

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER



Basic Financial Statements

June 30, 2011



Dave Yost • Auditor of State

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

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

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

Dave Yost
Auditor of State

January 30, 2012

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INDEPENDENT AUDITORS' REPORT

Board of Education
Springfield-Clark Career Technology Center

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center (the Center) as of and for the year ended June 30, 2011, which collectively comprise the Center's basic financial statements. These financial statements are the responsibility of the Center's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Center, as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 20 to the financial statements, during the year ended June 30, 2011, the Center implemented Governmental Accounting Standards Board ("GASB") Statement No. 54, *"Fund Balance Reporting and Governmental Fund Type Definitions"*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2011, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 15, 2011

SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER
CLARK COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2011

The discussion and analysis of the Springfield-Clark County Career Technology Center's (School District) financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2011. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2011 are as follows:

Overall:

- Total net assets increased \$1.05 million, which represents an 11.91 percent increase from fiscal year 2010.
- General revenues accounted for \$11.80 million or 93.14 percent of total revenue. Program specific revenues in the forms of charges for services and operating grants and contributions account for \$0.87 million or 6.86 percent of total revenues of \$12.67 million.
- Of the School District's \$11.63 million in expenses, only \$0.87 million were offset by program specific charges for services, grants or contributions. General revenues (primarily grants and entitlements, and property taxes) and available balances were used to cover the net expense of \$10.76 million.
- The General Fund, the major fund, had \$11.88 million in revenues and \$10.93 million in expenditures representing 94.06 percent and 91.98 percent of the total governmental funds revenues and expenditures, respectively.

Using the Basic Financial Statements

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

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregated view of the School District's finances and a longer-term view of those statements. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Springfield-Clark County Career Technology Center, the General Fund is by far the most significant fund.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2011

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains a large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's General Fund begins on page 13. Fund financial reports provide detailed information about the General Fund. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds, and therefore only the General Fund is presented separate from the other governmental funds.

Governmental Funds

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2011**

Fiduciary Funds

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

The School District as a Whole

Table 1 provides a comparison of the School District's net assets from 2010 to 2011:

**TABLE 1
NET ASSETS, JUNE 30**

	<u>2010</u>	<u>2011</u>
ASSETS:		
Current and Other Assets	\$12,995,716	\$13,461,376
Capital Assets	<u>4,766,504</u>	<u>4,615,249</u>
Total Assets	<u>17,762,220</u>	<u>18,076,625</u>
 LIABILITIES		
Current Liabilities	4,692,696	4,363,593
Noncurrent Liabilities	<u>4,283,910</u>	<u>3,881,482</u>
Total Liabilities	<u>8,976,606</u>	<u>8,245,075</u>
 NET ASSETS:		
Invested in Capital Assets, Net of Debt	1,120,520	1,431,300
Restricted	344,354	137,435
Unrestricted	<u>7,320,740</u>	<u>8,262,815</u>
Total Net Assets	<u>\$8,785,614</u>	<u>\$9,831,550</u>

The amount by which the School District's assets exceeded its liabilities is called net assets. As of June 30, 2011, the School District's net assets were \$9.83 million. Of that amount, approximately \$1.43 million was invested in capital assets, net of debt related to those assets. Another \$0.14 million was subject to external restrictions upon its use. The remaining \$8.26 million was unrestricted and available for future use as directed by the Board of Education and the School District's Administration.

The School District saw assets increase significantly through the increase in cash of \$0.82 million although property taxes receivable decreased \$0.34 million. The School District was able to increase revenues during the year at approximately the same rate as expenses increased. The School District continues to generate more free cash flow in the general fund each year.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2011**

Table 2 compares the changes in net assets for fiscal year from 2010 to 2011.

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

	2011	2010
REVENUES:		
Program Revenues:		
Charges for Services	\$248,056	\$261,401
Operating Grants and Contributions	620,754	561,460
General Revenues:		
Property Taxes	4,877,110	5,308,770
Grants and Entitlements	6,896,126	6,733,779
Investment Earnings	21,289	39,105
Other	8,042	8,927
Total Revenues	12,671,377	12,913,442
 PROGRAM EXPENSES:		
Instruction	6,389,450	6,376,337
Support Services:		
Pupils and Instructional Staff	1,569,836	1,201,932
Board of Education, Administration		
Fiscal and Business	1,571,540	1,502,613
Operation and Maintenance of Plant	1,499,046	1,350,540
Pupil Transportation	61,701	56,328
Central	74,497	18,115
Food Services	258,314	258,804
Extracurricular Activities	29,301	20,379
Interest and Fiscal Charges	171,756	169,453
Total Expenses	11,625,441	10,954,501
 Change in Net Assets	 1,045,936	 1,958,941
Beginning Net Assets (restated 2010)	8,785,614	6,826,673
Ending Net Assets	\$9,831,550	\$8,785,614

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2011

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenue generated by a voted levy does not increase solely as a result of inflation. Property taxes made up 38.59 percent (down from 41.11 percent last year) of revenues for governmental activities for the School District for fiscal year 2011. The School District is extremely dependent upon intergovernmental revenues provided by the State of Ohio and the federal government; approximately 59.32 percent (up from 56.49 percent from last year) of the School District's total revenue was received from intergovernmental sources during fiscal year 2011.

