



Balestra, Harr & Scherer, CPAs, Inc.

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

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Southern Hills Joint Vocational School District
Brown County, Ohio

Regular Audit

For the Year Ended June 30, 2011
Fiscal Year Audited Under GAGAS: 2011

bhs

Circleville

Ironton

Piketon

Wheelersburg

Worthington



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Southern Hills Joint Vocational School District, Brown County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2010 through June 30, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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

Dave Yost
Auditor of State

January 31, 2012

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Southern Hills Joint Vocational School District

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Balestra, Harr & Scherer, CPAs, Inc.

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

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

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Hills Joint Vocational School District, Brown County (the School District) as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements and have issued our report thereon dated December 21, 2011, wherein we noted the School District implemented GASB Statement No. 54. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented or detected and timely corrected.

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

Compliance and Other Matters

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

Members of the Board of Education
Southern Hills Joint Vocational School District
Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Required by *Government Auditing Standards*.
Page 2

We did note certain matters not requiring inclusion in this report that we reported to the School District's management in a separate letter dated December 21, 2011.

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

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

Balestra, Harr & Scherer, CPAs, Inc.
December 21, 2011



Balestra, Harr & Scherer, CPAs, Inc.

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

www.bhscpas.com

Independent Accountants' Report on Applying Agreed-Upon Procedure

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

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

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

1. We noted Southern Hills JVSD amended its anti-harassment policy at its meeting on October 23, 2010 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

Balestra, Harr & Scherer, CPAs, Inc.
December 21, 2011

*SOUTHERN HILLS
JOINT VOCATIONAL SCHOOL DISTRICT*

GEORGETOWN, OHIO

*COMPREHENSIVE ANNUAL
FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Issued by:
Treasurer's Office

Michael Boyd, CPA
Treasurer

INTRODUCTORY SECTION

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Southern Hills Joint Vocational School District
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended June 30, 2011
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SUPERINTENDENT
Kevin Kratzer

TREASURER
Michael Boyd, C.P.A.

December 21, 2011

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the Southern Hills Joint Vocational School District for the fiscal year ended June 30, 2011. This CAFR, which includes financial statements and other financial and statistical data, conforms to generally accepted accounting principles as applicable to governmental entities. The intent of this report is to provide the taxpayers of the Southern Hills Joint Vocational School District with comprehensive financial data in a format that enables them to gain a true understanding of the School District's financial affairs as well as provide management with better financial information for future decision making.

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

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

Balestra, Harr & Scherer, CPAs, Inc., has issued an unqualified ("clean") opinion on the Southern Hills Joint Vocational School District's financial statements for the fiscal year ended June 30, 2011. The Independent Auditor's Report is located at the front of the Financial Section of this report.

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

BOARD OF EDUCATION

Vernon Creighton • Steve Dunkin • Garry Luke
Teresa Pfeffer • Richey Pride • Kenneth "Duke" Snider • Roger West

FORMATION OF THE SCHOOL DISTRICT

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

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

FORM OF GOVERNMENT AND REPORTING ENTITY

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

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

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

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

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

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

The School District employs 57 full-time employees. These employees include certified, non-certified and administrative personnel providing services to 618 secondary students and 1,069 adult students. Secondary students include the full time equivalents of home schooled students and students attending programs offered outside the central building. These students are not included as full time students in the School District's average daily membership.

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

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

The Member School Districts have not been included in the accompanying financial statements. The boards are not appointed by the School District, nor are they fiscally dependent on the School District. The South Central Ohio Computer Association, and the Coalition of Rural and Appalachian Schools are reported as jointly governed organizations in Note 17. The Ohio SchoolComp Workers' Compensation Group Rating Plan is reported as an insurance purchasing pool in Note 18. The Brown County Schools Benefits Consortium is presented as a public entity shared risk and insurance purchasing pool in Note 19.

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

ECONOMIC CONDITION AND OUTLOOK

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

Brown County is a rural community in Southern Ohio with unemployment rates 1.4 percent above the State unemployment rate of 9.0 percent. During the past ten years, the unemployment rate rose from 5.5 percent in 2001 to a high of 13.7 percent in June 2009. The population of Brown County in the 2010 census was 44,846. Population projections for Brown County are indicating growth over the next decade. The population growth rate from 2000 to 2010 was 6.1 percent or 2,561 while the State of Ohio rate was 1.6 percent.

Although, there is a projected population increase in Brown County based on preliminary results of the 2010 census, in light of the recent unemployment and economic conditions, the projected numbers may be depressed and the State should re-evaluate the State and County population estimates in light of the current conditions.

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

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

Because of recent economic conditions, the current housing growth rates, and property values, and market rates are significantly lower and will be suppressed into the 2010 census reporting period. Also, the continuing home foreclosure rates in the local area will continue to have a tremendous impact on tax collections, local and State revenue for this coming biennium, and the near foreseeable future.

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

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

FINANCIAL TRENDS

Due to a decline in student enrollment in previous fiscal years, the School District experienced less than a one percent increase in the State foundation revenue in fiscal year 2011. The reason for the decline in enrollment is two-fold. First, the renovation project provided limited access to the building during sophomore tours and fewer students enrolled for their junior year. Second, satellite enrollment has declined with the elimination of two programs at the local schools. The School District is currently on the transitional aid guarantee and is expecting to remain on this funding status until enrollment increases. Because of these two factors, the School District is deep on the state guarantee and there has not been significant student enrollment to bring the School District out of the guarantee. Since the current biennium has introduced a new school funding system, the state has not indicated how joint vocational school districts will be funded in the future. The funding for fiscal years 2010 and 2011 is a mere .75 percent increase each year of the biennium. The School District is anticipating a slight increase in enrollment for fiscal year 2011-2012.

FINANCIAL PLANNING AND POLICIES

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

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

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

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

MAJOR INITIATIVES

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

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

AWARDS AND ACKNOWLEDGEMENTS

GFOA CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Southern Hills Joint Vocational School District for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the sixth year that the School District has received this prestigious award. In order to be awarded a Certificate of Achievement, the School District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report which conforms to program standards. Such a report must also satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for one year. We believe our current report continues to conform to the Certificate of Achievement program requirements; thus, we are submitting it to the GFOA for review.

ASBO CERTIFICATE OF EXCELLENCE

The Association of School Business Officials (ASBO) International Certificate of Excellence is awarded to those school districts who have voluntarily submitted their system's Comprehensive Annual Financial Report for review by an ASBO Panel of Review. This award certifies that the Comprehensive Annual Financial Report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials. The Southern Hills Joint Vocational School District will also be submitting its sixth CAFR for this award for the fiscal year ended June 30, 2011.

ACKNOWLEDGEMENTS

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

Respectfully submitted,



Kevin Kratzer, Superintendent



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

*Southern Hills Joint Vocational School District
Principal Officials
As Of June 30, 2011*

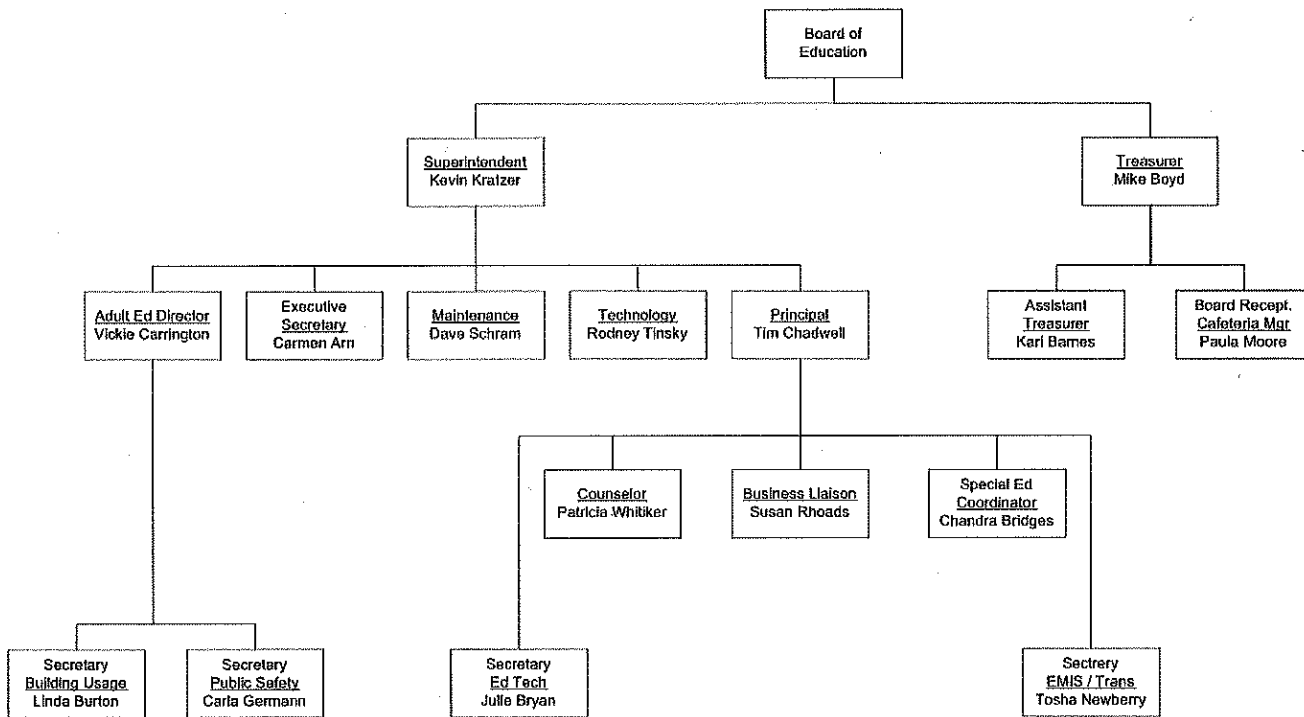
ELECTED OFFICIALS

President, Board of EducationRoger West
Vice President, Board of Education.....Steven Dunkin
Board Member Garry Luke
Board Member Vernon Creighton
Board Member Richard Pride
Board Member Teresa Pfeffer
Board Member Kenneth Snider

ADMINISTRATIVE OFFICIALS

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

Southern Hills Organizational Chart



***Southern Hills Joint Vocational School District
Consultants and Advisors
June 30, 2011***

Architects

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

Bond Counsel

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

Independent Auditor

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P.O. Box 687
528 South West Street
Piketon, OH 45661

CAFR Preparation Consultants

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

**Workers' Compensation/
Unemployment**

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

Investment Advisors

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

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

Legal Counsel

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

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

Official Depositories

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

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

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southern Hills Joint Vocational
School District, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2010

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

President

Executive Director

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FINANCIAL SECTION

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Balestra, Harr & Scherer, CPAs, Inc.

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

www.bhscpas.com

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Hills Joint Vocational School District, Brown County, Ohio, (the School District) as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

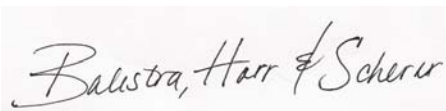
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern Hills Joint Vocational School District, Brown County, Ohio, as of June 30, 2011, and the respective changes in financial position, thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2011 on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The introductory section, the financial section's combining statements, and individual fund statements and schedules and statistical section information provides additional analysis and are not a required part of the basic financial statements. The financial section's combining statements, individual fund statements and schedules are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We did not subject the introductory section and statistical section information to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or any other assurance on them.

As described in Note 3, the School District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.



Balestra, Harr & Scherer, CPAs, Inc.

December 21, 2011

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

As management of the Southern Hills Joint Vocational School District, we offer readers of the School District's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here, in conjunction with additional information we have provided in the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

This discussion and analysis of Southern Hills Joint Vocational School District's financial performance is intended to serve as an introduction to the School District's basic financial statements, and provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The Southern Hills Joint Vocational School District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Financial Highlights

- In fiscal year 2011, four teachers retired and were replaced with teachers in lower pay ranges, and others who were not replaced at all. This, combined with other cost saving measures, enabled the School District to decrease expenditures from 2010 to 2011.

Using the Basic Financial Statements

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

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

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Reporting the School District as a Whole

One of the most important questions asked about the School District is “How did we do financially during fiscal year 2011?” The *Statement of Net Assets* and the *Statement of Activities*, which appear first in the School District’s financial statements, report information on the School District as a whole and its activities in a way that helps answer this question. These statements include all *assets* and *liabilities* using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year’s revenues and expenses regardless of when cash is received or paid.

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

Reporting the School District’s Most Significant Funds

Fund Financial Statements

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

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

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

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

The School District as a Whole

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

Table 1 provides a summary of the School District’s net assets for fiscal years 2011 and 2010:

(Table 1)
Net Assets

	Governmental Activities		
	2011	2010	Change
Assets			
Current and Other Assets	\$10,529,319	\$10,887,159	(\$357,840)
Capital Assets, Net	13,425,769	13,459,888	(34,119)
Total Assets	23,955,088	24,347,047	(391,959)
Liabilities			
Current and Other Liabilities	2,189,721	2,609,887	(420,166)
Long-Term Liabilities	3,632,310	3,923,263	(290,953)
Total Liabilities	5,822,031	6,533,150	(711,119)
Net Assets			
Invested in Capital Assets, Net of Related Debt	11,453,323	11,273,914	179,409
Restricted	3,961,428	4,053,323	(91,895)
Unrestricted	2,718,306	2,486,660	231,646
Total Net Assets	\$18,133,057	\$17,813,897	\$319,160

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Current and Other Assets decreased \$357,840, due mainly to a decrease in Property Taxes Receivable of \$285,164 as a result of the triennial update of property values for Brown County. Capital Assets, Net decreased \$34,119, due to additions, offset by depreciation expense.

Current and Other Liabilities decreased \$420,166 due to a decrease in Deferred Revenue for taxes receivable. Long-Term Liabilities decreased, due to payments on long-term debt and no new issuances. Restricted Net Assets decreased \$91,895, due to decreases in Cash and Cash Equivalents for capital projects.

Table 2 shows the changes in net assets for fiscal years 2011 and 2010.

(Table 2)
Changes in Net Assets

	Governmental Activities 2011	Governmental Activities 2010	Change
Revenues			
Program Revenues:			
Charges for Services and Sales	\$273,546	\$298,651	(\$25,105)
Operating Grants, Contributions and Interest	1,477,853	1,460,730	17,123
Capital Grants and Contributions	0	7,500	(7,500)
Total Program Revenues	<u>1,751,399</u>	<u>1,766,881</u>	<u>(15,482)</u>
General Revenues:			
Property Taxes	2,323,764	2,154,994	168,770
Grants and Entitlements not Restricted to Specific Programs	2,755,127	2,758,836	(3,709)
Interest	115,320	161,092	(45,772)
Gain on Sale of Capital Assets	0	432	(432)
Miscellaneous	3,766	6,031	(2,265)
Total General Revenues	<u>5,197,977</u>	<u>5,081,385</u>	<u>116,592</u>
Total Revenues	<u>\$6,949,376</u>	<u>\$6,848,266</u>	<u>\$101,110</u>

continued

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

(Table 2)
Changes in Net Assets
(continued)

	Governmental Activities 2011	Governmental Activities 2010	Change
Program Expenses			
Instruction:			
Regular	\$57,291	\$181,620	(\$124,329)
Special	6,026	21,411	(15,385)
Vocational	3,996,183	3,804,402	191,781
Adult/Continuing	131,893	143,751	(11,858)
Support Services:			
Pupils	479,865	465,322	14,543
Instructional Staff	137,404	204,486	(67,082)
Board of Education	43,055	39,158	3,897
Administration	641,907	638,304	3,603
Fiscal	378,024	380,855	(2,831)
Business	5,259	5,428	(169)
Operation and Maintenance of Plant	366,483	536,054	(169,571)
Pupil Transportation	30,566	41,339	(10,773)
Central	62,842	41,114	21,728
Operation of Non-Instructional Services:			
Food Service Operations	257,863	296,061	(38,198)
Extracurricular Activities	9,560	10,728	(1,168)
Interest and Fiscal Charges	25,995	47,875	(21,880)
Total Expenses	<u>6,630,216</u>	<u>6,857,908</u>	<u>(227,692)</u>
Change in Net Assets	319,160	(9,642)	328,802
Net Assets at Beginning of Year	<u>17,813,897</u>	<u>17,823,539</u>	<u>(9,642)</u>
Net Assets at End of Year	<u>\$18,133,057</u>	<u>\$17,813,897</u>	<u>\$319,160</u>

Program revenues decreased \$15,482. Charges for Services and Sales decreased \$25,105, while Operating Grants, Contributions and Interest increased \$17,123. Property Taxes increased \$168,770 due to an increase in the amount of taxes available for advance. Interest decreased \$45,772, primarily due to a decline in interest rates and a reduction of cash available for investments.

Program expenses decreased \$227,692 due to the School District diligently working to cut costs in all possible areas. Regular Instruction decreased \$124,329 due to the retirement of long-term teachers, which were replaced with teachers in lower pay ranges, and others who were not replaced. Operation and Maintenance of Plant decreased by \$169,571 due to a decrease in repairs and maintenance for the year.

*Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited*

Governmental Activities

Grants and Entitlements made up 53 percent of general revenues for governmental activities of the Southern Hills Joint Vocational School District for fiscal year 2011. It is very common for these monies to make up the majority of revenues in low property wealth districts that rely on State revenue to support its daily operations.

Instruction comprises 63 percent of governmental program expenses. Support Services expenses make up 32 percent of governmental expenses. Support Services provide a key role in meeting the needs of our students, tutoring to transportation, on-line testing to guidance and maintenance, and assisting our staff in providing an educational process that ranks us near the top of joint vocational school districts' Ohio Department of Education Secondary Workforce Development Report Card in providing education to career technology students.

