-certified and administrative personnel providing services to 594 secondary students and 1,217 adult students. Secondary students include the full time equivalents of home schooled students and students attending programs offered outside the central building. These students are not included as full time students in the School District's average daily membership.

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

Major industries located within the School District's boundaries include paper, agricultural/trailer equipment, plastics technology, tool box and surgical/medical equipment manufacturing. Further, with the growth of additional health facilities in the northern part of Brown County, there has been a considerable potential in the Health field. The Brown County Hospital has been sold again to Scottsdale, Arizona based Southwest Healthcare Services. Southwest agreed to assume vendor debt, loans, leases and anything currently owed by the facility, relieving the Brown County commission and residents of any debt obligations. The northern part of the County has recently seen several new job opportunities with Cincinnati NAL Co Inc. constructing a new 7,500 square foot facility, American Trailer Works purchase of the Brown County Industrial Park and Southern State Community College announcement of a new facility in Mt. Orab. Brown County has seen slight increases in residential housing and jobs.

Brown County is a rural community in Southern Ohio with unemployment rates 0.6 percent above the State unemployment rate of 6.9 percent. During the past ten years, the unemployment rate rose from 5.5 percent in 2001 to a high of 13.7 percent in June 2009. The population of Brown County in the 2010 census was 44,846. Population projections for Brown County are indicating growth over the next decade. The population growth rate from 2000 to 2010 was 6.1 percent or 2,561 while the State of Ohio rate was 1.6 percent.

Although, there was an increase in population in Brown County from the 2010 census, the numbers may be depressed as a result of the recent unemployment and economic conditions. The State should re-evaluate the State and County population in light of the current economic conditions.

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

In the years after the 2000 census, Brown County saw increases in housing starts. According to estimates provided by the United States Census Bureau, housing units in 2010 and the homeownership rate in 2005 to 2009 were 19,301 and 78.6 percent, respectfully. However, with the current economic conditions, Brown County has had little recent growth in residential construction.

Because of recent economic conditions, the current housing growth rates, and property values, and market rates are significantly lower. Also, the continuing home foreclosure rates in the local area will continue to have a tremendous impact on tax collections, local and State revenue for this coming biennium, and the near foreseeable future.

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

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

FINANCIAL TRENDS

The School District is currently on the transitional aid guarantee and is expecting to remain on this funding status until enrollment and the new funding formula provides additional revenue. Since the current biennium has introduced a new school funding system, the State indicated that in fiscal year 2012-2013 joint vocational school districts are flat funded.

FINANCIAL PLANNING AND POLICIES

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

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

With the help of the QZAB proceeds, Southern Hills started a new Sports Medicine program that was introduced in fiscal year 2009, and a half day Civil Engineering program in fiscal year 2010. We also started a half day programming for a Bio-Technology program in fiscal year 2012. With the new biennium and because of budgetary constraints and decreases in revenue, School District expenses will have to be controlled. Another consideration is how the State will be funding Career and Technical Education.

In the prior fiscal year, some significant costs that the School District was incurring were fees, tools and uniforms for students who received free lunch. The State mandated that all School Districts pick up these costs if they are part of the students’ full participation in their career technology or educational program. A recent ruling now allows School Districts to charge fees to free and reduced lunch students.

MAJOR INITIATIVES

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

In addition, with enrollment declining in local school districts, Southern Hills is planning to evaluate potential incoming enrollment, in order to begin adjusting programs to better reflect the needs of our students. In doing so, the Southern Hills Joint Vocational School District has opened three new options for secondary students in the Career Tech Planning District. Beginning with the 2011-2012 school year a Biotechnology Program opened. This is an agricultural and lab procedure based program. Using funds from a REAP grant, the School District built a greenhouse to be used by the Biotechnology Program as well as another new program, Culinary Arts. The Culinary Arts program began in fiscal year 2013. This food science based program will exist in the vacated machine trades lab. Beginning in fiscal year 2013 the Career Technical Center began offering Engineering. The Bio-technology and Engineering program will be combined in fiscal year 2014 to make the equipment and instructional rate more efficient. This is a manufacturing based program, following the Project Lead the Way curriculum. For adult learners, Southern Hills is in the process of beginning an advanced manufacturing program. This is in conjunction with local manufacturing companies as well as UC Clermont and Cincinnati State. The School District now has articulation agreements with local colleges to provide college credit for every secondary program.

AWARDS AND ACKNOWLEDGEMENTS

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Southern Hills Joint Vocational School District for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the eighth year that the School District has received this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must also satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to the GFOA for review.

ASBO CERTIFICATE OF EXCELLENCE

The Association of School Business Officials (ASBO) International Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report for review by an ASBO Panel of Review. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The Southern Hills Joint Vocational School District will also be submitting its eighth CAFR for this award for the fiscal year ended June 30, 2013.

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Kevin Kratzer, Superintendent



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

***Southern Hills Joint Vocational School District
Principal Officials
As Of June 30, 2013***

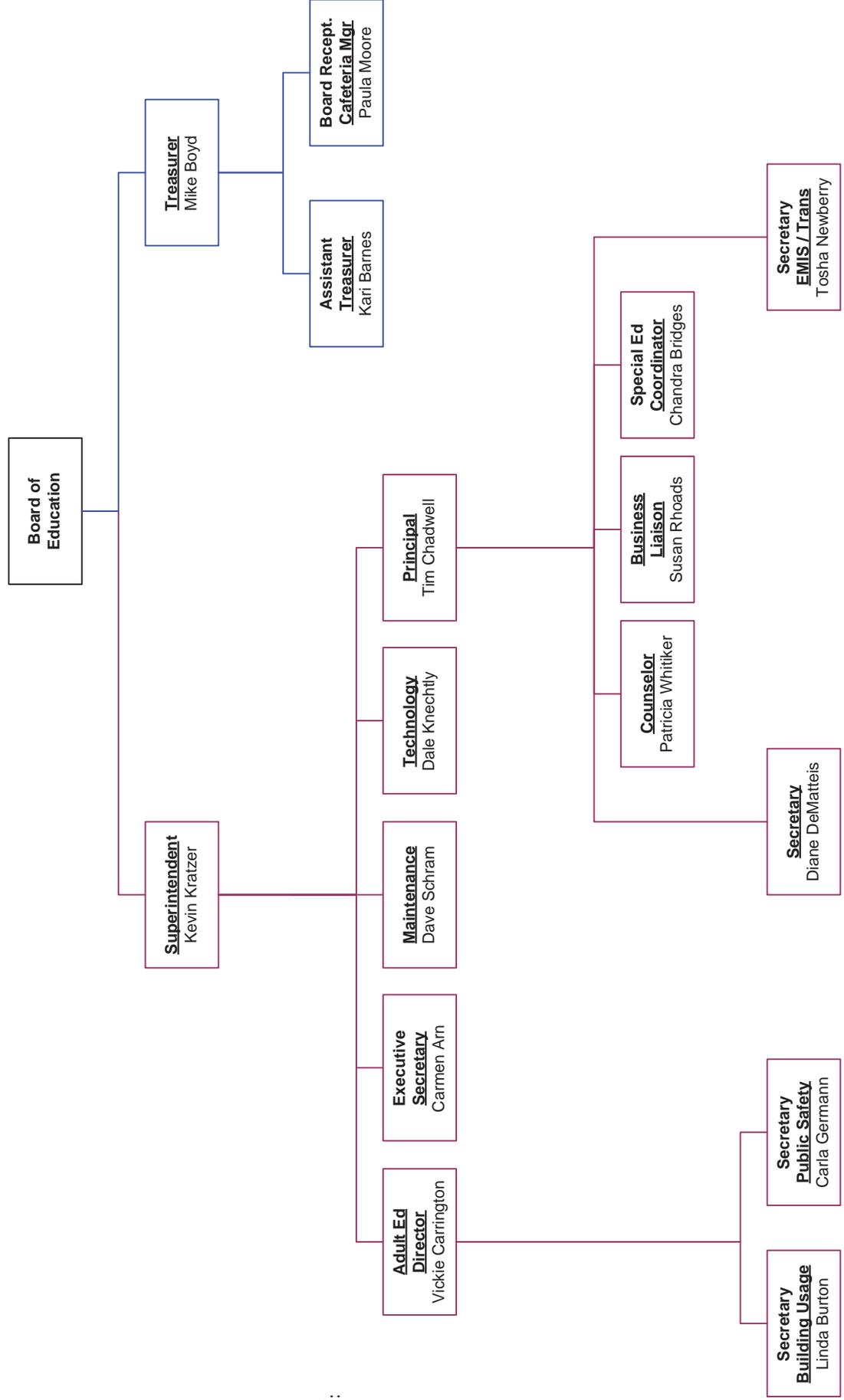
ELECTED OFFICIALS

President, Board of Education Richard Pride
Vice President, Board of Education..... Vernon Creighton
Board Member Jim Holden
Board Member Dick Colwell
Board Member Steve Cox
Board Member Barry Sims
Board Member Jim Castle

ADMINISTRATIVE OFFICIALS

Superintendent Kevin Kratzer
Treasurer Michael Boyd
Principal Tim Chadwell
Special Education Coordinator Chandra Bridges
Building and Grounds Supervisor..... David Schram
Adult Education Director..... Vicki Carrington

Southern Hills Joint Vocational School District Organizational Chart



***Southern Hills Joint Vocational School District
Consultants and Advisors
June 30, 2013***

Architects

SHP Leading Design
4805 Montgomery Road
Suite 400
Cincinnati, Ohio 45212

Bond Counsel

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

Independent Auditor

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

CAFR Preparation Consultants

Dave Yost, Auditor of State
Local Government Services Section
88 East Broad Street
Columbus, OH 43215

**Workers' Compensation/
Unemployment**

CompManagement, Inc.
P.O. Box 884
Dublin, OH 43017

Investment Advisors

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

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

Legal Counsel

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

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

Official Depositories

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

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Southern Hills Joint
Vocational School District
Ohio**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Association of School Business Officials International

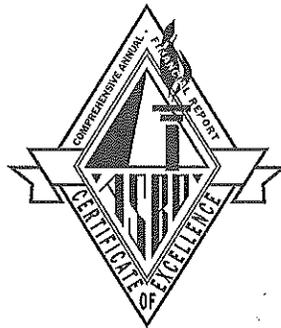


*The Certificate of Excellence in Financial Reporting Award
is presented to*

Southern Hills Joint Vocational School District

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2012*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



A handwritten signature in cursive script, reading "Ron McCulley".

Ron McCulley, CPPB, RSBO
President

A handwritten signature in cursive script, reading "John D. Musso".

John D. Musso, CAE, RSBA
Executive Director

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FINANCIAL SECTION



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Independent Auditor's Report

Southern Hills Joint Vocational School District
9193 Hamer Rd.
Georgetown, Ohio 45121

Members of the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Hills Joint Vocational School District, Brown County, Ohio, (the School District) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Southern Hills Joint Vocational School District, Brown County, Ohio, as of June 30, 2013, and the respective changes in financial position, thereof and the budgetary comparisons for the General Fund and the Ohio School Facilities Maintenance Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 20 to the financial statements, during the year ended June 30, 2013, the School District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

The statements and schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these statements and schedules to the auditing procedures we applied to the basic financial statements.

We also applied certain additional procedures, including comparing and reconciling these statements and schedules directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and on compliance, and the results of that testing and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.

Balestra, Harr & Scherer, CPAs

Balestra, Harr & Scherer, CPAs, Inc.
Piketon, Ohio
December 12, 2013

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Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

As management of the Southern Hills Joint Vocational School District, we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here, in conjunction with additional information we have provided in the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

This discussion and analysis of Southern Hills Joint Vocational School District's financial performance is intended to serve as an introduction to the School District's basic financial statements, and provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The Southern Hills Joint Vocational School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Financial Highlights

- In fiscal year 2013, the School District offered a new Culinary Arts Program. In addition the School District combined the Bio-technology and Engineering programs into one.

Using the Basic Financial Statements

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

The *Statement of Net Position* and the *Statement of Activities* provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's major funds with all other nonmajor funds presented in total in one column. The major funds for the Southern Hills Joint Vocational School District are the General Fund, the Ohio School Facilities Maintenance Special Revenue Fund, and the Permanent Improvement Capital Projects Fund.

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during fiscal year 2013?” The *Statement of Net Position* and the *Statement of Activities*, which appear first in the School District’s financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets, liabilities and deferred inflows of resources* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year’s revenues and expenses regardless of when cash is received or paid.

These two statements report the School District’s net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. However, the School District’s goal is to provide services to students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the School District’s property tax base, current property tax laws in Ohio restricting revenue growth, required educational programs and other factors.

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

Governmental Funds – Most of the School District’s activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the School District’s general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or difference) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* is reconciled in the financial statements.

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

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

The School District as a Whole

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

Table 1 provides a summary of the School District’s net position for fiscal years 2013 and 2012:

	(Table 1)		
	Net Position		
	Governmental Activities		
	2013	2012	Change
Assets			
Current and Other Assets	\$10,987,986	\$11,086,537	(\$98,551)
Capital Assets, Net	13,316,424	13,100,268	216,156
Total Assets	24,304,410	24,186,805	117,605
Liabilities			
Current and Other Liabilities	515,081	502,205	12,876
Long-Term Liabilities	3,158,136	3,370,899	(212,763)
Total Liabilities	3,673,217	3,873,104	(199,887)
Deferred Inflows of Resources			
Property Taxes	1,777,264	1,770,697	6,567
Net Position			
Net Investment in Capital Assets	10,920,884	11,152,795	(231,911)
Restricted	3,928,768	3,986,009	(57,241)
Unrestricted	4,004,277	3,404,200	600,077
Total Net Position	\$18,853,929	\$18,543,004	\$310,925

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Current and Other Assets decreased \$98,551, due mainly to a decrease in Equity in Pooled Cash and Cash Equivalents of \$120,835. Capital Assets, Net increased \$216,156, due primarily to an increase in capital assets related to the construction of the new culinary arts lab during fiscal year 2013.

Current and Other Liabilities increased \$12,876, primarily due to small increases in Accounts Payable and Accrued Wages and Benefits Payable. Long-Term Liabilities decreased, due to payments on long-term debt and no new issuances. Unrestricted Net Position increased \$600,077, due to an increase in Cash and Cash Equivalents that the School District was not restricted to use during the year.

Table 2 shows the changes in net position for fiscal years 2013 and 2012.

(Table 2)
Changes in Net Position

	Governmental Activities 2013	Governmental Activities 2012	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$268,047	\$294,222	(\$26,175)
Operating Grants, Contributions and Interest	1,419,059	1,488,410	(69,351)
Total Program Revenues	<u>1,687,106</u>	<u>1,782,632</u>	<u>(95,526)</u>
General Revenues:			
Property Taxes	2,368,876	2,252,672	116,204
Grants and Entitlements not Restricted to Specific Programs	2,503,724	2,564,226	(60,502)
Investment Earnings	80,313	75,298	5,015
Contributions and Donations	90	843	(753)
Miscellaneous	25,262	3,891	21,371
Total General Revenues	<u>4,978,265</u>	<u>4,896,930</u>	<u>81,335</u>
Total Revenues	<u>\$6,665,371</u>	<u>\$6,679,562</u>	<u>(\$14,191)</u>

continued

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

	Governmental Activities 2013	Governmental Activities 2012	Change
Program Expenses			
Instruction:			
Regular	\$159,402	\$152,860	\$6,542
Special	4,253	36,354	(32,101)
Vocational	3,489,180	3,339,083	150,097
Adult/Continuing	112,956	136,322	(23,366)
Support Services:			
Pupils	522,683	529,312	(6,629)
Instructional Staff	105,313	102,743	2,570
Board of Education	37,359	33,941	3,418
Administration	636,988	631,008	5,980
Fiscal	395,409	372,494	22,915
Business	5,592	4,285	1,307
Operation and Maintenance of Plant	555,620	583,300	(27,680)
Pupil Transportation	32,688	42,481	(9,793)
Central	42,520	55,466	(12,946)
Operation of Non-Instructional Services:			
Food Service Operations	219,612	215,020	4,592
Extracurricular Activities	8,948	8,879	69
Interest and Fiscal Charges	25,923	26,067	(144)
Total Expenses	<u>6,354,446</u>	<u>6,269,615</u>	<u>84,831</u>
Change in Net Position	310,925	409,947	(99,022)
Net Position at Beginning of Year	<u>18,543,004</u>	<u>18,133,057</u>	<u>409,947</u>
Net Position at End of Year	<u>\$18,853,929</u>	<u>\$18,543,004</u>	<u>\$310,925</u>

Program revenues decreased \$95,526. Charges for Services and Sales decreased \$26,175, and Operating Grants, Contributions and Interest decreased \$69,351. Property Taxes increased \$116,204 due to an increase in the amount of taxes available for advance. Investment Earnings increased \$5,015, primarily due to an increase in interest rates during the fiscal year.

Program expenses increased \$84,831 primarily due to an increase in vocational instruction offset by decreases in special instruction and operation and maintenance of plant. Vocational Instruction increased \$150,097 due to expenses related to the creation of the culinary arts program in fiscal year 2013. Operation and Maintenance of Plant decreased by \$27,680 due to a decrease in repairs and maintenance for the year.

*Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited*

Governmental Activities

Grants and Entitlements made up 50 percent of general revenues for governmental activities of the Southern Hills Joint Vocational School District for fiscal year 2013. It is very common for these monies to make up the majority of revenues in low property wealth districts that rely on State revenue to support its daily operations.

