



**SPRINGFIELD-CLARK COUNTY  
JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

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## REPORT OF INDEPENDENT ACCOUNTANTS

Springfield-Clark County Joint Vocational School District  
Clark County  
1901 Selma Road  
Springfield, Ohio 45505

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Springfield-Clark County Joint Vocational School District, Clark County, (the District) as of and for the year ended June 30, 2000. These general-purpose financial statements are the responsibility of District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

As disclosed in Note 8, the general-purpose financial statements referred to above do not include the General Fixed Asset Account Group, or fixed assets, accumulated depreciation, and depreciation expense for the proprietary fund type which should be included in order to conform with generally accepted accounting principles. The effects of these omissions on the financial statements are not reasonably determinable.

In our opinion, except for the effect on the financial statements of the omissions described in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2000, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

**Jim Petro**  
Auditor of State

March 20, 2001

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**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUP  
JUNE 30, 2000**

	<b>Governmental Fund Types</b>		
	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>
<b>Assets and Other Debits</b>			
<b>Assets:</b>			
Equity in Pooled Cash and Cash Equivalents	\$1,159,793	\$261,872	
Receivables:			
Property and Other Taxes	5,036,648		
Accounts	2,197		
Intergovernmental	121	12,827	
Interfund	114,493		
Prepaid Items	5,379		
Inventory of Supplies and Materials	70,250		
Inventory Held for Resale			
Restricted Asset:			
Equity in Pooled Cash and Cash Equivalents	121,134		
<b>Other Debits:</b>			
Amount to be Provided for Retirement of General Long-Term Debt			
Total Assets and Other Debits	<b>\$6,510,015</b>	<b>\$274,699</b>	<b>\$0</b>
<b>Liabilities, Fund Equity and Other Credits</b>			
<b>Liabilities:</b>			
Accounts Payable	\$65,640	\$14,978	
Accrued Wages and Benefits Payable	580,306	58,072	
Intergovernmental Payable	200,627	14,783	
Interfund Payable		99,207	\$3,602
Deferred Revenue	3,990,026		
Undistributed Monies			
Capital Leases Payable			
Compensated Absences Payable	26,201		
Energy Conservation Loan Payable			
School Facilities Loan Payable			
Total Liabilities	<b>4,862,800</b>	<b>187,040</b>	<b>3,602</b>
<b>Fund Equity and Other Credits:</b>			
Retained Earnings:			
Unreserved			
Fund Balance:			
Reserved for Encumbrances	173,269	137,872	
Reserved for Inventory of Supplies and Materials	70,250		
Reserved for Property Taxes	1,046,622		
Reserved for Budget Stabilization	110,238		
Reserved for Capital Improvement	10,896		
Unreserved, Designated for Budget Stabilization	81,580		
Unreserved, Undesignated (Deficit)	154,360	(50,213)	(3,602)
Total Fund Equity (Deficit) and Other Credits	<b>1,647,215</b>	<b>87,659</b>	<b>(3,602)</b>
 <b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$6,510,015</b>	<b>\$274,699</b>	<b>\$0</b>

*See Accompanying Notes to the General Purpose Financial Statements.*



<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Group</u>	<u>Total (Memorandum Only)</u>
<u>Enterprise</u>	<u>Trust and Agency</u>	<u>General Long-Term Debt</u>	
\$73,642	\$41,666		\$1,536,973
			5,036,648
27,102			29,299
3,904			16,852
			114,493
			5,379
302			70,552
5,551			5,551
			121,134
		\$1,717,976	1,717,976
<u>110,501</u>	<u>41,666</u>	<u>1,717,976</u>	<u>8,654,857</u>
6,513			87,131
20,101			658,479
34,974		4,852	255,236
11,684			114,493
1,173			3,991,199
	38,773		38,773
		112,776	112,776
29,283		538,177	593,661
		459,000	459,000
		603,171	603,171
<u>103,728</u>	<u>38,773</u>	<u>1,717,976</u>	<u>6,913,919</u>
6,773			6,773
			311,141
			70,250
			1,046,622
			110,238
			10,896
			81,580
	2,893		103,438
<u>6,773</u>	<u>2,893</u>		<u>1,740,938</u>
<u>\$110,501</u>	<u>\$41,666</u>	<u>\$1,717,976</u>	<u>\$8,654,857</u>

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types				Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
<b>Revenues:</b>						
Property and Other Taxes	\$5,476,420					\$5,476,420
Intergovernmental	3,524,805	\$841,584				4,366,389
Interest	60,860					60,860
Tuition and Fees	4,174					4,174
Rent	1,133					1,133
Gifts and Donations	18,070				\$878	18,948
Customer Services	53,125	13,757				66,882
Miscellaneous	17,834	5,169				23,003
<b>Total Revenues</b>	<b>9,156,421</b>	<b>860,510</b>	<b>0</b>	<b>0</b>	<b>878</b>	<b>10,017,809</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	365,468					365,468
Special	211,455	1,500				212,955
Vocational	3,834,988	270,659		\$2,738		4,108,385
Adult/Continuing	149	115,130				115,279
Support Services:						
Pupils	459,774	224,261				684,035
Instructional Staff	525,965	160,693				686,658
Board of Education	25,214					25,214
Administration	268,973	10,447				279,420
Fiscal	342,320	2,503				344,823
Business	93,392					93,392
Operation and Maintenance of Plant	950,511					950,511
Pupil Transportation	23,305					23,305
Central	226,052	158,490			107	384,649
Non-Instructional Services					199	199
Capital Outlay	126,375			133,050		259,425
<b>Debt Service:</b>						
Principal Retirement	223,340		\$28,598			251,938
Interest and Fiscal Charges	43,813					43,813
<b>Total Expenditures</b>	<b>7,721,094</b>	<b>943,683</b>	<b>28,598</b>	<b>135,788</b>	<b>306</b>	<b>8,829,469</b>
Excess of Revenues Over (Under) Expenditures	1,435,327	(83,173)	(28,598)	(135,788)	572	1,188,340
<b>Other Financing Sources (Uses):</b>						
Proceeds from Sale of Fixed Assets	685					685
Proceeds from Sale of Long-Term Loan				130,000		130,000
Inception of Capital Leases	126,375					126,375
Operating Transfers In			28,598	4,293		32,891
Operating Transfers Out	(396,033)					(396,033)
<b>Total Other Financing Sources (Uses)</b>	<b>(268,973)</b>	<b>0</b>	<b>28,598</b>	<b>134,293</b>	<b>0</b>	<b>(106,082)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	1,166,354	(83,173)	0	(1,495)	572	1,082,258
Fund Balances (Deficit) at Beginning of Year	468,328	170,832	0	(2,107)	2,321	639,374
Increase in Reserve for Inventory	12,533					12,533
<b>Fund Balances (Deficit) at End of Year</b>	<b>\$1,647,215</b>	<b>\$87,659</b>	<b>\$0</b>	<b>(\$3,602)</b>	<b>\$2,893</b>	<b>\$1,734,165</b>