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

(Table 3)
Governmental Activities

	Total Cost of Services 2011	Total Cost of Services 2010	Net Cost of Services 2011	Net Cost of Services 2010
Instruction	\$4,191,393	\$4,151,184	\$2,886,817	\$2,841,799
Support Services	2,145,405	2,352,060	1,882,007	2,089,668
Operation of Non-Instructional Services:				
Food Service Operations	257,863	296,061	74,438	100,957
Extracurricular Activities	9,560	10,728	9,560	10,728
Interest and Fiscal Charges	25,995	47,875	25,995	47,875
Total	\$6,630,216	\$6,857,908	\$4,878,817	\$5,091,027

The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$6,925,174 and expenditures of \$6,904,154. The net change in fund balance for the fiscal year was most significant in the General Fund, an increase of \$108,299. The Permanent Improvement Capital Projects Fund had a decrease of \$35,764, primarily due to a decrease in interest revenue.

*Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited*

General Fund - Budget Highlights

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

During the course of fiscal year 2011, the School District revised its budget as it attempted to deal with unexpected changes in revenues and expenditures. A summary of the General Fund original and final budgeted amounts is listed on page 20, as well as the actual amounts. A variance comparison is presented between the final budgeted amount and the actual amounts.

For the General Fund, the original budget basis revenues were \$5,468,357, with a final budget estimate of \$5,314,227, a difference of \$154,130 due mainly to a large decrease in property taxes. There was a \$108,724 variance between the final budget and actual budget basis revenues.

Original budget basis expenditures and carryover encumbrances for the General Fund were \$5,661,677 and final budget basis expenditures and carryover encumbrances were \$5,889,961, a difference of \$228,284. The increase in estimated expenditures was primarily related to an increase in Vocational Instruction. Final actual expenditures fell below the final budgeted expenditures by \$513,663. This was mainly due to the School District's efforts to control costs during the fiscal year.

The School District's ending unobligated cash balance in the General Fund was \$676,459 above the final budgeted amount.

Debt

At June 30, 2011, the School District had \$300,002 in loans outstanding, with \$33,333 due within one year. In addition, the School District had \$2,949,264 in capital leases payable at fiscal year-end. Table 4 summarizes debt outstanding at fiscal year-end for 2011 and 2010:

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

	2011	2010
2005 Facility Improvement and Equipment Replacement Loan	\$300,002	\$333,335
Capital Lease	2,949,264	3,129,459
Total	\$3,249,266	\$3,462,794

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
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On February 16, 2005, the School District entered into a loan with the Ohio School Facilities Commission in the amount of \$500,000 for the purpose of making facility improvements and replacing equipment. The loan was issued for a 15 year period, with final maturity during fiscal year 2020. The loan will be retired from the Permanent Improvement Fund.

On July 1, 2007, the School District entered into a lease agreement with JP Morgan Chase Bank, N.A. for building renovations. The School District makes annual interest payments to the lessor in the amount of \$25,995 and annual sinking fund payments to an irrevocable trust with an escrow agent in the amount of \$157,049. On July 31, 2022, J.P.Morgan Chase Bank, N.A. will be repaid, when the entire principal amount of \$3,465,997 is due.

The School District's overall legal debt margin was \$71,722,449, with an unvoted debt margin of \$796,916.

For more information on Debt, refer to the notes to the basic financial statements (Notes 14 and 15).

Capital Assets

At the end of fiscal year 2011, the School District had \$13,425,769 invested in land, land improvements, buildings and improvements, furniture and equipment, and vehicles. Table 5 shows fiscal year 2011 balances compared to fiscal year 2010:

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

	Governmental Activities	
	2011	2010
Land	\$339,053	\$339,053
Land Improvements	78,069	23,592
Buildings and Improvements	10,852,730	10,994,561
Furniture and Equipment	1,996,509	1,951,180
Vehicles	159,408	151,502
Totals	\$13,425,769	\$13,459,888

Capital Assets decreased \$34,119 from the prior fiscal year. This was due primarily to the purchase of capital assets during fiscal year 2011, offset by increases in accumulated depreciation. For more information on Capital Assets, refer to the notes to the basic financial statements (Note 9).

*Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited*

Current Issues

The Southern Hills Joint Vocational School District continues to be very proud of the fact that only one additional operating levy has been needed since the School District began operations in 1975. The School District is currently ranked as the sixth poorest among joint vocational school districts, based on average unadjusted property valuation per average daily membership in the State. Although the School District is considered low wealth, it provides a quality education for its students, ranking in the top 15 of all 49 Joint Vocational School Districts in the State of Ohio for the last six years. The School District currently has 13 career-tech programs housed at the Career Technical Center and five satellite programs at the local schools, with a total of approximately 690 students served by the School District. The School District has seen a decline in program offerings at the Career Technical Center and local school districts due to construction at the Career Technical Center, budget constraints, and declining enrollment. Southern Hills offered a new Sports Medicine program at the Career Technical Center in fiscal year 2009 due to an anticipated increase in high school junior and senior enrollments at our local districts. In fiscal year 2010, Southern Hills began a half day program in the area of Civil Engineering based on the growth anticipated in that field. Southern Hills will be adding a biotechnology half-day program in fiscal year 2012. Engineering will be housed at Southern Hills beginning in fiscal year 2012 as a traditional program, however, students may continue to take engineering as a half day option if they elect to continue the academic home schooling.

The Southern Hills Joint Vocational School District depends dramatically on the State of Ohio School funding system with over 60 percent of the School District's operating budget supplied by the State. With the new funding system that was enacted to solve the lawsuit over funding, joint vocational school districts have only received a .75 percent increase for fiscal year 2010, and another increase of .75 percent for fiscal year 2011. There is a zero percent increase in fiscal year 2012. The State has to appoint a 28 member board that will determine how joint vocational school districts will be funded in the future, but there is no representation by anyone from a joint vocational school district that is either a superintendent or treasurer. Currently, no recommendation for future funding has been determined.

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

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

Southern Hills Joint Vocational School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2011
Unaudited

Southern Hills has also replaced fans, exhaust systems, chillers, coolers, freezers and kitchen equipment. The School District doubled the amount of storage space by renovating a barn on the property and building another storage building. The School District is currently looking into building another storage building to house equipment used in the industrial mechanics program.

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

Contacting the School District's Financial Management

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

BASIC FINANCIAL STATEMENTS

Southern Hills Joint Vocational School District

Statement of Net Assets

June 30, 2011

	<u>Governmental Activities</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$8,183,923
Accrued Interest Receivable	45,901
Prepaid Items	4,970
Materials and Supplies Inventory	1,474
Inventory Held for Resale	3,514
Intergovernmental Receivable	49,657
Property Taxes Receivable	2,239,880
Capital Assets:	
Land	339,053
Depreciable Capital Assets, Net	<u>13,086,716</u>
<i>Total Assets</i>	<u>23,955,088</u>
Liabilities	
Accounts Payable	30,312
Accrued Wages and Benefits Payable	414,584
Matured Compensated Absences Payable	12,999
Accrued Interest Payable	24,118
Intergovernmental Payable	83,410
Deferred Revenue	1,624,298
Long-Term Liabilities:	
Due Within One Year	235,936
Due in More Than One Year	<u>3,396,374</u>
<i>Total Liabilities</i>	<u>5,822,031</u>
Net Assets	
Invested in Capital Assets, Net of Related Debt	11,453,323
Restricted for Capital Outlay	1,826,476
Restricted for Food Service	346,944
Restricted for Adult Education	559,411
Restricted for Classroom Facilities	947,346
Restricted for Other Purposes	260,954
Restricted for Set-Asides	20,297
Unrestricted	<u>2,718,306</u>
<i>Total Net Assets</i>	<u><u>\$18,133,057</u></u>

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Activities
For the Fiscal Year Ended June 30, 2011

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
Expenses	Charges for Services and Sales	Operating Grants, Contributions and Interest	Governmental Activities	
Governmental Activities				
Instruction:				
Regular	\$57,291	\$331	\$0	(\$56,960)
Special	6,026	0	147,190	141,164
Vocational	3,996,183	66,616	999,592	(2,929,975)
Adult/Continuing	131,893	60,023	30,824	(41,046)
Support Services:				
Pupils	479,865	0	151,113	(328,752)
Instructional Staff	137,404	0	8,490	(128,914)
Board of Education	43,055	0	0	(43,055)
Administration	641,907	64,485	33,116	(544,306)
Fiscal	378,024	0	0	(378,024)
Business	5,259	195	100	(4,964)
Operation and Maintenance of Plant	366,483	899	0	(365,584)
Pupil Transportation	30,566	0	0	(30,566)
Central	62,842	0	5,000	(57,842)
Operation of Non-Instructional Services:				
Food Service Operations	257,863	80,997	102,428	(74,438)
Extracurricular Activities	9,560	0	0	(9,560)
Interest and Fiscal Charges	25,995	0	0	(25,995)
Total Governmental Activities	\$6,630,216	\$273,546	\$1,477,853	(4,878,817)
General Revenues				
Property Taxes Levied for:				
General Purposes				1,694,364
Other Purposes				157,500
Capital Outlay				471,900
Grants and Entitlements not Restricted to				
Specific Programs				2,755,127
Interest				115,320
Miscellaneous				3,766
Total General Revenues				5,197,977
Change in Net Assets				319,160
Net Assets at Beginning of Year				17,813,897
Net Assets at End of Year				\$18,133,057

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Balance Sheet
Governmental Funds
June 30, 2011

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,987,203	\$2,597,300	\$2,579,123	\$8,163,626
Materials and Supplies Inventory	0	0	1,474	1,474
Inventory Held for Resale	0	0	3,514	3,514
Accrued Interest Receivable	44,157	0	1,744	45,901
Interfund Receivable	49,762	0	0	49,762
Intergovernmental Receivable	0	0	49,657	49,657
Prepaid Items	4,130	0	840	4,970
Property Taxes Receivable	1,621,000	618,880	0	2,239,880
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	20,297	0	0	20,297
Advances to Other Funds	260,000	0	0	260,000
Total Assets	<u>\$4,986,549</u>	<u>\$3,216,180</u>	<u>\$2,636,352</u>	<u>\$10,839,081</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$30,312	\$0	\$0	\$30,312
Accrued Wages and Benefits Payable	387,344	0	27,240	414,584
Matured Compensated Absences Payable	12,999	0	0	12,999
Interfund Payable	0	0	49,762	49,762
Intergovernmental Payable	74,306	0	9,104	83,410
Deferred Revenue	1,319,301	483,090	51,204	1,853,595
Advances from Other Funds	0	0	260,000	260,000
Total Liabilities	<u>1,824,262</u>	<u>483,090</u>	<u>397,310</u>	<u>2,704,662</u>
Fund Balances				
Nonspendable	264,130	0	2,314	266,444
Restricted	0	2,733,090	2,266,758	4,999,848
Committed	173,474	0	0	173,474
Assigned	66,402	0	0	66,402
Unassigned (deficit)	2,658,281	0	(30,030)	2,628,251
Total Fund Balances	<u>3,162,287</u>	<u>2,733,090</u>	<u>2,239,042</u>	<u>8,134,419</u>
Total Liabilities and Fund Balances	<u>\$4,986,549</u>	<u>\$3,216,180</u>	<u>\$2,636,352</u>	<u>\$10,839,081</u>

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
*Reconciliation of Total Governmental Fund Balances to
 Net Assets of Governmental Activities*
 June 30, 2011

Total Governmental Fund Balances \$8,134,419

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

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

Land	339,053	
Other Capital Assets	20,057,185	
Accumulated Depreciation	<u>(6,970,469)</u>	
Total capital assets		13,425,769

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

Taxes	138,936	
Intergovernmental	49,657	
Interest	<u>40,704</u>	
		229,297

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

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

Loans	(300,002)	
Capital Lease	(2,949,264)	
Compensated Absences	<u>(383,044)</u>	
		<u>(3,632,310)</u>

Net Assets of Governmental Activities \$18,133,057

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Permanent Improvement	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$1,687,256	\$469,131	\$157,500	\$2,313,887
Intergovernmental	3,708,956	128,942	351,063	4,188,961
Interest	29,779	109,510	5,671	144,960
Tuition and Fees	10,282	0	124,703	134,985
Rent	899	0	0	899
Gifts and Donations	0	0	54	54
Customer Sales and Services	56,665	0	80,997	137,662
Miscellaneous	3,766	0	0	3,766
Total Revenues	5,497,603	707,583	719,988	6,925,174
Expenditures				
Current:				
Instruction:				
Regular	158,666	3,283	0	161,949
Special	0	1,876	0	1,876
Vocational	3,209,354	377,309	60,193	3,646,856
Adult/Continuing	0	0	131,838	131,838
Support Services:				
Pupils	319,736	5,628	138,052	463,416
Instructional Staff	126,059	938	8,286	135,283
Board of Education	42,922	0	0	42,922
Administration	553,021	2,579	141,982	697,582
Fiscal	341,897	22,861	0	364,758
Business	4,830	0	429	5,259
Operation and Maintenance of Plant	449,414	14,206	99,093	562,713
Pupil Transportation	26,334	0	0	26,334
Central	43,890	0	18,874	62,764
Operation of Non-Instructional Services:				
Food Service Operations	0	40,193	220,123	260,316
Extracurricular Activities	9,560	0	0	9,560
Capital Outlay	725	34,951	55,529	91,205
Debt Service:				
Principal	0	213,528	0	213,528
Interest and Fiscal Charges	0	25,995	0	25,995
Total Expenditures	5,286,408	743,347	874,399	6,904,154
Excess of Revenues Over (Under) Expenditures	211,195	(35,764)	(154,411)	21,020
Other Financing Sources (Uses)				
Transfers In	0	0	120,000	120,000
Proceeds from Sale of Capital Assets	17,104	0	0	17,104
Transfers Out	(120,000)	0	0	(120,000)
Total Other Financing Sources (Uses)	(102,896)	0	120,000	17,104
Net Change in Fund Balances	108,299	(35,764)	(34,411)	38,124
<i>Fund Balances at Beginning of Year (Restated - See Note 3)</i>	<i>3,053,988</i>	<i>2,768,854</i>	<i>2,273,453</i>	<i>8,096,295</i>
<i>Fund Balances at End of Year</i>	<i>\$3,162,287</i>	<i>\$2,733,090</i>	<i>\$2,239,042</i>	<i>\$8,134,419</i>

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
*Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities*
For the Fiscal Year Ended June 30, 2011

Net Change in Fund Balances - Total Governmental Funds \$38,124

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

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

Capital assets additions	760,441	
Depreciation expense	(758,472)	
Excess of capital asset additions over depreciation expense		1,969

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

Proceeds from Sale of Capital Assets	(17,104)	
Loss on Sale and Disposal of Capital Assets	(18,984)	
		(36,088)

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

Delinquent Property Taxes	9,877	
Intergovernmental	39,830	
Interest	(25,505)	
		24,202

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

Loan principal payment	33,333	
Lease principal payment	180,195	
		213,528

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

Decrease in compensated absences		77,425

Change in Net Assets of Governmental Activities \$319,160

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,055,250	\$1,623,500	\$1,623,572	\$72
Intergovernmental	3,346,084	3,618,250	3,708,956	90,706
Interest	4,950	5,353	20,186	14,833
Tuition and Fees	8,600	9,300	10,282	982
Rent	924	1,000	899	(101)
Gifts and Donations	46	50	0	(50)
Customer Sales and Services	146,870	55,700	56,665	965
Miscellaneous	2,102	1,074	2,391	1,317
Total Revenues	5,564,826	5,314,227	5,422,951	108,724
Expenditures				
Current:				
Instruction:				
Regular	185,800	172,305	165,297	7,008
Vocational	3,367,296	3,552,225	3,262,316	289,909
Support Services:				
Pupils	366,170	373,975	334,428	39,547
Instructional Staff	189,975	150,258	139,571	10,687
Board of Education	49,403	52,910	37,776	15,134
Administration	514,008	582,476	560,471	22,005
Fiscal	368,739	359,945	343,082	16,863
Business	15,850	17,050	4,830	12,220
Operation and Maintenance of Plant	512,197	530,847	446,880	83,967
Pupil Transportation	34,704	36,075	27,476	8,599
Central	45,000	49,423	43,890	5,533
Extracurricular Activities	11,535	11,472	9,556	1,916
Capital Outlay	1,000	1,000	725	275
Total Expenditures	5,661,677	5,889,961	5,376,298	513,663
Excess of Revenues Over (Under) Expenditures	(96,851)	(575,734)	46,653	622,387
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	17,104	17,104	17,104	0
Refund of Prior Year Expenditures	1,120	1,120	1,309	189
Refund of Prior Year Receipts	(350)	(350)	3,295	3,645
Advances In	67,341	67,341	67,341	0
Advances Out	(80,000)	(110,000)	(109,762)	238
Transfers Out	(195,000)	(170,000)	(120,000)	50,000
Total Other Financing Sources (Uses)	(189,785)	(194,785)	(140,713)	54,072
Net Change in Fund Balance	(286,636)	(770,519)	(94,060)	676,459
Fund Balance at Beginning of Year	3,035,065	3,035,065	3,035,065	0
Prior Year Encumbrances Appropriated	12,325	12,325	12,325	0
Fund Balance at End of Year	\$2,760,754	\$2,276,871	\$2,953,330	\$676,459

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Private Purpose Trust	
	Scholarship	Agency
<i>Assets</i>		
Equity in Pooled Cash and Cash Equivalents	\$65,512	\$23,794
<i>Liabilities</i>		
Undistributed Monies	0	\$23,794
<i>Net Assets</i>		
Held in Trust for Scholarships	\$65,512	

See accompanying notes to the basic financial statements

Southern Hills Joint Vocational School District
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2011

	<u>Private Purpose Trust</u>	<u>Scholarship</u>
<i>Additions</i>		
Contributions	\$1,095	
<i>Deductions</i>		
Payments in Accordance with Trust Agreements	<u>1,250</u>	
Change in Net Assets	(155)	
<i>Net Assets at Beginning of Year</i>	<u>65,667</u>	
<i>Net Assets at End of Year</i>	<u><u>\$65,512</u></u>	

See accompanying notes to the basic financial statements

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

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

The School District, located in Brown County, was established in 1970 and includes all of Brown County and the Bright Local School District in Highland County. The School District serves an area of approximately 634 square miles. It is staffed by 19 non-certificated and 38 certificated teaching personnel and administrative employees providing education to 618 secondary students and 1,069 adult students. Secondary students include the full-time equivalents of home schooled students and students attending programs offered outside the central building. These students are not included as full-time students in the School District’s average daily membership.