As should be expected, Instruction costs represent the largest of the School District's expenses for fiscal year 2013. Support Services expenses make up 37 percent of governmental expenses. Support Services provide a key role in meeting the needs of our students, tutoring to transportation, on-line testing to guidance and maintenance, and assisting our staff in providing an educational process that ranks us near the top of joint vocational school districts' Ohio Department of Education Secondary Workforce Development Report Card in providing education to career technology students.

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$6,689,281 and expenditures of \$6,790,620. The General Fund had an increase of \$648,994, primarily due to a decrease in vocational instruction. The Ohio School Facilities Maintenance Special Revenue Fund had an increase of \$105,408, due to a decrease in operation and maintenance of plant. The net change in fund balance for the fiscal year was most significant in the Permanent Improvement Capital Projects Fund, a decrease of \$835,674, primarily due to an increase in Capital Outlay. This was due to the construction of the culinary arts lab.

General Fund - Budget Highlights

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

During the course of fiscal year 2013, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund original and final budgeted amounts is listed on page 20, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, the original budget basis revenues were \$5,163,152, with a final budget estimate of \$5,344,772, a difference of \$181,620 due mainly to a large increase in intergovernmental revenue offset by a decrease in property taxes. There was a \$328 variance between the final budget and actual budget basis revenues.

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

Original budget basis expenditures and carryover encumbrances for the General Fund were \$5,280,325 and final budget basis expenditures and carryover encumbrances were \$5,069,594, a difference of \$210,731. The decrease in estimated expenditures was primarily related to a decrease in Vocational Instruction. Final actual expenditures fell below the final budgeted expenditures by \$413,909. This was mainly due to the School District's efforts to control costs during the fiscal year.

The School District's ending unobligated cash balance in the General Fund was \$456,226 above the final budgeted amount.

Debt

At June 30, 2013, the School District had \$233,336 in loans outstanding, with \$33,333 due within one year. In addition, the School District had \$2,563,127 in capital leases payable at fiscal year-end.

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

Capital Assets

At the end of fiscal year 2013, the School District had \$13,316,424 in capital assets. Capital Assets increased \$216,156 from the prior fiscal year. This was due primarily to the purchase of capital assets and the construction of the culinary arts lab during fiscal year 2013, offset by increases in accumulated depreciation. For more information on Capital Assets, refer to the notes to the basic financial statements (Note 8).

Current Issues

The Southern Hills Joint Vocational School District continues to be very proud of the fact that only one additional operating levy has been needed since the School District began operations in 1975. The School District is currently ranked as the sixth poorest among joint vocational school districts, based on average unadjusted property valuation per average daily membership in the State. Although the School District is considered low wealth, it provides a quality education for its students, ranking in the top 15 of all 49 Joint Vocational School Districts in the State of Ohio for the last six years. On the first ever report card of Career Technical Institutions, the School District was one of eleven, out of 91, that received straight A's. The School District currently has 14 career-tech programs housed at the Career Technical Center and four satellite programs at the local schools, with a total of approximately 594 students served by the School District. Southern Hills Joint Vocational School District offered a new Culinary Arts program at the Career Technical Center in fiscal year 2013 due to an anticipated increase in high school junior and senior enrollments at our local districts.

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
Unaudited

The Southern Hills Joint Vocational School District depends dramatically on the State of Ohio School funding system with over 60 percent of the School District's operating budget supplied by the State. There is a zero percent increase in fiscal year 2012 and 2013. A new funding formula has been established for Career Technical Centers beginning in fiscal year 2014.

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

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

Southern Hills Joint Vocational School District has also replaced fans, exhaust systems, chillers, coolers, freezers and kitchen equipment. The School District doubled the amount of storage space by renovating a barn on the property and building another storage building. The School District built another storage building to house equipment used in the industrial mechanics program. The School District also opened a greenhouse during fiscal year 2013 to support the Bio-technology program.

The Southern Hills Board of Education will move into a 10,000 square foot, state of the art District office in March 2014. This is currently being built adjacent to the Career Center. The current space will be renovated for student use. The School District built this new office as a shared project. The School District will lease office space to the Brown County Educational Service Center. For this efficient use of tax payer money, the project was given a \$100,000 Local Government Innovation Fund Grant.

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

Southern Hills Joint Vocational School District

Statement of Net Position

June 30, 2013

	<u>Governmental Activities</u>
<u>Assets:</u>	
Equity in Pooled Cash and Cash Equivalents	\$8,477,600
Materials and Supplies Inventory	1,474
Inventory Held for Resale	3,514
Accrued Interest Receivable	7,967
Prepaid Items	7,709
Property Taxes Receivable	2,465,588
Intergovernmental Receivable	24,134
Capital Assets:	
Land	339,053
Depreciable Capital Assets, Net	<u>12,977,371</u>
<i>Total Assets</i>	<u>24,304,410</u>
<u>Liabilities:</u>	
Accounts Payable	18,729
Accrued Wages and Benefits Payable	404,875
Intergovernmental Payable	67,359
Accrued Interest Payable	24,118
Long-Term Liabilities:	
Due Within One Year	250,026
Due in More Than One Year	<u>2,908,110</u>
<i>Total Liabilities</i>	<u>3,673,217</u>
<u>Deferred Inflows of Resources:</u>	
Property Taxes	<u>1,777,264</u>
<u>Net Position:</u>	
Net Investment in Capital Assets	10,920,884
Restricted for:	
Capital Outlay	1,762,821
Food Service	360,187
Adult Education	551,272
Classroom Facilities	1,128,924
Other Purposes	105,267
Set-Asides	20,297
Unrestricted	<u>4,004,277</u>
<i>Total Net Position</i>	<u><u>\$18,853,929</u></u>

See accompanying notes to the basic financial statements

*Southern Hills Joint Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2013*

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants, Contributions, and Interest	Governmental Activities
<u>Governmental Activities:</u>				
Instruction:				
Regular	\$159,402	\$110,291	\$0	(\$49,111)
Special	4,253	0	147,190	142,937
Vocational	3,489,180	165	998,140	(2,490,875)
Adult/Continuing	112,956	29,950	23,577	(59,429)
Support Services:				
Pupils	522,683	335	113,362	(408,986)
Instructional Staff	105,313	0	4,201	(101,112)
Board of Education	37,359	0	0	(37,359)
Administration	636,988	43,401	34,164	(559,423)
Fiscal	395,409	0	0	(395,409)
Business	5,592	156	123	(5,313)
Operation and Maintenance of Plant	555,620	1,305	0	(554,315)
Pupil Transportation	32,688	0	0	(32,688)
Central	42,520	0	0	(42,520)
Operation of Non-Instructional Services	219,612	82,444	98,302	(38,866)
Extracurricular Activities	8,948	0	0	(8,948)
Interest and Fiscal Charges	25,923	0	0	(25,923)
<i>Total Governmental Activities</i>	<u>\$6,354,446</u>	<u>\$268,047</u>	<u>\$1,419,059</u>	<u>(4,667,340)</u>

General Revenues:

Property Taxes Levied for:	
General Purposes	1,736,555
Other Purposes	157,500
Capital Outlay	474,821
Grants and Entitlements not	
Restricted to Specific Programs	2,503,724
Investment Earnings	80,313
Contributions and Donations	90
Miscellaneous	25,262
<i>Total General Revenues</i>	<u>4,978,265</u>
Change in Net Position	310,925
Net Position at Beginning of Year	18,543,004
Net Position at End of Year	<u>\$18,853,929</u>

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Balance Sheet
Governmental Funds
June 30, 2013

	General	Ohio School Facilities Maintenance	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$4,096,384	\$1,128,924	\$1,655,654	\$1,576,341	\$8,457,303
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	20,297	0	0	0	20,297
Receivables:					
Property Taxes	1,794,082	0	671,506	0	2,465,588
Accrued Interest	7,664	0	0	303	7,967
Intergovernmental	12,778	0	0	11,356	24,134
Interfund	28,000	0	0	0	28,000
Prepaid Items	7,426	0	0	283	7,709
Materials and Supplies Inventory	0	0	0	1,474	1,474
Inventory Held for Resale	0	0	0	3,514	3,514
Advances to Other Funds	200,000	0	0	0	200,000
Total Assets	\$6,166,631	\$1,128,924	\$2,327,160	\$1,593,271	\$11,215,986
<u>Liabilities:</u>					
Accounts Payable	\$3,211	\$0	\$15,518	\$0	\$18,729
Accrued Wages and Benefits Payable	391,847	0	0	13,028	404,875
Intergovernmental Payable	64,217	0	0	3,142	67,359
Interfund Payable	0	0	0	28,000	28,000
Advances From Other Funds	0	0	0	200,000	200,000
Total Liabilities	459,275	0	15,518	244,170	718,963
<u>Deferred Inflows of Resources:</u>					
Property Taxes	1,296,991	0	480,273	0	1,777,264
Unearned Revenue	115,591	0	45,126	9,588	170,305
Total Deferred Inflows of Resources	1,412,582	0	525,399	9,588	1,947,569
<u>Fund Balances:</u>					
Nonspendable	207,426	0	0	1,757	209,183
Restricted	20,297	1,128,924	1,786,243	1,337,756	4,273,220
Committed	323,401	0	0	0	323,401
Assigned	116,652	0	0	0	116,652
Unassigned	3,626,998	0	0	0	3,626,998
Total Fund Balances	4,294,774	1,128,924	1,786,243	1,339,513	8,549,454
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$6,166,631	\$1,128,924	\$2,327,160	\$1,593,271	\$11,215,986

See accompanying notes to the basic financial statements

*Southern Hills Joint Vocational School District
Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2013*

Total Governmental Fund Balances \$8,549,454

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

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

Land	339,053	
Other capital assets	21,387,344	
Accumulated depreciation	(8,409,973)	
		13,316,424

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 reported as unavailable revenue in the funds.

Property taxes	157,367	
Intergovernmental	9,455	
Interest	3,483	
		170,305

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

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

Loans	(233,336)	
Capital leases	(2,563,127)	
Compensated absences	(361,673)	
Total liabilities		(3,158,136)

Net Position of Governmental Activities \$18,853,929

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2013

	General	Ohio School Facilities Maintenance	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Property Taxes	\$1,725,979	\$157,500	\$468,734	\$0	\$2,352,213
Intergovernmental	3,478,550	0	107,945	332,152	3,918,647
Investment Earnings	81,012	0	40,443	3,567	125,022
Tuition and Fees	12,426	0	0	73,507	85,933
Rent	1,305	0	0	0	1,305
Customer Sales and Services	97,865	0	0	82,944	180,809
Contributions and Donations	90	0	0	0	90
Miscellaneous	9,640	0	14,936	686	25,262
Total Revenues	5,406,867	157,500	632,058	492,856	6,689,281
<u>Expenditures:</u>					
Current:					
Instruction:					
Regular	143,895	0	0	0	143,895
Vocational	2,610,724	0	284,900	61,322	2,956,946
Adult/Continuing	10,561	0	0	100,267	110,828
Support Services:					
Pupils	392,584	0	1,079	115,079	508,742
Instructional Staff	96,258	0	0	6,001	102,259
Board of Education	37,226	0	0	0	37,226
Administration	451,755	0	0	144,375	596,130
Fiscal	363,543	0	22,298	0	385,841
Business	5,070	0	0	522	5,592
Operation and Maintenance of Plant	458,600	52,092	10,000	0	520,692
Pupil Transportation	30,246	0	0	0	30,246
Central	41,278	0	0	1,165	42,443
Operation of Non-Instructional Services	0	0	0	187,009	187,009
Extracurricular Activities	8,948	0	0	0	8,948
Capital Outlay	375	0	896,628	0	897,003
Debt Service:					
Principal Retirement	0	0	230,825	0	230,825
Interest and Fiscal Charges	0	0	25,995	0	25,995
Total Expenditures	4,651,063	52,092	1,471,725	615,740	6,790,620
Excess of Revenues Over (Under) Expenditures	755,804	105,408	(839,667)	(122,884)	(101,339)
<u>Other Financing Sources (Uses):</u>					
Proceeds from Sale of Capital Assets	3,190	0	3,993	0	7,183
Transfers In	0	0	0	110,000	110,000
Transfers Out	(110,000)	0	0	0	(110,000)
Total Other Financing Sources (Uses)	(106,810)	0	3,993	110,000	7,183
Net Change in Fund Balances	648,994	105,408	(835,674)	(12,884)	(94,156)
Fund Balances at Beginning of Year	3,645,780	1,023,516	2,621,917	1,352,397	8,643,610
Fund Balances at End of Year	<u>\$4,294,774</u>	<u>\$1,128,924</u>	<u>\$1,786,243</u>	<u>\$1,339,513</u>	<u>\$8,549,454</u>

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2013*

Net Change in Fund Balances - Total Governmental Funds (\$94,156)

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

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

Capital assets additions	1,002,819	
Depreciation expense	(779,480)	
Excess of capital asset additions over depreciation expense		223,339

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

Proceeds from Sale of Capital Assets	(7,183)
--------------------------------------	---------

Because some revenues will not be collected for several months after the School District's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds.

Delinquent property taxes	16,663	
Intergovernmental	2,569	
Interest	(43,142)	
Total deferred		(23,910)

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

Loan principal payment	33,333	
Lease principal payment	197,492	
Total long-term debt repayment		230,825

In the Statement of Activities, interest is accrued on outstanding bonds and capital leases. 72

Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Increase in compensated absences payable	(18,062)
--	----------

Change in Net Position of Governmental Activities \$310,925

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property Taxes	\$1,859,620	\$1,682,002	\$1,682,002	\$0
Intergovernmental	3,131,626	3,472,167	3,465,772	(6,395)
Investment Earnings	72,153	80,000	80,273	273
Tuition and Fees	13,334	14,784	12,426	(2,358)
Rent	676	750	1,305	555
Customer Sales and Services	83,828	92,944	97,865	4,921
Contributions and Donations	67	75	90	15
Miscellaneous	1,848	2,050	5,367	3,317
Total Revenues	5,163,152	5,344,772	5,345,100	328
<u>Expenditures:</u>				
Current:				
Instruction:				
Regular	149,259	147,853	143,588	4,265
Vocational	3,027,791	2,884,325	2,611,363	272,962
Adult/Continuing	0	25,000	10,561	14,439
Support Services:				
Pupils	406,998	398,691	390,606	8,085
Instructional Staff	99,957	100,442	96,382	4,060
Board of Education	52,840	53,564	39,293	14,271
Administration	486,672	462,324	456,521	5,803
Fiscal	373,790	369,833	363,203	6,630
Business	14,200	14,200	5,070	9,130
Operation and Maintenance of Plant	530,234	501,719	459,091	42,628
Pupil Transportation	58,465	45,251	30,069	15,182
Central	67,887	52,887	41,278	11,609
Extracurricular Activities	10,232	11,505	8,285	3,220
Capital Outlay	2,000	2,000	375	1,625
Total Expenditures	5,280,325	5,069,594	4,655,685	413,909
Excess of Revenues Over (Under) Expenditures	(117,173)	275,178	689,415	414,237
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Capital Assets	5,000	5,000	3,190	(1,810)
Refund of Prior Year Expenditures	1,000	1,000	4,273	3,273
Advances In	111,205	111,205	115,204	3,999
Advances Out	(557)	(28,000)	(28,000)	0
Transfers Out	(13,527)	(146,527)	(110,000)	36,527
Total Other Financing Sources (Uses)	103,121	(57,322)	(15,333)	41,989
Net Change in Fund Balance	(14,052)	217,856	674,082	456,226
Fund Balance at Beginning of Year	3,394,933	3,394,933	3,394,933	0
Prior Year Encumbrances Appropriated	26,370	26,370	26,370	0
Fund Balance at End of Year	\$3,407,251	\$3,639,159	\$4,095,385	\$456,226

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio School Facilities Maintenance Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Expenditures:</u>				
Current:				
Support Services:				
Operation and Maintenance of Plant	\$112,000	\$112,000	\$54,809	\$57,191
<u>Other Financing Sources:</u>				
Transfers In	157,500	157,500	157,500	0
Net Change in Fund Balance	45,500	45,500	102,691	57,191
Fund Balance at Beginning of Year	1,023,516	1,023,516	1,023,516	0
Fund Balance at End of Year	<u>\$1,069,016</u>	<u>\$1,069,016</u>	<u>\$1,126,207</u>	<u>\$57,191</u>

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Private Purpose Trust	
	Scholarship	Agency
<u>Assets:</u>		
Equity in Pooled Cash and Cash Equivalents	\$68,576	\$24,875
<u>Liabilities:</u>		
Undistributed Monies	0	\$24,875
<u>Net Position:</u>		
Held in Trust for Scholarships	\$68,576	

See accompanying notes to the basic financial statements

*Southern Hills Joint Vocational School District
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Fund
June 30, 2013*

	Scholarship
<u>Additions:</u>	
Contribution and Donations	\$1,000
Miscellaneous	38
	1,038
<i>Total Additions</i>	1,038
<u>Deductions:</u>	
Payments in Accordance with Trust Agreements	1,250
<i>Changes in Net Position</i>	(212)
Net Position Beginning of Year	68,788
Net Position End of Year	\$68,576

See accompanying notes to the basic financial statements

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 1 – Description of the School District and Reporting Entity

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

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

The School District, located in Brown County, was established in 1970 and includes all of Brown County and the Bright Local School District in Highland County. The School District serves an area of approximately 634 square miles. It is staffed by 20 non-certificated and 34 certificated teaching personnel and administrative employees providing education to 594 secondary students and 1,217 adult education students. Secondary students include the full-time equivalents of home schooled students and students attending programs offered outside the central building. These students are not included as full-time students in the School District’s average daily membership.