The School District saw the expenses increased slightly in the instruction functions by 0.21 percent and increased significantly in pupils and instructional staff by 30.61 percent from the prior year amounts. The increase can be attributed to almost thirty percent reduction in staffing levels during 2010 from the fiscal year 2009 levels.

Operation and maintenance of plant expenses increased 11 percent from the prior year amounts as a result of the School District making addressing some maintenance items that were delayed from 2010 and was also impacted by the rising fuel prices not only in heating costs but also in the actual purchase of gasoline.

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

Instruction comprises 54.96 percent of the School District's expenses for fiscal year 2011. Support services expenses make up 41.09 percent of these expenses.

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

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

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

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

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

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

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2011

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

The School District's Funds

Information about the School District's General Fund, the major fund, starts on page 13. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$12.63 million and expenditures of \$11.88 million. Of those amounts the major fund accounts for 94.06 percent of revenues and 91.99 percent of expenditures. The general fund unassigned fund balance increased 22.76 percent from the prior year (unreserved fund balance in 2010) as the School District continued to generate more revenue than it spent.

General Fund Budgeting Highlights

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

During the course of fiscal year 2011, the School District amended its general fund budget several times.

For the General Fund, original budget basis revenue was \$11.16 million as compared to the final budget estimates of \$10.61 million. The main variance from final budget to actual revenues was property taxes as the School District realized the current economic environment was impacted property values by approximately ten percent across counties in this part of Ohio.

The final expenditure budget increased by \$0.11 million from the original budget mainly in support services as the School District added some maintenance needs for those services. Total actual expenditures on the budget basis were less than final budget figures by 5.73 percent. The School District takes an active role in budget maintenance to increase the General Fund cash balance annually.

Capital Assets

At the end of fiscal year 2011, the School District had \$11.39 million invested in land and land improvements, building and improvements, furniture, fixtures and equipment, and vehicles (cost basis) in governmental activities.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2011**

Table 3 shows fiscal year 2010 balances compared to 2011:

*Table 3
Capital Assets*

Class	2010	2011	Percentage Change
Land	\$647,488	\$647,488	0.00%
Land Improvements	364,938	364,938	0.00%
Buildings and Improvements	7,637,785	7,637,785	0.00%
Furniture, Fixtures and Equipment	2,533,810	2,509,917	(0.95%)
Vehicles	232,073	232,073	0.00%
Accumulated Depreciation	(6,649,590)	(6,776,952)	1.92%
Totals	<u>\$4,766,504</u>	<u>\$4,615,249</u>	<u>(3.17%)</u>

Overall capital assets decreased \$0.15 million from fiscal year 2010. The School District's current year additions were less than the current depreciation expense and the current deletions exceeded the assets added. See note 7 to the basic financial statements for more detailed information on the School District's capital assets.

Debt Administration

At June 30, 2011, the School District has a school energy conservation improvement bond with a balance due of \$305,000 with \$55,000 due within one year. The energy conservation debt issues were for the purpose of providing energy conservation measures for the School District. The School District has two Vocational School Building Assistance loans outstanding with combined balances due at June 30, 2011 of \$14,348 which is \$4,782 due within one year. The purposes of these two loans were for constructing, remodeling and purchasing equipment for the School District. The School District also had a balance remaining on capital leases through OASBO for the purposes of making capital improvements to the facilities and the copiers totaling \$2,864,601.

Principal payments on all long term debt obligations for fiscal year 2011 totaled \$462,035 with an additional \$455,643 of which is due within one year. For more detailed information regarding the School District's debt obligations, the reader should refer to the note 13 to the basic financial statements.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Fiscal Year Ended June 30, 2011

For the Future

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

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

The School District has taken many steps to economize the School District's budget without jeopardizing the caliber and selection of programs being offered to students. The Springfield-Clark County CTC and the Northwestern Local School District have just completed the sixth year of a satellite agreement for the Vocational Programs being offered at the Northwestern High School campus. The state requirements to utilize 75% of the weighted funds received for vocational programs in certain expenditure areas have caused a hardship for many local districts. It does not create the same hardship for the CTC due to the fact that the majority of expenditures made by a CTC are for vocational programs specifically, equipment and supplies for the labs, technology enhancements, textbooks, etc. It is a constant concern of the CTC environment that future legislative acts would eliminate or again reduce the amount of funding for vocational education (weighted funds), therefore potentially prohibiting the availability of funds to maintain equipment, labs and remain current with technology enhancements.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Treasurer's Office at Springfield-Clark County Career Technology Center, 1901 Selma Road, Springfield, Ohio 45505 or call (937) 325-7368.