Reporting Entity

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

(continued)

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

The School District participates in four organizations, two of which are defined as jointly governed organizations, one as an insurance purchasing pool, and one as a public entity shared risk and insurance purchasing pool. These organizations are the South Central Ohio Computer Association, the Coalition of Rural and Appalachian Schools, the Ohio SchoolComp Workers' Compensation Group Rating Plan, and the Brown County Schools Benefits Consortium. These organizations are presented in Notes 17, 18 and 19 to the basic financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements

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

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

Fund Financial Statements

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

B. Fund Accounting

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Funds

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

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

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

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

Fiduciary Funds

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus

Government-wide Financial Statements

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

Fund Financial Statements

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

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

D. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see Note 7). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of June 30, 2011, but which were levied to finance fiscal year 2012 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Cash Equivalents

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

During fiscal year 2011, the School District’s investments were limited to the State Treasury Asset Reserve of Ohio (STAROhio), negotiable and non-negotiable certificates of deposit, the Fifth Third Institutional Money Market Mutual Fund, a repurchase agreement, Federal Home Loan Bank Notes and Federal National Mortgage Association Notes. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as non-negotiable certificates of deposit and repurchase agreements are reported at cost. For investments in open-ended mutual funds, the fair value is determined by the fund’s current share price.

STAROhio is an investment pool managed by the State Treasurer’s Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio’s share price which is the price the investment could be sold for on June 30, 2011.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the Permanent Improvement Capital Projects Fund during fiscal year 2011 amounted to \$109,510, which includes \$71,862 assigned from other School District funds.

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Balances

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

G. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors or laws of other governments or imposed by law through constitutional provisions. Restricted assets in the General Fund include amounts required by statute to be set-aside by the School District for budget stabilization (see Note 20).

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2011, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

J. Capital Assets

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

K. Compensated Absences

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

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees are paid. The remaining portion of the liability is not reported.

L. Accrued Liabilities and Long-term Obligations

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

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

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

M. Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

N. Net Assets

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

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

O. Internal Activity

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

P. Estimates

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

Q. Budgetary Process

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLES

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The implementation of this statement resulted in the following change to fund balances at June 30, 2010, as previously reported:

	General Fund	Permanent Improvement Fund	All Other Governmental Funds
Fund Balance, June 30, 2010, as previously reported	\$2,897,229	\$2,768,854	\$2,430,212
Reclassification of Funds	156,759	0	(156,759)
Fund Balance, June 30, 2010, as restated	<u>\$3,053,988</u>	<u>\$2,768,854</u>	<u>\$2,273,453</u>

NOTE 4 - FUND BALANCES

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 4 - FUND BALANCES (continued)

Fund Balances	General Fund	Permanent Improvement Fund	Nonmajor Governmental Funds	Total
<i>Nonspendable</i>				
Prepays	\$4,130	\$0	\$840	\$4,970
Long Term Advances	260,000	0	0	260,000
Inventory	0	0	1,474	1,474
<i>Total Nonspendable</i>	264,130	0	2,314	266,444
<i>Restricted for</i>				
Permanent Improvements	0	2,733,090	0	2,733,090
Food Service Operations	0	0	343,083	343,083
Miscellaneous Grants	0	0	90,994	90,994
Adult Education	0	0	553,573	553,573
Capital Maintenance	0	0	947,346	947,346
Capital Improvements	0	0	331,762	331,762
<i>Total Restricted</i>	0	2,733,090	2,266,758	4,999,848
<i>Committed to</i>				
Termination Benefits	173,474	0	0	173,474
<i>Assigned to</i>				
Other Purposes	66,402	0	0	66,402
<i>Unassigned (Deficit)</i>	2,658,281	0	(30,030)	2,628,251
<i>Total Fund Balances</i>	\$3,162,287	\$2,733,090	\$2,239,042	\$8,134,419

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING (continued)

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as restricted, committed or assigned fund balance (GAAP basis).
4. Advances In and Advances Out are operating transactions (budget basis) as opposed to Balance Sheet transactions (GAAP basis).

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

<u>Net Change in Fund Balance</u>	
GAAP Basis	\$108,299
Adjustments:	
Revenue Accruals	(73,343)
Expenditure Accruals	(37,175)
Advances	(42,421)
Encumbrances	(49,420)
Budget Basis	<u><u>(\$94,060)</u></u>

NOTE 6 – DEPOSITS AND INVESTMENTS

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

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

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

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

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

Investments

As of June 30, 2011, the School District had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)			Moody's Rating	Percent of Total Investments
		Less Than 1	1-3	4-5		
STAROhio	\$180,619	\$180,619	\$0	\$0	N/A	N/A
Negotiable Certificates of Deposit	501,597	400,249	101,348	0	N/A	18.45%
Repurchase Agreement	1,135,768	1,135,768	0	0	Aaa	41.78%
Federal Home Loan Bank Step Up Medium Term Notes	297,363	0	0	297,363	Aaa	10.94%
Federal National Mortgage Association Medium Term Notes	301,481	0	0	301,481	Aaa	11.09%
Federal Home Loan Bank Notes	151,136	0	151,136	0	Aaa	5.56%
Federal National Mortgage Association Step Up Medium Term Notes	150,198	0	0	150,198	Aaa	5.53%
Total Investments	\$2,718,162	\$1,716,636	\$252,484	\$749,042		

Interest Rate Risk

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

Credit Risk

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 6 – DEPOSITS AND INVESTMENTS (continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. All of the School District's securities are either insured and registered in the name of the School District or at least in the name of the School District. The School District has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

Concentration of Credit Risk

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

NOTE 7 – PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2011 represents collections of calendar year 2010 taxes. Public utility real and tangible personal property taxes received in calendar year 2011 became a lien December 31, 2009, were levied after April 1, 2010 and are collected in calendar year 2011 with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 7 – PROPERTY TAXES (continued)

Tangible personal property tax revenue received during calendar year 2010 (other than public utility property tax) represents the collection of 2010 taxes levied against local and inter-exchange telephone companies. Tangible personal property tax on business inventory, manufacturing and equipment, furniture and fixtures is no longer levied and collected. Tangible personal property taxes received from telephone companies in calendar year 2010 were levied after October 1, 2009, on the value as of December 31, 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Brown County. The Brown County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2011 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2011 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amounts available as an advance at June 30, 2011, were \$340,856 in the General Fund and \$135,790 in the Permanent Improvement Capital Projects Fund. The amounts available as an advance at June 30, 2010, were \$277,172 in the General Fund and \$110,903 in the Permanent Improvement Capital Projects Fund.

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

The assessed values upon which fiscal year 2011 taxes were collected are:

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$754,640,620	95.16%	\$757,045,340	94.97%
Public Utility Personal	37,543,190	4.73%	40,091,590	5.03%
General Business Personal	857,870	0.10%	0	0.00%
Total Assessed Value	<u>\$793,041,680</u>	<u>100.00%</u>	<u>\$797,136,930</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$6.40		\$6.40	

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 8 – RECEIVABLES

Receivables at June 30, 2011, consisted of interest, interfund, intergovernmental grants, property taxes and advances. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivable amounts, except delinquent property taxes and advances, are expected to be received within one year. Property taxes, although ultimately collectible, include some portion of delinquents that will not be collected within one year. A list of the School District’s intergovernmental receivables follows:

	<u>Amount</u>
Governmental Activities:	
Adult Education	\$6,426
Vocational Education Equipment	<u>43,231</u>
Total Intergovernmental Receivables	<u><u>\$49,657</u></u>

NOTE 9 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2011, was as follows:

	<u>Ending Balance 6/30/2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6/30/2011</u>
Governmental Activities				
Capital Assets, Not Being Depreciated				
Land	<u>\$339,053</u>	<u>\$0</u>	<u>\$0</u>	<u>\$339,053</u>
Capital Assets Being Depreciated				
Land Improvements	444,126	60,194	0	504,320
Buildings and Improvements	14,098,303	305,188	0	14,403,491
Furniture and Equipment	4,480,216	365,399	(117,591)	4,728,024
Vehicles	<u>391,690</u>	<u>29,660</u>	<u>0</u>	<u>421,350</u>
Total Capital Assets Being Depreciated	<u>19,414,335</u>	<u>760,441</u>	<u>(117,591)</u>	<u>20,057,185</u>
Less Accumulated Depreciation:				
Land Improvements	(420,534)	(5,717)	0	(426,251)
Buildings and Improvements	(3,103,742)	(447,019)	0	(3,550,761)
Furniture and Equipment	(2,529,036)	(283,982)	81,503	(2,731,515)
Vehicles	<u>(240,188)</u>	<u>(21,754)</u>	<u>0</u>	<u>(261,942)</u>
Total Accumulated Depreciation	<u>(6,293,500)</u>	<u>(758,472) *</u>	<u>81,503</u>	<u>(6,970,469)</u>
Total Capital Assets Being Depreciated, Net	<u>13,120,835</u>	<u>1,969</u>	<u>(36,088)</u>	<u>13,086,716</u>
Governmental Activities Capital Assets, Net	<u><u>\$13,459,888</u></u>	<u><u>\$1,969</u></u>	<u><u>(\$36,088)</u></u>	<u><u>\$13,425,769</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 9 – CAPITAL ASSETS (continued)

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$9,997
Special	4,150
Vocational	641,995
Adult/Continuing	1,161
Support Services:	
Pupils	11,616
Instructional Staff	2,600
Board of Education	133
Administration	10,550
Fiscal	9,120
Operation and Maintenance of Plant	33,763
Pupil Transportation	4,232
Central	78
Operation of Non-Instructional Services:	
Food Service Operations	<u>29,077</u>
Total Depreciation Expense	<u><u>\$758,472</u></u>

NOTE 10 – RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the School District contracted with Governmental Underwriters of America, Inc. (GUA) for general liability insurance with a \$6,000,000 single occurrence limit and an \$8,000,000 aggregate. Property is protected by GUA and holds a \$1,000 deductible with a \$19,782,000 limit. The School District's vehicles are covered by GUA under a business policy and hold a \$250 deductible for comprehensive and a \$500 deductible for collision with a \$1,000,000 limit on any accident. School Board errors and omissions coverage is provided by GUA and has a \$6,000,000 general liability and an \$8,000,000 aggregate limit. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant change in coverage from the prior fiscal year.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 10 – RISK MANAGEMENT (continued)

B. Workers' Compensation

For fiscal year 2011, the School District participated in the Ohio SchoolComp Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduce premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participants is calculated as one experience and a common premium rate is applies to all participants in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to participants that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control and actuarial services to the GRP. Each year, the School District pays an enrollment fee to the GRP to cover the costs of administering the program.

C. Employee Medical and Dental Benefits

The School District participates in the Brown County Schools Benefits Consortium (the Consortium), a public entity shared risk and insurance purchasing pool (Note 19) consisting of nine districts. The Consortium has elected to have United Healthcare provide medical coverage purchased as a group through the Consortium. Dental coverage is being provided through a shared risk pool based on member districts' number of employees. The School District is responsible for providing a current listing of enrolled employees and for providing timely pro-rata payments of premiums to the Consortium for employee health coverage and dental benefits. The Consortium is responsible for the management and operations of the program. Upon termination from the Consortium, for any reason, the terminated member relinquishes their portion of equity in the Consortium's cash pool.

NOTE 11 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2011, the allocation to pension and death benefits was 11.81 percent. The remaining 2.19 percent of the 14 percent employer contribution rate is allocated to the Medicare B and Health Care funds. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$73,750, \$86,991 and \$67,113, respectively. For fiscal year 2011, 93.04 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

B. State Teachers Retirement System of Ohio

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 11 – DEFINED BENEFIT PENSION PLANS (continued)

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

Funding Policy – Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon the recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salary. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$316,250, \$335,776, and \$321,611, respectively. For fiscal year 2011, 86.46 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

Contributions made to STRS Ohio for the DC Plan for fiscal year 2011 were \$520 made by the School District and \$371 made by the plan members. In addition, member contributions of \$5 were made for fiscal year 2011 for the defined contribution portion of the Combined Plan.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2011, two members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 12 - POSTEMPLOYMENT BENEFITS

A. School Employees Retirement System

Plan Description – The School District participates in two cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligation to contribute are established by SERS based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). For fiscal year 2011, 1.43 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for fiscal year 2011, this amount was \$35,800. During fiscal year 2011, the School District paid \$13,239 in surcharge.

Active employee members do not contribute to the Health Care Plan. Retirees and their beneficiaries are required to pay a health care premium that varies depending on the plan selected, the number of qualified years of service, Medicare eligibility and retirement status.

The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$22,169, \$18,586, and \$45,648, respectively. For fiscal year 2011, 93.04 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2011, this actuarially required allocation was 0.76 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2011, 2010, and 2009 were \$4,746, \$5,173, and \$5,537, respectively; 93.04 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 12 – POSTEMPLOYMENT BENEFITS (continued)

B. State Teachers Retirement System of Ohio

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Health Care Plan. All benefit recipients, for the most recent year, pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For fiscal year 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to post-employment health care. The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$24,327, \$25,829, and \$24,739 respectively. For fiscal year 2011, 86.46 percent has been contributed, with the balance being reported as an intergovernmental payable. The full amount has been contributed for fiscal years 2010 and 2009.

NOTE 13 – EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Other Employee Benefits

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 14 – CAPITALIZED LEASE – LESSEE DISCLOSURE

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

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2011.

<u>Fiscal Year Ending June 30,</u>	<u>Total Payments</u>
2012	\$214,640
2013	223,487
2014	232,748
2015	242,444
2016	252,594
2017-2021	1,432,684
2022-2023	662,607
Total	<u>3,261,204</u>
Less: Amount Representing Interest	<u>(311,940)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$2,949,264</u></u>

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 14 – CAPITALIZED LEASE – LESSEE DISCLOSURE (continued)

Fiscal Year Ending June 30,	Interest	Principal Retirement Through Investment Earnings	Sinking Fund Payments	Total Lease Payments
2012	\$25,995	\$31,596	\$157,049	\$214,640
2013	25,995	40,443	157,049	223,487
2014	25,995	49,704	157,049	232,748
2015	25,995	59,400	157,049	242,444
2016	25,995	69,550	157,049	252,594
2017-2021	129,975	517,464	785,245	1,432,684
2022-2023	51,990	296,519	314,098	662,607
Total Lease Payments	\$311,940	\$1,064,676	\$1,884,588	\$3,261,204

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

As of June 30, 2011, \$1,271,994 of the proceeds of the lease were unexpended on the project.

NOTE 15 – LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2011 were as follows:

	Amount Outstanding 6/30/10	Additions	Deductions	Amount Outstanding 6/30/11	Amounts Due in One Year
<u>Governmental Activities:</u>					
2005 Facility Improvement and Equipment Replacement					
Loan - 0%	\$333,335	\$0	\$33,333	\$300,002	\$33,333
Compensated Absences	460,469	20,023	97,448	383,044	45,554
Capital Lease	3,129,459	0	180,195	2,949,264	157,049
Total Governmental Activities					
Long-Term Obligations	<u>\$3,923,263</u>	<u>\$20,023</u>	<u>\$310,976</u>	<u>\$3,632,310</u>	<u>\$235,936</u>

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 15 – LONG-TERM OBLIGATIONS (continued)

As of June 30, 2011, \$4,826 of the proceeds of this loan were unexpended on the project.

Principal requirements to retire the loan outstanding at June 30, 2011 are as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Loan</u> <u>Principal</u>
2012	\$33,333
2013	33,333
2014	33,333
2015	33,333
2016	33,333
2017-2020	<u>133,337</u>
Total	<u><u>\$300,002</u></u>

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

The School District's overall legal debt margin was \$71,722,449, with an unvoted debt margin of \$796,916 at June 30, 2011.

NOTE 16 – INTERFUND ACTIVITY

A. Interfund Receivables/Payables

As of June 30, 2011, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>Receivable</u> <u>General Fund</u>
Payable Nonmajor Governmental Funds	<u>\$49,762</u>

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2011

NOTE 16 – INTERFUND ACTIVITY (continued)

B. Interfund Transfers

Transfers made during the fiscal year ended June 30, 2011 were as follows:

	Transfers From
	<u>General Fund</u>
Transfers To	
Nonmajor Governmental Funds	<u>\$120,000</u>

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

C. Advances To/From Other Funds

As of June 30, 2011, receivables and payables that resulted from various long-term advances were as follows:

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 17 – JOINTLY GOVERNED ORGANIZATIONS

A. South Central Ohio Computer Association

The School District is a participant in the South Central Ohio Computer Association (SCOCA) which is a computer consortium. SCOCA is an association of public school districts within the boundaries of Pickaway, Gallia, Highland, Adams, Pike, Scioto, Brown, Ross, Vinton, Jackson, and Lawrence Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each county in the SCOCA service region designated by the Ohio Department of Education, two representatives of the school treasurers, plus a representative of the fiscal agent. The School District paid SCOCA \$27,422 for services provided during the fiscal year. Financial information can be obtained from their fiscal agent, the Pike County Joint Vocational School District, Tonya Cooper, who serves as Treasurer, at P. O. Box 577, 175 Beaver Creek Road, Piketon, Ohio 45661.

B. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (the “Coalition”) is a jointly governed organization of over 100 school districts in southeastern Ohio. The Coalition is operated by a board which is composed of 14 members. The board is composed of one superintendent from each county elected by the school districts within that county. The Coalition provides various services for School District administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for School District personnel. The Coalition is not dependent upon the continued participation of the School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition. The School District paid \$325 to the Coalition for services provided during the fiscal year.