See Accompanying Notes to the General Purpose Financial Statements.

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**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>						
Property and Other Taxes	\$4,620,011	\$5,108,014	\$488,003			
Intergovernmental	3,193,421	3,524,684	331,263	\$989,907	\$994,770	\$4,863
Interest	57,579	63,616	6,037			
Tuition and Fees	10,832	11,968	1,136			
Rent	1,026	1,133	107			
Gifts and Donations	16,356	18,070	1,714			
Customer Services	48,988	54,125	5,137	930	930	
Miscellaneous	27,378	30,238	2,860	1,949	5,169	3,220
<b>Total Revenues</b>	<b>7,975,591</b>	<b>8,811,848</b>	<b>836,257</b>	<b>992,786</b>	<b>1,000,869</b>	<b>8,083</b>
<b>Expenditures:</b>						
Current:						
Instruction:						
Regular	9,344	413,603	(404,259)			
Special	7,754	217,418	(209,664)	1,500	1,500	
Vocational	6,729,079	4,062,462	2,666,617	249,173	249,713	(540)
Adult/Continuing	165	149	16	139,232	141,989	(2,757)
Other		350	(350)			
Support Services:						
Pupils	28,366	432,303	(403,937)	246,754	247,583	(829)
Instructional Staff	99,399	609,654	(510,255)	255,322	256,219	(897)
Board of Education	43,991	29,050	14,941			
Administration	85,738	277,858	(192,120)	11,276	11,894	(618)
Fiscal	162,914	368,800	(205,886)	4,095	4,293	(198)
Business	18,104	94,759	(76,655)			
Operation and Maintenance of Plant	519,331	1,072,107	(552,776)			
Pupil Transportation	2,900	23,169	(20,269)			
Central	75,553	251,597	(176,044)	170,997	175,369	(4,372)
Non-Instructional Services						
Capital Outlay						
Debt Service:						
Principal Retirement	165,000	195,782	(30,782)			
Interest and Fiscal Charges	29,379	30,024	(645)			
<b>Total Expenditures</b>	<b>7,977,017</b>	<b>8,079,085</b>	<b>(102,068)</b>	<b>1,078,349</b>	<b>1,088,560</b>	<b>(10,211)</b>
Excess of Revenues Over (Under) Expenditures	(1,426)	732,763	734,189	(85,563)	(87,691)	(2,128)
<b>Other Financing Sources (Uses):</b>						
Refund of Prior Year Receipts		(5,510)	(5,510)		(2,581)	(2,581)
Refund of Prior Year Expenditures	3,114	3,441	327			
Proceeds from Sale of Fixed Assets	620	685	65			
Proceeds from Sale of Long-Term Loan						
Advances In	218,904	241,868	22,964	96,832	97,028	196
Advances Out	(200,000)	(108,712)	91,288		(125,754)	(125,754)
Operating Transfers In						
Operating Transfers Out	(271,585)	(396,033)	(124,448)			
<b>Total Other Financing Sources (Uses)</b>	<b>(248,947)</b>	<b>(264,261)</b>	<b>(15,314)</b>	<b>96,832</b>	<b>(31,307)</b>	<b>(128,139)</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(250,373)	468,502	718,875	11,269	(118,998)	(130,267)
Fund Balances at Beginning of Year	411,876	411,876		108,973	108,973	
Prior Year Encumbrances Appropriated	169,010	169,010		116,512	116,512	
<b>Fund Balances at End of Year</b>	<b>\$330,513</b>	<b>\$1,049,388</b>	<b>\$718,875</b>	<b>\$236,754</b>	<b>\$106,487</b>	<b>(\$130,267)</b>

See Accompanying Notes to the General Purpose Financial Statements.

Debt Service Fund			Capital Projects Funds			Expendable Trust Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
						\$850	\$878	\$28
						850	878	28
			\$1,495	\$2,738	(\$1,243)			
							107	(107)
							199	(199)
				133,050	(133,050)			
	\$28,598	\$28,598						
	28,598	28,598	1,495	135,788	(134,293)		306	(306)
	(28,598)	(28,598)	(1,495)	(135,788)	(134,293)	850	572	(278)
			127,296	130,000	2,704			
	28,598	28,598	4,204	4,293	89			
	28,598	28,598	131,500	134,293	2,793			
		0	130,005	(1,495)	(131,500)	850	572	(278)
						2,321	2,321	
			1,495	1,495				
<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$131,500</b>	<b>\$0</b>	<b>(\$131,500)</b>	<b>\$3,171</b>	<b>\$2,893</b>	<b>(\$278)</b>