Reporting Entity

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

The School District participates in three organizations, one of which is defined as a jointly governed organization, one as an insurance purchasing pool, and one as a public entity shared risk and insurance purchasing pool. These organizations are presented in Notes 16 and 17 to the basic financial statements. These organizations are:

Jointly Governed Organization:

South Central Ohio Computer Association Regional Council of Governments

Insurance Purchasing Pool:

Ohio SchoolComp Workers' Compensation Group Rating Plan

Public Entity Shared Risk and Insurance Purchasing Pool:

Brown County Schools Benefits Consortium

Note 2 – Summary of Significant Accounting Policies

The financial statements of the Southern Hills Joint Vocational School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

Basis of Presentation

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the School District are divided into two categories, governmental and fiduciary.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Governmental Funds

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

General Fund – The General Fund is the operating fund of the School District and is used to account for and report all financial resources not accounted for and reported in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Ohio School Facilities Maintenance Fund – This fund accounts for and reports property taxes restricted to expenditures for maintenance and upkeep of School District classroom facilities.

Permanent Improvement Fund – This fund accounts for and reports property tax revenues restricted to acquiring, constructing, or improving capital assets.

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

Fiduciary Funds

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

Measurement Focus

Government-wide Financial Statements

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

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

Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means that the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year, or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within 60 days of fiscal year-end.

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

Deferred Inflows of Resources

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the School District, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2013, but which were levied to finance fiscal year 2014 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District unavailable revenue includes delinquent property taxes and intergovernmental grants. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

Expenses/Expenditures

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

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

Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through School District records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

During fiscal year 2013, the School District's investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio), negotiable and non-negotiable certificates of deposit, a repurchase agreement, and Federal Home Loan Bank Bonds. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements are reported at cost. For investments in open-ended mutual funds, the fair value is determined by the fund's current share price.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's net asset value per share which is the price the investment could be sold for on June 30, 2013.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2013 amounted to \$81,012, which includes \$35,528 assigned from other School District funds. Interest revenue credited to the Permanent Improvement Capital Projects Fund during fiscal year 2013 amounted to \$40,443, which includes \$22,891 assigned from other School District funds.

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

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the General Fund include amounts required by statute to be set-aside by the School District for budget stabilization.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are reported as "Interfund Receivable/Payable." Long-term interfund loan receivables are reported as "Advances to Other Funds" or "Advances from Other Funds" and are classified as nonspendable fund balance which indicate that they are not in spendable form even though it is a component of net position. These amounts are eliminated in the Statement of Net Position.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Inventory

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Capital Assets

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

Capital assets are capitalized at cost (or estimated historical cost which is determined by indexing the current replacement cost back to the fiscal year of acquisition) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of \$500. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15 years
Buildings and Improvements	20 - 50 years
Furniture and Equipment	8 - 10 years
Vehicles	10 years
Textbooks	5 years

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year-end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for employees with at least 15 years of service for all positions.

The entire compensated absences liability is reported on the government-wide financial statements.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current fiscal year. Loans and capital leases that will be paid from governmental funds are recognized as an expenditure and liability on the governmental fund financial statements when due.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

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

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. The amounts are assigned by the School District Board of Education. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or by a State statute.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit fund balance.

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

Net Position

Net Position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for food service operations, music and athletic programs, student activities, and federal and State grants.

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

Internal Activity

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

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers and are eliminated from the Statement of Activities. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Budgetary Process

All funds, other than the agency fund, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund.

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the original appropriations were adopted. Before fiscal year end, the School District requested and received an amended certificate of estimated resources that reflected actual revenue for the fiscal year-end in all funds.

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

Estimates

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

Note 3 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Fund Balances	General Fund	Ohio School Facilities Maintenance Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>					
Prepays	\$7,426	\$0	\$0	\$283	\$7,709
Inventory	0	0		1,474	1,474
Long Term Advances	200,000	0	0	0	200,000
<i>Total Nonspendable</i>	207,426	0	0	1,757	209,183
<i>Restricted for</i>					
Permanent Improvements	0	0	1,786,243	0	1,786,243
Food Service Operations	0	0	0	360,187	360,187
Miscellaneous Grants	0	0	0	93,922	93,922
Adult Education	0	0	0	551,272	551,272
Set Asides	20,297	0	0		20,297
Capital Maintenance	0	1,128,924	0	0	1,128,924
Capital Improvements	0	0	0	332,375	332,375
<i>Total Restricted</i>	20,297	1,128,924	1,786,243	1,337,756	4,273,220
<i>Committed to</i>					
Termination Benefits	323,401	0	0	0	323,401
<i>Assigned to</i>					
Purchases on Order	116,652	0	0	0	116,652
<i>Unassigned</i>	3,626,998	0	0	0	3,626,998
<i>Total Fund Balances</i>	\$4,294,774	\$1,128,924	\$1,786,243	\$1,339,513	\$8,549,454

Note 4 – Budgetary Basis of Accounting

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

The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).
5. Investments are recorded at fair value (GAAP basis) rather than cost (budget basis).

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund and the Ohio School Facilities Maintenance Special Revenue Fund.

	Net Change in Fund Balance	
	General	Ohio School Facilities Maintenance
GAAP Basis	\$648,994	\$105,408
Adjustments:		
Revenue Accruals	(57,061)	0
Expenditure Accruals	13,290	0
Advances	87,204	0
Encumbrances	(17,912)	(2,717)
Net Increase in Fair Value of Investments - FY 2012	2,951	0
Net Increase in Fair Value of Investments - FY 2013	(3,384)	0
Budget Basis	<u>\$674,082</u>	<u>\$102,691</u>

Note 5 – Deposits and Investments

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

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

Inactive deposits are public deposits that the Board 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.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

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

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

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Investments

As of June 30, 2013, the School District had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			Moody's Rating	Percent of Total Investments
		Less Than 1	1-3	3-5		
STAROhio	\$581,416	\$581,416	\$0	\$0	N/A	N/A
Negotiable Certificates of Deposit	2,096,247	899,436	996,819	199,992	N/A	51.64%
Repurchase Agreement	1,133,521	1,133,521	0	0	Aaa	27.92%
Federal Home Loan Bank Bonds	248,270	0	248,270	0	Aaa	6.12%
Total Investments	<u>\$4,059,454</u>	<u>\$2,614,373</u>	<u>\$1,245,089</u>	<u>\$199,992</u>		

Interest Rate Risk

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

Credit Risk

STAROhio carries a rating of AAAM by Standard and Poor's. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service. The negotiable certificates of deposit are in denominations of under \$250,000 each, in separate banks, and are insured by the Federal Deposit Insurance Corporation (FDIC). The negotiable certificates of deposit are, therefore, not subject to credit risk. The repurchase agreement is invested in the Goldman Sachs Financial Square Government Funds. The School District has no investment policy that addresses credit risk.

Custodial Credit Risk

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 the outside party. All of the School District's securities are either insured and registered in the name of the School District or at least in the name of the School District. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Concentration of Credit Risk

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

Note 6 – Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Real property taxes received in calendar year 2013 were levied after April 1, 2012, on the assessed value listed as of January 1, 2012, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2013 represents collections of calendar year 2012 taxes. Public utility real and tangible personal property taxes received in calendar year 2013 became a lien December 31, 2011, were levied after April 1, 2012 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Brown County. The Brown County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility property taxes that are measurable as of June 30, 2013 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources – property taxes.

The amounts available as an advance at June 30, 2013, were \$384,850 in the General Fund and \$146,107 in the Permanent Improvement Capital Projects Fund. The amounts available as an advance at June 30, 2012, were \$340,873 in the General Fund and \$135,799 in the Permanent Improvement Capital Projects Fund.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenue.

The assessed values upon which fiscal year 2013 taxes were collected are:

	<u>2012 Second- Half Collections</u>		<u>2013 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Real Estate	\$758,999,620	94.74%	\$748,026,450	94.61%
Public Utility Personal	42,131,110	5.26%	42,636,310	5.39%
Total Assessed Value	<u>\$801,130,730</u>	<u>100.00%</u>	<u>\$790,662,760</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed	\$6.40		\$6.40	

Note 7 – Receivables

Receivables at June 30, 2013, consisted of property taxes, interest, intergovernmental grants, interfund and advances. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except delinquent property taxes and advances, are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	<u>Amount</u>
<u>Governmental Activities:</u>	
ERATE Grant	\$12,778
Technical Preparation Grant	1,923
Vocational Education Planning District Grant	9,141
Federal Lunchroom Reimbursement	292
Total Intergovernmental Receivables	<u>\$24,134</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 8 – Capital Assets

Capital assets activity for the fiscal year ended June 30, 2013, was as follows:

	Ending Balance 6/30/2012	Additions	Deletions	Ending Balance 6/30/2013
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	\$339,053	\$0	\$0	\$339,053
Construction in Progress	25,000	36,334	(61,334)	0
Total Capital Assets, Not Being Depreciated	<u>364,053</u>	<u>36,334</u>	<u>(61,334)</u>	<u>339,053</u>
Capital Assets Being Depreciated				
Land Improvements	510,205	0	0	510,205
Buildings and Improvements	14,532,538	871,366	0	15,403,904
Furniture and Equipment	4,956,594	148,740	(87,668)	5,017,666
Vehicles	443,561	7,713	0	451,274
Textbooks	4,295	0	0	4,295
Total Capital Assets Being Depreciated	<u>20,447,193</u>	<u>1,027,819</u>	<u>(87,668)</u>	<u>21,387,344</u>
Less Accumulated Depreciation:				
Land Improvements	(431,468)	(5,217)	0	(436,685)
Buildings and Improvements	(4,004,137)	(460,701)	0	(4,464,838)
Furniture and Equipment	(2,987,363)	(287,706)	80,485	(3,194,584)
Vehicles	(287,223)	(24,997)	0	(312,220)
Textbooks	(787)	(859)	0	(1,646)
Total Accumulated Depreciation	<u>(7,710,978)</u>	<u>(779,480) *</u>	<u>80,485</u>	<u>(8,409,973)</u>
Total Capital Assets Being Depreciated, Net	<u>12,736,215</u>	<u>248,339</u>	<u>(7,183)</u>	<u>12,977,371</u>
Governmental Activities Capital Assets, Net	<u>\$13,100,268</u>	<u>\$284,673</u>	<u>(\$68,517)</u>	<u>\$13,316,424</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$16,171
Special	4,253
Vocational	655,262
Adult/Continuing	2,128
Support Services:	
Pupils	11,758
Instructional Staff	3,054
Board of Education	133
Administration	10,413
Fiscal	9,218
Operation and Maintenance of Plant	35,181
Pupil Transportation	2,442
Central	77
Operation of Non-Instructional Services:	
Food Service Operations	29,390
Total Depreciation Expense	<u>\$779,480</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 9 – Risk Management

Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2013, the School District contracted with Governmental Underwriters of America, Inc. (GUA) for general liability insurance with a \$6,000,000 single occurrence limit and an \$8,000,000 aggregate. Property is protected by GUA and holds a \$1,000 deductible with a \$20,410,200 limit. The School District's vehicles are covered by GUA under a business policy and hold a \$250 deductible for comprehensive and a \$1,000 deductible for collision with a \$1,000,000 limit on any accident. School Board errors and omissions coverage is provided by GUA and has a \$6,000,000 general liability and an \$8,000,000 aggregate limit. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant change in coverage from the prior fiscal year.

Workers' Compensation

For fiscal year 2013, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduce premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applied to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

Employee Medical and Dental Benefits

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 17) consisting of nine districts. The Consortium has elected to have United Healthcare provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member districts' number of employees. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage and dental benefits. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member relinquishes their portion of equity in the Consortium's cash pool.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 10 – Defined Benefit Pension Plans

School Employees Retirement System

Plan Description – The School District participates in the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability and survivor benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2013, the allocation to pension and death benefits was 13.10 percent. The remaining .90 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2013, 2012, and 2011 were \$87,121, \$97,340 and \$73,750, respectively. For fiscal year 2013, 93.73 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

State Teachers Retirement System of Ohio

Plan Description – The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple-employer public employee retirement system. 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 can 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.

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 multiplied by 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 DB Plan and the DC Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2013

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 payment or converted to a lifetime monthly annuity at age 50. Benefits are established by Ohio Revised Code Chapter 3307.

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

Funding Policy – Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The statutory maximum employee contribution rate will be increased one percent each year beginning July 1, 2013, until it reaches 14 percent on July 1, 2016. For the fiscal year ended June 30, 2013, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2013, 2012, and 2011 were \$283,230, \$270,614, and \$316,250, respectively. For fiscal year 2013, 85.55 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2013 were \$339 made by the School District and \$242 made by the plan members. In addition, no member contributions were made for fiscal year 2013 for the defined contribution portion of the Combined Plan.

Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2013, two members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 11 – Postemployment Benefits

School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment 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, Medicare Advantage, 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 obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

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 105(e). For fiscal year 2013, 0.16 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 fiscal year 2013, this amount was \$20,525. During fiscal year 2013, the School District paid \$5,537 in surcharge.

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, 2013, 2012, and 2011 were \$6,635, \$14,556, and \$22,169, respectively. For fiscal year 2013, 93.73 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For fiscal year 2013, this actuarially required allocation was 0.74 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2013, 2012, and 2011 were \$5,076, \$5,748, and \$4,746, respectively. For fiscal year 2013, 93.73 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

State Teachers Retirement System of Ohio

Plan Description – The School District participates in 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. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. The Plan is included in the report of STRS Ohio which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2013, STRS Ohio allocated employer contributions equal to one percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2013, 2012, and 2011 were \$21,787, \$20,816, and \$24,327 respectively. For fiscal year 2013, 85.55 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2012 and 2011.

Note 12 – Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn 10 to 25 days of vacation per fiscal year, depending upon length of service. Vacation leave may be accumulated up to a maximum of 100 days. Teachers do not earn vacation time. Accumulated, unused vacation time is paid to classified employees and certified employees who earn vacation time upon termination of employment.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month for a total of 15 days of sick leave for each fiscal year under contract. Sick leave may be accumulated up to a maximum of 250 days for all personnel. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit up to a maximum of 62.50 days for all personnel.

Other Employee Benefits

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 13 – Capitalized Lease – Lessee Disclosure

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

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2013.

<u>Fiscal Year Ending June 30,</u>	<u>Total Payments</u>
2014	\$232,748
2015	242,444
2016	252,594
2017	263,220
2018	274,344
2019-2023	<u>1,557,727</u>
Total	2,823,077
Less: Amount Representing Interest	<u>(259,950)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$2,563,127</u></u>

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Fiscal Year Ending June 30,	Interest	Principal Retirement Through Investment Earnings	Sinking Fund Payments	Total Lease Payments
2014	\$25,995	\$49,704	\$157,049	\$232,748
2015	25,995	59,400	157,049	242,444
2016	25,995	69,550	157,049	252,594
2017	25,995	80,176	157,049	263,220
2018	25,995	91,300	157,049	274,344
2019-2023	129,975	642,507	785,245	1,557,727
Total Lease Payments	<u>\$259,950</u>	<u>\$992,637</u>	<u>\$1,570,490</u>	<u>\$2,823,077</u>

As of June 30, 2013, \$396,097 of the proceeds of the lease were unexpended on the project.

Note 14 – Long-Term Obligations

The changes in the School District’s long-term obligations during fiscal year 2013 were as follows:

	Amount Outstanding 6/30/12	Additions	Deductions	Amount Outstanding 6/30/13	Amounts Due in One Year
<u>Governmental Activities:</u>					
2005 Facility Improvement and Equipment Replacement					
Loan - 0%	\$266,669	\$0	\$33,333	\$233,336	\$33,333
Compensated Absences	343,611	34,845	16,783	361,673	59,644
Capital Lease	2,760,619	0	197,492	2,563,127	157,049
Total Governmental Activities Long-Term Obligations	<u>\$3,370,899</u>	<u>\$34,845</u>	<u>\$247,608</u>	<u>\$3,158,136</u>	<u>\$250,026</u>

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

As of June 30, 2013, \$4,826 of the proceeds of this loan were unexpended on the project.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Principal requirements to retire the loan outstanding at June 30, 2013 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Loan</u> <u>Principal</u>
2014	\$33,333
2015	33,333
2016	33,333
2017	33,333
2018	33,333
2019-2020	66,671
Total	<u>\$233,336</u>

Compensated absences will be paid from the General Fund, Lunchroom, Adult Education, and Renewed Opportunity Special Revenue Funds.

The School District's overall legal debt margin was \$71,159,648, with an unvoted debt margin of \$790,663 at June 30, 2013.

Note 15 – Interfund Activity

Interfund Receivables/Payables

As of June 30, 2013, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Receivable</u> <u>General Fund</u>
Payable Nonmajor Governmental Funds	<u>\$28,000</u>

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Interfund Transfers

Transfers made during the fiscal year ended June 30, 2013 were as follows:

	<u>Transfers From General Fund</u>
Transfers To	
Nonmajor Governmental Funds	<u>\$110,000</u>

Transfers were made from the General Fund to move unrestricted balances to support programs and projects accounted for in other funds.