NOTE 18 – INSURANCE PURCHASING POOL

Ohio SchoolComp Workers’ Compensation Group Rating Plan

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 19 – PUBLIC ENTITY SHARED RISK AND INSURANCE PURCHASING POOL

Brown County Schools Benefits Consortium

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

NOTE 20 – SET-ASIDES

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

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2011

NOTE 20 – SET-ASIDE (continued)

	<u>Textbooks</u>	<u>Capital Acquisitions</u>	<u>Budget Stabilization</u>
Set-aside Balance as of June 30, 2010	(\$1,548,417)	\$0	\$20,297
Current Fiscal Year Set-aside Requirement	63,154	63,154	0
Qualifying Disbursements	(307,968)	(269,684)	0
Totals	<u>(\$1,793,231)</u>	<u>(\$206,530)</u>	<u>\$20,297</u>
Set-aside Balance as of June 30, 2011	<u>\$0</u>	<u>\$0</u>	<u>\$20,297</u>
Required Set-aside Balances Carried Forward to FY 2012	<u>(\$1,793,231)</u>	<u>\$0</u>	<u>\$20,297</u>

Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amounts to 0 below zero for textbooks and capital acquisition, only the amount for the textbooks set-aside may be used to reduce the set-aside requirement of future fiscal years. The capital acquisitions negative amount is therefore not presented as being carried forward to the next fiscal year.

NOTE 21 – CONTINGENCIES

A. Grants

The School District received financial assistance from Federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2011.

B. Litigation

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

*Southern Hills Joint Vocational School District
Fund Descriptions*

Special Revenue Funds

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

Nonmajor Special Revenue Funds

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

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

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

OHIO SCHOOL FACILITIES MAINTENANCE – This fund accounts for and reports property taxes restricted to expenditures for the maintenance and upkeep of School District classroom facilities.

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

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

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

(continued)

*Southern Hills Joint Vocational School District
Fund Descriptions*

Nonmajor Special Revenue Funds (continued)

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

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

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

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

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

Capital Projects Funds

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

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

OHIO SCHOOL FACILITIES COMMISSION (OSFC) VOCATIONAL RENOVATION PROJECT – This fund is used to account for and report all State grants, debt proceeds and interest received and expended in connection with contracts entered into by the School District and the Ohio School Facilities Commission restricted for the building and equipping of new classroom facilities.

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Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,047,361	\$531,762	\$2,579,123
Materials and Supplies Inventory	1,474	0	1,474
Inventory Held for Resale	3,514	0	3,514
Accrued Interest Receivable	1,744	0	1,744
Intergovernmental Receivable	49,657	0	49,657
Prepaid Items	840	0	840
Total Assets	\$2,104,590	\$531,762	\$2,636,352
Liabilities and Fund Balances			
Liabilities			
Accrued Wages and Benefits Payable	\$27,240	\$0	\$27,240
Interfund Payable	49,762	0	49,762
Intergovernmental Payable	9,104	0	9,104
Deferred Revenue	51,204	0	51,204
Advances from Other Funds	60,000	200,000	260,000
Total Liabilities	197,310	200,000	397,310
Fund Balances			
Nonspendable	2,314	0	2,314
Restricted	1,934,996	331,762	2,266,758
Unassigned (deficit)	(30,030)	0	(30,030)
Total Fund Balances	1,907,280	331,762	2,239,042
Total Liabilities and Fund Balances	\$2,104,590	\$531,762	\$2,636,352

Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011

	<u>Lunchroom</u>	<u>Adult Education</u>	<u>Renewed Opportunity</u>	<u>Ohio School Facilities Maintenance</u>	<u>Educational Management Information Systems</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$356,899	\$570,652	\$62,830	\$947,346	\$7,115
Materials and Supplies Inventory	1,474	0	0	0	0
Inventory Held for Resale	3,514	0	0	0	0
Accrued Interest Receivable	1,744	0	0	0	0
Intergovernmental Receivable	0	6,426	0	0	0
Prepaid Items	840	0	0	0	0
Total Assets	<u>\$364,471</u>	<u>\$577,078</u>	<u>\$62,830</u>	<u>\$947,346</u>	<u>\$7,115</u>
Liabilities and Fund Balances					
Liabilities					
Accrued Wages and Benefits Payable	\$12,687	\$13,341	\$1,212	\$0	\$0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	4,840	3,738	0	0	55
Deferred Revenue	1,547	6,426	0	0	0
Advances from Other Funds	0	0	0	0	0
Total Liabilities	<u>19,074</u>	<u>23,505</u>	<u>1,212</u>	<u>0</u>	<u>55</u>
Fund Balances					
Nonspendable	2,314	0	0	0	0
Restricted	343,083	553,573	61,618	947,346	7,060
Unassigned (deficit)	0	0	0	0	0
Total Fund Balances	<u>345,397</u>	<u>553,573</u>	<u>61,618</u>	<u>947,346</u>	<u>7,060</u>
Total Liabilities and Fund Balances	<u>\$364,471</u>	<u>\$577,078</u>	<u>\$62,830</u>	<u>\$947,346</u>	<u>\$7,115</u>

Technical Preparation Grant	Miscellaneous State Grants	VEPD Grant	Improving Teacher Quality	Miscellaneous Federal Grants	Total Nonmajor Special Revenue Funds
\$22,316	\$3,600	\$30,441	\$2,775	\$43,387	\$2,047,361
0	0	0	0	0	1,474
0	0	0	0	0	3,514
0	0	0	0	0	1,744
0	0	43,231	0	0	49,657
0	0	0	0	0	840
<u>\$22,316</u>	<u>\$3,600</u>	<u>\$73,672</u>	<u>\$2,775</u>	<u>\$43,387</u>	<u>\$2,104,590</u>
\$0	\$0	\$0	\$0	\$0	\$27,240
0	3,600	0	2,775	43,387	49,762
0	0	471	0	0	9,104
0	0	43,231	0	0	51,204
0	0	60,000	0	0	60,000
0	3,600	103,702	2,775	43,387	197,310
0	0	0	0	0	2,314
22,316	0	0	0	0	1,934,996
0	0	(30,030)	0	0	(30,030)
22,316	0	(30,030)	0	0	1,907,280
<u>\$22,316</u>	<u>\$3,600</u>	<u>\$73,672</u>	<u>\$2,775</u>	<u>\$43,387</u>	<u>\$2,104,590</u>

Southern Hills Joint Vocational School District
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2011

	<u>OSFC Locally Funded Initiative</u>	<u>OSFC Vocational Renovation Project</u>	<u>Total Nonmajor Capital Projects Funds</u>
<i>Assets</i>			
Equity in Pooled Cash and Cash Equivalents	\$98,839	\$432,923	\$531,762
<i>Liabilities and Fund Balances</i>			
<i>Liabilities</i>			
Advances from Other Funds	\$0	\$200,000	\$200,000
<i>Fund Balances</i>			
Restricted	98,839	232,923	331,762
<i>Total Liabilities and Fund Balances</i>	<u>\$98,839</u>	<u>\$432,923</u>	<u>\$531,762</u>

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues			
Property Taxes	\$157,500	\$0	\$157,500
Intergovernmental	351,063	0	351,063
Interest	5,104	567	5,671
Tuition and Fees	124,703	0	124,703
Gifts and Donations	54	0	54
Customer Sales and Services	80,997	0	80,997
<i>Total Revenues</i>	<u>719,421</u>	<u>567</u>	<u>719,988</u>
Expenditures			
Current:			
Instruction:			
Vocational	60,193	0	60,193
Adult/Continuing	131,838	0	131,838
Support Services:			
Pupils	138,052	0	138,052
Instructional Staff	8,286	0	8,286
Administration	141,982	0	141,982
Business	429	0	429
Operation and Maintenance of Plant	99,093	0	99,093
Central	18,874	0	18,874
Operation of Non-Instructional Services:			
Food Service Operations	220,123	0	220,123
Capital Outlay	0	55,529	55,529
<i>Total Expenditures</i>	<u>818,870</u>	<u>55,529</u>	<u>874,399</u>
Excess of Revenues Under Expenditures	(99,449)	(54,962)	(154,411)
Other Financing Sources			
Transfers In	120,000	0	120,000
Net Change in Fund Balances	20,551	(54,962)	(34,411)
<i>Fund Balances at Beginning of Year</i>	<u>1,886,729</u>	<u>386,724</u>	<u>2,273,453</u>
<i>Fund Balances at End of Year</i>	<u>\$1,907,280</u>	<u>\$331,762</u>	<u>\$2,239,042</u>

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2011

	Lunchroom	Adult Education	Renewed Opportunity	Ohio School Facilities Maintenance
Revenues				
Property Taxes	\$0	\$0	\$0	\$157,500
Intergovernmental	98,293	67,441	55,718	0
Interest	5,104	0	0	0
Tuition and Fees	0	124,703	0	0
Gifts and Donations	0	0	54	0
Customer Sales and Services	80,997	0	0	0
Total Revenues	184,394	192,144	55,772	157,500
Expenditures				
Current:				
Instruction:				
Vocational	0	0	0	0
Adult/Continuing	0	131,838	0	0
Support Services:				
Pupils	0	0	48,776	0
Instructional Staff	0	0	0	0
Administration	0	141,982	0	0
Business	0	429	0	0
Operation and Maintenance of Plant Central	0	0	0	99,093
Central	0	0	0	0
Operation of Non-Instructional Services:				
Food Service Operations	220,123	0	0	0
Total Expenditures	220,123	274,249	48,776	99,093
Excess of Revenues Over (Under) Expenditures	(35,729)	(82,105)	6,996	58,407
Other Financing Sources				
Transfers In	50,000	70,000	0	0
Net Change in Fund Balances	14,271	(12,105)	6,996	58,407
Fund Balances at Beginning of Year	331,126	565,678	54,622	888,939
Fund Balances (Deficit) at End of Year	\$345,397	\$553,573	\$61,618	\$947,346

Educational Management Information Systems	OneNet	Technical Preparation Grant	Miscellaneous State Grants	VEPD Grant	Improving Teacher Quality	Total Nonmajor Special Revenue Funds
\$0	\$0	\$0	\$0	\$0	\$0	\$157,500
5,000	2,275	0	4,000	115,325	3,011	351,063
0	0	0	0	0	0	5,104
0	0	0	0	0	0	124,703
0	0	0	0	0	0	54
0	0	0	0	0	0	80,997
<u>5,000</u>	<u>2,275</u>	<u>0</u>	<u>4,000</u>	<u>115,325</u>	<u>3,011</u>	<u>719,421</u>
0	0	0	4,000	56,193	0	60,193
0	0	0	0	0	0	131,838
0	0	0	0	89,276	0	138,052
0	2,275	0	0	3,000	3,011	8,286
0	0	0	0	0	0	141,982
0	0	0	0	0	0	429
0	0	0	0	0	0	99,093
18,874	0	0	0	0	0	18,874
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>220,123</u>
<u>18,874</u>	<u>2,275</u>	<u>0</u>	<u>4,000</u>	<u>148,469</u>	<u>3,011</u>	<u>818,870</u>
(13,874)	0	0	0	(33,144)	0	(99,449)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>120,000</u>
(13,874)	0	0	0	(33,144)	0	20,551
<u>20,934</u>	<u>0</u>	<u>22,316</u>	<u>0</u>	<u>3,114</u>	<u>0</u>	<u>1,886,729</u>
<u>\$7,060</u>	<u>\$0</u>	<u>\$22,316</u>	<u>\$0</u>	<u>(\$30,030)</u>	<u>\$0</u>	<u>\$1,907,280</u>

Southern Hills Joint Vocational School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2011

	OSFC Locally Funded Initiative	OSFC Vocational Renovation Project	Total Nonmajor Capital Projects Funds
<i>Revenues</i>			
Interest	\$0	\$567	\$567
<i>Expenditures</i>			
Capital Outlay	11,883	43,646	55,529
Net Change in Fund Balances	(11,883)	(43,079)	(54,962)
<i>Fund Balances at Beginning of Year</i>	110,722	276,002	386,724
<i>Fund Balances at End of Year</i>	\$98,839	\$232,923	\$331,762

Southern Hills Joint Vocational School
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Fiscal Year Ended June 30, 2011

	Balance at 6/30/10	Additions	Reductions	Balance at 6/30/11
<u>STUDENT MANAGED ACTIVITY</u>				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$25,035	\$39,638	\$40,879	\$23,794
<i>Liabilities</i>				
Undistributed Monies	\$25,035	\$39,638	\$40,879	\$23,794

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Southern Hills Joint Vocational School District

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,055,250	\$1,623,500	\$1,623,572	\$72
Intergovernmental	3,346,084	3,618,250	3,708,956	90,706
Interest	4,950	5,353	20,186	14,833
Tuition and Fees	8,600	9,300	10,282	982
Rent	924	1,000	899	(101)
Gifts and Donations	46	50	0	(50)
Customer Sales and Services	146,870	55,700	56,665	965
Miscellaneous	2,102	1,074	2,391	1,317
Total Revenues	5,564,826	5,314,227	5,422,951	217,376
Expenditures				
Current:				
Instruction:				
Regular:				
Salaries and Wages	130,291	134,352	131,580	2,772
Fringe Benefits	50,509	33,703	32,310	1,393
Purchased Services	300	300	125	175
Materials and Supplies	2,700	2,700	358	2,342
Capital Outlay - New	2,000	1,250	924	326
Total Regular	185,800	172,305	165,297	7,008
Vocational:				
Salaries and Wages	1,831,323	1,879,461	1,858,785	20,676
Fringe Benefits	641,055	650,619	635,336	15,283
Purchased Services	271,450	295,089	187,623	107,466
Materials and Supplies	365,498	399,326	300,741	98,585
Capital Outlay - New	247,020	312,500	267,049	45,451
Other	10,950	15,230	12,782	2,448
Total Vocational	3,367,296	3,552,225	3,262,316	289,909
Total Instruction	3,553,096	3,724,530	3,427,613	296,917
Support Services:				
Pupils:				
Salaries and Wages	253,177	259,588	238,928	20,660
Fringe Benefits	98,743	100,108	87,813	12,295
Purchased Services	7,900	7,929	6,498	1,431
Materials and Supplies	2,850	2,850	1,035	1,815
Capital Outlay - New	3,500	3,500	154	3,346
Total Pupils	366,170	373,975	334,428	39,547
Instructional Staff:				
Salaries and Wages	130,708	94,570	94,485	85
Fringe Benefits	43,617	36,758	34,312	2,446
Purchased Services	2,500	1,500	748	752
Materials and Supplies	11,650	15,930	10,026	5,904
Capital Outlay - New	1,500	1,500	0	1,500
Total Instructional Staff	\$189,975	\$150,258	\$139,571	\$10,687

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2011
(continued)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Board of Education:				
Salaries and Wages	\$10,500	\$10,500	\$8,750	\$1,750
Fringe Benefits	3,403	2,181	1,162	1,019
Purchased Services	20,500	25,229	16,424	8,805
Other	15,000	15,000	11,440	3,560
Total Board of Education	49,403	52,910	37,776	15,134
Administration:				
Salaries and Wages	334,294	392,996	386,870	6,126
Fringe Benefits	149,463	160,404	152,957	7,447
Purchased Services	13,881	13,081	8,923	4,158
Materials and Supplies	14,370	13,370	9,509	3,861
Capital Outlay - New	2,000	2,625	2,212	413
Total Administration	514,008	582,476	560,471	22,005
Fiscal:				
Salaries and Wages	146,450	134,450	133,981	469
Fringe Benefits	124,589	127,185	121,929	5,256
Purchased Services	9,250	9,760	5,975	3,785
Materials and Supplies	3,000	3,000	1,512	1,488
Capital Outlay - New	1,500	1,500	380	1,120
Other	83,950	84,050	79,305	4,745
Total Fiscal	368,739	359,945	343,082	16,863
Business:				
Materials and Supplies	15,750	16,750	4,690	12,060
Other	100	300	140	160
Total Business	15,850	17,050	4,830	12,220
Operation and Maintenance of Plant:				
Salaries and Wages	173,800	173,802	173,681	121
Fringe Benefits	94,235	99,683	98,547	1,136
Purchased Services	204,750	203,804	136,771	67,033
Materials and Supplies	39,412	53,558	37,881	15,677
Total Operation and Maintenance of Plant	512,197	530,847	446,880	83,967
Pupil Transportation:				
Salaries and Wages	12,000	12,000	11,045	955
Fringe Benefits	1,954	2,325	1,778	547
Purchased Services	9,250	10,250	7,085	3,165
Materials and Supplies	11,500	11,500	7,568	3,932
Total Pupil Transportation	\$34,704	\$36,075	\$27,476	\$8,599