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<b>Enterprise</b>
<b>Operating Revenues:</b>	
Sales	\$254,495
Tuition	152,421
Charges for Services	6,510
Other Revenue	8,827
Total Operating Revenues	422,253
<b>Operating Expenses:</b>	
Salaries	480,299
Fringe Benefits	126,272
Purchased Services	87,494
Supplies and Materials	51,677
Cost of Sales	162,456
Other	19,424
Total Operating Expenses	927,622
Operating Loss	(505,369)
<b>Non-Operating Revenues:</b>	
Interest	2,363
Federal and State Subsidies	239,062
Federal Donated Commodities	8,120
Total Non-Operating Revenues	249,545
Loss Before Operating Transfers	(255,824)
Operating Transfers In	363,142
Net Income	107,318
Retained Earnings (Deficit) at Beginning of Year	(100,545)
<b>Retained Earnings at End of Year</b>	<b>\$6,773</b>

*See Accompanying Notes to the General Purpose Financial Statements.*

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
PROPRIETARY FUND TYPE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	<b>Enterprise Funds</b>		
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>			
Sales	\$218,040	\$245,527	\$27,487
Tuition	192,916	193,619	703
Charges for Services	6,486	6,510	24
Interest	2,150	2,363	213
Federal and State Subsidies	233,372	235,158	1,786
Other Revenues	8,551	8,827	276
<b>Total Revenues</b>	<b>661,515</b>	<b>692,004</b>	<b>30,489</b>
<b>Expenses:</b>			
Salaries	541,250	501,223	40,027
Fringe Benefits	130,289	125,379	4,910
Purchased Services	42,557	86,350	(43,793)
Supplies and Materials	181,467	208,573	(27,106)
Capital Outlay	19,500	10,397	9,103
Other	120	19,424	(19,304)
<b>Total Expenses</b>	<b>915,183</b>	<b>951,346</b>	<b>(36,163)</b>
Excess of Revenues Under Expenses Before Advances and Transfers	(253,668)	(259,342)	(5,674)
Advances In	9,367	11,684	2,317
Advances Out		(116,114)	(116,114)
Operating Transfers In	<b>361,823</b>	<b>363,142</b>	<b>1,319</b>
Excess of Revenues and Advances Over (Under) Expenses, Advances and Transfers	117,522	(630)	(118,152)
Fund Equity at Beginning of Year	31,215	31,215	
Prior Year Encumbrances Appropriated	13,680	13,680	
<b>Fund Equity at End of Year</b>	<b>\$162,417</b>	<b>\$44,265</b>	<b>(\$118,152)</b>

*See Accompanying Notes to the General Purpose Financial Statements.*

**SPRINGFIELD AND CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>Enterprise Funds</b>
<b>Cash Flows from Operating Activities:</b>	
Cash Received from Customers	\$450,356
Other Operating Receipts	8,827
Cash Payments for Employee Services and Benefits	(625,841)
Cash Payments to Suppliers for Goods and Services	(281,404)
Other Operating Expenses	(19,424)
Net Cash Used In Operating Activities	<u>(467,486)</u>
 <b>Cash Flows from Noncapital Financing Activities:</b>	
Federal and State Subsidies	235,158
Operating Transfers In	363,142
Advances In	11,684
Advances Out	(116,114)
Net Cash Provided By Noncapital Financing Activities	<u>493,870</u>
 <b>Cash Flows from Investing Activities:</b>	
Interest	2,363
Net Cash Provided By Investing Activities	<u>2,363</u>
Net Increase in Cash and Cash Equivalents	28,747
Cash and Cash Equivalents Beginning of Year	<u>44,895</u>
Cash and Cash Equivalents End of Year	<u><u>\$73,642</u></u>
 Reconciliation of Operating Loss to Net Cash Used in Operating Activities:	
Operating Loss	(\$505,369)
 Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Donated Commodities Received	8,120
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	36,932
Increase in Inventory of Supplies and Materials	(51)
Decrease in Inventory Held for Resale	55
Decrease in Accounts Payable	(7,244)
Decrease in Accrued Wages and Benefits	(10,307)
Increase in Intergovernmental Payable	18,010
Decrease in Compensated Absences Payable	(7,632)
<b>Net Cash Used In Operating Activities</b>	<b><u><u>(\$467,486)</u></u></b>

*See Accompanying Notes to the General Purpose Financial Statements.*



**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

The Springfield and Clark County Joint Vocational School District (the "School District") is a joint vocational school district as defined by Section 3322.28 of the Ohio Revised Code. The School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The Springfield and Clark County "JVS Plan" was approved by the State Department of Education on April 13, 1964. On May 18, 1964, the Springfield and Clark County Joint Vocational School Board of Education was organized. The Board is comprised of two members of the Springfield City Board of Education and one from the Clark County Educational Service Center. The number of representatives from the City and the Educational Service Center was based on the student population at that time. The City and the Educational Service Center each select who will also serve as members of the board of the School District.

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

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Springfield and Clark Joint Vocational School District, this includes general operations, food service, preschool and student related activities of the School District.

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

The following entity which performs activities within the School District boundaries for the benefit of its residents is excluded from the accompanying financial statements because the School District is not financially accountable for this entity nor is it fiscally dependent on the School District.