Springfield-Clark County Career Technology Center
Clark County, Ohio
Statement of Net Assets
June 30, 2011

	Primary Government Governmental Activities
<u>Assets</u>	
Equity in Pooled Cash, Cash Equivalents and Investments	\$8,050,778
Receivables:	
Property Taxes	5,318,253
Accounts	361
Accrued Interest	4,587
Intergovernmental	31,634
Materials and Supplies Inventory	33,243
Prepaid Items	22,520
Non-Depreciable Capital Assets	647,488
Capital Assets (net of accumulated depreciation):	3,967,761
Total Assets	18,076,625
 <u>Liabilities</u>	
Payables:	
Accounts	60,932
Intergovernmental	103,725
Salaries and Employee Benefits	769,178
Unearned Revenue	3,429,758
Noncurrent Liabilities:	
Due within one year	560,968
Due in more than one year	3,320,514
Total Liabilities	8,245,075
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	1,431,300
Restricted for:	
Grants	47,509
Capital Improvements	89,926
Unrestricted	8,262,815
Total Net Assets	\$9,831,550

See accompanying notes to the basic financial statements

Springfield-Clark County Career Technology Center
Clark County, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2011

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Changes in Net Assets</u>
		<u>Services</u>	<u>Grants and</u>	<u>Governmental</u>
			<u>Contributions</u>	<u>Activities</u>
Governmental Activities:				
Instruction:				
Special	\$604,362	\$0	\$0	(\$604,362)
Vocational	5,785,066	82,095	372,068	(5,330,903)
Adult/Continuing	22	0	0	(22)
Support Services:				
Pupils	1,084,663	5,272	93,112	(986,279)
Instructional Staff	485,173	18,691	0	(466,482)
Board of Education	76,071	0	0	(76,071)
Administration	805,109	0	21,145	(783,964)
Fiscal	555,688	0	0	(555,688)
Business	134,672	0	0	(134,672)
Operation and Maintenance of Plant	1,499,046	4,753	0	(1,494,293)
Pupil Transportation	61,701	0	0	(61,701)
Central	74,497	0	0	(74,497)
Food Service	258,314	137,245	130,690	9,621
Extracurricular Activities	29,301	0	3,739	(25,562)
Interest and Fiscal Charges	171,756	0	0	(171,756)
Total Primary Government	<u>\$11,625,441</u>	<u>\$248,056</u>	<u>\$620,754</u>	(10,756,631)

General Revenues:

Property Taxes	4,877,110
Grants and Contributions not restricted to specific programs	6,896,126
Unrestricted investment earnings	21,289
Miscellaneous	8,042
Total General Revenues	<u>11,802,567</u>
Changes in Net Assets	1,045,936
Net Assets-Beginning	<u>8,785,614</u>
Net Assets-Ending	<u>\$9,831,550</u>

See accompanying notes to the basic financial statements

Springfield-Clark County Career Technology Center
Clark County, Ohio
Balance Sheet - Governmental Funds
June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash, Cash Equivalents and Investments	\$7,789,571	\$261,207	\$8,050,778
Receivables:			
Property and Other Taxes	5,318,253	0	5,318,253
Accounts	264	97	361
Interfund	100,858	0	100,858
Accrued Interest	4,587	0	4,587
Intergovernmental	0	31,634	31,634
Prepaid Items	22,520	0	22,520
Materials and Supplies Inventory	31,145	2,098	33,243
Total Assets	<u>\$13,267,198</u>	<u>\$295,036</u>	<u>\$13,562,234</u>
Liabilities and Fund Balances:			
Liabilities:			
Payables:			
Accounts	\$55,691	\$5,241	\$60,932
Due to Local Governments	93,364	10,361	103,725
Salaries and Employee Benefits	755,499	13,679	769,178
Interfund	0	100,858	100,858
Deferred Revenue	4,041,033	31,634	4,072,667
Total Liabilities	<u>4,945,587</u>	<u>161,773</u>	<u>5,107,360</u>
Fund Balances:			
Nonspendable	53,665	2,098	55,763
Restricted	0	179,375	179,375
Assigned	1,140,096	0	1,140,096
Unassigned	7,127,850	(48,210)	7,079,640
Total Fund Balances	<u>8,321,611</u>	<u>133,263</u>	<u>8,454,874</u>
Total Liabilities and Fund Balances	<u>\$13,267,198</u>	<u>\$295,036</u>	<u>\$13,562,234</u>