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General
For the Fiscal Year Ended June 30, 2011
(continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Central:				
Purchased Services	\$45,000	\$49,423	\$43,890	\$5,533
Materials and Supplies	0	0	0	0
Total Central	<u>45,000</u>	<u>49,423</u>	<u>43,890</u>	<u>5,533</u>
Total Support Services	<u>2,096,046</u>	<u>2,152,959</u>	<u>1,938,404</u>	<u>214,555</u>
Extracurricular Activities:				
Occupational Oriented Activities:				
Salaries and Wages	9,900	9,900	8,250	1,650
Fringe Benefits	1,635	1,572	1,306	266
Total Extracurricular Activities	<u>11,535</u>	<u>11,472</u>	<u>9,556</u>	<u>1,916</u>
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	1,000	1,000	725	275
Total Expenditures	<u>5,661,677</u>	<u>5,889,961</u>	<u>5,376,298</u>	<u>513,663</u>
Excess of Revenues Over (Under) Expenditures	<u>(96,851)</u>	<u>(575,734)</u>	<u>46,653</u>	<u>622,387</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	17,104	17,104	17,104	0
Refund of Prior Year Expenditures	1,120	1,120	1,309	189
Refund of Prior Year Receipts	(350)	(350)	3,295	3,645
Advances In	67,341	67,341	67,341	0
Advances Out	(80,000)	(110,000)	(109,762)	238
Transfers Out	(195,000)	(170,000)	(120,000)	50,000
Total Other Financing Sources (Uses)	<u>(189,785)</u>	<u>(194,785)</u>	<u>(140,713)</u>	<u>54,072</u>
Net Change in Fund Balance	<u>(286,636)</u>	<u>(770,519)</u>	<u>(94,060)</u>	<u>676,459</u>
Fund Balance at Beginning of Year	3,035,065	3,035,065	3,035,065	0
Prior Year Encumbrances Appropriated	<u>12,325</u>	<u>12,325</u>	<u>12,325</u>	<u>0</u>
Fund Balance at End of Year	<u>\$2,760,754</u>	<u>\$2,276,871</u>	<u>\$2,953,330</u>	<u>\$676,459</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$708,000	\$593,000	\$601,744	\$8,744
Intergovernmental	41,449	122,670	128,942	6,272
Interest	40,409	119,590	120,042	452
Gifts and Donations	25,812	76,390	76,390	0
Total Revenues	815,670	911,650	927,118	15,468
Expenditures				
Current:				
Instruction:				
Vocational:				
Capital Outlay - New	276,080	372,103	258,271	113,832
Total Vocational	276,080	372,103	258,271	113,832
Support Services:				
Fiscal:				
Capital Outlay - New	2,000	2,000	0	2,000
Other	24,000	24,000	20,282	3,718
Total Fiscal	26,000	26,000	20,282	5,718
Operation and Maintenance of Plant:				
Purchased Services	11,354	11,354	0	11,354
Capital Outlay - New	30,000	30,000	2,716	27,284
Total Operation and Maintenance of Plant	41,354	41,354	2,716	38,638
Total Support Services	67,354	67,354	22,998	44,356
Operation of Non-Instructional Services:				
Food Service Operations:				
Capital Outlay - New	71,671	71,671	31,517	40,154
Total Food Service Operations	71,671	71,671	31,517	40,154
Capital Outlay:				
Site Improvement Services:				
Purchased Services	56,970	57,345	5,251	52,094
Capital Outlay - New	200,000	34,500	33,547	953
Capital Outlay - Replacement	150,915	362,112	296,652	65,460
Total Site Improvement Services	\$407,885	\$453,957	\$335,450	\$118,507

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement
For the Fiscal Year Ended June 30, 2011
(continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Facilities Acquisition and Construction Services: Capital Outlay - Replacement	\$40,000	\$40,000	\$38,023	\$1,977
Total Capital Outlay	447,885	493,957	373,473	120,484
Debt Service:				
Principal Retirement	218,000	192,005	190,382	1,623
Interest and Fiscal Charges	0	25,995	25,995	0
Total Debt Service	218,000	218,000	216,377	1,623
<i>Total Expenditures</i>	<u>1,080,990</u>	<u>1,223,085</u>	<u>902,636</u>	<u>320,449</u>
Excess of Revenues Over (Under) Expenditures	(265,320)	(311,435)	24,482	335,917
<i>Other Financing Uses</i>				
Transfers Out	(157,500)	(157,500)	(157,500)	0
<i>Total Other Financing Uses</i>	<u>(157,500)</u>	<u>(157,500)</u>	<u>(157,500)</u>	<u>0</u>
Net Change in Fund Balance	(422,820)	(468,935)	(133,018)	335,917
Fund Balance at Beginning of Year	2,559,011	2,559,011	2,559,011	0
Prior Year Encumbrances Appropriated	1,354	41,990	41,990	0
Fund Balance at End of Year	<u>\$2,137,545</u>	<u>\$2,132,066</u>	<u>\$2,467,983</u>	<u>\$335,917</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Lunchroom
For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$98,031	\$83,075	\$89,542	\$6,467
Interest	6,195	5,250	6,057	807
Customer Sales and Services	95,349	80,802	80,997	195
<i>Total Revenues</i>	<u>199,575</u>	<u>169,127</u>	<u>176,596</u>	<u>7,469</u>
Expenditures				
Current:				
Operation of Non-Instructional Services:				
Food Service Operations:				
Salaries and Wages	105,200	106,600	82,431	24,169
Fringe Benefits	74,454	75,019	60,984	14,035
Purchased Services	3,000	6,500	5,921	579
Materials and Supplies	105,000	100,000	66,371	33,629
Capital Outlay - New	10,000	10,000	223	9,777
Other	200	200	15	185
<i>Total Expenditures</i>	<u>297,854</u>	<u>298,319</u>	<u>215,945</u>	<u>82,374</u>
Excess of Revenues Under Expenditures	(98,279)	(129,192)	(39,349)	89,843
Other Financing Sources				
Transfers In	50,000	50,000	50,000	0
Net Change in Fund Balance	(48,279)	(79,192)	10,651	89,843
Fund Balance at Beginning of Year	343,795	343,795	343,795	0
Fund Balance at End of Year	<u>\$295,516</u>	<u>\$264,603</u>	<u>\$354,446</u>	<u>\$89,843</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Adult Education
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$56,667	\$60,000	\$67,441	\$7,441
Tuition and Fees	113,333	120,000	124,695	4,695
<i>Total Revenues</i>	<u>170,000</u>	<u>180,000</u>	<u>192,136</u>	<u>12,136</u>
Expenditures				
Current:				
Instruction:				
Adult/Continuing:				
Salaries and Wages	117,000	116,000	87,661	28,339
Fringe Benefits	18,875	20,475	11,712	8,763
Purchased Services	18,256	18,256	4,747	13,509
Materials and Supplies	53,821	53,821	25,638	28,183
Capital Outlay - New	5,500	5,500	1,078	4,422
Total Instruction	<u>213,452</u>	<u>214,052</u>	<u>130,836</u>	<u>83,216</u>
Support Services:				
Administration:				
Salaries and Wages	84,810	84,810	81,397	3,413
Fringe Benefits	56,935	61,770	58,492	3,278
Materials and Supplies	750	1,250	867	383
Capital Outlay - New	3,500	2,915	1,119	1,796
Total Administration	<u>145,995</u>	<u>150,745</u>	<u>141,875</u>	<u>8,870</u>
Business:				
Other	800	1,000	429	571
Total Support Services	<u>146,795</u>	<u>151,745</u>	<u>142,304</u>	<u>9,441</u>
<i>Total Expenditures</i>	<u>360,247</u>	<u>365,797</u>	<u>273,140</u>	<u>92,657</u>
Excess of Revenues Over (Under) Expenditures	(190,247)	(185,797)	(81,004)	104,793
Other Financing Sources				
Refund of Prior Year Expenditures	0	0	8	8
Transfers In	70,000	70,000	70,000	0
<i>Total Other Financing Sources</i>	<u>70,000</u>	<u>70,000</u>	<u>70,008</u>	<u>8</u>
Net Change in Fund Balance	(120,247)	(115,797)	(10,996)	104,801
Fund Balance at Beginning of Year	459,707	459,707	459,707	0
Prior Year Encumbrances Appropriated	827	577	577	0
Fund Balance at End of Year	<u>\$340,287</u>	<u>\$344,487</u>	<u>\$449,288</u>	<u>\$104,801</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Renewed Opportunity
For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$999	\$55,718	\$55,718	\$0
Gifts and Donations	1	54	54	0
<i>Total Revenues</i>	<u>1,000</u>	<u>55,772</u>	<u>55,772</u>	<u>0</u>
Expenditures				
Current:				
Support Services:				
Pupils:				
Salaries and Wages	14,200	31,197	14,950	16,247
Fringe Benefits	2,249	10,782	1,819	8,963
Purchased Services	36,458	59,633	30,276	29,357
Materials and Supplies	7	587	519	68
<i>Total Expenditures</i>	<u>52,914</u>	<u>102,199</u>	<u>47,564</u>	<u>54,635</u>
Net Change in Fund Balance	(51,914)	(46,427)	8,208	54,635
Fund Balance at Beginning of Year	54,427	54,427	54,427	0
Prior Year Encumbrances Appropriated	195	195	195	0
Fund Balance at End of Year	<u>\$2,708</u>	<u>\$8,195</u>	<u>\$62,830</u>	<u>\$54,635</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio School Facilities Maintenance
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Expenditures				
Support Services:				
Operation and Maintenance of Plant:				
Purchased Services	84,698	84,698	19,023	65,675
Materials and Supplies	202,500	202,500	80,491	122,009
Total Expenditures	<u>287,198</u>	<u>287,198</u>	<u>99,514</u>	<u>187,684</u>
Excess of Revenues Over (Under) Expenditures	(287,198)	(287,198)	(99,514)	187,684
Other Financing Sources				
Transfers In	<u>157,500</u>	<u>157,500</u>	<u>157,500</u>	<u>0</u>
Net Change in Fund Balance	(129,698)	(129,698)	57,986	187,684
Fund Balance at Beginning of Year	881,741	881,741	881,741	0
Prior Year Encumbrances Appropriated	<u>7,198</u>	<u>7,198</u>	<u>7,198</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$759,241</u></u>	<u><u>\$759,241</u></u>	<u><u>\$946,925</u></u>	<u><u>\$187,684</u></u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Educational Management Information Systems
For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$5,000</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Central:				
Salaries and Wages	14,563	15,985	15,982	3
Fringe Benefits	2,528	2,775	2,654	121
Purchased Services	1,234	1,355	1,200	155
Materials and Supplies	456	500	0	500
Capital Outlay - New	<u>169</u>	<u>185</u>	<u>183</u>	<u>2</u>
<i>Total Expenditures</i>	<u>18,950</u>	<u>20,800</u>	<u>20,019</u>	<u>781</u>
Net Change in Fund Balance	(13,950)	(15,800)	(15,019)	781
Fund Balance at Beginning of Year	<u>20,934</u>	<u>20,934</u>	<u>20,934</u>	<u>0</u>
Fund Balance at End of Year	<u>\$6,984</u>	<u>\$5,134</u>	<u>\$5,915</u>	<u>\$781</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

Schedule of Revenues, Expenditures and Changes

In Fund Balance - Budget (Non-GAAP Basis) and Actual

OneNet

For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$0	\$2,275	\$2,275	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	0	2,275	2,275	0
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	\$0	\$0	\$0	\$0

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous State Grants
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$3,600	\$4,360	\$4,360	\$0
Expenditures				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	344	3,435	3,435	0
Fringe Benefits	56	565	565	0
Total Expenditures	400	4,000	4,000	0
Excess of Revenues Over Expenditures	3,200	360	360	0
Other Financing Sources (Uses)				
Advances In	3,600	3,600	3,600	0
Advances Out	(3,600)	(3,600)	(3,600)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	3,200	360	360	0
Fund Balance at Beginning of Year	3,240	3,240	3,240	0
Fund Balance at End of Year	<u>\$6,440</u>	<u>\$3,600</u>	<u>\$3,600</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
VEPD Grant
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$204,804	\$204,804	\$171,910	(\$32,894)
Expenditures				
Current:				
Instruction:				
Vocational:				
Salaries and Wages	10,748	25,502	25,502	0
Fringe Benefits	4,369	10,367	10,367	0
Purchased Services	2,807	6,660	6,660	0
Materials and Supplies	5,703	13,531	13,531	0
Total Vocational	<u>23,627</u>	<u>56,060</u>	<u>56,060</u>	<u>0</u>
Support Services:				
Pupils:				
Salaries and Wages	32,196	76,396	66,498	9,898
Fringe Benefits	11,016	26,139	22,340	3,799
Purchased Services	148	350	350	0
Total Pupils	<u>43,360</u>	<u>102,885</u>	<u>89,188</u>	<u>13,697</u>
Instructional Staff:				
Purchased Services	1,264	3,000	3,000	0
Total Support Services	<u>44,624</u>	<u>105,885</u>	<u>92,188</u>	<u>13,697</u>
Total Expenditures	<u>68,251</u>	<u>161,945</u>	<u>148,248</u>	<u>13,697</u>
Excess of Revenues Over Expenditures	<u>136,553</u>	<u>42,859</u>	<u>23,662</u>	<u>(19,197)</u>
Other Financing Sources (Uses)				
Advances In	27,100	27,100	60,000	32,900
Advances Out	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(32,900)</u>	<u>(32,900)</u>	<u>0</u>	<u>32,900</u>
Net Change in Fund Balance	103,653	9,959	23,662	13,703
Fund Balance at Beginning of Year	5,904	5,904	5,904	0
Prior Year Encumbrances Appropriated	<u>875</u>	<u>875</u>	<u>875</u>	<u>0</u>
Fund Balance at End of Year	<u>\$110,432</u>	<u>\$16,738</u>	<u>\$30,441</u>	<u>\$13,703</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL

*Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Safe and Drug Free Schools
For the Fiscal Year Ended June 30, 2011*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	<u>\$152</u>	<u>\$152</u>	<u>\$152</u>	<u>\$0</u>
Expenditures				
Current:				
Support Services:				
Pupils:				
Purchased Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenditures	152	152	152	0
Other Financing Uses				
Advances Out	<u>(900)</u>	<u>(900)</u>	<u>(900)</u>	<u>0</u>
Net Change in Fund Balance	(748)	(748)	(748)	0
Fund Balance at Beginning of Year	<u>748</u>	<u>748</u>	<u>748</u>	<u>0</u>
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Improving Teacher Quality
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$3,011	\$3,011	\$3,011	\$0
Expenditures				
Current:				
Support Services:				
Instructional Staff:				
Purchased Services	3,007	3,011	3,011	0
Excess of Revenues Over Expenditures	4	0	0	0
Other Financing Sources (Uses)				
Advances In	0	2,775	2,775	0
Advances Out	0	(2,775)	(2,775)	0
Total Other Financing Sources (Uses)	0	0	0	0
Net Change in Fund Balance	4	0	0	0
Fund Balance at Beginning of Year	2,775	2,775	2,775	0
Fund Balance at End of Year	<u>\$2,779</u>	<u>\$2,775</u>	<u>\$2,775</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$43,387	\$43,387	\$0	(\$43,387)
Expenditures				
Current:				
Instruction:				
Vocational:				
Materials and Supplies	15,364	15,364	15,364	0
Capital Outlay - New	28,023	28,023	28,023	0
Total Vocational	43,387	43,387	43,387	0
Excess of Revenues Under Expenditures	0	0	(43,387)	(43,387)
Other Financing Sources				
Advances In	0	0	43,387	43,387
Net Change in Fund Balance	0	0	0	0
Fund Balance at Beginning of Year	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OSFC Locally Funded Initiative
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Expenditures</i>				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	\$10,052	\$11,052	\$10,723	\$329
Architecture and Engineering Services:				
Purchased Services	5,634	7,074	7,066	8
<i>Total Expenditures</i>	<u>15,686</u>	<u>18,126</u>	<u>17,789</u>	<u>337</u>
Net Change in Fund Balance	(15,686)	(18,126)	(17,789)	337
Fund Balance at Beginning of Year	95,036	95,036	95,036	0
Prior Year Encumbrances Appropriated	15,686	15,686	15,686	0
Fund Balance at End of Year	<u>\$95,036</u>	<u>\$92,596</u>	<u>\$92,933</u>	<u>\$337</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
OSFC Vocational Renovation Project
For the Fiscal Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Interest	\$0	\$520	\$567	\$47
Expenditures				
Capital Outlay:				
Site Improvement Services:				
Capital Outlay - New	23,682	32,865	30,381	2,484
Architecture and Engineering Services:				
Purchased Services	21,306	26,110	26,111	(1)
<i>Total Expenditures</i>	44,988	58,975	56,492	2,483
Net Change in Fund Balance	(44,988)	(58,455)	(55,925)	2,530
Fund Balance at Beginning of Year	431,014	431,014	431,014	0
Prior Year Encumbrances Appropriated	44,988	44,988	44,988	0
Fund Balance at End of Year	<u>\$431,014</u>	<u>\$417,547</u>	<u>\$420,077</u>	<u>\$2,530</u>

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STATISTICAL SECTION

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Statistical Section

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

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<i>Governmental Activities</i>				
Invested in Capital Assets, Net of Related Debt	\$3,842,441	\$3,729,348	\$3,683,672	\$3,726,544
Restricted for:				
Debt Service	0	0	0	0
Capital Outlay	1,411,034	1,652,749	1,737,212	1,712,865
Food Service	0	0	0	0
Adult Education	0	0	0	0
Classroom Facilities	0	0	0	0
Other Purposes	396,916	1,100,302	1,158,339	1,237,748
Set-Asides	0	0	48,505	20,297
Unrestricted	<u>2,383,566</u>	<u>2,679,571</u>	<u>2,809,199</u>	<u>3,120,393</u>
<i>Total Governmental Activities Net Assets</i>	<u>8,033,957</u>	<u>9,161,970</u>	<u>9,436,927</u>	<u>9,817,847</u>
<i>Business-type Activities (2)</i>				
Invested in Capital Assets, Net of Related Debt	5,734	0	0	0
Unrestricted	<u>514,669</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Total Business-type Activities Net Assets</i>	<u>520,403</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Primary Government</i>				
Invested in Capital Assets, Net of Related Debt	3,848,175	3,729,348	3,683,672	3,726,544
Restricted	1,807,950	2,753,051	2,944,056	2,970,910
Unrestricted	<u>2,898,235</u>	<u>2,679,571</u>	<u>2,809,199</u>	<u>3,120,393</u>
<i>Total Primary Government Net Assets</i>	<u>\$8,554,360</u>	<u>\$9,161,970</u>	<u>\$9,436,927</u>	<u>\$9,817,847</u>

- (1) In prior fiscal years, Net Assets Restricted for Food Service and Adult Education were included with Unrestricted Net Assets.
- (2) In fiscal year 2003, the School District reclassified its Food Service Fund from an Enterprise Fund to a Special Revenue Fund.
- (3) In fiscal year 2009, net assets restricted for capital outlay was restated by \$227,848 to correct an error.