Advances To/From Other Funds

As of June 30, 2013, receivables and payables that resulted from various long-term advances were as follows:

	<u>Advances From General Fund</u>
Advances To	
Nonmajor Governmental Funds	<u>\$200,000</u>

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

Note 16 – Jointly Governed Organization and Insurance Purchasing Pool

South Central Ohio Computer Association Regional Council of Governments (SCOCA)

The School District is a participant in the South Central Ohio Computer Association Regional Council of Governments (SCOCA), which is organized under ORC Code Chapter 167 as a regional council of governments. SCOCA is an association of public Educational Service Centers within the boundaries of Pickaway, Gallia, Adams, Brown, Highland, Pike, Ross, Scioto, Vinton, Jackson, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member Educational Service Centers. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education and two representatives of the school treasurers. The Board exercises total control over the operations of the consortium

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

including budget, appropriating, contracting and designating management. Each School District's degree of control is limited to its representation on the Board. The School District paid SCOCA \$24,437 for services provided during the fiscal year. Financial information can be obtained from the SCOCA Regional Council of Governments, Sandra Benson, Fiscal Officer, at P.O. Box 596, 175 Beaver Creek Rd., Piketon, Ohio, 45661.

Ohio SchoolComp Workers' Compensation Group Rating Plan

The School District participates in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The Ohio School Board Association (OSBA) and the Ohio Association of School Business Officials (OASBO) co-sponsor the GRP. The Executive Directors of the OSBA and the OASBO, or their designees, serve as coordinators of the program.

Note 17 – Public Entity Shared Risk and Insurance Purchasing Pool

Brown County Schools Benefits Consortium

The Brown County Schools Benefits Consortium, a public entity shared risk and insurance purchasing pool, currently operates to provide medical insurance (insurance purchasing pool) and dental coverage (public entity shared risk pool) to enrolled employees of the consortium members and to eligible dependents of those enrolled employees. Six Brown County school districts (Eastern, Fayetteville-Perry, Georgetown, Ripley Union Lewis Huntington, Southern Hills Joint Vocational, and Western Brown Schools) and two Highland County school districts (Bright Local and Lynchburg-Clay Local School Districts), along with the Brown County Educational Service Center have entered into an agreement to form the Brown County Schools Benefits Consortium. The Consortium is governed by a nine member board consisting of the superintendents of each participating school district along with the superintendent of the Brown County Educational Service Center. The overall objectives of the consortium are to formulate and administer a program of medical and dental insurance for the benefit of the consortium members' employees and their dependents. The consortium contracts with United Healthcare to provide medical insurance directly to consortium member employees. The School District pays premiums to the consortium based on employee membership. For dental coverage the consortium acts as a public entity shared risk pool. Each member district pays dental premiums based on the consortium estimates of future claims. If the member district's dental claims exceed its premiums, there is no individual supplemental assessment; on the other hand, if the member district's claims are low, it will not receive a refund. Dental coverage is administered through a third party administrator, Dental Care Plus. Participating member districts pay an administrative fee to the fiscal agent to cover the costs associated with the administering of the Consortium. To obtain financial information write to the Brown County Educational Service Center at 325 West State St., Georgetown, Ohio 45121.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 18 – Set-Asides

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 acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

The following cash basis information identifies the change in the fiscal year-end set-aside amounts for capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

	<u>Capital Acquisitions</u>	<u>Budget Stabilization</u>
Set-aside Balance as of June 30, 2012	\$0	\$20,297
Current Fiscal Year Set-aside Requirement	65,126	0
Qualifying Disbursements	(65,126)	0
Set-aside Balance as of June 30, 2013	<u>\$0</u>	<u>\$20,297</u>
Required Set-aside Balances Carried Forward to FY 2014	<u>\$0</u>	<u>\$20,297</u>

Amounts of offsets and qualifying expenditures presented in the table for the capital acquisition set-asides were limited to those necessary to reduce the year-end balance to zero. Although the School District may have had additional offsets and qualifying expenditures for capital acquisitions, these amounts may not be used to reduce the set-aside requirements of future fiscal years and therefore is not presented as being carried forward to the next fiscal year.

Note 19 – Contingencies

Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2013, if applicable, cannot be determined at this time.

Litigation

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 20 – Change in Accounting Principles

For fiscal year 2013, the School District has implemented Governmental Accounting Standard Board (GASB) *Statement No. 60, “Accounting and Financial Reporting for Service Concession Arrangements,” Statement No. 61, “The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34,” Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements,” Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” Statement No. 65, “Items Previously Reported as Assets and Liabilities,” and Statement No. 66, “Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62.”*

GASB Statement No. 60 improves financial reporting by addressing issues related to service concession arrangements, which are a type of public-private or public-public partnership. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 61 modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. These changes were incorporated in the School District’s fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 62 incorporates into GASB’s authoritative literature certain FASB and AICPA pronouncements issued on or before November 30, 1989. The implementation of this statement did not result in any change in the School District’s financial statements.

GASB Statement No. 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related note disclosures. These changes were incorporated in the School District’s fiscal year 2013 financial statements; however, there was no effect on beginning net position/fund balance.

GASB Statement No. 65 properly classifies certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or recognizes certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues). These changes were incorporated in the School District’s fiscal year 2013 financial statements.

GASB Statement No. 66 resolves conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The implementation of this statement did not result in any change in the School District’s financial statements.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2013

Note 21 - Significant Commitments

Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year-end, the amount of encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

General Fund	\$17,912
Ohio School Facilities Maintenance	2,717
Permanent Improvement	405,214
Other Governmental Funds	15,350
Total	<u>\$441,193</u>

Note 22 – Subsequent Event

Effective September 29, 2013, Ohio Revised Code Section 3311.19 changes the qualifications necessary to serve as a member of the board of education of vocational schools. Current board members will continue until the expiration of their term.

*Southern Hills Joint Vocational School District
Fund Descriptions*

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The following are descriptions of the School District's nonmajor Special Revenue Funds:

Nonmajor Special Revenue Funds

Lunchroom Fund – This fund accounts for and reports the provision of food services restricted for the School District.

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

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

Educational Management Information Systems Fund – This fund accounts for and reports grants restricted for hardware and software development, or other costs associated with the requirements of the educational management information systems.

OneNet Fund – This fund accounts for and reports restricted State grants appropriated for Ohio Educational Computer Network Connections.

Technical Preparation Grant Fund – This fund accounts for and reports State grants restricted to provide career development and supplemental equipment to enhance training and inform students about job opportunities.

Vocational Education Planning District (VEPD) Grant Fund – This fund accounts for and reports restricted State grants used for career education and intervention services provided to secondary students.

(continued)

*Southern Hills Joint Vocational School District
Fund Descriptions*

Nonmajor Special Revenue Funds (continued)

Improving Teacher Quality Fund – This fund accounts for and reports restricted federal grants received which are used to provide ongoing, high quality professional development at the school site for administrators, teachers, and other instructional staff. The program focuses on changing instructional practices that result in improved student performance.

Miscellaneous Federal Grants Fund – This fund accounts for and reports the proceeds of specific federal grants that are legally restricted to expenditures for specific purposes.

Capital Projects Funds

The Capital Projects Funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays including the acquisition or construction of major capital facilities and other capital assets. The following are descriptions of the School District's nonmajor Capital Projects Funds:

Ohio School Facilities Commission (OSFC) Locally Funded Initiative Fund – This fund is used to account for and report State grants that were transferred from the Permanent Improvement and Nonmajor Governmental Funds restricted for expenditures on the building renovation that are not funded by the Ohio School Facilities Commission. The School District did not anticipate any activity in this fund, and none occurred. Therefore, no budgetary statement is presented.

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

Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,043,966	\$532,375	\$1,576,341
Receivables:			
Accrued Interest	303	0	303
Intergovernmental	11,356	0	11,356
Prepaid Items	283	0	283
Materials and Supplies Inventory	1,474	0	1,474
Inventory Held for Resale	3,514	0	3,514
Total Assets	\$1,060,896	\$532,375	\$1,593,271
<u>Liabilities:</u>			
Accrued Wages and Benefits Payable	\$13,028	\$0	\$13,028
Intergovernmental Payable	3,142	0	3,142
Interfund Payable	28,000	0	28,000
Advances from Other Funds	0	200,000	200,000
Total Liabilities	44,170	200,000	244,170
<u>Deferred Inflows of Resources:</u>			
Unavailable Revenue	9,588	0	9,588
<u>Fund Balances:</u>			
Nonspendable	1,757	0	1,757
Restricted	1,005,381	332,375	1,337,756
Total Fund Balances	1,007,138	332,375	1,339,513
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$1,060,896	\$532,375	\$1,593,271

Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2013

	Lunchroom	Adult Education	Renewed Opportunity	Educational Management Information Systems
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$369,207	\$554,619	\$65,977	\$138
Receivables:				
Accrued Interest	303	0	0	0
Intergovernmental	292	0	0	0
Prepaid Items	283	0	0	0
Materials and Supplies Inventory	1,474	0	0	0
Inventory Held for Resale	3,514	0	0	0
Total Assets	\$375,073	\$554,619	\$65,977	\$138
<u>Liabilities:</u>				
Accrued Wages and Benefits Payable	\$10,375	\$2,653	\$0	\$0
Intergovernmental Payable	2,329	694	0	0
Interfund Payable	0	0	0	0
Total Liabilities	12,704	3,347	0	0
<u>Deferred Inflows of Resources:</u>				
Unavailable Revenue	425	0	0	0
<u>Fund Balances:</u>				
Nonspendable	1,757	0	0	0
Restricted	360,187	551,272	65,977	138
Total Fund Balances	361,944	551,272	65,977	138
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$375,073	\$554,619	\$65,977	\$138

Technical Preparation Grant	VEPD Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$22,893	\$30,132	\$1,000	\$1,043,966
0	0	0	303
1,923	9,141	0	11,356
0	0	0	283
0	0	0	1,474
0	0	0	3,514
<u>\$24,816</u>	<u>\$39,273</u>	<u>\$1,000</u>	<u>\$1,060,896</u>
\$0	\$0	\$0	\$13,028
0	119	0	3,142
2,000	25,000	1,000	28,000
<u>2,000</u>	<u>25,119</u>	<u>1,000</u>	<u>44,170</u>
<u>22</u>	<u>9,141</u>	<u>0</u>	<u>9,588</u>
0	0	0	1,757
22,794	5,013	0	1,005,381
<u>22,794</u>	<u>5,013</u>	<u>0</u>	<u>1,007,138</u>
<u>\$24,816</u>	<u>\$39,273</u>	<u>\$1,000</u>	<u>\$1,060,896</u>

Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2013

	OSFC Locally Funded Initiative	OSFC Vocational Renovation Project	Total Nonmajor Capital Projects Funds
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$98,839	\$433,536	\$532,375
<u>Liabilities:</u>			
Advances from Other Funds	\$0	\$200,000	\$200,000
<u>Fund Balances:</u>			
Restricted	98,839	233,536	332,375
<i>Total Liabilities and Fund Balances</i>	\$98,839	\$433,536	\$532,375

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Other Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
<u>Revenues:</u>			
Intergovernmental	\$332,152	\$0	\$332,152
Investment Earnings	3,206	361	3,567
Tuition and Fees	73,507	0	73,507
Customer Sales and Services	82,944	0	82,944
Miscellaneous	686	0	686
	<u> </u>	<u> </u>	<u> </u>
<i>Total Revenues</i>	<u>492,495</u>	<u>361</u>	<u>492,856</u>
<u>Expenditures:</u>			
Current:			
Instruction:			
Vocational	61,322	0	61,322
Adult/Continuing	100,267	0	100,267
Support Services:			
Pupils	115,079	0	115,079
Instructional Staff	6,001	0	6,001
Administration	144,375	0	144,375
Business	522	0	522
Central	1,165	0	1,165
Operation of Non-Instructional Services	187,009	0	187,009
	<u> </u>	<u> </u>	<u> </u>
<i>Total Expenditures</i>	<u>615,740</u>	<u>0</u>	<u>615,740</u>
Excess of Revenues Over (Under) Expenditures	(123,245)	361	(122,884)
<u>Other Financing Sources:</u>			
Transfers In	110,000	0	110,000
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balances	(13,245)	361	(12,884)
Fund Balances at Beginning of Year	1,020,383	332,014	1,352,397
	<u> </u>	<u> </u>	<u> </u>
Fund Balances at End of Year	<u>\$1,007,138</u>	<u>\$332,375</u>	<u>\$1,339,513</u>

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2013

	<u>Lunchroom</u>	<u>Adult Education</u>	<u>Renewed Opportunity</u>	<u>Educational Management Information System</u>
<u>Revenues:</u>				
Intergovernmental	\$96,443	\$64,403	\$27,598	\$0
Investment Earnings	3,206	0	0	0
Tuition and Fees	0	73,507	0	0
Customer Sales and Services	82,444	0	0	0
Miscellaneous	0	686	0	0
<i>Total Revenues</i>	<u>182,093</u>	<u>138,596</u>	<u>27,598</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Instruction:				
Vocational	0	0	0	0
Adult/Continuing	0	100,267	0	0
Support Services:				
Pupils	0	0	31,835	0
Instructional Staff	0	0	0	0
Administration	0	144,375	0	0
Business	0	522	0	0
Central	0	0	0	1,165
Operation of Non-Instructional Services	187,009	0	0	0
<i>Total Expenditures</i>	<u>187,009</u>	<u>245,164</u>	<u>31,835</u>	<u>1,165</u>
Excess of Revenues Over (Under) Expenditures	(4,916)	(106,568)	(4,237)	(1,165)
<u>Other Financing Sources:</u>				
Transfers In	0	110,000	0	0
Net Change in Fund Balances	(4,916)	3,432	(4,237)	(1,165)
Fund Balances at Beginning of Year	<u>366,860</u>	<u>547,840</u>	<u>70,214</u>	<u>1,303</u>
Fund Balances at End of Year	<u><u>\$361,944</u></u>	<u><u>\$551,272</u></u>	<u><u>\$65,977</u></u>	<u><u>\$138</u></u>

ONENet	Technical Preparation Grant	VEPD Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$1,800	\$4,478	\$119,087	\$2,401	\$15,942	\$332,152
0	0	0	0	0	3,206
0	0	0	0	0	73,507
0	0	500	0	0	82,944
0	0	0	0	0	686
<u>1,800</u>	<u>4,478</u>	<u>119,587</u>	<u>2,401</u>	<u>15,942</u>	<u>492,495</u>
0	4,500	40,880	0	15,942	61,322
0	0	0	0	0	100,267
0	0	83,244	0	0	115,079
3,600	0	0	2,401	0	6,001
0	0	0	0	0	144,375
0	0	0	0	0	522
0	0	0	0	0	1,165
0	0	0	0	0	187,009
<u>3,600</u>	<u>4,500</u>	<u>124,124</u>	<u>2,401</u>	<u>15,942</u>	<u>615,740</u>
(1,800)	(22)	(4,537)	0	0	(123,245)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>110,000</u>
(1,800)	(22)	(4,537)	0	0	(13,245)
<u>1,800</u>	<u>22,816</u>	<u>9,550</u>	<u>0</u>	<u>0</u>	<u>1,020,383</u>
<u>\$0</u>	<u>\$22,794</u>	<u>\$5,013</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,007,138</u>

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2013

	OSFC Locally Funded Initiative	OSFC Vocational Renovation Project	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>			
Investment Earnings	\$0	\$361	\$361
<u>Expenditures:</u>	0	0	0
Net Change in Fund Balances	0	361	361
Fund Balances at Beginning of Year	98,839	233,175	332,014
Fund Balances at End of Year	\$98,839	\$233,536	\$332,375

Southern Hills Joint Vocational School District
Statement of Changes in Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2013

	Balance at 6/30/2012	Additions	Deletions	Balance at 6/30/2013
STUDENT MANAGED ACTIVITY				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$27,235	\$37,819	\$40,179	\$24,875
<u>Liabilities:</u>				
Undistributed Monies	\$27,235	\$37,819	\$40,179	\$24,875

Southern Hills Joint Vocational School District

Individual Fund Schedules of Revenues, Expenditures and
Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$1,682,002	\$1,682,002	\$0
Intergovernmental	3,472,167	3,465,772	(6,395)
Investment Earnings	80,000	80,273	273
Tuition and Fees	14,784	12,426	(2,358)
Rent	750	1,305	555
Customer Sales and Services	92,944	97,865	4,921
Contributions and Donations	75	90	15
Miscellaneous	2,050	5,367	3,317
Total Revenues	5,344,772	5,345,100	328
Expenditures			
Current:			
Instruction:			
Regular:			
Salaries and Wages	112,147	110,495	1,652
Fringe Benefits	32,411	32,238	173
Purchased Services	200	0	200
Materials and Supplies	1,600	363	1,237
Capital Outlay	1,495	492	1,003
Total Regular	147,853	143,588	4,265
Vocational:			
Salaries and Wages	1,502,668	1,494,790	7,878
Fringe Benefits	581,903	538,921	42,982
Purchased Services	246,201	184,280	61,921
Materials and Supplies	440,796	335,680	105,116
Capital Outlay	7,277	50,714	(43,437)
Other	105,480	6,978	98,502
Total Vocational	2,884,325	2,611,363	272,962
Adult/Continuing:			
Purchased Services	25,000	10,561	14,439
Total Instruction	3,057,178	2,765,512	291,666
Support Services:			
Pupils:			
Salaries and Wages	243,663	241,411	2,252
Fringe Benefits	138,688	136,514	2,174
Purchased Services	9,110	7,017	2,093
Materials and Supplies	3,000	1,831	1,169
Capital Outlay	4,230	3,833	397
Total Pupils	398,691	390,606	8,085
Instructional Staff:			
Salaries and Wages	60,999	60,960	39
Fringe Benefits	25,200	25,115	85
Purchased Services	200	0	200
Materials and Supplies	11,530	8,194	3,336
Capital Outlay	2,513	2,113	400
Total Instructional Staff	\$100,442	\$96,382	\$4,060