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

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

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY (Continued)**

Joint Venture:

Early Childhood Education Center (the Center)

Jointly Governed Organizations:

Miami Valley Educational Computer Association (MVECA)

Southwestern Ohio Educational Purchasing Council (SOEPC)

Southwestern Ohio Instructional Technology Association (SOITA)

Insurance Purchasing Pool:

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Springfield and Clark County Joint Vocational School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

**A. Basis Of Presentation - Fund Accounting**

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

**1. Governmental Fund Types:**

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds and the trust fund) are accounted for through governmental funds. The following are the School District's governmental fund types:

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**Special Revenue Funds** - The special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

**Debt Service Fund** - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

**Capital Projects Funds** - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or the trust fund).

**2. Proprietary Fund Type:**

Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following is the School District's proprietary fund type:

**Enterprise Funds** - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**3. Fiduciary Fund Types:**

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include expendable trust and agency funds. The expendable trust fund is accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**4. Account Group:**

To make a clear distinction between long-term obligations related to specific funds and those of a general nature, the following account group is used:

**General Long-Term Debt Account Group** - This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and the expendable trust fund are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The enterprise funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The School District does not have any contributed capital. Enterprise funds' operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available as an advance, interfund, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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.

The accrual basis of accounting is utilized for reporting purposes by the enterprise funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Budgetary Data**

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

All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the object level within each fund and function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

**1. Tax Budget:**

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

**2. Estimated Resources:**

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

**3. Appropriations:**

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

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, two supplemental appropriations were legally enacted, and they were not significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

**4. Encumbrances:**

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

**5. Lapsing of Appropriations:**

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

**D. Cash and Cash Equivalents**

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

The School District only invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2000. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2000.

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 2000 amounted to \$60,860, which includes \$2,054 assigned from other School District funds. The Food Service Enterprise Fund received interest of \$2,363.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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 considered to be cash equivalents.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Inventory**

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

**F. Restricted Assets**

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets represent unexpended revenues restricted for amounts required by state statute to be set-aside by the School District for the acquisition or construction of capital assets and the creation of a reserve for budget stabilization. See Note 19 for additional information regarding set-asides.

**G. Fixed Assets**

The School District has not completed gathering fixed asset information and therefore does not present any fixed asset information on the general purpose financial statements.

**H. Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for enterprise fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and Federal programs, categorized as follows:

**Entitlements**

**General Fund**

- State Foundation Program
- State Property Tax Relief
- School Bus Purchase Program

**Non-Reimbursable Grants**

**Special Revenue Funds**

- Venture Capital
- Economic Education
- Career Education
- Vocational Education
- Teacher Development
- Education Management Information Systems

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Non-Reimbursable Grants (Continued)**

**Special Revenue Funds (Continued)**

- Adult Basic Education
- Title II
- Title VI
- Job Training Partnership Act
- SchoolNet Professional Development
- A.B.L.E.
- Equipped for the Future
- School-to-Work Grant
- CDBG - GED Jail Program
- Entry Year Programs
- Conflict Management Grant
- Continuous Improvement Development Grant
- National Skill Standards Grant

**Agency Fund**

- Pell Grant

**Reimbursable Grants**

**Proprietary Funds**

- National School Lunch Program
- Government Donated Commodities

Grants and entitlements received in governmental funds amounted to 44 percent of governmental fund revenue during the 2000 fiscal year.

**I. 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 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 after ten years of current service with the School District.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the General Long-Term Debt Account Group. In the enterprise funds, the entire amount of compensated absences is reported as a fund liability.



**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**J. Accrued Liabilities and Long-Term Obligations**

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences and pension contributions that will be paid from governmental funds are reported as a liability in the General Long-Term Debt Account Group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after year-end are considered not to have been paid using current available financial resources. Capital leases and long-term loans are reported as a liability of the General Long-Term Debt Account Group until due. Long-term obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

**K. Interfund Transactions**

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**L. Interfund Assets/Liabilities**

Short-term interfund loans are classified as "interfund receivables" and "interfund payables."

**M. Fund Balance Reserves**

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

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

**N. Fund Designation**

Fund balance designations may be established to indicate tentative planned expenditures of financial resources. The designations reflect the School District's intentions and are subject to change. Designations are reported as part of unreserved fund balance. Designations represent amounts set-aside for budget stabilization which exceed the statutory required amount. The amount designated for budget stabilization at June 30, 2000, was \$81,580.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Estimates**

The preparation of the 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.

**P. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2000, 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 expenditure is reported in the year in which services are consumed.

**Q. Total Columns on General Purpose Financial Statements**

Total columns on the general purpose financial statements are captioned "Total - (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**3. ACCOUNTABILITY AND COMPLIANCE**

The Career Education, Vocational Education, and National Skill Standards Grant Special Revenue Funds, Permanent Improvement Capital Projects Fund, and Adult Education Enterprise Fund had deficit fund balances/retained earnings as of June 30, 2000, of \$9,572, \$92,951, \$2,179, \$3,602, and \$18,057, respectively. The deficits in the funds were created by the application of generally accepted accounting principles. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is needed, rather than when accruals occur. The deficit in the Adult Education Enterprise Fund is the result of accumulated losses. The School District is analyzing fund operations to determine appropriate steps to alleviate the deficit.

The General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds had material excesses of expenditures plus encumbrances over appropriations at the fund, function and object level, which is the legal level of budgetary control adopted by the Board of Education. A sample follows:

General Fund	Appropriations	Expenditures	Excess
Regular Instruction			
Personal Services	\$0	\$314,919	\$314,919

Several other similar violations were noted during and throughout the year.

The District also allowed the Levy Committee to purchase merchandise with school funds as prohibited by Ohio Revised Code Section 3315.07 (C).