<u>2006</u>	<u>2007 (1)</u>	<u>2008</u>	<u>2009 (3)</u>	<u>2010</u>	<u>2011</u>
\$4,053,447	\$10,389,846	\$10,258,114	\$10,713,407	\$11,273,914	\$11,453,323
0	0	183,045	0	0	0
9,353,818	1,933,301	1,999,209	2,314,245	1,978,126	1,826,476
0	307,719	324,745	326,565	333,642	346,944
0	626,287	643,793	590,832	574,574	559,411
0	0	0	776,650	889,839	947,346
1,174,010	566,063	831,831	253,149	256,845	260,954
20,297	20,297	20,297	20,297	20,297	20,297
3,365,422	3,170,547	3,175,540	2,828,394	2,486,660	2,718,306
<u>17,966,994</u>	<u>17,014,060</u>	<u>17,436,574</u>	<u>17,823,539</u>	<u>17,813,897</u>	<u>18,133,057</u>
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
3,907,516	10,389,846	10,258,114	10,713,407	11,273,914	11,453,323
10,694,056	3,453,667	4,002,920	4,281,738	4,053,323	3,961,428
3,365,422	3,170,547	3,175,540	2,828,394	2,486,660	2,718,306
<u>\$17,966,994</u>	<u>\$17,014,060</u>	<u>\$17,436,574</u>	<u>\$17,823,539</u>	<u>\$17,813,897</u>	<u>\$18,133,057</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

	2002	2003	2004	2005
Expenses				
Governmental Activities:				
Instruction:				
Regular	\$136,871	\$143,681	\$140,266	\$171,717
Special	0	0	0	0
Vocational	2,774,383	2,967,743	3,090,159	3,132,897
Adult/Continuing	3,972	0	202,395	170,921
Support Services:				
Pupils	295,848	310,476	330,181	335,928
Instructional Staff	99,619	122,202	114,036	114,298
Board of Education	29,791	30,652	36,002	39,710
Administration	346,171	374,406	505,658	532,155
Fiscal	271,754	295,554	311,520	317,705
Business	17,169	16,112	38,876	46,887
Operation and Maintenance of Plant	454,708	492,466	598,992	499,742
Pupil Transportation	39,140	41,998	31,712	31,143
Central	61,885	49,797	51,418	50,989
Operation of Non-Instructional Services:				
Food Service Operations	175,017	190,762	176,821	211,106
Extracurricular Activities	4,770	17,761	7,373	10,195
Interest and Fiscal Charges	0	0	0	0
<i>Total Governmental Activities Expenses</i>	<u>4,711,098</u>	<u>5,053,610</u>	<u>5,635,409</u>	<u>5,665,393</u>
Business-type Activities:				
Adult Education	242,070	280,506	0	0
Customer Services	66,096	55,538	0	0
Uniform Supply	21,494	28,110	0	0
<i>Total Business-type Activities Expenses</i>	<u>329,660</u>	<u>364,154</u>	<u>0</u>	<u>0</u>
<i>Total Expenses</i>	<u>5,040,758</u>	<u>5,417,764</u>	<u>5,635,409</u>	<u>5,665,393</u>
Program Revenues				
Governmental Activities:				
Charges for Services and Sales:				
Instruction:				
Regular	12,673	12,035	25,784	15,740
Vocational	27,062	0	82,316	108,911
Adult/Continuing	0	0	135,948	84,203
Support Services:				
Pupils	17,778	15,500	15,500	0
Administration	0	0	72,936	51,608
Business	0	0	23,502	26,026
Operation and Maintenance of Plant	7,549	0	0	1,999
Food Service Operations	81,787	74,044	79,969	92,256
Extracurricular Activities	0	0	655	0
Operating Grants, Contributions and Interest	1,324,381	1,367,599	1,520,877	1,548,663
Capital Grants, Contributions and Interest	25,683	3,443	0	0
<i>Total Governmental Activities Program Revenues</i>	<u>\$1,496,913</u>	<u>\$1,472,621</u>	<u>\$1,957,487</u>	<u>\$1,929,406</u>

2006	2007	2008	2009	2010	2011
\$263,850	\$229,212	\$258,274	\$237,367	\$181,620	\$57,291
0	92,471	99,804	32,077	21,411	6,026
3,249,122	3,679,851	3,401,204	3,816,451	3,804,402	3,996,183
134,454	121,791	129,394	185,832	143,751	131,893
352,923	276,924	239,903	368,491	465,322	479,865
128,853	185,025	226,676	209,203	204,486	137,404
37,046	38,179	49,124	45,910	39,158	43,055
534,841	609,569	589,615	616,272	638,304	641,907
330,085	376,687	381,826	382,329	380,855	378,024
53,684	56,884	62,111	17,642	5,428	5,259
468,309	498,088	500,889	566,361	536,054	366,483
43,826	41,761	43,388	29,351	41,339	30,566
46,406	40,825	42,150	41,162	41,114	62,842
199,037	233,613	265,141	277,097	296,061	257,863
7,146	7,496	9,949	5,149	10,728	9,560
0	139,206	89,214	28,234	47,875	25,995
<u>5,849,582</u>	<u>6,627,582</u>	<u>6,388,662</u>	<u>6,858,928</u>	<u>6,857,908</u>	<u>6,630,216</u>
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
5,849,582	6,627,582	6,388,662	6,858,928	6,857,908	6,630,216
16,772	10,280	2,936	3,519	300	331
62,365	79,631	35,628	83,129	72,632	66,616
54,481	50,236	63,410	74,053	72,220	60,023
0	0	0	0	0	0
48,313	50,236	63,410	51,469	50,196	64,485
25,085	29,678	31,088	18,360	10,575	195
2,849	0	591	550	876	899
79,378	86,193	93,131	98,572	91,852	80,997
0	230	986	0	0	0
1,557,618	1,530,015	1,423,710	1,456,336	1,460,730	1,477,853
0	0	0	0	7,500	0
<u>\$1,846,861</u>	<u>\$1,836,499</u>	<u>\$1,714,890</u>	<u>\$1,785,988</u>	<u>\$1,766,881</u>	<u>\$1,751,399</u>

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

	2002	2003	2004	2005
Business-type Activities:				
Adult Education				
Charges for Services and Sales	\$113,135	\$136,797	\$0	\$0
Operating Grants and Contributions	87,302	77,737	0	0
Rotary				
Charges for Services and Sales	47,247	103,886	0	0
Uniform Supply				
Charges for Services and Sales	19,301	25,186	0	0
<i>Total Business-type Activity Program Revenues</i>	<u>266,985</u>	<u>343,606</u>	<u>0</u>	<u>0</u>
<i>Total Program Revenues</i>	<u>1,763,898</u>	<u>1,816,227</u>	<u>1,957,487</u>	<u>1,929,406</u>
Net (Expense)/Revenue				
Governmental Activities	(3,214,185)	(3,580,989)	(3,677,922)	(3,735,987)
Business-type Activities	(62,675)	(20,548)	0	0
<i>Total Net (Expense)/Revenue</i>	<u>(3,276,860)</u>	<u>(3,601,537)</u>	<u>(3,677,922)</u>	<u>(3,735,987)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities:				
Property Taxes Levied for:				
General Purposes	1,622,644	1,599,305	1,579,672	1,674,339
Debt Service	0	0	0	0
Other Purposes	0	0	0	0
Capital Outlay	137,199	135,191	134,394	36,357
Grants and Entitlements not				
Restricted to Specific Programs	2,238,274	2,293,052	2,155,907	2,225,064
Unrestricted Gifts and Donations	0	0	0	0
Interest	278,652	166,663	65,418	172,349
Gain on Sale of Capital Assets	0	0	0	0
Rent	0	0	5,649	0
Miscellaneous	34,419	14,936	11,839	8,798
Transfers	(135,000)	(160,000)	0	0
<i>Total Governmental Activities</i>	<u>4,176,188</u>	<u>4,049,147</u>	<u>3,952,879</u>	<u>4,116,907</u>
Business-type Activities:				
Transfers	135,000	160,000	0	0
<i>Total Primary Government</i>	<u>4,311,188</u>	<u>4,209,147</u>	<u>3,952,879</u>	<u>4,116,907</u>
Special Item - Loss on Disposal of Capital Assets	0	0	0	0
Change in Net Assets				
Governmental Activities	962,003	468,158	274,957	380,920
Business-type Activities	72,325	139,452	0	0
<i>Total Change in Net Assets</i>	<u>\$1,034,328</u>	<u>\$607,610</u>	<u>\$274,957</u>	<u>\$380,920</u>

2006	2007	2008	2009	2010	2011
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,846,861</u>	<u>1,836,499</u>	<u>1,714,890</u>	<u>1,785,988</u>	<u>1,766,881</u>	<u>1,751,399</u>
(4,002,721)	(4,791,083)	(4,673,772)	(5,072,940)	(5,091,027)	(4,878,817)
0	0	0	0	0	0
<u>(4,002,721)</u>	<u>(4,791,083)</u>	<u>(4,673,772)</u>	<u>(5,072,940)</u>	<u>(5,091,027)</u>	<u>(4,878,817)</u>
1,727,845	1,729,569	1,547,502	1,685,650	1,576,060	1,694,364
0	560,504	183,045	0	0	0
0	0	0	0	0	157,500
495,074	71,826	372,925	624,312	578,934	471,900
9,644,073	2,424,552	2,572,144	2,602,104	2,758,836	2,755,127
0	0	0	23	0	0
234,969	490,975	416,710	317,305	161,092	115,320
36,202	0	0	0	432	0
0	0	0	0	0	0
13,705	53,827	3,960	2,663	6,031	3,766
0	0	0	0	0	0
<u>12,151,868</u>	<u>5,331,253</u>	<u>5,096,286</u>	<u>5,232,057</u>	<u>5,081,385</u>	<u>5,197,977</u>
0	0	0	0	0	0
<u>12,151,868</u>	<u>5,331,253</u>	<u>5,096,286</u>	<u>5,232,057</u>	<u>5,081,385</u>	<u>5,197,977</u>
0	(1,493,104)	0	0	0	0
8,149,147	(952,934)	422,514	159,117	(9,642)	319,160
0	0	0	0	0	0
<u>\$8,149,147</u>	<u>(\$952,934)</u>	<u>\$422,514</u>	<u>\$159,117</u>	<u>(\$9,642)</u>	<u>\$319,160</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Program Revenues by Function, Governmental Activities

Last Ten Fiscal Years

(accrual basis of accounting)

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$20,456	\$10,280	\$4,616	\$3,519	\$300	\$331
0	0	0	175,078	165,032	147,190
1,271,488	1,261,868	1,140,327	1,040,134	1,042,054	1,066,208
95,934	89,512	99,082	111,165	101,999	90,847
164,824	156,012	133,467	148,932	149,687	151,113
14,407	20,022	11,617	9,563	8,157	8,490
96,323	89,512	99,081	77,263	80,565	97,601
25,085	29,678	31,088	18,471	10,607	295
2,849	1,200	2,783	550	8,376	899
6,450	4,530	3,288	1,472	0	0
11,881	5,000	5,000	5,000	5,000	5,000
137,164	168,655	183,555	194,841	195,104	183,425
0	230	986	0	0	0
<u>\$1,846,861</u>	<u>\$1,836,499</u>	<u>\$1,714,890</u>	<u>\$1,785,988</u>	<u>\$1,766,881</u>	<u>\$1,751,399</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2002 (1)</u>	<u>2003 (1)</u>	<u>2004</u>	<u>2005</u>
General Fund				
Reserved	\$413,720	\$273,310	\$367,086	\$339,030
Unreserved	2,091,991	2,436,497	2,636,093	2,945,269
Nonspendable	0	0	0	0
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	0	0	0	0
Total General Fund	<u>2,505,711</u>	<u>2,709,807</u>	<u>3,003,179</u>	<u>3,284,299</u>
All Other Governmental Funds				
Reserved	25,664	85,946	72,696	221,542
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	368,480	996,829	1,111,833	1,182,196
Debt Service Fund	0	0	0	0
Capital Projects Funds	1,321,753	1,578,257	1,653,830	2,020,419
Nonspendable	0	0	0	0
Restricted	0	0	0	0
Unassigned	0	0	0	0
Total All Other Governmental Funds	<u>1,715,897</u>	<u>2,661,032</u>	<u>2,838,359</u>	<u>3,424,157</u>
Total Governmental Funds	<u><u>\$4,221,608</u></u>	<u><u>\$5,370,839</u></u>	<u><u>\$5,841,538</u></u>	<u><u>\$6,708,456</u></u>

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

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

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (2)</u>	<u>2010 (3)</u>	<u>2011</u>
\$714,693	\$764,760	\$759,786	\$607,520	\$0	\$0
2,840,755	2,564,833	2,717,764	2,548,635	0	0
0	0	0	0	261,828	264,130
0	0	0	0	332,892	173,474
0	0	0	0	0	66,402
0	0	0	0	2,410,365	2,658,281
<u>3,555,448</u>	<u>3,329,593</u>	<u>3,477,550</u>	<u>3,156,155</u>	<u>3,005,085</u>	<u>3,162,287</u>
520,771	1,353,518	384,829	196,433	0	0
1,117,914	1,485,255	1,731,936	1,928,176	0	0
0	0	183,045	0	0	0
5,168,536	821,094	2,806,175	3,316,853	0	0
0	0	0	0	8,609	2,314
0	0	0	0	5,033,698	4,999,848
0	0	0	0	0	(30,030)
<u>6,807,221</u>	<u>3,659,867</u>	<u>5,105,985</u>	<u>5,441,462</u>	<u>5,042,307</u>	<u>4,972,132</u>
<u>\$10,362,669</u>	<u>\$6,989,460</u>	<u>\$8,583,535</u>	<u>\$8,597,617</u>	<u>\$8,047,392</u>	<u>\$8,134,419</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Changes in Fund Balances

Last Ten Fiscal Years

(modified accrual basis of accounting)

	2002	2003	2004	2005
Revenues				
Property Taxes	\$1,779,860	\$1,669,712	\$1,760,329	\$1,708,920
Intergovernmental	3,585,173	3,616,761	3,721,937	3,762,188
Interest	229,537	175,847	50,080	208,017
Tuition and Fees	12,673	11,990	241,994	177,577
Rent	7,549	4,972	5,649	1,999
Extracurricular Activities	0	0	655	0
Gifts and Donations	0	5,095	32	15
Customer Sales and Services	126,627	89,589	185,269	201,167
Miscellaneous	34,419	48,551	20,531	8,798
Total Revenues	5,775,838	5,622,517	5,986,476	6,068,681
Expenditures				
Current:				
Instruction:				
Regular	129,328	137,486	149,831	166,774
Special	0	0	0	0
Vocational	2,850,609	2,942,906	3,021,586	3,086,492
Adult/Continuing	3,972	0	201,619	173,658
Support Services:				
Pupils	287,579	304,975	334,182	319,058
Instructional Staff	70,712	95,701	88,894	90,457
Board of Education	34,181	30,306	35,096	40,507
Administration	337,477	363,712	492,296	528,753
Fiscal	263,243	290,034	303,079	311,241
Business	17,115	16,059	37,603	48,267
Operation and Maintenance of Plant	438,390	470,382	555,178	507,195
Pupil Transportation	42,587	24,804	29,049	23,859
Central	57,725	45,637	47,305	48,794
Operation of Non-Instructional Services:				
Food Service Operations	166,536	181,557	173,732	202,055
Extracurricular Activities	4,770	17,761	7,373	10,195
Capital Outlay	25,034	28,295	40,693	166,273
Debt Service:				
Principal	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
Total Expenditures	4,729,258	4,949,615	5,517,516	5,723,578
Excess of Revenues Over (Under) Expenditures	1,046,580	672,902	468,960	345,103
Other Financing Sources (Uses)				
Transfers In	120,110	85,000	161,250	190,500
Proceeds from Lease	0	0	0	0
Proceeds from Sale of Capital Assets	2,618	5,674	1,739	21,815
Transfers Out	(255,110)	(245,000)	(161,250)	(190,500)
Inception of Capital Lease	0	0	0	0
Proceeds from Loan	0	0	0	500,000
Total Other Financing Sources (Uses)	(132,382)	(154,326)	1,739	521,815
Net Change in Fund Balances	\$914,198	\$518,576	\$470,699	\$866,918
Debt Service as a Percentage of Noncapital Expenditures	0.0%	0.0%	0.0%	0.0%