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2013
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Board of Education:			
Salaries and Wages	\$11,750	\$10,500	\$1,250
Fringe Benefits	1,464	1,418	46
Purchased Services	25,350	15,902	9,448
Other	15,000	11,473	3,527
Total Board of Education	53,564	39,293	14,271
Administration:			
Salaries and Wages	297,125	295,877	1,248
Fringe Benefits	141,763	140,652	1,111
Purchased Services	8,660	7,625	1,035
Materials and Supplies	11,926	10,621	1,305
Capital Outlay	2,850	1,746	1,104
Total Administration	462,324	456,521	5,803
Fiscal:			
Salaries and Wages	146,050	145,875	175
Fringe Benefits	123,426	122,975	451
Purchased Services	9,510	7,088	2,422
Materials and Supplies	2,000	210	1,790
Capital Outlay	86,297	2,161	84,136
Other	2,550	84,894	(82,344)
Total Fiscal	369,833	363,203	6,630
Business:			
Materials and Supplies	13,975	5,055	8,920
Other	225	15	210
Total Business	14,200	5,070	9,130
Operation and Maintenance of Plant:			
Salaries and Wages	184,083	183,893	190
Fringe Benefits	102,636	102,012	624
Purchased Services	163,500	138,520	24,980
Materials and Supplies	46,500	33,161	13,339
Capital Outlay	5,000	1,505	3,495
Total Operation and Maintenance of Plant	501,719	459,091	42,628
Pupil Transportation:			
Salaries and Wages	12,000	9,195	2,805
Fringe Benefits	3,166	1,483	1,683
Purchased Services	16,130	8,570	7,560
Materials and Supplies	13,955	10,821	3,134
Total Pupil Transportation	\$45,251	\$30,069	\$15,182

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2013
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Central:			
Salaries and Wages	\$2,500	\$1,500	\$1,000
Fringe Benefits	387	231	156
Purchased Services	50,000	39,547	10,453
Total Central	<u>52,887</u>	<u>41,278</u>	<u>11,609</u>
Total Support Services	<u>1,998,911</u>	<u>1,881,513</u>	<u>117,398</u>
Extracurricular Activities:			
Academic and Subject Oriented Activities:			
Salaries and Wages	550	550	0
Fringe Benefits	88	87	1
Total Academic and Subject Oriented Activities	<u>638</u>	<u>637</u>	<u>1</u>
Occupational Oriented Activities:			
Salaries and Wages	9,350	6,600	2,750
Fringe Benefits	1,517	1,048	469
Total Occupational Oriented Activities	<u>10,867</u>	<u>7,648</u>	<u>3,219</u>
Total Extracurricular Activities	<u>11,505</u>	<u>8,285</u>	<u>3,220</u>
Capital Outlay:			
Site Improvement Services:			
Capital Outlay	2,000	375	1,625
<i>Total Expenditures</i>	<u>5,069,594</u>	<u>4,655,685</u>	<u>413,909</u>
Excess of Revenues Over Expenditures	<u>275,178</u>	<u>689,415</u>	<u>414,237</u>
<i>Other Financing Sources (Uses)</i>			
Proceeds from Sale of Capital Assets	5,000	3,190	(1,810)
Refund of Prior Year Expenditures	1,000	4,273	3,273
Advances In	111,205	115,204	3,999
Advances Out	(28,000)	(28,000)	0
Transfers Out	(146,527)	(110,000)	36,527
<i>Total Other Financing Sources (Uses)</i>	<u>(57,322)</u>	<u>(15,333)</u>	<u>41,989</u>
Net Change in Fund Balance	217,856	674,082	456,226
Fund Balance at Beginning of Year	3,394,933	3,394,933	0
Prior Year Encumbrances Appropriated	26,370	26,370	0
Fund Balance at End of Year	<u>\$3,639,159</u>	<u>\$4,095,385</u>	<u>\$456,226</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio School Facilities Maintenance Fund
For the Fiscal Year Ended June 30, 2013*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Support Services:			
Operation and Maintenance of Plant:			
Purchased Services	27,000	12,320	14,680
Materials and Supplies	<u>85,000</u>	<u>42,489</u>	<u>42,511</u>
Total Expenditures	<u>112,000</u>	<u>54,809</u>	<u>57,191</u>
Excess of Revenues Over (Under) Expenditures	(112,000)	(54,809)	57,191
Other Financing Sources			
Transfers In	<u>157,500</u>	<u>157,500</u>	<u>0</u>
Net Change in Fund Balance	45,500	102,691	57,191
Fund Balance at Beginning of Year	<u>1,023,516</u>	<u>1,023,516</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,069,016</u>	<u>\$1,126,207</u>	<u>\$57,191</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property Taxes	\$617,000	\$615,926	(\$1,074)
Intergovernmental	106,500	107,945	1,445
Miscellaneous	6,666	6,791	125
Total Revenues	730,166	730,662	496
Expenditures			
Current:			
Instruction:			
Vocational:			
Capital Outlay	503,275	284,900	218,375
Adult/Continuing:			
Capital Outlay	10,000	0	10,000
Total Instruction	513,275	284,900	228,375
Support Services:			
Pupils:			
Capital Outlay	1,080	1,079	1
Instructional Staff:			
Capital Outlay	2,500	0	2,500
Fiscal:			
Capital Outlay	2,500	0	2,500
Other	23,000	22,298	702
Total Fiscal	25,500	22,298	3,202
Operation and Maintenance of Plant:			
Purchased Services	35,000	10,000	25,000
Capital Outlay	15,500	0	15,500
Total Operation and Maintenance of Plant	50,500	10,000	40,500
Total Support Services	79,580	33,377	46,203
Operation of Non-Instructional Services:			
Food Service Operations:			
Capital Outlay	5,000	0	5,000
Capital Outlay:			
Site Improvement Services:			
Purchased Services	207,313	176,648	30,665
Capital Outlay	1,242,853	835,558	407,295
Total Site Improvement Services	\$1,450,166	\$1,012,206	\$437,960

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Fiscal Year Ended June 30, 2013
(continued)

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Other Facilities Acquisition and Construction Services: Capital Outlay	\$283,423	\$283,423	\$0
Total Capital Outlay	1,733,589	1,295,629	437,960
Debt Service:			
Principal Retirement	192,005	190,382	1,623
Interest and Fiscal Charges	25,995	25,995	0
Total Debt Service	218,000	216,377	1,623
<i>Total Expenditures</i>	2,549,444	1,830,283	719,161
Excess of Revenues Over (Under) Expenditures	(1,819,278)	(1,099,621)	719,657
<i>Other Financing Sources (Uses)</i>			
Insurance Recoveries	7,500	8,145	645
Proceeds from Sale of Capital Assets	3,834	3,993	159
Transfers Out	(157,500)	(157,500)	0
Net Change in Fund Balance	(1,965,444)	(1,244,983)	720,461
Fund Balance at Beginning of Year	2,367,268	2,367,268	0
Prior Year Encumbrances Appropriated	102,834	102,834	0
Fund Balance at End of Year	\$504,658	\$1,225,119	\$720,461

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Lunchroom Fund*

For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<i>Revenues</i>			
Intergovernmental	\$87,800	\$87,692	(\$108)
Investment Earnings	3,100	3,171	71
Customer Sales and Services	83,300	82,444	(856)
Contributions and Donations	100	0	(100)
<i>Total Revenues</i>	<u>174,300</u>	<u>173,307</u>	<u>(993)</u>
<i>Expenditures</i>			
Current:			
Operation of Non-Instructional Services:			
Food Service Operations:			
Salaries and Wages	90,000	52,122	37,878
Fringe Benefits	46,550	40,360	6,190
Purchased Services	5,000	2,741	2,259
Materials and Supplies	96,400	81,294	15,106
Capital Outlay	5,000	811	4,189
Other	100	7	93
<i>Total Expenditures</i>	<u>243,050</u>	<u>177,335</u>	<u>65,715</u>
Excess of Revenues Over (Under) Expenditures	<u>(68,750)</u>	<u>(4,028)</u>	<u>64,722</u>
<i>Other Financing Sources (Uses)</i>			
Refund of Prior Year Receipts	(50)	0	50
Transfers In	1,000	0	(1,000)
<i>Total Other Financing Sources (Uses)</i>	<u>950</u>	<u>0</u>	<u>(950)</u>
Net Change in Fund Balance	(67,800)	(4,028)	63,772
Fund Balance at Beginning of Year	<u>373,137</u>	<u>373,137</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$305,337</u></u>	<u><u>\$369,109</u></u>	<u><u>\$63,772</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Education Fund
For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$65,000	\$64,403	(\$597)
Tuition and Fees	75,000	73,507	(1,493)
<i>Total Revenues</i>	<u>140,000</u>	<u>137,910</u>	<u>(2,090)</u>
Expenditures			
Current:			
Instruction:			
Adult/Continuing:			
Salaries and Wages	100,850	68,191	32,659
Fringe Benefits	17,450	7,707	9,743
Purchased Services	28,171	1,848	26,323
Materials and Supplies	46,179	24,445	21,734
Capital Outlay	8,390	3,121	5,269
Total Instruction	<u>201,040</u>	<u>105,312</u>	<u>95,728</u>
Support Services:			
Administration:			
Salaries and Wages	88,680	86,906	1,774
Fringe Benefits	65,341	62,704	2,637
Materials and Supplies	1,000	462	538
Total Administration	<u>155,021</u>	<u>150,072</u>	<u>4,949</u>
Business:			
Other	1,021	522	499
Total Support Services	<u>156,042</u>	<u>150,594</u>	<u>5,448</u>
<i>Total Expenditures</i>	<u>357,082</u>	<u>255,906</u>	<u>101,176</u>
Excess of Revenues Over (Under) Expenditures	<u>(217,082)</u>	<u>(117,996)</u>	<u>99,086</u>
Other Financing Sources			
Refund of Prior Year Expenditures	0	686	686
Transfers In	101,000	110,000	9,000
Net Change in Fund Balance	<u>(116,082)</u>	<u>(7,310)</u>	<u>108,772</u>
Fund Balance at Beginning of Year	441,354	441,354	0
Prior Year Encumbrances Appropriated	1,025	1,025	0
Fund Balance at End of Year	<u>\$326,297</u>	<u>\$435,069</u>	<u>\$108,772</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Renewed Opportunity Fund
For the Fiscal Year Ended June 30, 2013*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$37,598	\$37,598	\$0
Expenditures			
Current:			
Support Services:			
Pupils:			
Salaries and Wages	32,564	23,375	9,189
Fringe Benefits	9,167	2,981	6,186
Purchased Services	26,380	5,270	21,110
Materials and Supplies	480	473	7
Total Expenditures	68,591	32,099	36,492
Net Change in Fund Balance	(30,993)	5,499	36,492
Fund Balance at Beginning of Year	60,214	60,214	0
Fund Balance at End of Year	<u>\$29,221</u>	<u>\$65,713</u>	<u>\$36,492</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems Fund
For the Fiscal Year Ended June 30, 2013*

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures			
Current:			
Support Services:			
Central:			
Salaries and Wages	1,000	1,000	0
Fringe Benefits	<u>300</u>	<u>165</u>	<u>135</u>
Total Expenditures	<u>1,300</u>	<u>1,165</u>	<u>135</u>
Net Change in Fund Balance	(1,300)	(1,165)	135
Fund Balance at Beginning of Year	<u>1,303</u>	<u>1,303</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$3</u></u>	<u><u>\$138</u></u>	<u><u>\$135</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OneNet Fund*

For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$1,800	\$1,800	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	3,600	3,600	0
Net Change in Fund Balance	(1,800)	(1,800)	0
Fund Balance at Beginning of Year	1,800	1,800	0
Fund Balance at End of Year	\$0	\$0	\$0

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Technical Preparation Grant Fund
For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,500	\$2,577	(\$1,923)
Expenditures			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	2,000	2,000	0
Fringe Benefits	323	323	0
Purchased Services	1,677	1,677	0
Total Expenditures	4,000	4,000	0
Excess of Revenues Over (Under) Expenditures	500	(1,423)	(1,923)
Other Financing Sources (Uses)			
Refund of Prior Year Receipts	(500)	(500)	0
Advances-In	0	2,000	2,000
Total Other Financing Sources (Uses)	(500)	1,500	2,000
Net Change in Fund Balance	0	77	77
Fund Balance at Beginning of Year	22,816	22,816	0
Fund Balance at End of Year	<u>\$22,816</u>	<u>\$22,893</u>	<u>\$77</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
VEPD Grant Fund
For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$148,531	\$141,264	(\$7,267)
Customer Sales and Services	500	500	0
<i>Total Revenues</i>	<u>149,031</u>	<u>141,764</u>	<u>(7,267)</u>
Expenditures			
Current:			
Instruction:			
Vocational:			
Salaries and Wages	21,818	21,818	0
Fringe Benefits	3,510	3,510	0
Purchased Services	8,502	8,502	0
Materials and Supplies	7,075	7,075	0
Total Vocational	<u>40,905</u>	<u>40,905</u>	<u>0</u>
Support Services:			
Pupils:			
Salaries and Wages	71,962	71,962	0
Fringe Benefits	25,012	25,014	(2)
Purchased Services	583	583	0
Total Pupils	<u>97,557</u>	<u>97,559</u>	<u>(2)</u>
<i>Total Expenditures</i>	<u>138,462</u>	<u>138,464</u>	<u>(2)</u>
Excess of Revenues Over (Under) Expenditures	<u>10,569</u>	<u>3,300</u>	<u>(7,269)</u>
Other Financing Sources (Uses)			
Advances In	17,730	25,000	7,270
Advances Out	(54,000)	(54,000)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(36,270)</u>	<u>(29,000)</u>	<u>7,270</u>
Net Change in Fund Balance	(25,701)	(25,700)	1
Fund Balance at Beginning of Year	30,948	30,948	0
Prior Year Encumbrances Appropriated	10,581	10,581	0
Fund Balance at End of Year	<u><u>\$15,828</u></u>	<u><u>\$15,829</u></u>	<u><u>\$1</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality Fund
For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$4,274	\$4,274	\$0
Expenditures			
Current:			
Support Services:			
Instructional Staff:			
Purchased Services	2,401	2,401	0
Excess of Revenues Over (Under) Expenditures	1,873	1,873	0
Other Financing Sources (Uses)			
Advances In	1,000	1,000	0
Advances Out	(1,875)	(1,875)	0
Total Other Financing Sources (Uses)	(875)	(875)	0
Net Change in Fund Balance	998	998	0
Fund Balance at Beginning of Year	2	2	0
Fund Balance at End of Year	<u>\$1,000</u>	<u>\$1,000</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Intergovernmental	\$15,942	\$15,942	\$0
Expenditures			
Current:			
Instruction:			
Vocational:			
Capital Outlay	15,942	15,942	0
Excess of Revenues Over (Under) Expenditures	0	0	0
Other Financing Uses			
Advances Out	(59,329)	(59,329)	0
Net Change in Fund Balance	(59,329)	(59,329)	0
Fund Balance at Beginning of Year	43,387	43,387	0
Prior Year Encumbrances Appropriated	15,942	15,942	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OSFC Vocational Renovation Project Fund
For the Fiscal Year Ended June 30, 2013

	Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
<i>Revenues</i>			
Investment Earnings	\$353	\$361	\$8
<i>Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	353	361	8
Fund Balance at Beginning of Year	<u>433,175</u>	<u>433,175</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$433,528</u></u>	<u><u>\$433,536</u></u>	<u><u>\$8</u></u>

STATISTICAL SECTION

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Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the School District's financial performance and well-being have changed over time.	S2-S13
Revenue Capacity These schedules contain information to help the reader assess the School District's most significant local revenue source, the property tax.	S14-S21
Debt Capacity These schedules present information to help the reader assess the affordability of the School District's current levels of outstanding debt and the School District's ability to issue additional debt in the future.	S22-S26
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the School District's financial activities take place.	S27-S28
Operating Information These schedules contain service data to help the reader understand how the information in the School District's financial report relates to the services the School District provides and the activities it performs.	S29-S42

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007 (1)</u>
<i>Governmental Activities</i>				
Net Investment in Capital Assets	\$3,683,672	\$3,726,544	\$4,053,447	\$10,389,846
Restricted for:				
Debt Service	0	0	0	0
Capital Outlay	1,737,212	1,712,865	9,353,818	1,933,301
Food Service	0	0	0	307,719
Adult Education	0	0	0	626,287
Classroom Facilities	0	0	0	0
Other Purposes	1,158,339	1,237,748	1,174,010	566,063
Set-Asides	48,505	20,297	20,297	20,297
Unrestricted	<u>2,809,199</u>	<u>3,120,393</u>	<u>3,365,422</u>	<u>3,170,547</u>
<i>Total Governmental Activities Net Position</i>	<u>9,436,927</u>	<u>9,817,847</u>	<u>17,966,994</u>	<u>17,014,060</u>
Net Investment in Capital Assets	3,683,672	3,726,544	3,907,516	10,389,846
Restricted	2,944,056	2,970,910	10,694,056	3,453,667
Unrestricted	<u>2,809,199</u>	<u>3,120,393</u>	<u>3,365,422</u>	<u>3,170,547</u>
<i>Total Net Position</i>	<u>\$9,436,927</u>	<u>\$9,817,847</u>	<u>\$17,966,994</u>	<u>\$17,014,060</u>

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

(2) In fiscal year 2009, net position restricted for capital outlay was restated by \$227,848 to correct an error.