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**4. BUDGETARY BASIS OF ACCOUNTING**

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings 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 Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual - All Governmental Fund Types and Expendable Trust Fund and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP Budgetary Basis) and Actual - Proprietary Fund Type are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
All Governmental Fund Types and Expendable Trust Fund

	General	Special Revenue	Capital Projects	Expendable Trust
GAAP Basis	\$1,166,354	(\$83,173)	(\$1,495)	\$572
Revenue Accruals	(467,507)	140,359	0	0
Expenditure Accruals	(132,534)	7,927	0	0
Prepaid Items	572	0	0	0
Advances	133,156	(28,726)	0	0
Encumbrances	(231,539)	(155,385)	0	0
Budget Basis	<u>\$468,502</u>	<u>(\$118,998)</u>	<u>(\$1,495)</u>	<u>\$572</u>

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**4. BUDGETARY BASIS OF ACCOUNTING (Continued)**

Net Income/Excess of Revenues Under Expenses Proprietary Fund Type	Enterprise
GAAP Basis	\$107,318
Revenue Accruals	28,326
Expense Accruals	(6,452)
Materials and Supplies Inventory	51
Inventory Held for Resale	(766)
Advances	(104,430)
Encumbrances	(24,677)
Budget Basis	(\$630)

**5. DEPOSITS AND INVESTMENTS**

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

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

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

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

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

Inactive monies are permitted to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

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

Investments in stripped principal or interest obligation, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

**Cash on Hand:** At fiscal year end, the School District had \$1,395 in undeposited cash on hand which is included on the balance sheet of the School District as part of "equity in pooled cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments Including Repurchase Agreements), and Reverse Repurchase Agreements".

**Deposits:** At fiscal year end, the carrying amount of the School District's deposits was \$1,598,034 and the bank balance was \$1,826,891. Of the bank balance:

1. \$200,000 was covered by federal depository insurance; and

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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(Continued)**

**5. DEPOSITS AND INVESTMENTS (Continued)**

2. \$1,626,891 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

**Investments:** The School District's investments are required to be categorized below to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio, an investment pool operated by the Ohio Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. STAR Ohio had a fair value of \$58,678 at June 30, 2000.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and investments on the combined financial statements and the classification of deposit and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/ Deposits	Investments
GASB Statement 9	\$1,658,107	\$0
Cash on Hand	(1,395)	0
Investment of the Cash Management Pool:		
STAR Ohio	(58,678)	58,678
GASB Statement 3	\$1,598,034	\$58,678

**6. PROPERTY TAXES**

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar year 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar year 2000 for tangible personal property (other than public utility property) is for calendar year 2000 taxes.

2000 real property taxes are levied after April 1, 1999, on the assessed value as of January 1, 1999, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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(Continued)**

**6. PROPERTY TAXES (Continued)**

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000, and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

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

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

Assessed values upon which fiscal year 2000 taxes were collected are:

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,541,821,900	82.00%	\$1,563,114,310	81.00%
Public Utility	126,135,810	7.00	131,674,270	7.00
Tangible Personal Property	212,943,821	11.00	229,977,090	12.00
Total Assessed Value	<u>\$1,880,901,531</u>	<u>100.00%</u>	<u>\$1,924,765,670</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$3.00		\$3.00	

The School District receives property taxes from Clark, Miami, Champaign, and Greene Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$1,046,622 and is recognized as revenue in the General Fund.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**7. RECEIVABLES**

Receivables at June 30, 2000, consisted of property taxes, accounts (student fees), interfund and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund:	
State Teachers Retirement System	\$121
Special Revenue Fund:	
A.B.L.E.	12,827
Enterprise Fund:	
Adult Education	3,904
Total Intergovernmental Receivables	\$16,852

**8. FIXED ASSETS**

Fixed asset information at June 30, 2000 is not presented. The General Fixed Assets Account Group should have included the buildings, equipment and other assets for use of the District's governmental fund types. The enterprise fund fixed assets should include furniture and equipment and current year depreciation expense and total accumulated depreciation.

**9. RISK MANAGEMENT**

**A. Property and Liability**

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District contracted with Nationwide Insurance Company for general liability and fleet insurance. Property is protected by Consolidated Insurance.

Building and Contents-replacement cost (\$1,000 deductible)	\$14,800,000
Automobile Liability (\$250 deductible)	1,000,000
Uninsured Motorists (\$250 deductible)	1,000,000
General Liability	
Per occurrence	2,000,000
Total per year	5,000,000

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



**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**9. RISK MANAGEMENT (Continued)**

**B. Workers' Compensation**

For fiscal year 2000, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

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

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

**10. DEFINED BENEFIT PENSION PLANS**

**A. School Employees Retirement System**

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$154,603, \$145,442, and \$96,573, respectively; 78 percent has been contributed for the fiscal year 2000 and 100 percent for fiscal year 1999 and 1998. \$9,366 represents the unpaid contribution for fiscal year 2000 and is recorded as a liability within the respective funds and the general long-term obligations account group.

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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(Continued)**

**10. DEFINED BENEFIT PENSION PLANS (Continued)**

**B. State Teachers Retirement System**

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$647,281, \$620,542 and \$507,369, respectively; 79.48 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$34,402 represents the unpaid contribution for fiscal year 2000 and is recorded as a liability within the respective funds.

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, eight members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**11. POSTEMPLOYMENT BENEFITS**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the Systems based on authority granted by State statute. Both Systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$412,947 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, the balance in the Fund was \$3,419 million. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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(Continued)**

**11. POSTEMPLOYMENT BENEFITS (Continued)**

For SERS, coverage is made available to service retirees with ten or more years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$109,438.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for the fiscal year ended June 30, 2000, were \$140,696,430 and the target level was \$211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**12. OTHER EMPLOYEE BENEFITS**

**A. Compensated Absences**

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

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

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

**B. Insurance Benefits**

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

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**13. CAPITAL LEASES - LESSEE DISCLOSURE**

During fiscal year 2000, the School District entered into capitalized leases for equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. New capital leases are reflected in the accounts, "capital outlay" and "inception of capital lease" in the fund making the lease payment. Capital lease payments have been reclassified and are reflected as debt service expenditures in the combined financial statements in the General Fund. These expenditures are reported as function expenditures on the budgetary statements.