2006	2007	2008	2009	2010	2011
\$2,193,737	\$2,277,227	\$2,184,977	\$2,292,186	\$2,158,783	\$2,313,887
7,046,707	8,063,662	3,947,517	4,094,701	4,210,829	4,188,961
210,706	535,112	384,132	352,596	156,289	144,960
142,634	139,930	160,508	144,670	132,991	134,985
2,849	0	591	550	876	899
0	230	986	0	0	0
1,325	0	1,000	23	7,665	54
143,760	166,324	129,095	184,432	164,784	137,662
13,705	53,827	3,960	2,663	6,031	3,766
<u>9,755,423</u>	<u>11,236,312</u>	<u>6,812,766</u>	<u>7,071,821</u>	<u>6,838,248</u>	<u>6,925,174</u>
229,285	247,770	256,277	235,772	183,210	161,949
0	89,120	96,749	29,250	19,533	1,876
3,150,317	3,239,157	2,964,215	3,614,713	3,671,523	3,646,856
132,561	120,405	129,421	188,290	142,655	131,838
344,802	256,849	227,206	356,036	453,373	463,416
105,657	163,412	210,574	203,977	202,249	135,283
36,805	37,938	48,883	45,750	39,025	42,922
572,906	539,251	589,050	605,068	643,374	697,582
312,680	413,443	372,948	361,225	411,034	364,758
53,684	56,884	62,111	17,642	5,428	5,259
466,129	470,457	480,456	552,832	536,747	562,713
37,910	39,842	41,598	51,573	37,107	26,334
43,630	39,822	41,283	41,016	41,036	62,764
206,109	216,972	247,569	341,669	311,269	260,316
7,146	7,496	9,949	5,149	10,728	9,560
3,026,921	8,043,543	681,722	424,236	403,242	91,205
33,333	497,543	2,138,123	197,747	205,457	213,528
0	139,206	89,214	25,996	25,995	25,995
<u>8,759,875</u>	<u>14,619,110</u>	<u>8,687,348</u>	<u>7,297,941</u>	<u>7,342,985</u>	<u>6,904,154</u>
995,548	(3,382,798)	(1,874,582)	(226,120)	(504,737)	21,020
1,786,228	456,131	477,390	296,500	341,315	120,000
0	0	3,465,997	0	0	0
89,665	9,589	2,660	12,354	3,415	17,104
(1,786,228)	(456,131)	(477,390)	(296,500)	(341,315)	(120,000)
2,569,000	0	0	0	0	0
0	0	0	0	0	0
<u>2,658,665</u>	<u>9,589</u>	<u>3,468,657</u>	<u>12,354</u>	<u>3,415</u>	<u>17,104</u>
<u>\$3,654,213</u>	<u>(\$3,373,209)</u>	<u>\$1,594,075</u>	<u>(\$213,766)</u>	<u>(\$501,322)</u>	<u>\$38,124</u>
0.6%	9.7%	29.1%	3.6%	3.7%	3.9%

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Assessed and Estimated Actual Value of Taxable Property

Last Ten Collection (Calendar) Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/PU		Assessed Value	Estimated Actual Value
2002	\$392,740,930	\$45,510,580	\$1,252,147,171	\$26,828,190	\$33,535,238
2003	407,749,970	46,290,510	1,297,258,514	26,721,530	33,401,913
2004	465,496,910	50,345,480	1,473,835,400	26,705,570	33,381,963
2005	480,268,210	49,524,170	1,513,692,514	27,491,040	34,363,800
2006	495,641,230	53,515,160	1,569,018,257	27,693,710	34,617,138
2007	631,795,500	64,478,580	1,989,354,514	32,590,390	40,737,988
2008	641,867,610	64,133,290	2,017,145,429	31,647,450	39,559,313
2009	652,578,070	65,877,200	2,052,729,343	32,343,540	40,429,425
2010	687,771,430	66,869,190	2,156,116,057	37,543,190	46,928,988
2011	690,988,760	66,056,580	2,162,986,686	40,091,590	50,114,488

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

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

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

Source: State of Ohio Department of Taxation

Tangible Personal Property General Business		Total			Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio	
\$25,424,760	\$101,699,040	\$490,504,460	\$1,387,381,449	35.35	3.28
22,421,692	89,686,768	503,183,702	1,420,347,195	35.43	3.25
21,801,871	87,207,484	564,349,831	1,594,424,847	35.40	2.98
22,619,850	90,479,400	579,903,270	1,638,535,714	35.39	2.75
21,466,778	114,489,483	598,316,878	1,718,124,877	34.82	3.74
17,096,520	136,772,160	745,960,990	2,166,864,662	34.43	3.33
8,293,196	132,691,136	745,941,546	2,189,395,878	34.07	3.29
1,715,740	27,451,840	752,514,550	2,120,610,608	35.49	3.26
857,870	13,725,920	793,041,680	2,216,770,965	35.77	3.27
0	0	797,136,930	2,213,101,173	36.02	3.27

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

Direct and Overlapping Governments

Last Ten Collection (Calendar) Years

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Voted Millage					
Operating					
Residential/Agricultural Real	2.68	2.68	2.43	2.43	2.43
Commerical/Industrial and Public Utility Real	3.24	3.27	3.10	3.16	3.16
General Business and Public Utility Personal	5.40	5.40	5.40	5.40	5.40
1989 10 Year Permanent Improvement					
Residential/Agricultural Real	0.23	0.23	0.21	0.00	0.00
Commerical/Industrial and Public Utility Real	0.33	0.33	0.31	0.00	0.00
General Business and Public Utility Personal	0.40	0.40	0.40	0.00	0.00
2005 Continuous Permanent Improvement					
Residential/Agricultural Real	0.00	0.00	0.00	0.00	1.00
Commerical/Industrial and Public Utility Real	0.00	0.00	0.00	0.00	1.00
General Business and Public Utility Personal	0.00	0.00	0.00	0.00	1.00
Total voted millage by type of property					
Residential/Agricultural Real	2.91	2.91	2.64	2.43	3.43
Commerical/Industrial and Public Utility Real	3.57	3.60	3.41	3.16	4.16
General Business and Public Utility Personal	5.80	5.80	5.80	5.40	6.40
Total School District Millage	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	<u>5.40</u>	<u>6.40</u>
Overlapping Rates by Taxing District					
County Units					
General	3.80	3.80	3.80	3.80	3.80
General (Highland)	2.90	2.90	2.90	2.90	2.90
Board of MR/DD	2.00	2.00	2.00	2.00	2.00
Board of MR/DD (Highland)	4.35	4.35	4.35	4.35	4.35
Health District	1.00	1.00	1.00	1.00	1.00
Total	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>14.05</u>
School Districts					
Bright Local	32.69	32.69	30.69	30.76	30.76
Eastern Local	37.80	37.80	37.80	37.80	40.20
Fayetteville Local	34.10	34.10	34.10	34.10	39.55
Georgetown Exempted Village	27.00	27.00	30.40	30.40	30.40
Ripley Union Lewis Huntington Local	36.35	36.35	36.35	36.35	36.35
Western Brown Local	23.70	23.70	23.70	23.70	23.00
Corporations					
Aberdeen Village	6.00	6.00	6.00	6.00	6.00
Fayetteville Village	13.30	13.30	13.30	13.30	13.30
Georgetown Village	3.30	3.30	3.30	3.30	3.30
Hamersville Village	4.60	4.60	4.60	2.90	2.90
Higginsport Village	15.20	15.20	15.20	15.20	15.20
Mt. Orab Village	9.10	9.10	9.10	7.60	7.60
Ripley Village	9.00	9.00	9.00	9.00	9.00
Russellville Village	18.60	13.60	17.60	17.60	17.60
Sardinia Village	14.00	14.00	14.00	14.00	10.50
St. Martin Village	0.50	0.50	0.50	0.50	0.50
Mowrystown	16.90	16.90	16.90	16.90	16.90

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2.17	2.17	2.17	2.07	2.07
2.73	2.74	2.75	2.76	2.78
5.40	5.40	5.40	5.40	5.40
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00
0.89	0.89	0.89	0.85	0.85
0.86	0.87	0.87	0.87	0.88
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
3.06	3.06	3.06	2.92	2.92
3.59	3.61	3.62	3.63	3.66
<u>6.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>
<u>6.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>	<u>6.40</u>
3.80	3.80	3.80	3.80	3.80
2.90	2.90	2.90	2.90	2.90
2.00	2.00	2.00	1.00	1.00
4.35	4.35	4.35	4.35	4.35
<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
<u>14.05</u>	<u>14.05</u>	<u>14.05</u>	<u>13.05</u>	<u>13.05</u>
30.76	27.40	27.20	27.20	27.20
40.20	40.20	40.20	40.20	39.70
39.55	39.55	39.80	39.80	39.80
28.90	30.40	30.40	30.40	30.40
36.35	36.35	34.65	34.65	34.65
23.00	23.00	22.75	22.75	22.75
6.00	6.00	6.00	1.00	1.00
14.10	14.10	14.10	14.10	14.10
3.30	3.30	3.30	3.30	3.30
2.90	2.90	2.90	2.90	2.90
15.20	15.20	15.20	15.20	15.20
7.60	7.60	7.60	7.60	7.60
9.00	7.00	8.00	8.00	8.00
17.60	17.60	18.10	18.10	18.10
10.50	10.50	7.60	7.60	7.60
0.50	0.50	0.50	0.50	0.50
21.90	21.90	21.90	16.90	16.90

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

Direct and Overlapping Governments

Last Ten Collection (Calendar) Years

(continued)

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

Source: Brown County Auditor and Ohio Department of Taxation

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

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
8.50	8.50	8.50	8.50	8.50
4.60	4.60	4.00	4.60	4.60
4.40	4.40	4.40	4.40	4.40
3.10	3.10	2.20	3.10	3.10
4.50	4.50	4.50	1.40	1.40
6.30	6.30	6.30	6.30	6.30
2.20	2.20	2.20	2.50	2.50
3.60	3.60	3.60	1.60	1.60
3.25	3.25	3.25	3.25	3.25
6.90	6.90	6.40	6.90	6.90
4.50	4.50	4.50	4.50	4.50
2.10	2.10	2.10	2.10	2.10
4.00	4.00	4.00	4.00	4.00
6.50	6.50	6.50	6.50	6.50
2.10	2.10	2.10	2.10	2.10
3.70	3.70	3.70	3.70	3.70
6.20	6.20	6.20	6.20	6.20
3.10	3.10	3.10	2.10	2.10
3.80	3.80	3.80	4.60	4.60
3.60	3.60	3.60	3.60	3.60
4.65	4.65	4.65	4.65	4.65
4.40	4.40	4.40	4.40	4.40
3.40	3.40	3.40	4.40	4.40
1.80	1.80	1.80	1.80	1.80
3.10	2.60	3.70	3.70	3.10
1.80	1.80	1.80	1.05	1.05
0.50	0.50	0.35	0.35	0.35
1.00	1.00	1.00	1.00	1.00

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Property Tax Levies and Collections (1)

Last Ten Collection (Calendar) Years (2)

Collection Year (2)	Current Tax Levy (3)	Current Tax Collections	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections (4)	Total Tax Collections (4)	Percent of Total Tax Collections to Current Tax Levy
2001	\$1,854,373	\$1,961,551	105.78%	\$208,909	\$2,170,460	117.05%
2002	1,781,039	1,867,601	104.86	142,151	2,009,752	112.84
2003	1,830,350	1,898,205	103.71	259,864	2,158,069	117.90
2004	1,860,866	1,993,373	107.12	147,150	2,140,523	115.03
2005	2,381,724	1,821,752	76.49	95,804	1,917,556	80.51
2006	2,467,733	2,538,936	102.89	6,373	2,545,309	103.14
2007	2,482,873	1,967,970	79.26	1,475,514	3,443,484	138.69
2008	2,207,931	1,775,805	80.43	134,063	1,909,868	86.50
2009	2,359,488	1,797,396	76.18	127,624	1,925,020	81.59
2010	2,251,090	1,812,405	80.51	156,282	1,968,688	87.45
2011	N/A	N/A	N/A	N/A	N/A	N/A

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

- (1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental Revenue.
- (2) The 2011 collections cannot be presented because all collections have not been made by June 30, 2011.
- (3) Current tax levy information is based on estimates at June 30 of each year, while tax collections are based on actual receipts.
- (4) The County does not identify delinquent tax collections by tax year. Therefore, in years when delinquent collections include amounts from previous tax years, the total tax collections exceed the current tax levy.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Principal Real and Personal Property Tax Payers

2011 and 2004 (Calendar Years) (1)

Name of Taxpayer	2011	
	Assessed Value	Percent of Real and Personal Property Assessed Value
Ohio Valley Manor	\$5,480,200	0.69%
Kroger Limited Partnership	5,209,342	0.65%
Cincinnati Milacron	4,805,114	0.60%
Reyton Georgetown	3,265,942	0.41%
Ripley Federal Savings	2,564,542	0.32%
Mac Tool, Inc.	2,532,571	0.32%
Crout Properties	2,229,571	0.28%
Davon, Inc.	2,130,228	0.27%
Brown County Industrial	2,031,457	0.25%
Timothy R. Hale	1,989,885	0.25%
Totals	<u>\$32,238,852</u>	<u>4.04%</u>
Total Assessed Valuation	<u>\$797,136,930</u>	<u>100.00%</u>
Name of Taxpayer	2004	
	Assessed Value	Percent of Real and Personal Property Assessed Value
Kroger Limited Partnership	\$5,137,000	0.91%
Ohio Valley Manor	5,037,885	0.89%
Mac Tool, Inc.	4,948,400	0.88%
Cincinnati Milacron	4,495,457	0.80%
Crout Properties	2,030,028	0.36%
Georgetown Land Company	2,875,114	0.51%
AHE of Ohio, Inc.	1,770,771	0.31%
HPWFP Limited Partnership	1,581,971	0.28%
Timothy R. Hale	1,572,457	0.28%
Davon, Inc.	1,541,485	0.27%
Totals	<u>\$30,990,568</u>	<u>5.49%</u>
Total Assessed Valuation	<u>\$564,349,831</u>	<u>100.00%</u>

Source: Brown County Auditor.

(1) Information prior to 2004 was not available.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Facility Improvement and Equipment Replacement Loan</u>	<u>Capital Lease</u>
2002	42,104	\$735,009,528	\$0	\$0
2003	42,104	735,009,528	0	0
2004	42,104	735,009,528	0	0
2005	42,104	735,009,528	500,000	0
2006	42,104	735,009,528	466,667	2,569,000
2007	42,104	735,009,528	433,334	2,104,790
2008	42,104	735,009,528	400,001	3,465,997
2009	42,104	735,009,528	366,668	3,301,583
2010	42,104	735,009,528	333,335	3,129,459
2011	44,846	896,426,694	300,002	2,949,264

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

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

The School District has no bonded debt.

General Debt

Total Debt	Ratio of General Debt to Estimated Actual Value	General Debt Per Capita	Percentage of Personal Income
\$0	0.00%	\$0.00	0.00%
0	0.00%	0.00	0.00
0	0.00%	0.00	0.00
500,000	0.03%	11.88	0.07
3,035,667	0.18%	72.10	0.41
2,538,124	0.12%	60.28	0.35
3,865,998	0.18%	91.82	0.53
3,668,251	0.17%	87.12	0.50
3,462,794	0.16%	82.24	0.47
3,249,266	0.15%	72.45	0.36

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Legal Debt Margin
Last Ten Fiscal Years

	2002	2003	2004	2005
Assessed Valuation (1)	\$490,504,460	\$503,183,702	\$564,349,831	\$579,903,270
Less:				
General Business Personal Property	0	0	0	0
Railroad and Telephone Tangible Property	0	0	0	0
Total Assessed Valuation used to calculate Legal Debt Margin	<u>\$490,504,460</u>	<u>\$503,183,702</u>	<u>\$564,349,831</u>	<u>\$579,903,270</u>
Debt Limit - 9% of Assessed Value (2)	\$44,145,401	\$45,286,533	\$50,791,485	\$52,191,294
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Legal Debt Margin	<u>\$44,145,401</u>	<u>\$45,286,533</u>	<u>\$50,791,485</u>	<u>\$52,191,294</u>
Legal Debt Margin as a Percentage of the Debt Limit	100.00%	100.00%	100.00%	100.00%
Unvoted Debt Limit - .10% of Assessed Value (2)	\$490,504	\$503,184	\$564,350	\$579,903
Amount of Debt Subject to Limit	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unvoted Legal Debt Margin	<u>\$490,504</u>	<u>\$503,184</u>	<u>\$564,350</u>	<u>\$579,903</u>
Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit	100.00%	100.00%	100.00%	100.00%

Source: Ohio Department of Taxation and School District Financial Records

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

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009 (3)</u>	<u>2010</u>	<u>2011</u>
\$598,316,878	\$745,960,990	\$745,941,546	\$752,514,550	\$793,041,680	\$797,136,930
0	(17,096,520)	(8,293,196)	(1,715,740)	(857,870)	0
<u>(5,854,500)</u>	<u>(4,963,690)</u>	<u>(3,409,670)</u>	<u>(1,275,440)</u>	<u>(224,730)</u>	<u>(220,830)</u>
<u>\$592,462,378</u>	<u>\$723,900,780</u>	<u>\$734,238,680</u>	<u>\$749,523,370</u>	<u>\$791,959,080</u>	<u>\$796,916,100</u>
\$53,321,614	\$65,151,070	\$66,081,481	\$67,457,103	\$71,276,317	\$71,722,449
0	0	0	0	0	0
<u>\$53,321,614</u>	<u>\$65,151,070</u>	<u>\$66,081,481</u>	<u>\$67,457,103</u>	<u>\$71,276,317</u>	<u>\$71,722,449</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
\$592,462	\$723,901	\$734,239	\$749,523	\$791,959	\$796,916
0	0	0	0	0	0
<u>\$592,462</u>	<u>\$723,901</u>	<u>\$734,239</u>	<u>\$749,523</u>	<u>\$791,959</u>	<u>\$796,916</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Computation of Direct and Overlapping Debt

Governmental Activities

June 30, 2011

	Debt Attributable to Governmental Activities	Percentage Applicable to School District (1)	Amount of Direct and Overlapping Debt
Direct:			
Southern Hills Joint Vocational School District			
Facility Improvement and Equipment Replacement Loan	\$300,002	100.00%	\$300,002
Capital Lease Obligation	2,949,264	100.00	2,949,264
Total Direct	3,249,266	100.00	3,249,266
Overlapping:			
Eastern Local School District			
General Obligation Bonds	8,285,000	100.00	8,285,000
Bright Local School District			
General Obligation Bonds	485,000	100.00	485,000
Fayetteville Perry Local School District			
General Obligation Bonds	7,760,000	100.00	7,760,000
Ripley Union Lewis Huntington Local School District			
General Obligation Bonds	1,793,218	100.00	1,793,218
Capital Lease Obligation	447,000	100.00	447,000
Western Brown Local School District			
General Obligation Bonds	4,495,000	100.00	4,495,000
Capital Lease Obligation	856,000	100.00	856,000
Georgetown Exempted Village School District			
General Obligation Bonds	4,012,998	100.00	4,012,998
Certificates of Participation	474,000	100.00	474,000
Total Overlapping	28,608,216		28,608,216
Total	\$31,857,482		\$31,857,482

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

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

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

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Demographic and Economic Statistics

Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Personal Income (2) (in thousands)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Household Income (4)</u>	<u>Brown County Unemployment Rate (5)</u>
2002	42,104	735,009,528	17,457	38,189	7.20
2003	42,104	735,009,528	17,457	38,189	6.20
2004	42,104	735,009,528	17,457	38,189	6.20
2005	42,104	735,009,528	17,457	38,189	6.50
2006	42,104	735,009,528	17,457	38,189	6.20
2007	42,104	735,009,528	17,457	38,189	6.60
2008	42,104	735,009,528	17,457	38,189	7.30
2009	42,104	735,009,528	17,457	38,189	13.70
2010	42,104	735,009,528	17,457	38,189	11.90
2011	44,846	896,426,694	19,989	44,796	10.40

Sources:

- (1) National Center for Education Statistics
2000-2010 from 2000 U.S. Census Data
2011 from 2010 U.S. Census Data
Sum of Populations for all school districts within Southern Hills Joint Vocational School District
- (2) Computation of Per Capita Personal Income
multiplied by population
- (3) National Center for Education Statistics
2000-2010 from 2000 U.S. Census Data
2011 from 2010 U.S. Census Data
Average Per Capita Personal Income for all school districts within Southern Hills Joint Vocational School District
- (4) National Center for Education Statistics
2000-2010 from 2000 U.S. Census Data
2011 from 2010 U.S. Census Data
Average Median Household Income for all school districts within Southern Hills Joint Vocational School District
- (5) Bureau of Labor Statistics

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Principal Employers
2011 and 2006 (1)

2010

Employer	Nature of Business	Number of Employees	Rank
Western Brown Local School District	School	328	1
Brown County Government	Government	290	2
Brown County General Hospital	Health Care	260	3
Ohio Valley Manor	Health Care	240	4
Southern Ohio Veterans' Home	Health Care	201	5
Kroger	Retail Grocer	200	6
Cincinnati Milacron	Plastic Injection	175	7
McDonalds	Fast Food	127	8
Rumpke	Waste Removal	107	9
Hawklina Nevada	Farm Implements	100	10
Total		<u>2,028</u>	

2006

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

Source: Brown County Department of Economic Development

(1) Information prior to 2006 and information on total employment within the School District was not available.
2011 information was not provided.