<u>2008</u>	<u>2009 (2)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$10,258,114	\$10,713,407	\$11,273,914	\$11,453,323	\$11,152,795	\$10,920,884
183,045	0	0	0	0	0
1,999,209	2,314,245	1,978,126	1,826,476	1,913,155	1,762,821
324,745	326,565	333,642	346,944	366,860	360,187
643,793	590,832	574,574	559,411	547,840	551,272
0	776,650	889,839	947,346	1,023,516	1,128,924
831,831	253,149	256,845	260,954	114,341	105,267
20,297	20,297	20,297	20,297	20,297	20,297
<u>3,175,540</u>	<u>2,828,394</u>	<u>2,486,660</u>	<u>2,718,306</u>	<u>3,404,200</u>	<u>4,004,277</u>
<u>17,436,574</u>	<u>17,823,539</u>	<u>17,813,897</u>	<u>18,133,057</u>	<u>18,543,004</u>	<u>18,853,929</u>
10,258,114	10,713,407	11,273,914	11,453,323	11,152,795	10,920,884
4,002,920	4,281,738	4,053,323	3,961,428	3,986,009	3,928,768
<u>3,175,540</u>	<u>2,828,394</u>	<u>2,486,660</u>	<u>2,718,306</u>	<u>3,404,200</u>	<u>4,004,277</u>
<u>\$17,436,574</u>	<u>\$17,823,539</u>	<u>\$17,813,897</u>	<u>\$18,133,057</u>	<u>\$18,543,004</u>	<u>\$18,853,929</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2004	2005	2006	2007
Expenses				
Governmental Activities:				
Instruction:				
Regular	\$140,266	\$171,717	\$263,850	\$229,212
Special	0	0	0	92,471
Vocational	3,090,159	3,132,897	3,249,122	3,679,851
Adult/Continuing	202,395	170,921	134,454	121,791
Support Services:				
Pupils	330,181	335,928	352,923	276,924
Instructional Staff	114,036	114,298	128,853	185,025
Board of Education	36,002	39,710	37,046	38,179
Administration	505,658	532,155	534,841	609,569
Fiscal	311,520	317,705	330,085	376,687
Business	38,876	46,887	53,684	56,884
Operation and Maintenance of Plant	598,992	499,742	468,309	498,088
Pupil Transportation	31,712	31,143	43,826	41,761
Central	51,418	50,989	46,406	40,825
Operation of Non-Instructional Services:				
Food Service Operations	176,821	211,106	199,037	233,613
Extracurricular Activities	7,373	10,195	7,146	7,496
Interest and Fiscal Charges	0	0	0	139,206
Total Governmental Activities Expenses	5,635,409	5,665,393	5,849,582	6,627,582
Business-type Activities:				
Adult Education	0	0	0	0
Customer Services	0	0	0	0
Uniform Supply	0	0	0	0
Total Business-type Activities Expenses	0	0	0	0
Total Expenses	5,635,409	5,665,393	5,849,582	6,627,582
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
Instruction:				
Regular	25,784	15,740	16,772	10,280
Vocational	82,316	108,911	62,365	79,631
Adult/Continuing	135,948	84,203	54,481	50,236
Support Services:				
Pupils	15,500	0	0	0
Administration	72,936	51,608	48,313	50,236
Business	23,502	26,026	25,085	29,678
Operation and Maintenance of Plant	0	1,999	2,849	0
Operation of Non-Instructional Services	79,969	92,256	79,378	86,193
Extracurricular Activities	655	0	0	230
Operating Grants, Contributions and Interest	1,520,877	1,548,663	1,557,618	1,530,015
Capital Grants, Contributions and Interest	0	0	0	0
Total Governmental Activities Program Revenues	\$1,957,487	\$1,929,406	\$1,846,861	\$1,836,499

2008	2009	2010	2011	2012	2013
\$258,274	\$237,367	\$181,620	\$57,291	\$152,860	\$159,402
99,804	32,077	21,411	6,026	36,354	4,253
3,401,204	3,816,451	3,804,402	3,996,183	3,339,083	3,489,180
129,394	185,832	143,751	131,893	136,322	112,956
239,903	368,491	465,322	479,865	529,312	522,683
226,676	209,203	204,486	137,404	102,743	105,313
49,124	45,910	39,158	43,055	33,941	37,359
589,615	616,272	638,304	641,907	631,008	636,988
381,826	382,329	380,855	378,024	372,494	395,409
62,111	17,642	5,428	5,259	4,285	5,592
500,889	566,361	536,054	366,483	583,300	555,620
43,388	29,351	41,339	30,566	42,481	32,688
42,150	41,162	41,114	62,842	55,466	42,520
265,141	277,097	296,061	257,863	215,020	219,612
9,949	5,149	10,728	9,560	8,879	8,948
89,214	28,234	47,875	25,995	26,067	25,923
<u>6,388,662</u>	<u>6,858,928</u>	<u>6,857,908</u>	<u>6,630,216</u>	<u>6,269,615</u>	<u>6,354,446</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>6,388,662</u>	<u>6,858,928</u>	<u>6,857,908</u>	<u>6,630,216</u>	<u>6,269,615</u>	<u>6,354,446</u>
2,936	3,519	300	331	110,104	110,291
35,628	83,129	72,632	66,616	0	165
63,410	74,053	72,220	60,023	46,730	29,950
0	0	0	0	0	335
63,410	51,469	50,196	64,485	54,641	43,401
31,088	18,360	10,575	195	128	156
591	550	876	899	334	1,305
93,131	98,572	91,852	80,997	82,285	82,444
986	0	0	0	0	0
1,423,710	1,456,336	1,460,730	1,477,853	1,488,410	1,419,059
0	0	7,500	0	0	0
<u>\$1,714,890</u>	<u>\$1,785,988</u>	<u>\$1,766,881</u>	<u>\$1,751,399</u>	<u>\$1,782,632</u>	<u>\$1,687,106</u>

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(continued)

	2004	2005	2006	2007
Business-type Activities:				
Adult Education				
Charges for Services and Sales	\$0	\$0	\$0	\$0
Operating Grants and Contributions	0	0	0	0
Rotary				
Charges for Services and Sales	0	0	0	0
Uniform Supply				
Charges for Services and Sales	0	0	0	0
<i>Total Business-type Activity Program Revenues</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Program Revenues</i>	<u>1,957,487</u>	<u>1,929,406</u>	<u>1,846,861</u>	<u>1,836,499</u>
Net (Expense)/Revenue				
Governmental Activities	(3,677,922)	(3,735,987)	(4,002,721)	(4,791,083)
Business-type Activities	0	0	0	0
<i>Total Net (Expense)/Revenue</i>	<u>(3,677,922)</u>	<u>(3,735,987)</u>	<u>(4,002,721)</u>	<u>(4,791,083)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	1,579,672	1,674,339	1,727,845	1,729,569
Debt Service	0	0	0	560,504
Other Purposes	0	0	0	0
Capital Outlay	134,394	36,357	495,074	71,826
Grants and Entitlements not				
Restricted to Specific Programs	2,155,907	2,225,064	9,644,073	2,424,552
Investment Earnings	65,418	172,349	234,969	490,975
Contributions and Donations	0	0	0	0
Gain on Sale of Capital Assets	0	0	36,202	0
Rent	5,649	0	0	0
Miscellaneous	11,839	8,798	13,705	53,827
Transfers	0	0	0	0
<i>Total Governmental Activities</i>	<u>3,952,879</u>	<u>4,116,907</u>	<u>12,151,868</u>	<u>5,331,253</u>
Business-type Activities:				
Transfers	0	0	0	0
<i>Total Primary Government</i>	<u>3,952,879</u>	<u>4,116,907</u>	<u>12,151,868</u>	<u>5,331,253</u>
Special Item - Loss on Disposal of Capital Assets	0	0	0	(1,493,104)
Change in Net Position				
Governmental Activities	274,957	380,920	8,149,147	(952,934)
Business-type Activities	0	0	0	0
<i>Total Change in Net Position</i>	<u>\$274,957</u>	<u>\$380,920</u>	<u>\$8,149,147</u>	<u>(\$952,934)</u>

2008	2009	2010	2011	2012	2013
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,714,890	1,785,988	1,766,881	1,751,399	1,782,632	1,687,106
(4,673,772)	(5,072,940)	(5,091,027)	(4,878,817)	(4,486,983)	(4,667,340)
0	0	0	0	0	0
(4,673,772)	(5,072,940)	(5,091,027)	(4,878,817)	(4,486,983)	(4,667,340)
1,547,502	1,685,650	1,576,060	1,694,364	1,643,652	1,736,555
183,045	0	0	0	0	0
0	0	0	157,500	157,500	157,500
372,925	624,312	578,934	471,900	451,520	474,821
2,572,144	2,602,104	2,758,836	2,755,127	2,564,226	2,503,724
416,710	317,305	161,092	115,320	75,298	80,313
0	23	0	0	843	90
0	0	432	0	0	0
0	0	0	0	0	0
3,960	2,663	6,031	3,766	3,891	25,262
0	0	0	0	0	0
5,096,286	5,232,057	5,081,385	5,197,977	4,896,930	4,978,265
0	0	0	0	0	0
5,096,286	5,232,057	5,081,385	5,197,977	4,896,930	4,978,265
0	0	0	0	0	0
422,514	159,117	(9,642)	319,160	409,947	310,925
0	0	0	0	0	0
\$422,514	\$159,117	(\$9,642)	\$319,160	\$409,947	\$310,925

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Program Revenues by Function, Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<i>Governmental Activities</i>				
Instruction:				
Regular	\$30,981	\$19,719	\$20,456	\$10,280
Special	0	0	0	0
Vocational	1,285,421	1,311,098	1,271,488	1,261,868
Adult/Continuing	195,726	131,835	95,934	89,512
Support Services:				
Pupils	158,955	177,318	164,824	156,012
Instructional Staff	21,927	21,481	14,407	20,022
Administration	108,855	87,660	96,323	89,512
Business	23,502	26,026	25,085	29,678
Operation and Maintenance of Plant	630	3,716	2,849	1,200
Pupil Transportation	0	900	6,450	4,530
Central	22,083	20,430	11,881	5,000
Operation of Non-Instructional Services	108,752	129,223	137,164	168,655
Extracurricular Activities	655	0	0	230
<i>Total Program Revenues</i>	<u><u>\$1,957,487</u></u>	<u><u>\$1,929,406</u></u>	<u><u>\$1,846,861</u></u>	<u><u>\$1,836,499</u></u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$4,616	\$3,519	\$300	\$331	\$110,104	\$110,291
0	175,078	165,032	147,190	147,190	147,190
1,140,327	1,040,134	1,042,054	1,066,208	1,043,241	998,305
99,082	111,165	101,999	90,847	76,462	53,527
133,467	148,932	149,687	151,113	126,569	113,697
11,617	9,563	8,157	8,490	7,579	4,201
99,081	77,263	80,565	97,601	89,406	77,565
31,088	18,471	10,607	295	209	279
2,783	550	8,376	899	334	1,305
3,288	1,472	0	0	0	0
5,000	5,000	5,000	5,000	0	0
183,555	194,841	195,104	183,425	181,538	180,746
986	0	0	0	0	0
<u>\$1,714,890</u>	<u>\$1,785,988</u>	<u>\$1,766,881</u>	<u>\$1,751,399</u>	<u>\$1,782,632</u>	<u>\$1,687,106</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund				
Reserved	\$367,086	\$339,030	\$714,693	\$764,760
Unreserved	2,636,093	2,945,269	2,840,755	2,564,833
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total General Fund	<u>3,003,179</u>	<u>3,284,299</u>	<u>3,555,448</u>	<u>3,329,593</u>
All Other Governmental Funds				
Reserved	72,696	221,542	520,771	1,353,518
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,111,833	1,182,196	1,117,914	1,485,255
Debt Service Fund	0	0	0	0
Capital Projects Funds	1,653,830	2,020,419	5,168,536	821,094
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Total All Other Governmental Funds	<u>2,838,359</u>	<u>3,424,157</u>	<u>6,807,221</u>	<u>3,659,867</u>
Total Governmental Funds	<u><u>\$5,841,538</u></u>	<u><u>\$6,708,456</u></u>	<u><u>\$10,362,669</u></u>	<u><u>\$6,989,460</u></u>

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

(2) The change in fund balance accounts occurred due to the implementation of GASB 54 for 2011.

<u>2008</u>	<u>2009 (1)</u>	<u>2010 (2)</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$759,786	\$607,520	\$0	\$0	\$0	\$0
2,717,764	2,548,635	0	0	0	0
0	0	261,828	264,130	204,367	207,426
0	0	0	0	0	20,297
0	0	332,892	173,474	182,435	323,401
0	0	0	66,402	88,520	116,652
0	0	2,410,365	2,658,281	3,170,458	3,626,998
<u>3,477,550</u>	<u>3,156,155</u>	<u>3,005,085</u>	<u>3,162,287</u>	<u>3,645,780</u>	<u>4,294,774</u>
384,829	196,433	0	0	0	0
1,731,936	1,928,176	0	0	0	0
183,045	0	0	0	0	0
2,806,175	3,316,853	0	0	0	0
0	0	8,609	2,314	2,298	1,757
0	0	5,033,698	4,999,848	4,995,532	4,252,923
0	0	0	(30,030)	0	0
<u>5,105,985</u>	<u>5,441,462</u>	<u>5,042,307</u>	<u>4,972,132</u>	<u>4,997,830</u>	<u>4,254,680</u>
<u>\$8,583,535</u>	<u>\$8,597,617</u>	<u>\$8,047,392</u>	<u>\$8,134,419</u>	<u>\$8,643,610</u>	<u>\$8,549,454</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Changes in Fund Balances

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2004	2005	2006	2007
Revenues				
Property Taxes	\$1,760,329	\$1,708,920	\$2,193,737	\$2,277,227
Intergovernmental	3,721,937	3,762,188	7,046,707	8,063,662
Investment Earnings	50,080	208,017	210,706	535,112
Tuition and Fees	241,994	177,577	142,634	139,930
Rent	5,649	1,999	2,849	0
Extracurricular Activities	655	0	0	230
Customer Sales and Services	185,269	201,167	143,760	166,324
Contributions and Donations	32	15	1,325	0
Miscellaneous	20,531	8,798	13,705	53,827
Total Revenues	5,986,476	6,068,681	9,755,423	11,236,312
Expenditures				
Current:				
Instruction:				
Regular	149,831	166,774	229,285	247,770
Special	0	0	0	89,120
Vocational	3,021,586	3,086,492	3,150,317	3,239,157
Adult/Continuing	201,619	173,658	132,561	120,405
Support Services:				
Pupils	334,182	319,058	344,802	256,849
Instructional Staff	88,894	90,457	105,657	163,412
Board of Education	35,096	40,507	36,805	37,938
Administration	492,296	528,753	572,906	539,251
Fiscal	303,079	311,241	312,680	413,443
Business	37,603	48,267	53,684	56,884
Operation and Maintenance of Plant	555,178	507,195	466,129	470,457
Pupil Transportation	29,049	23,859	37,910	39,842
Central	47,305	48,794	43,630	39,822
Operation of Non-Instructional Services	173,732	202,055	206,109	216,972
Extracurricular Activities	7,373	10,195	7,146	7,496
Capital Outlay	40,693	166,273	3,026,921	8,043,543
Debt Service:				
Principal	0	0	33,333	497,543
Interest and Fiscal Charges	0	0	0	139,206
Total Expenditures	5,517,516	5,723,578	8,759,875	14,619,110
Excess of Revenues Over (Under) Expenditures	468,960	345,103	995,548	(3,382,798)
Other Financing Sources (Uses)				
Proceeds from Lease	0	0	0	0
Proceeds from Sale of Capital Assets	1,739	21,815	89,665	9,589
Transfers In	161,250	190,500	1,786,228	456,131
Transfers Out	(161,250)	(190,500)	(1,786,228)	(456,131)
Inception of Capital Lease	0	0	2,569,000	0
Proceeds from Loan	0	500,000	0	0
Total Other Financing Sources (Uses)	1,739	521,815	2,658,665	9,589
Net Change in Fund Balances	\$470,699	\$866,918	\$3,654,213	(\$3,373,209)
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.6%	9.7%

2008	2009	2010	2011	2012	2013
\$2,184,977	\$2,292,186	\$2,158,783	\$2,313,887	\$2,250,904	\$2,352,213
3,947,517	4,094,701	4,210,829	4,188,961	4,093,396	3,918,647
384,132	352,596	156,289	144,960	71,088	125,022
160,508	144,670	132,991	134,985	117,504	85,933
591	550	876	899	334	1,305
986	0	0	0	0	0
129,095	184,432	164,784	137,662	176,384	180,809
1,000	23	7,665	54	1,143	90
3,960	2,663	6,031	3,766	3,891	25,262
<u>6,812,766</u>	<u>7,071,821</u>	<u>6,838,248</u>	<u>6,925,174</u>	<u>6,714,644</u>	<u>6,689,281</u>
256,277	235,772	183,210	161,949	141,918	143,895
96,749	29,250	19,533	1,876	0	0
2,964,215	3,614,713	3,671,523	3,646,856	3,115,819	2,956,946
129,421	188,290	142,655	131,838	133,160	110,828
227,206	356,036	453,373	463,416	502,512	508,742
210,574	203,977	202,249	135,283	100,489	102,259
48,883	45,750	39,025	42,922	33,808	37,226
589,050	605,068	643,374	697,582	613,394	596,130
372,948	361,225	411,034	364,758	363,043	385,841
62,111	17,642	5,428	5,259	4,285	5,592
480,456	552,832	536,747	562,713	546,827	520,692
41,598	51,573	37,107	26,334	38,995	30,246
41,283	41,016	41,036	62,764	55,388	42,443
247,569	341,669	311,269	260,316	182,748	187,009
9,949	5,149	10,728	9,560	8,879	8,948
681,722	424,236	403,242	91,205	121,465	897,003
2,138,123	197,747	205,457	213,528	221,978	230,825
89,214	25,996	25,995	25,995	25,995	25,995
<u>8,687,348</u>	<u>7,297,941</u>	<u>7,342,985</u>	<u>6,904,154</u>	<u>6,210,703</u>	<u>6,790,620</u>
<u>(1,874,582)</u>	<u>(226,120)</u>	<u>(504,737)</u>	<u>21,020</u>	<u>503,941</u>	<u>(101,339)</u>
3,465,997	0	0	0	0	0
2,660	12,354	3,415	17,104	5,250	7,183
477,390	296,500	341,315	120,000	125,000	110,000
(477,390)	(296,500)	(341,315)	(120,000)	(125,000)	(110,000)
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,468,657</u>	<u>12,354</u>	<u>3,415</u>	<u>17,104</u>	<u>5,250</u>	<u>7,183</u>
<u>\$1,594,075</u>	<u>(\$213,766)</u>	<u>(\$501,322)</u>	<u>\$38,124</u>	<u>\$509,191</u>	<u>(\$94,156)</u>
27.8%	29.1%	3.7%	4.1%	4.5%	4.4%

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property

Last Ten Collection (Calendar) Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2004	\$465,496,910	\$50,345,480	\$1,473,835,400	\$26,705,570	\$33,381,963
2005	480,268,210	49,524,170	1,513,692,514	27,491,040	34,363,800
2006	495,641,230	53,515,160	1,569,018,257	27,693,710	34,617,138
2007	631,795,500	64,478,580	1,989,354,514	32,590,390	40,737,988
2008	641,867,610	64,133,290	2,017,145,429	31,647,450	39,559,313
2009	652,578,070	65,877,200	2,052,729,343	32,343,540	40,429,425
2010	687,771,430	66,869,190	2,156,116,057	37,543,190	46,928,988
2011	690,988,760	66,056,580	2,162,986,686	40,091,590	50,114,488
2012	693,949,090	65,050,530	2,168,570,343	42,131,110	52,663,888
2013	680,313,300	67,713,150	2,137,218,429	42,636,310	53,295,388

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

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property was assessed in previous years at 25 percent for machinery and 23 percent for inventories. General business tangible personal property tax was phased out in 2009.