A liability was recorded in the General Long-Term Debt Account Group. This amount represents the present value of the minimum lease payments at the time the lease was entered into. Principal payments in fiscal year 2000 totaled \$27,558 in the General Fund. The School District entered into new leases prior to the full retirement of the old leases. Therefore, the balance of \$50,299 remaining on the old leases was eliminated on the general purpose financial statements upon entering into the new leases.

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2000.

Fiscal Year Ending June 30,	GLTDAG
2001	\$41,345
2002	32,517
2003	30,749
2004	30,749
Total	135,360
Less: Amount Representing Interest	(22,584)
Present Value of Net Minimum Lease Payments	\$112,776

**14. LONG-TERM OBLIGATIONS**

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
Energy Conservation Loans 1993-2000 5.25% - 5.65%	\$520,000	\$130,000	\$191,000	\$459,000
Vocation School Building Assistance Fund Loan 1999 0.00%	636,551	0	33,380	603,171
Total Long-Term Debt	1,156,551	130,000	224,380	1,062,171
Capital Leases	64,258	126,375	77,857	112,776
Intergovernmental Payable	9,633	4,852	9,633	4,852
Compensated Absences	496,290	41,887	0	538,177
Total General Long-Term Obligations	\$1,726,732	\$303,114	\$311,870	\$1,717,976

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**14. LONG-TERM OBLIGATIONS (Continued)**

**Energy Conservation Loan** - On July 9, 1993, Springfield and Clark Joint Vocational School District issued \$1,400,000 in unvoted general obligation notes for the purpose of providing energy conservation measures for Springfield and Clark County Joint Vocational School District under authority of the Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for an eight year period with final maturity during fiscal year 2002. The loan is being retired from the General Fund.

**Energy Conservation Loan** - On December 1, 1999, Springfield and Clark Joint Vocational School District issued \$130,000 in unvoted general obligation notes for the purpose of providing energy conservation measures for Springfield and Clark County Joint Vocational School District under authority of the Ohio Revised Code sections 133.06(G) and 3313.372. The notes were issued for a five year period with final maturity during fiscal year 2004. The loan is being retired from the General Fund.

**Vocational School Building Assistance Fund Loan** - On October 29, 1993, Springfield and Clark County Joint Vocational School District was loaned \$1,291,141 by the State of Ohio for the purpose of constructing, remodeling and purchasing equipment for the School District. The loan was issued for a fifteen year period with a final maturity on December 31, 2008. The loan is being retired from the Bond Retirement Debt Service Fund.

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

Capital leases will be paid from the General Fund. Intergovernmental payable and compensated absences will be paid from the fund from which the employees' salaries are paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period.

The School District's overall legal debt margin was \$172,166,739. The energy conservation debt margin was \$16,863,891, with an unvoted debt margin of \$1,924,766 at June 30, 2000.

Principal and interest requirements to retire the energy conservation and vocational school building assistance fund loans at June 30, 2000, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2001	\$266,476	\$25,518	\$291,994
2002	273,869	14,265	288,134
2003	93,867	2,730	96,597
2004	93,867	1,365	95,232
2005	67,867	0	67,867
2006-2010	244,707	0	244,707
2011-2014	21,518	0	21,518
Total	<u>\$1,062,171</u>	<u>\$43,878</u>	<u>\$1,106,049</u>

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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(Continued)**

**15. INTERFUND ACTIVITY**

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Interfund Receivable	Interfund Payable
General Fund	\$114,493	\$0
Special Revenue Funds:		
Economic Education	0	2,400
Career Education	0	12,360
Vocational Education	0	82,268
National Skill Standards Grant	0	2,179
Total Special Revenue	<u>0</u>	<u>99,207</u>
Capital Project Fund:		
Permanent Improvement	<u>\$0</u>	<u>\$3,602</u>
Enterprise Fund:		
Uniform School Supplies	<u>0</u>	<u>11,684</u>
Total All Funds	<u><u>\$114,493</u></u>	<u><u>\$114,493</u></u>

**16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The School District maintains three enterprise funds to account for the operations of food service, uniform school supplies and adult education. The table below reflects the more significant financial data relating to the enterprise funds of the Springfield and Clark County Joint Vocational School District as of and for the fiscal year ended June 30, 2000.

	Food Service	Uniform School Supplies	Adult Education	Total Enterprise Funds
Operating Revenues	\$190,921	\$62,142	\$169,190	\$422,253
Operating Income (Loss)	(11,937)	4,565	(497,997)	(505,369)
Interest	2,363	0	0	2,363
Federal and State Subsidies	10,791	0	228,271	239,062
Federal Donated Commodities	8,120	0	0	8,120
Operating Transfers In	0	0	363,142	363,142
Net Income	9,337	4,565	93,416	107,318
Net Working Capital	31,059	4,630	367	36,056
Total Assets	45,340	16,314	48,847	110,501
Long-Term Compensated Absences Payable	\$10,859	\$0	\$18,424	\$29,283
Retained Earnings (Deficit)	20,200	4,630	(18,057)	6,773
Encumbrances Outstanding at June 30, 2000	2,569	0	22,108	24,677

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**17. JOINT VENTURE, JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL**

**A. Joint Venture**

**Early Childhood Education Center** - The Springfield and Clark County Joint Vocational School District entered into an agreement with Clark State Community College to operate the Early Childhood Education Center (the Center). Clark State Community College is acting as the fiscal agent. The Joint Vocational School District has a financial responsibility to the Center to finance any operating deficits based upon a formula in the agreement. The Center incurred an operating profit for the fiscal year ended June 30, 2000. To obtain financial information, write to Joe Jackson, who serves as Vice President of Business Affairs, at 570 East Leffel Lane, Post Office Box 570, Springfield, Ohio 45501.