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Teacher to Student Ratio
Last Ten Fiscal Years

<u>Year</u>	<u>Average Number of Students per Teacher</u>
2002	11.5
2003	10.9
2004	10.5
2005	10.7
2006	10.3
2007	10.7
2008	9.9
2009	10.4
2010	8.8
2011	10.6

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

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

Southern Hills Joint Vocational School District

Employees by Function

Last Ten Fiscal Years

	2002	2003	2004	2005
<i>Governmental Activities</i>				
Instruction (1):				
Regular	2	2	2	2
Vocational	36	37	37	37
Adult/Continuing	3	3	3	3
Support Services:				
Pupils	4	4	4	4
Instructional Staff	1	1	1	1
Administration	4	5	5	5
Fiscal	3	3	3	3
Operation and Maintenance of Plant	5	5	5	5
Operation of Non-Instructional Services:				
Food Service Operations	4	4	4	4
<i>Total Number of Employees</i>	62	64	64	64

Source: Southern Hills Joint Vocational School District records

(1) Includes instructional aides

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
2	2	2	2	2	2
36	33	33	34	35	31
3	3	3	3	3	3
4	4	4	4	4	4
1	1	1	1	1	1
5	5	5	5	5	5
3	3	3	3	3	3
5	5	5	5	5	5
4	4	4	4	4	3
<u>63</u>	<u>60</u>	<u>60</u>	<u>61</u>	<u>62</u>	<u>57</u>

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT
 Staff Education, Experience and Teacher Salary Data
 June 30, 2011

<u>Degree</u>	<u>Number of Staff</u>	<u>Percent of Total</u>	<u>Number of Teachers</u>	<u>Average Teacher's Salary</u>	<u>Salary Range</u>
Non-Degree	24	42.10%	9	\$60,802	\$50,820-\$64,995
Bachelor's Degree	7	12.28%	3	46,682	42,425 - 53,884
Bachelor with 150 Hours	4	7.02%	4	48,860	35,861 - 62,601
Master's Degree	11	19.30%	10	53,553	39,540 - 70,655
Master's Degree + 18 Hours	11	19.30%	9	67,165	57,328 - 80,445
Total	<u>57</u>	<u>100.00%</u>	<u>35</u>		

<u>Years of Experience</u>	<u>Number of Staff</u>	<u>Percent of Total</u>
0-5	11	19.30%
6-10	14	24.56%
11 and over	<u>32</u>	<u>56.14%</u>
Total	<u>57</u>	<u>100.00%</u>

Source: Southern Hills Joint Vocational School District records

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Percentage of Students who Receive Free and Reduced Lunches

Last Ten Fiscal Years

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
25.15%	19.66%	24.09%	27.69%	32.54%	34.92%	38.85%	44.44%	48.80%	49.59%

Source: Ohio Department of Education

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

	2002	2003	2004	2005
Southern Hills Joint Vocational School				
Constructed Completed in 1975				
Total Building Square Footage	103,000	103,000	103,000	103,000
Total Enrollment (1)	333	292	295	308
Student Capacity	400	400	400	400
Power Equipment Mechanics/Agricultural Industrial				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	23	21	20	33
Students Who Graduated from Program	9	11	6	13
Cost of Program	\$65,901	\$97,270	\$65,065	\$105,987
Percentage of Students to Maximum Capacity of Program	46%	42%	40%	66%
Cost of Program Per Student	2,865	4,632	3,253	3,212
Square ft. of Program Space	5,953	5,953	5,953	5,953
Diversified Health Occupations				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	25	32	26	23
Students Who Graduated from Program	3	10	9	12
Cost of Program	\$96,315	\$98,484	\$86,036	\$86,917
Percentage of Students to Maximum Capacity of Program	50%	64%	52%	46%
Cost of Program Per Student	3,853	3,078	3,309	3,779
Square ft. of Program Space	2,141	2,141	2,141	2,141
Information Technology/Computer Systems				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	24	19	18	20
Students Who Graduated from Program	9	11	6	8
Cost of Program	\$117,850	\$94,478	\$88,388	\$94,355
Percentage of Students to Maximum Capacity of Program	48%	38%	36%	40%
Cost of Program Per Student	4,910	4,973	4,910	4,718
Square ft. of Program Space	2,254	2,254	2,254	2,254

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

2006	2007	2008	2009	2010	2011
103,000	113,500	113,500	113,500	113,500	113,500
300	286	286	312	325	312
400	400	400	400	400	400
50	50	50	50	50	50
29	22	31	30	31	35
15	9	11	12	11	12
\$85,329	\$91,449	\$91,235	\$139,974	\$176,595	\$150,365
58%	44%	62%	60%	62%	70%
2,942	4,157	2,943	4,666	5,697	4,296
5,953	5,953	5,953	5,953	5,953	5,953
50	50	50	50	50	50
19	33	38	34	32	34
5	9	17	17	10	15
\$94,448	\$90,476	\$96,341	\$99,375	\$114,434	\$98,048
38%	66%	76%	68%	64%	68%
4,971	2,742	2,535	2,923	3,576	2,884
2,141	2,141	2,141	2,141	2,141	2,141
50	50	50	50	50	50
22	33	22	15	16	25
8	11	14	7	7	4
\$58,093	\$95,728	\$79,691	\$116,531	\$94,146	\$118,245
44%	66%	44%	30%	32%	50%
2,641	2,901	3,622	7,769	5,884	4,730
2,254	2,254	2,254	2,254	2,254	2,254

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Operating Statistics and Classroom Space by Program

Last Ten Fiscal Years

(cash basis of accounting)

(continued)

	2002	2003	2004	2005
Early Childhood Education				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	26	20	34	27
Students Who Graduated from Program	14	5	10	15
Cost of Program	\$70,143	\$76,440	\$89,757	\$107,343
Percentage of Students to Maximum Capacity of Program	52%	40%	68%	54%
Cost of Program Per Student	2,698	3,822	2,640	3,976
Square ft. of Program Space	2,853	2,853	2,853	2,853
Automobile Technology				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	31	39	35	42
Students Who Graduated from Program	8	11	15	18
Cost of Program	\$170,148	\$192,696	\$184,921	\$267,631
Percentage of Students to Maximum Capacity of Program	62%	78%	70%	84%
Cost of Program Per Student	5,489	4,941	5,283	6,372
Square ft. of Program Space	6,677	6,677	6,677	6,677
Carpentry				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	23	27	29	27
Students Who Graduated from Program	7	6	14	13
Cost of Program	\$126,737	\$99,873	\$158,772	\$141,109
Percentage of Students to Maximum Capacity of Program	46%	54%	58%	54%
Cost of Program Per Student	5,510	3,699	5,475	5,226
Square ft. of Program Space	5,569	5,569	5,569	5,569
Machining Technology				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	31	26	17	15
Students Who Graduated from Program	11	12	8	6
Cost of Program	\$170,000	\$154,720	\$193,483	\$161,981
Percentage of Students to Maximum Capacity of Program	62%	52%	34%	30%
Cost of Program Per Student	5,484	5,951	11,381	10,799
Square ft. of Program Space	4,086	4,086	4,086	4,086

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

2006	2007	2008	2009	2010	2011
50	50	50	50	50	50
23	23	25	26	23	25
11	8	11	14	9	12
\$99,195	\$106,964	\$102,759	\$137,554	\$115,426	\$120,039
46%	46%	50%	52%	46%	50%
4,313	4,651	4,110	5,291	5,019	4,802
2,853	2,853	2,853	2,853	2,853	2,853
50	50	50	50	50	50
42	36	40	33	34	27
23	17	15	14	17	10
\$174,855	\$141,590	\$198,485	\$228,617	\$226,263	\$247,638
84%	72%	80%	66%	68%	54%
4,163	3,933	4,962	6,928	6,655	9,172
6,677	6,677	6,677	6,677	6,677	6,677
50	50	50	50	50	50
17	16	18	22	19	15
5	7	8	4	14	3
\$108,423	\$118,770	\$112,423	\$109,086	\$160,574	\$110,675
34%	32%	36%	44%	38%	30%
6,378	7,423	6,246	4,958	8,451	7,378
5,569	5,569	5,569	5,569	5,569	5,569
25	n/a	n/a	n/a	n/a	n/a
6	n/a	n/a	n/a	n/a	n/a
5	n/a	n/a	n/a	n/a	n/a
\$23,487	n/a	n/a	n/a	n/a	n/a
24%	n/a	n/a	n/a	n/a	n/a
3,915	n/a	n/a	n/a	n/a	n/a
4,086	n/a	n/a	n/a	n/a	n/a

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Operating Statistics and Classroom Space by Program

Last Ten Fiscal Years

(cash basis of accounting)

(continued)

	2002	2003	2004	2005
Welding				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	19	16	23	23
Students Who Graduated from Program	4	6	7	12
Cost of Program	\$76,625	\$92,660	\$95,599	\$110,028
Percentage of Students to Maximum Capacity of Program	38%	32%	46%	46%
Cost of Program Per Student	4,033	5,791	4,156	4,784
Square ft. of Program Space	4,273	4,273	4,273	4,273
Cosmotology				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	36	34	25	24
Students Who Graduated from Program	16	14	12	11
Cost of Program	\$145,856	\$142,905	\$161,869	\$141,191
Percentage of Students to Maximum Capacity of Program	72%	68%	50%	48%
Cost of Program Per Student	4,052	4,203	6,475	5,883
Square ft. of Program Space	2,746	2,746	2,746	2,746
Criminal Justice				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	23	14	16	21
Students Who Graduated from Program	9	5	7	6
Cost of Program	\$83,594	\$113,401	\$111,098	\$101,139
Percentage of Students to Maximum Capacity of Program	46%	28%	32%	42%
Cost of Program Per Student	3,635	8,100	6,944	4,816
Square ft. of Program Space	2,776	2,776	2,776	2,776
Graphics				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	23	16	19	34
Students Who Graduated from Program	3	9	4	11
Cost of Program	\$94,997	\$123,427	\$133,703	\$141,459
Percentage of Students to Maximum Capacity of Program	46%	32%	38%	68%
Cost of Program Per Student	4,130	7,714	7,037	4,161
Square ft. of Program Space	2,389	2,389	2,389	2,389

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

2006	2007	2008	2009	2010	2011
50	50	50	50	50	50
23	22	19	35	30	30
7	13	8	12	14	17
\$111,158	\$122,163	\$122,679	\$274,715	\$377,028	\$214,780
46%	44%	38%	70%	60%	60%
4,833	5,553	6,457	7,849	12,568	7,159
4,273	9,273	9,273	9,273	9,273	9,273
50	50	50	50	50	50
30	26	24	32	43	27
10	16	10	11	18	18
\$142,822	\$155,139	\$155,752	\$172,459	\$177,625	\$214,184
60%	52%	48%	64%	86%	54%
4,761	5,967	6,490	5,389	4,131	7,933
2,746	2,746	2,746	2,746	2,746	2,746
50	50	50	50	50	50
17	13	21	21	25	20
6	4	9	9	10	12
\$100,073	\$74,743	\$56,522	\$71,519	\$62,174	\$67,104
34%	26%	42%	42%	50%	40%
5,887	5,749	2,692	3,406	2,487	3,355
2,776	2,776	2,776	2,776	2,776	2,776
50	50	50	50	50	50
47	42	31	29	36	45
21	18	17	16	9	24
\$167,829	\$113,744	\$93,236	\$88,661	\$103,143	\$124,402
94%	84%	62%	58%	72%	90%
3,571	2,708	3,008	3,057	2,865	2,764
2,389	2,389	2,389	2,389	2,389	2,389

(continued)

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Operating Statistics and Classroom Space by Program

Last Ten Fiscal Years

(cash basis of accounting)

(continued)

	2002	2003	2004	2005
Administration/Office Technology				
Maximum Capacity of Program	50	50	50	50
Number of Students at End of Year (1)	37	28	33	19
Students Who Graduated from Program	10	18	24	6
Cost of Program	\$128,939	\$143,848	\$75,341	\$74,883
Percentage of Students to Maximum Capacity of Program	74%	56%	66%	38%
Cost of Program Per Student	3,485	5,137	2,283	3,941
Square ft. of Program Space	2,508	2,508	2,508	2,508
Marketing Education				
Maximum Capacity of Program	25	n/o	n/o	n/o
Number of Students at End of Year (1)	12	n/o	n/o	n/o
Students Who Graduated from Program	11	n/o	n/o	n/o
Cost of Program	\$63,447	n/o	n/o	n/o
Percentage of Students to Maximum Capacity of Program	48%	n/o	n/o	n/o
Cost of Program Per Student	5,287	n/o	n/o	n/o
Square ft. of Program Space	1,754	n/o	n/o	n/o
Occupational Work Experience				
Maximum Capacity of Program	n/o	n/o	n/o	25
Number of Students at End of Year (1)	n/o	n/o	n/o	14
Students Who Graduated from Program	n/o	n/o	n/o	14
Cost of Program	n/o	n/o	n/o	\$69,697
Percentage of Students to Maximum Capacity of Program	n/o	n/o	n/o	56%
Cost of Program Per Student	n/o	n/o	n/o	4,978
Square ft. of Program Space	n/o	n/o	n/o	558
Sports Medicine				
Maximum Capacity of Program	n/o	n/o	n/o	n/o
Number of Students at End of Year (1)	n/o	n/o	n/o	n/o
Students Who Graduated from Program	n/o	n/o	n/o	n/o
Cost of Program	n/o	n/o	n/o	n/o
Percentage of Students to Maximum Capacity of Program	n/o	n/o	n/o	n/o
Cost of Program Per Student	n/o	n/o	n/o	n/o

Source: Southern Hills Joint Vocational School District records

Cost of Program based on cash expenditures.

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

n/o - Program not offered.

2006	2007	2008	2009	2010	2011
50	50	50	50	50	50
25	20	17	20	19	12
11	11	15	10	8	7
\$98,636	\$75,787	\$83,136	\$85,440	\$71,652	\$81,601
50%	40%	34%	40%	38%	24%
3,945	3,789	4,890	4,272	3,771	6,800
2,508	2,508	2,508	2,508	2,508	2,508
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/a	n/a	n/a	n/a	n/a
n/o	n/o	n/o	50	50	50
n/o	n/o	n/o	15	12	22
n/o	n/o	n/o	4	3	8
n/o	n/o	n/o	\$85,440	\$88,891	\$82,517
n/o	n/o	n/o	30%	24%	44%
n/o	n/o	n/o	5,696	7,408	3,751

SOUTHERN HILLS JOINT VOCATIONAL SCHOOL DISTRICT

Per Pupil Cost
Last Ten Fiscal Years

Fiscal Year	Average Daily Membership (1)	General Government		Governmental Activities	
		Total Expenditures (2)	Per Pupil Cost	Total Expenses (3)	Per Pupil Cost
2002	436	\$4,729,258	\$10,847	\$4,711,098	\$10,805
2003	427	4,949,615	11,592	5,033,201	11,787
2004	411	5,517,516	13,425	5,635,409	13,711
2005	416	5,723,580	13,759	5,665,393	13,619
2006	392	8,726,542	22,262	5,849,582	14,922
2007	376	13,982,361	37,187	6,488,376	17,256
2008	346	6,460,011	18,671	6,299,448	18,206
2009	365	7,074,198	19,381	6,830,694	18,714
2010	325	7,111,533	21,882	6,810,033	20,954
2011	370	6,664,631	18,013	6,604,221	17,849

Source: Southern Hills Joint Vocational School District Records

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

(2) Excludes debt service expenditures.

(3) Excludes interest and fiscal charges.



Dave Yost • Auditor of State

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

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 14, 2012**