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

Source: State of Ohio Department of Taxation

Tangible Personal Property General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$21,801,871	\$87,207,484	\$564,349,831	\$1,594,424,847	35.43	\$2.98
22,619,850	90,479,400	579,903,270	1,638,535,714	35.39	2.75
21,466,778	114,489,483	598,316,878	1,718,124,878	34.82	3.74
17,096,520	136,772,160	745,960,990	2,166,864,662	34.43	3.33
8,293,196	132,691,136	745,941,546	2,189,395,878	34.07	3.29
1,715,740	27,451,840	752,514,550	2,120,610,608	35.49	3.26
857,870	13,725,920	793,041,680	2,216,770,965	35.77	3.27
0	0	797,136,930	2,213,101,174	36.02	3.27
0	0	801,130,730	2,221,234,231	36.05	3.28
0	0	790,662,760	2,190,513,816	36.11	3.29

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

Direct and Overlapping Governments

Last Ten Collection (Calendar) Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Voted Millage					
Operating					
Residential/Agricultural Real	2.43	2.43	2.43	2.17	2.17
Commerical/Industrial and Public Utility Real	3.10	3.16	3.16	2.73	2.74
General Business and Public Utility Personal	5.40	5.40	5.40	5.40	5.40
1989 10 Year Permanent Improvement					
Residential/Agricultural Real	0.21	0.00	0.00	0.00	0.00
Commerical/Industrial and Public Utility Real	0.31	0.00	0.00	0.00	0.00
General Business and Public Utility Personal	0.40	0.00	0.00	0.00	0.00
2005 Continuous Permanent Improvement					
Residential/Agricultural Real	0.00	0.00	1.00	0.89	0.89
Commerical/Industrial and Public Utility Real	0.00	0.00	1.00	0.86	0.87
General Business and Public Utility Personal	0.00	0.00	1.00	1.00	1.00
Total voted millage by type of property					
Residential/Agricultural Real	2.64	2.43	3.43	3.06	3.06
Commerical/Industrial and Public Utility Real	3.41	3.16	4.16	3.59	3.61
General Business and Public Utility Personal	5.80	5.40	6.40	6.40	6.40
Total School District Millage	<u>5.80</u>	<u>5.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>
Weighted Average	<u>2.98</u>	<u>2.75</u>	<u>3.74</u>	<u>3.33</u>	<u>3.29</u>
Overlapping Rates by Taxing District					
County Units					
General	3.80	3.80	3.80	3.80	3.80
General (Highland)	2.90	2.90	2.90	2.90	2.90
Board of MR/DD	2.00	2.00	2.00	2.00	2.00
Board of MR/DD (Highland)	4.35	4.35	4.35	4.35	4.35
Health District	1.00	1.00	1.00	1.00	1.00
Total	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>
School Districts					
Bright Local	30.69	30.76	30.76	30.76	27.40
Eastern Local	37.80	37.80	40.20	40.20	40.20
Fayetteville Local	34.10	34.10	39.55	39.55	39.55
Georgetown Exempted Village	30.40	30.40	30.40	28.90	30.40
Ripley Union Lewis Huntington Local	36.35	36.35	36.35	36.35	36.35
Western Brown Local	23.70	23.70	23.00	23.00	23.00
Corporations					
Aberdeen Village	6.00	6.00	6.00	6.00	6.00
Fayetteville Village	13.30	13.30	13.30	14.10	14.10
Georgetown Village	3.30	3.30	3.30	3.30	3.30
Hamersville Village	4.60	2.90	2.90	2.90	2.90
Higginsport Village	15.20	15.20	15.20	15.20	15.20
Mt. Orab Village	9.10	7.60	7.60	7.60	7.60
Ripley Village	9.00	9.00	9.00	9.00	7.00
Russellville Village	17.60	17.60	17.60	17.60	17.60
Sardinia Village	14.00	14.00	10.50	10.50	10.50
St. Martin Village	0.50	0.50	0.50	0.50	0.50
Mowrystown	16.90	16.90	16.90	21.90	21.90

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
2.17	2.07	2.07	2.07	2.12
2.75	2.76	2.78	2.80	2.87
5.40	5.40	5.40	5.40	5.40
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.89	0.85	0.85	0.85	0.87
0.87	0.87	0.88	0.88	0.91
1.00	1.00	1.00	1.00	1.00
3.06	2.92	2.92	2.92	2.99
3.62	3.63	3.66	3.68	3.78
6.40	6.40	6.40	6.40	6.40
<u>6.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>
<u>3.26</u>	<u>3.27</u>	<u>3.27</u>	<u>3.28</u>	<u>3.29</u>
3.80	3.80	3.80	3.80	3.80
2.90	2.90	2.90	2.90	2.90
2.00	1.00	1.00	1.00	1.00
4.35	4.35	4.35	4.35	4.35
1.00	1.00	1.00	1.00	1.00
14.05	13.05	13.05	13.05	13.05
27.20	27.20	27.20	26.20	26.20
40.20	40.20	39.70	39.70	39.70
39.80	39.80	39.80	39.80	38.30
30.40	30.40	30.40	30.40	30.40
34.65	34.65	34.65	34.65	34.60
22.75	22.75	22.75	22.75	22.90
6.00	1.00	1.00	1.00	1.00
14.10	14.10	14.10	14.10	14.10
3.30	3.30	3.30	3.30	3.30
2.90	2.90	2.90	2.90	2.90
15.20	15.20	15.20	12.20	12.20
7.60	7.60	7.60	7.60	7.60
8.00	8.00	8.00	8.00	8.00
18.10	18.10	18.10	18.10	18.10
7.60	7.60	7.60	7.60	7.60
0.50	0.50	0.50	0.50	0.50
21.90	16.90	16.90	16.90	16.90

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

Direct and Overlapping Governments

Last Ten Collection (Calendar) Years

(continued)

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

Source: Brown County Auditor and Ohio Department of Taxation

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

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

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
8.50	8.50	8.50	8.00	8.00
4.00	4.60	4.60	4.00	4.00
4.40	4.40	4.40	4.40	4.40
2.20	3.10	3.10	5.50	3.10
4.50	1.40	1.40	1.40	1.40
6.30	6.30	6.30	6.30	6.30
2.20	2.50	2.50	2.50	2.50
3.60	1.60	1.60	1.60	1.60
3.25	3.25	3.25	3.25	3.25
6.40	6.90	6.90	6.90	6.90
4.50	4.50	4.50	4.50	4.50
2.10	2.10	2.10	2.10	2.10
4.00	4.00	4.00	4.00	4.00
6.50	6.50	6.50	6.50	6.50
2.10	2.10	2.10	2.10	2.10
3.70	3.70	3.70	3.70	3.70
6.20	6.20	6.20	6.20	6.20
3.10	2.10	2.10	2.10	2.10
3.80	4.60	4.60	4.60	3.25
3.60	3.60	3.60	3.60	2.50
4.65	4.65	4.65	4.65	4.65
4.40	4.40	4.40	4.40	2.40
3.40	4.40	4.40	4.40	2.40
1.80	1.80	1.80	1.80	1.80
3.70	3.70	3.10	3.10	3.10
1.80	1.05	1.05	1.05	1.05
0.35	0.35	0.35	0.35	0.35
1.00	1.00	1.00	1.00	1.00

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

Collection Year	Current Tax Levy (2)	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (3)	Total Tax Collections (3)	Percent of Total Tax Collections to Current Tax Levy
2004	\$1,860,866	\$1,993,373	107.12%	\$147,150	\$2,140,523	115.03%
2005	2,381,724	1,821,752	76.49	95,804	1,917,556	80.51
2006	2,467,733	2,538,936	102.89	6,373	2,545,309	103.14
2007	2,482,873	1,967,970	79.26	1,475,514	3,443,484	138.69
2008	2,207,931	1,775,805	80.43	134,063	1,909,868	86.50
2009	2,359,488	1,797,396	76.18	127,624	1,925,020	81.59
2010	2,251,090	1,812,405	80.51	156,282	1,968,687	87.45
2011	2,011,064	1,771,843	88.10	170,632	1,942,475	96.59
2012	1,997,126	1,754,995	87.88	173,187	1,928,182	96.55
2013	2,077,614	1,829,727	88.07	180,174	2,009,901	96.74

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) Current tax levy information is based on estimates at June 30 of each year, while tax collections are based on actual receipts.
- (3) The County does not identify delinquent tax collections by tax year. Therefore, in years when delinquent collections include amounts from previous tax years, the total tax collections exceed the current tax levy.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Principal Real and Personal Property Tax Payers
2013 and 2004 (Calendar Years)

Name of Taxpayer	2013	
	Assessed Value	Percent of Real and Personal Property Assessed Value
Southwest Healthcare	\$5,956,520	0.75%
Kroger Limited Partnership	3,642,320	0.46%
Ohio Valley Manor	3,417,940	0.43%
Cincinnati Milacron	2,916,540	0.37%
Louis and Clara Brame	2,205,360	0.28%
Ripley Federal Savings	2,096,420	0.27%
LAH Property Enterprise	1,789,260	0.23%
Cincinnati Gas and Electric	291,620	0.04%
Dayton Power and Light	55,760	0.01%
Columbus and Southern	33,760	0.00%
Totals	<u>\$22,405,500</u>	<u>2.83%</u>
Total Assessed Valuation	<u>\$790,662,760</u>	<u>100.00%</u>
Name of Taxpayer	2004	
	Assessed Value	Percent of Real and Personal Property Assessed Value
Kroger Limited Partnership	\$5,137,000	0.91%
Ohio Valley Manor	5,037,885	0.89%
Mac Tool, Inc.	4,948,400	0.88%
Cincinnati Milacron	4,495,457	0.80%
Crout Properties	2,030,028	0.36%
Georgetown Land Company	2,875,114	0.51%
AHE of Ohio, Inc.	1,770,771	0.31%
HPWFP Limited Partnership	1,581,971	0.28%
Timothy R. Hale	1,572,457	0.28%
Davon, Inc.	1,541,485	0.27%
Totals	<u>\$30,990,568</u>	<u>5.49%</u>
Total Assessed Valuation	<u>\$564,349,831</u>	<u>100.00%</u>

Source: Brown County Auditor.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Facility Improvement and Equipment Replacement Loan</u>	<u>Capital Lease</u>
2004	42,104	\$735,009,528	\$0	\$0
2005	42,104	735,009,528	500,000	0
2006	42,104	735,009,528	466,667	2,569,000
2007	42,104	735,009,528	433,334	2,104,790
2008	42,104	735,009,528	400,001	3,465,997
2009	42,104	735,009,528	366,668	3,301,583
2010	42,104	735,009,528	333,335	3,129,459
2011	44,846	896,426,694	300,002	2,949,264
2012	44,846	904,409,282	266,669	2,760,619
2013	44,846	904,409,282	233,336	2,563,127

Sources: (1) National Center for Education Statistics
2003-2010 from 2000 U.S. Census Data
2011 and 2012 from 2010 U.S. Census Data

(2) National Center for Education Statistics
2003-2010 from 2000 U.S. Census Data
2011 and 2012 from 2010 U.S. Census Data
(Per Capita Personal Income multiplied by population)

(3) Although the general obligation bond retirement fund is restricted for debt service, it is not specifically restricted to the payment of principal. Therefore, these resources are not shown as a deduction from general obligation bonded debt.

The School District has no bonded debt.

General Debt

Total Debt (3)	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita	Percentage of Personal Income
\$0	0.00%	\$0.00	0.00%
500,000	0.03%	11.88	0.07
3,035,667	0.19%	72.10	0.41
2,538,124	0.15%	60.28	0.35
3,865,998	0.18%	91.82	0.53
3,668,251	0.17%	87.12	0.50
3,462,794	0.16%	82.24	0.47
3,249,266	0.15%	72.45	0.36
3,027,288	0.14%	67.50	0.34
2,796,463	0.13%	62.36	0.34

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Legal Debt Margin
Last Ten Fiscal Years

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Assessed Valuation (1)	\$564,349,831	\$579,903,270	\$598,316,878	\$745,960,990
Less:				
General Business Personal Property	0	0	0	(17,096,520)
Railroad and Telephone Tangible Property	<u>0</u>	<u>0</u>	<u>(5,854,500)</u>	<u>(4,963,690)</u>
Total Assessed Valuation used to calculate Legal Debt Margin	<u>\$564,349,831</u>	<u>\$579,903,270</u>	<u>\$592,462,378</u>	<u>\$723,900,780</u>
Debt Limit - 9% of Assessed Value (2)	\$50,791,485	\$52,191,294	\$53,321,614	\$65,151,070
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$50,791,485</u>	<u>\$52,191,294</u>	<u>\$53,321,614</u>	<u>\$65,151,070</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$564,350	\$579,903	\$592,462	\$723,901
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$564,350</u>	<u>\$579,903</u>	<u>\$592,462</u>	<u>\$723,901</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial Records

- (1) The definition of tax valuation for the purpose of calculating the legal debt margin was modified by H.B. 360, effective March 30, 2006, to exclude tangible personal property used in business, telephone and telegraph property, interexchange telecommunications company property, and personal property owned or leased by a railroad company and used in railroad operations.
- (2) Ohio Bond Law sets a limit of nine percent for overall debt and 1/10 of one percent for unvoted debt.
- (3) Beginning in 2009, telephone tangible property is included as part of general business personal property.