**B. Jointly Governed Organizations**

**Miami Valley Educational Computer Association** - The School District is a participant in the Miami Valley Educational Computer Association (MVECA), which is a computer consortium. MVECA is an association of public school within the boundaries of Clark, Clinton, Fayette, Greene and Highland Counties and Cities of Springfield, Wilmington, Washington Court House, Xenia and Hillsboro. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member districts.

The governing board of MVECA consists of five Superintendents and two Treasurers of member school districts, with four of the five Superintendents and both Treasurers elected by a majority vote of all member school districts except the Greene County Career Center. The fifth Superintendent is from the Greene County Career Center. The School District paid MVECA \$22,874 for services provided during the year. Financial information can be obtained from Gary Bosserman, who serves as Director, at 330 East Enon Road, Yellow Springs, Ohio 45387.

**Southwestern Ohio Educational Purchasing Council** - The Southwestern Ohio Educational Purchasing Council (SOEPC) is a purchasing cooperative made up of nearly 100 school districts in 12 counties. The purpose of the cooperative is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC.

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. During fiscal year 2000, the School District paid \$23,616 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Robert Brown, who serves as Director, at 1831 Harshman Road, Dayton, Ohio 45424.

**Southwestern Ohio Instructional Technology Association** - The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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(Continued)**

**17. JOINT VENTURE, JOINTLY GOVERNED ORGANIZATIONS AND INSURANCE PURCHASING POOL (Continued)**

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e., Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members from the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2000, the School District paid \$400 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

**C. Insurance Purchasing Pool**

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

**18. SCHOOL FUNDING COURT DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$2,987,698 of school foundation support for its General Fund.



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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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(Continued)**

**18. SCHOOL FUNDING COURT DECISION (Continued)**

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**19. SET ASIDE CALCULATIONS**

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

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

	Budget Stabilization	Capital Acquisition	Textbooks/ Instructional Materials
Set-aside Reserve Balance as of June 30, 1999	\$29,221	\$0	\$0
Current Year Set-aside Requirement	81,017	243,050	243,050
Current Year Offsets	0	(134,293)	0
Qualifying Disbursements	0	(97,861)	(507,456)
<b>Total</b>	<b>\$110,238</b>	<b>\$10,896</b>	<b>(\$264,406)</b>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$110,238</u>	<u>\$10,896</u>	<u>\$0</u>

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

**19. SET ASIDE CALCULATIONS (Continued)**

The School District had qualifying disbursements during the fiscal year that reduced the textbooks/instructional materials set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$121,134.

**20. CONTINGENCIES**

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<b>Federal Grantor/ Pass Through Grantor Program Title</b>	<b>Pass Through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Disbursements</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
<i>Passed Through Ohio Department of Education</i>						
Nutrition Cluster:						
Food Distribution Program - Commodities		10.550		\$2,812		\$3,352
National School Lunch Program	03-PU-99	10.555	\$326		\$326	
	03-PU-00		1,803		1,803	
	04-PU-99		1,060		1,060	
	04-PU-00		6,813		6,813	
Total National School Lunch Program			10,002		10,002	
Total U.S. Department of Agriculture - Nutrition Cluster			10,002	2,812	10,002	3,352
<b>U.S. BUREAU OF LAND MANAGEMENT</b>						
<i>Passed Through Clark County Auditor</i>						
Payment in Lieu of Taxes	PL-97-258	15.226	185		185	
<b>U.S. DEPARTMENT OF EDUCATION</b>						
<i>Passed Through Ohio Department of Education</i>						
Adult Basic Education	AB-S1-98	84.002			290	
	AB-S1-99		50,803		21,451	
	AB-S1-00		105,330		98,088	
Total Adult Basic Education			156,133		119,829	
Vocational Education - Basic Grants to States	20-A4-98	84.048			2,338	
	20-A4-99		13,656		16,379	
	20-C1-98				395	
	20-C1-99		64,650		10,414	
	20-C1-00		404,726		436,185	
	20-C2-97				2,730	
	20-C2-98				304	
	20-C2-99		5,542		1,165	
	20-C2-00		27,462		28,425	
Total Vocational Education - Basic Grants to States			516,036		498,335	
Pell Grant		84.063	4,824			
Goals 2000	G2-S2-99	84.276			4,940	
Eisenhower Professional Development Grant	MS-S1-00	84.281	1,549		1,000	
Innovative Education Program Strategy	C2-S1-99	84.298	400		400	
	C2-S1-00		3,256		1,794	
			3,656		2,194	
Total U.S. Department of Education			682,198		626,298	
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>						
<i>Passed Through City of Springfield</i>						
Community Development Block Grant - GED Jail		14.218	3,700		3,733	
<b>U.S. DEPARTMENT OF LABOR</b>						
<i>Passed Through Ohio Department of Education</i>						
School to Work Grant	WK-BE-98	17.249			163	
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>						
<i>Passed Through Ohio Department of Education</i>						
Jobs Reimbursement Program	JB-S1-97	93.561			7,613	
Total Federal Financial Assistance			\$696,085	\$2,812	\$647,994	\$3,352

See accompanying notes to the Schedule of Awards Expenditures.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY  
FISCAL YEAR ENDED JUNE 30, 2000**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) summarizes activity of the School District's federal award programs. The schedule has been prepared on the cash basis of accounting.

**NOTE B - NUTRITION CLUSTER**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the District had no significant food commodities in inventory.