<u>2008</u>	<u>2009 (3)</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$745,941,546	\$752,514,550	\$793,041,680	\$797,136,930	\$801,130,730	\$790,662,760
(8,293,196)	(1,715,740)	(857,870)	0	0	0
<u>(3,409,670)</u>	<u>(1,275,440)</u>	<u>(224,730)</u>	<u>(220,830)</u>	<u>0</u>	<u>0</u>
<u>\$734,238,680</u>	<u>\$749,523,370</u>	<u>\$791,959,080</u>	<u>\$796,916,100</u>	<u>\$801,130,730</u>	<u>\$790,662,760</u>
\$66,081,481	\$67,457,103	\$71,276,317	\$71,722,449	\$72,101,766	\$71,159,648
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$66,081,481</u>	<u>\$67,457,103</u>	<u>\$71,276,317</u>	<u>\$71,722,449</u>	<u>\$72,101,766</u>	<u>\$71,159,648</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$734,239	\$749,523	\$791,959	\$796,916	\$801,131	\$790,663
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$734,239</u>	<u>\$749,523</u>	<u>\$791,959</u>	<u>\$796,916</u>	<u>\$801,131</u>	<u>\$790,663</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Computation of Direct and Overlapping Debt

Governmental Activities

June 30, 2013

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Southern Hills Joint Vocational School District			
Facility Improvement and Equipment Replacement Loan	\$233,336	100.00%	\$233,336
Capital Lease Obligation	2,563,127	100.00	2,563,127
Total Direct	2,796,463	100.00	2,796,463
Overlapping:			
Eastern Local School District			
General Obligation Bonds	7,450,000	100.00	7,450,000
Bright Local School District			
General Obligation Bonds	722,600	100.00	722,600
Fayetteville Perry Local School District			
General Obligation Bonds	7,055,000	100.00	7,055,000
Ripley Union Lewis Huntington Local School District			
General Obligation Bonds	1,193,846	100.00	1,193,846
Capital Lease Obligation	442,064	100.00	442,064
Western Brown Local School District			
General Obligation Bonds	3,845,103	100.00	3,845,103
Capital Lease Obligation	664,000	100.00	664,000
Georgetown Exempted Village School District			
General Obligation Bonds	3,868,513	100.00	3,868,513
Certificates of Participation	425,000	100.00	425,000
Total Overlapping	25,666,126		25,666,126
Total	\$28,462,589		\$28,462,589

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

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Household Income (4)</u>	<u>Brown County Unemployment Rate (5)</u>
2004	42,104	\$735,009,528	\$17,457	\$38,189	6.20%
2005	42,104	735,009,528	17,457	38,189	6.50
2006	42,104	735,009,528	17,457	38,189	6.20
2007	42,104	735,009,528	17,457	38,189	6.60
2008	42,104	735,009,528	17,457	38,189	7.30
2009	42,104	735,009,528	17,457	38,189	13.70
2010	42,104	735,009,528	17,457	38,189	11.90
2011	44,846	896,426,694	19,989	44,796	10.40
2012	44,846	904,409,282	20,167	45,887	7.70
2013	44,846	904,409,282	20,167	46,865	7.40

Sources: (1) National Center for Education Statistics
 2003-2010 from 2000 U.S. Census Data
 2011 and 2012 from 2010 U.S. Census Data
 Sum of Populations for all school districts within Southern Hills Joint Vocational School District

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

(3) National Center for Education Statistics
 2003-2010 from 2000 U.S. Census Data
 2011 and 2012 from 2010 U.S. Census Data
 Average Per Capita Personal Income for all school districts within Southern Hills Joint Vocational School District

(4) National Center for Education Statistics
 2003-2010 from 2000 U.S. Census Data
 2011 and 2012 from 2010 U.S. Census Data
 Average Median Household Income for all school districts within Southern Hills Joint Vocational School District

(5) Bureau of Labor Statistics

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Principal Employers

2013 and 2006 (1)

2013

Employer	Nature of Business	Number of Employees	Rank
Kroger	Retail Grocer	308	1
Southwest Regional Medical Center	Health Care	300	2
Western Brown Local School District	School	298	3
Brown County Government	Government	280	4
Mercy Mt. Orab	Health Care	245	5
Ohio Valley Manor	Health Care	240	6
Cincinnati Milacron	Plastic Injection	240	7
ATW Ohio, LLC	Trailers	230	8
Southern Ohio Veteran's Home	Health Care	205	9
Rumpke	Waste Removal	107	10
Total		<u>2,453</u>	

2006

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

Source: Brown County Department of Economic Development

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Teacher to Student Ratio
Last Ten Fiscal Years

<u>Year</u>	<u>Average Number of Students per Teacher</u>
2004	10.5
2005	10.7
2006	10.3
2007	10.7
2008	9.9
2009	10.4
2010	8.8
2011	10.6
2012	12.4
2013	13.5

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

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

Southern Hills Joint Vocational School District

Employees by Function

Last Ten Fiscal Years

	2004	2005	2006	2007
<i>Governmental Activities</i>				
Instruction (1):				
Regular	2	2	2	2
Vocational	37	37	36	33
Adult/Continuing	3	3	3	3
Support Services:				
Pupils	4	4	4	4
Instructional Staff	1	1	1	1
Administration	5	5	5	5
Fiscal	3	3	3	3
Operation and Maintenance of Plant	5	5	5	5
Operation of Non-Instructional Services:				
Food Service Operations	4	4	4	4
<i>Total Number of Employees</i>	64	64	63	60

Source: Southern Hills Joint Vocational School District records

(1) Includes instructional aides

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
2	2	2	2	2	2
33	34	35	31	27	28
3	3	3	3	3	3
4	4	4	4	5	6
1	1	1	1	1	1
5	5	5	5	5	4
3	3	3	3	3	2
5	5	5	5	5	5
<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>
<u><u>60</u></u>	<u><u>61</u></u>	<u><u>62</u></u>	<u><u>57</u></u>	<u><u>54</u></u>	<u><u>54</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Staff Education, Experience and Teacher Salary Data

June 30, 2013

<u>Degree</u>	<u>Number of Staff</u>	<u>Percent of Total</u>	<u>Number of Teachers</u>	<u>Average Teacher's Salary</u>	<u>Salary Range</u>
Non-Degree	23	42.58%	8	\$58,856	\$41,147 - \$64,300
Bachelor's Degree	6	11.11%	3	45,098	34,548 - 54,382
Bachelor with 150 Hours	6	11.11%	4	49,231	38,832 - 62,601
Master's Degree	8	14.81%	7	58,157	49,438 - 69,539
Master's Degree + 18 Hours	11	20.37%	9	64,436	43,230 - 77,788
Total	<u>54</u>	<u>100.00%</u>	<u>31</u>		

<u>Years of Experience</u>	<u>Number of Staff</u>	<u>Percent of Total</u>
0-5	9	16.67%
6-10	11	20.37%
11 and over	34	62.96%
Total	<u>54</u>	<u>100.00%</u>

Source: Southern Hills Joint Vocational School District records

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Percentage of Students who Receive Free and Reduced Lunches
Last Ten Fiscal Years

<u>Year</u>	<u>Percentage</u>
2004	24.09%
2005	27.69
2006	32.54
2007	34.92
2008	38.85
2009	44.44
2010	48.80
2011	49.59
2012	47.59
2013	37.04

Source: Ohio Department of Education

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

	2004	2005	2006	2007
Southern Hills Joint Vocational School				
Constructed Completed in 1975				
Total Building Square Footage	103,000	103,000	103,000	113,500
Total Enrollment (1)	295	308	300	286
Student Capacity	400	400	400	400
Power Equipment Mechanics/Agricultural Industrial				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	20	33	29	22
Students Who Graduated from Program	6	13	15	9
Cost of Program	\$65,065	\$105,987	\$85,329	\$91,449
Percentage of Students to Maximum Capacity of Program	40%	66%	58%	44%
Cost of Program Per Student	3,253	3,212	2,942	4,157
Square ft. of Program Space	5,953	5,953	5,953	5,953
Diversified Health Occupations				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	26	23	19	33
Students Who Graduated from Program	9	12	5	9
Cost of Program	\$86,036	\$86,917	\$94,448	\$90,476
Percentage of Students to Maximum Capacity of Program	52%	46%	38%	66%
Cost of Program Per Student	3,309	3,779	4,971	2,742
Square ft. of Program Space	2,141	2,141	2,141	2,141
Information Technology/Computer Systems				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	18	20	22	33
Students Who Graduated from Program	6	8	8	11
Cost of Program	\$88,388	\$94,355	\$58,093	\$95,728
Percentage of Students to Maximum Capacity of Program	36%	40%	44%	66%
Cost of Program Per Student	4,910	4,718	2,641	2,901
Square ft. of Program Space	2,254	2,254	2,254	2,254

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

2008	2009	2010	2011	2012	2013
113,500	113,500	113,500	113,500	113,500	113,500
286	312	325	312	338	338
400	400	400	400	400	400
50	50	50	50	50	50
31	30	31	35	37	37
11	12	11	12	20	17
\$91,235	\$139,974	\$176,595	\$150,365	\$113,650	\$139,764
62%	60%	62%	70%	74%	74%
2,943	4,666	5,697	4,296	3,072	3,777
5,953	5,953	5,953	5,953	5,953	5,953
50	50	50	50	50	50
38	34	32	34	33	30
17	17	10	15	15	15
\$96,341	\$99,375	\$114,434	\$98,048	\$107,749	\$93,778
76%	68%	64%	68%	66%	60%
2,535	2,923	3,576	2,884	3,265	3,126
2,141	2,141	2,141	2,141	2,141	2,141
50	50	50	50	50	50
22	15	16	25	30	29
14	7	7	4	16	12
\$79,691	\$116,531	\$94,146	\$118,245	\$105,487	\$124,771
44%	30%	32%	50%	60%	58%
3,622	7,769	5,884	4,730	3,516	4,302
2,254	2,254	2,254	2,254	2,254	2,254

(continued)

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

	2004	2005	2006	2007
Early Childhood Education				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	34	27	23	23
Students Who Graduated from Program	10	15	11	8
Cost of Program	\$89,757	\$107,343	\$99,195	\$106,964
Percentage of Students to Maximum Capacity of Program	68%	54%	46%	46%
Cost of Program Per Student	2,640	3,976	4,313	4,651
Square ft. of Program Space	2,853	2,853	2,853	2,853
Automobile Technology				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	35	42	42	36
Students Who Graduated from Program	15	18	23	17
Cost of Program	\$184,921	\$267,631	\$174,855	\$141,590
Percentage of Students to Maximum Capacity of Program	70%	84%	84%	72%
Cost of Program Per Student	5,283	6,372	4,163	3,933
Square ft. of Program Space	6,677	6,677	6,677	6,677
Carpentry				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	29	27	17	16
Students Who Graduated from Program	14	13	5	7
Cost of Program	\$158,772	\$141,109	\$108,423	\$118,770
Percentage of Students to Maximum Capacity of Program	58%	54%	34%	32%
Cost of Program Per Student	5,475	5,226	6,378	7,423
Square ft. of Program Space	5,569	5,569	5,569	5,569
Machining Technology				
Maximum Capacity of Program	50	50	25	n/o
Number of Students at End of Year (1)	17	15	6	n/o
Students Who Graduated from Program	8	6	5	n/o
Cost of Program	\$193,483	\$161,981	\$23,487	n/o
Percentage of Students to Maximum Capacity of Program	34%	30%	24%	n/o
Cost of Program Per Student	11,381	10,799	3,915	n/o
Square ft. of Program Space	4,086	4,086	4,086	n/o

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

n/o - Program not offered.

2008	2009	2010	2011	2012	2013
50	50	50	50	50	50
25	26	23	25	28	29
11	14	9	12	12	17
\$102,759	\$137,554	\$115,426	\$120,039	\$157,430	\$81,727
50%	52%	46%	50%	56%	58%
4,110	5,291	5,019	4,802	5,623	2,818
2,853	2,853	2,853	2,853	2,853	2,853
50	50	50	50	50	50
40	33	34	27	37	39
15	14	17	10	17	22
\$198,485	\$228,617	\$226,263	\$247,638	\$259,339	\$179,494
80%	66%	68%	54%	74%	78%
4,962	6,928	6,655	9,172	7,009	4,602
6,677	6,677	6,677	6,677	6,677	6,677
50	50	50	50	50	50
18	22	19	15	18	17
8	4	14	3	12	5
\$112,423	\$109,086	\$160,574	\$110,675	\$123,494	\$79,819
36%	44%	38%	30%	36%	34%
6,246	4,958	8,451	7,378	6,861	4,695
5,569	5,569	5,569	5,569	5,569	5,569
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o

(continued)

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

	2004	2005	2006	2007
Welding				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	23	23	23	22
Students Who Graduated from Program	7	12	7	13
Cost of Program	\$95,599	\$110,028	\$111,158	\$122,163
Percentage of Students to Maximum Capacity of Program	46%	46%	46%	44%
Cost of Program Per Student	4,156	4,784	4,833	5,553
Square ft. of Program Space	4,273	4,273	4,273	9,273
Cosmotology				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	25	24	30	26
Students Who Graduated from Program	12	11	10	16
Cost of Program	\$161,869	\$141,191	\$142,822	\$155,139
Percentage of Students to Maximum Capacity of Program	50%	48%	60%	52%
Cost of Program Per Student	6,475	5,883	4,761	5,967
Square ft. of Program Space	2,746	2,746	2,746	2,746
Criminal Justice				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	16	21	17	13
Students Who Graduated from Program	7	6	6	4
Cost of Program	\$111,098	\$101,139	\$100,073	\$74,743
Percentage of Students to Maximum Capacity of Program	32%	42%	34%	26%
Cost of Program Per Student	6,944	4,816	5,887	5,749
Square ft. of Program Space	2,776	2,776	2,776	2,776
Graphics				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	19	34	47	42
Students Who Graduated from Program	4	11	21	18
Cost of Program	\$133,703	\$141,459	\$167,829	\$113,744
Percentage of Students to Maximum Capacity of Program	38%	68%	94%	84%
Cost of Program Per Student	7,037	4,161	3,571	2,708
Square ft. of Program Space	2,389	2,389	2,389	2,389

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

2008	2009	2010	2011	2012	2013
50	50	50	50	50	50
19	35	30	30	25	30
8	12	14	17	11	9
\$122,679	\$274,715	\$377,028	\$214,780	\$152,396	\$165,273
38%	70%	60%	60%	50%	60%
6,457	7,849	12,568	7,159	6,096	5,509
9,273	9,273	9,273	9,273	9,273	9,273
50	50	50	50	50	50
24	32	43	27	23	27
10	11	18	18	8	11
\$155,752	\$172,459	\$177,625	\$214,184	\$135,412	\$97,992
48%	64%	86%	54%	46%	54%
6,490	5,389	4,131	7,933	5,887	3,629
2,746	2,746	2,746	2,746	2,746	2,746
50	50	50	50	50	50
21	21	25	20	21	25
9	9	10	12	7	13
\$56,522	\$71,519	\$62,174	\$67,104	\$71,938	\$65,278
42%	42%	50%	40%	42%	50%
2,692	3,406	2,487	3,355	3,426	2,611
2,776	2,776	2,776	2,776	2,776	2,776
50	50	50	50	50	50
31	29	36	45	39	34
17	16	9	24	19	15
\$93,236	\$88,661	\$103,143	\$124,402	\$97,284	\$88,369
62%	58%	72%	90%	78%	68%
3,008	3,057	2,865	2,764	2,494	2,599
2,389	2,389	2,389	2,389	2,389	2,389

(continued)

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

	2004	2005	2006	2007
Administration/Office Technology				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	33	19	25	20
Students Who Graduated from Program	24	6	11	11
Cost of Program	\$75,341	\$74,883	\$98,636	\$75,787
Percentage of Students to Maximum Capacity of Program	66%	38%	50%	40%
Cost of Program Per Student	2,283	3,941	3,945	3,789
Square ft. of Program Space	2,508	2,508	2,508	2,508
BioTech				
Maximum Capacity of Program	n/o	n/o	n/o	n/o
Number of Students at End of Year (1)	n/o	n/o	n/o	n/o
Students Who Graduated from Program	n/o	n/o	n/o	n/o
Cost of Program	n/o	n/o	n/o	n/o
Percentage of Students to Maximum Capacity of Program	n/o	n/o	n/o	n/o
Cost of Program Per Student	n/o	n/o	n/o	n/o
Square ft. of Program Space	n/o	n/o	n/o	n/o
Occupational Work Experience				
Maximum Capacity of Program	n/o	25	n/o	n/o
Number of Students at End of Year (1)	n/o	14	n/o	n/o
Students Who Graduated from Program	n/o	14	n/o	n/o
Cost of Program	n/o	\$69,697	n/o	n/o
Percentage of Students to Maximum Capacity of Program	n/o	56%	n/o	n/o
Cost of Program Per Student	n/o	4,978	n/o	n/o
Square ft. of Program Space	n/o	558	n/o	n/o
Sports Medicine				
Maximum Capacity of Program	n/o	n/o	n/o	n/o
Number of Students at End of Year (1)	n/o	n/o	n/o	n/o
Students Who Graduated from Program	n/o	n/o	n/o	n/o
Cost of Program	n/o	n/o	n/o	n/o
Percentage of Students to Maximum Capacity of Program	n/o	n/o	n/o	n/o
Cost of Program Per Student	n/o	n/o	n/o	n/o
Square ft. of Program Space	n/o	n/o	n/o	n/o

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

n/o - Program not offered.

2008	2009	2010	2011	2012	2012
50	50	50	50	50	50
17	20	19	12	15	20
15	10	8	7	4	10
\$83,136	\$85,440	\$71,652	\$81,601	\$80,251	\$78,849
34%	40%	38%	24%	30%	40%
4,890	4,272	3,771	6,800	5,350	3,942
2,508	2,508	2,508	2,508	2,508	2,508
n/o	n/o	n/o	n/o	50	50
n/o	n/o	n/o	n/o	9	18
n/o	n/o	n/o	n/o	3	8
n/o	n/o	n/o	n/o	\$69,288	\$175,287
n/o	n/o	n/o	n/o	18%	36%
n/o	n/o	n/o	n/o	7,699	9,738
n/o	n/o	n/o	n/o	2,508	2,508
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	n/o	n/o	n/o	n/o	n/o
n/o	50	50	50	50	50
n/o	15	12	22	22	28
n/o	4	3	8	12	7
n/o	\$85,440	\$88,891	\$82,517	\$80,668	\$93,407
n/o	30%	24%	44%	44%	56%
n/o	5,696	7,408	3,751	3,667	3,336
n/o	n/o	n/o	n/o	n/o	1,474

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	Average Daily Membership (1)	General Government		Governmental Activities	
		Total Expenditures (2)	Per Pupil Cost	Total Expenses (3)	Per Pupil Cost
2004	411	\$5,517,516	\$13,425	\$5,635,409	\$13,711
2005	416	5,723,580	13,759	5,665,393	13,619
2006	392	8,726,542	22,262	5,849,582	14,922
2007	376	13,982,361	37,187	6,488,376	17,256
2008	346	6,460,011	18,671	6,299,448	18,206
2009	365	7,074,198	19,381	6,830,694	18,714
2010	325	7,111,533	21,882	6,810,033	20,954
2011	370	6,664,631	18,013	6,604,221	17,849
2012	384	5,962,730	15,528	6,243,548	16,259
2013	419	6,533,800	15,594	6,328,523	15,104

Source: Southern Hills Joint Vocational School District Records

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

(2) Excludes debt service expenditures.

(3) Excludes interest and fiscal charges.



Dave Yost • Auditor of State

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

BROWN COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 11, 2014**