**NOTE C - FEDERAL GRANTS WHOSE FUNDS ARE COMMINGLED WITH OTHER REVENUE SOURCES**

Payment in Lieu of Taxes (CFDA # 15.226), and the Adult Basic Education (CFDA # 84.002) programs federal grant receipts were commingled with state and local revenues. It was assumed that federal monies were expended first.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND  
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Springfield-Clark County Joint Vocational School District  
Clark County  
1901 Selma Road  
Springfield, Ohio 45505

To the Board of Education:

We have audited the financial statements of Springfield-Clark County Joint Vocational School District, Clark County, (the District) as of and for the year ended June 30, 2000, and have issued our report thereon dated March 20, 2001. The report was qualified as a result of the omission of the General Fixed Asset Account Group and fixed assets, including accumulated depreciation and depreciation expense in the Proprietary Funds from the financial statements, as required by generally accepted accounting principles. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-10312-001 and 2000-10312-002. We also noted certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter dated March 20, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the District's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 2000-10312-003 and 2000-10312-004.

**Internal Control Over Financial Reporting  
(Continued)**

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2000-10312-004 to be a material weakness. We also noted certain matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated March 20, 2001.

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

**Jim Petro**  
Auditor of State

March 20, 2001



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

Springfield-Clark County Joint Vocational School District  
Clark County  
1901 Selma Road  
Springfield, Ohio 45505

To the Board of Education:

**Compliance**

We have audited the compliance of the Springfield-Clark County Joint Vocational School District, Clark County, (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**Internal Control Over Compliance  
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

**Jim Petro**  
Auditor of State

March 20, 2001



**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FISCAL YEAR END JUNE 30, 2000**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Qualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material non-compliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Vocational Education Basic Grant (CFDA # 84.048)
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	Yes

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FISCAL YEAR END JUNE 30, 2000  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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<b>Finding Number</b>	2000-10312-001
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**Prohibited Political Activity**

Ohio Rev. Code Section 3315.07 (C) states that no board of education shall use public funds to support or oppose the passage of a school levy or bond issue or to compensate any school district employee for time spent on any activity intended to influence the outcome of a school levy or bond issue election.

The District allowed the Levy Committee to purchase merchandise with school funds. The intention of the Committee was to reimburse the District from sales proceeds, however, the costs were not fully reimbursed until November, 2000.

<b>Finding Number</b>	2000-10312-002
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Section 5705.41(B), Ohio Rev. Code states that no subdivision or taxing unit is to expend money unless it has been appropriated.

Total expenditures exceeded total appropriations on June 30, 2000 as follows:

Special Revenue Funds	\$126,742
Debt Service Fund	28,598
Capital Projects Fund	134,293
Enterprise Funds	152,276

The significant variances comprising the total variance for the Special Revenue Funds were in the following funds:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Able Grant	127,099	153,455	(26,356)
Adult Education Grant	577,246	665,216	(87,970)

The significant variance comprising the total variance for the Enterprise Funds was as follows:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Adult Education	695,986	806,436	(110,450)

Additionally, the District's expenditures in the Adult Education Enterprise Fund exceeded appropriations by \$10,765 on February 29, 2000.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FISCAL YEAR END JUNE 30, 2000  
(Continued)**

<b>Finding Number</b>	2000-10312-003
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Review of the student activity files noted the following weaknesses:

3. Activity budgets were not prepared for thirty one percent of the fund raising activities tested;
4. The "End of Year Decision" form was completed for only twenty nine percent of the activities tested; and
5. Only fifty four percent of the activities tested had the appropriately completed "sponsor agreement" form.

Failure to follow control procedures and maintain complete and accurate supporting documentation could result in account activity being misstated, allow activity assets to be misused, allow revenues to be unreported, or allow unauthorized fund raising activities. To reduce this risk the District should:

6. Require all student managed activities to file a budget and purpose statement, and all other documents, to assist in the monitoring of the financial transactions within the individual activity.
7. Require a sales potential form be completed for each sales event. This form should include a description of the sales event, an estimate of the amount of money to be raised, and the cost and sales price for individual items sold. Additionally, this form should be approved by the building principal and the Treasurer.
8. Student activity advisors should maintain an accounting of the financial activity and perform monthly reconciliations to the financial information provided by the Treasurer. Any discrepancies should be communicated to the Treasurer's office immediately.
9. At the end of each sales event a reconciliation of expected and actual revenue should be performed.

<b>Finding Number</b>	2000-10312-004
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The District's annual financial statements did not include fixed assets or related depreciation activity for the year as a result of improper records. Failure to maintain accurate fixed assets records increases the risk of undetected loss of assets through misappropriation, does not provide support as result of loss in a disaster for insurance recovery, hampers the process for preparing financial statements, and does not provide management with accurate information for decision making purposes.

Prudent business practices suggest that all changes to recorded fixed assets, including additions or deletions, be supported by sufficient documentation. Sufficient documentation should include addition forms and deletion forms. Failure to maintain supporting documentation of all changes to fixed assets could result in assets of value being inappropriately deleted or not added to the District's records.

The District should create and complete documents for all fixed asset disposals and additions which include the following information:

- Signature authorizing addition/disposal of fixed asset;
- Inventory tag number;
- Department to which the addition is assigned;
- Reason why asset is being disposed of;
- How and when the asset was disposed;
- Trade-in amount received, if applicable; and
- Check number for the purchase to support the recorded cost and acquisition date.

**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
FISCAL YEAR END JUNE 30, 2000  
(Continued)**

<b>Finding Number</b>	2000-10312-004 (Continued)
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In addition, the procedures should include a process for performing an annual physical inventory and review by department heads to determine that all recorded fixed assets are still in existence for District use. This procedure should include:

- Sending annual fixed assets listings by department to the department management for review,
- Requiring all department managers to review listing and make any additions/deletions as appropriate,
- Having the department head sign off on the fixed asset listing as accurate.

This review should then be compared to fixed assets records and appropriate corrections posted.

Management should also establish a total fixed asset listing to which additions and disposals are added and deleted as they occur during the year. This listing, after reconciliation to the annual physical inventory results, should agree with the amounts reported in the financial statements.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**SPRINGFIELD-CLARK COUNTY JOINT VOCATIONAL SCHOOL DISTRICT**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 17, 2001**