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

Total Governmental Fund Balances \$8,454,874

**Amounts reported for governmental activities in
the statement of net assets are different because:**

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 4,615,249

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

642,909

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

(3,881,482)

Net Assets of Governmental Activities

\$9,831,550

See accompanying notes to the basic financial statements

Springfield-Clark County Career Technology Center
Clark County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the Fiscal Year Ended June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Property Taxes	\$4,865,492	\$0	\$4,865,492
Intergovernmental	6,896,126	585,381	7,481,507
Charges for Services	38,809	137,612	176,421
Tuition and Fees	43,286	0	43,286
Interest	21,289	0	21,289
Gifts and Donations	2,353	15,619	17,972
Miscellaneous	10,345	11,813	22,158
Total Revenues	11,877,700	750,425	12,628,125
Expenditures:			
Current:			
Instruction:			
Special	558,988	0	558,988
Vocational	5,342,067	374,102	5,716,169
Adult Education	0	22	22
Support Services:			
Pupils	998,388	95,603	1,094,001
Instructional Staff	454,064	12,165	466,229
Board of Education	54,966	21,105	76,071
Administration	815,102	0	815,102
Fiscal	548,286	0	548,286
Business	134,065	0	134,065
Operation and Maintenance of Plant	1,270,030	0	1,270,030
Pupil Transportation	56,717	0	56,717
Central	35,057	1,275	36,332
Operation of Non-Instructional Services	0	273,906	273,906
Extracurricular Activities	28,161	1,140	29,301
Capital Outlay	0	173,152	173,152
Debt Service:			
Principal Retirement	462,035	0	462,035
Interest and Fiscal Charges	171,756	0	171,756
Total Expenditures	10,930,692	952,470	11,883,162
Excess (Deficiency) of Revenues Over (Under) Expenditures	947,008	(202,045)	744,963
Other Financing Sources (Uses):			
Sale of Assets	6,548	0	6,548
Transfers - In	1,636	0	1,636
Transfers - Out	0	(1,636)	(1,636)
Total Other Financing Sources (Uses)	8,184	(1,636)	6,548
Net Change in Fund Balances	955,192	(203,681)	751,511
Fund Balances - beginning - as restated	7,366,419	336,944	7,703,363
Fund Balances - ending	\$8,321,611	\$133,263	\$8,454,874

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

\$751,511

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

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

(151,255)

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

43,252

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

462,034

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

(59,806)

Change in net assets of governmental activities

\$1,045,936

See accompanying notes to the basic financial statements

Springfield-Clark County Career Technology Center
Clark County, Ohio
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Private-Purpose Trust Fund	Agency
<u>Assets</u>		
Equity in Pooled Cash and Cash Equivalents	\$191,856	\$38,235
Accrued Interest Receivable	93	0
Total Assets	191,949	38,235
<u>Liabilities</u>		
Due to Students	0	38,235
Total Liabilities	0	38,235
<u>Net Assets</u>		
Held in trust for scholarships	191,949	0
Total Net Assets	\$191,949	\$0

See accompanying notes to the basic financial statements

Springfield-Clark County Career Technology Center
Clark County, Ohio
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended June 30, 2011

Additions:	Private-Purpose Trust Fund
Interest	\$406
Total Additions	406
Deductions:	
Scholarships	500
Change in Net Assets	(94)
Net Assets - Beginning of Year	192,043
Net Assets - End of Year	\$191,949

See accompanying notes to the basic financial statements

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

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

The Springfield-Clark County “JVS Plan” was approved by the State Department of Education on April 13, 1964. On May 18, 1964, the Springfield-Clark County Joint Vocational School Board of Education was organized. The Board is comprised of two members of the Springfield City Board of Education and one from the Clark County Educational Service Center. The number of representatives from the City and the Educational Service Center was based on the student population at that time. The City and the Educational Service Center each select who will also serve as members of the board of the School District. The School District is staffed by 30 classified employees, 64 certified teaching personnel, and 11 administrative employees who provide services to 717 students and other community members. The School District currently operates 6 instructional buildings and an administration building. During 2008, our name was changed from Joint Vocational School to Career Technology Center.

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

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

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization’s governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization’s resources; or (3) the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes. The School District has no component units.

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

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 1 – DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY (Continued)

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

Joint Venture:

Early Childhood Education Center (the Center)

Jointly Governed Organizations:

Miami Valley Educational Computer Association (MVECA)

Southwestern Ohio Educational Purchasing Council (SOEPC)

Southwestern Ohio Instructional Technology Association (SOITA)

Insurance Purchasing Pool:

Ohio School Board Association Workers' Compensation Group Rating Plan

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

B. Fund Accounting

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

Governmental Funds

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

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

The other governmental funds of the School District account for grants and other resources and capital projects of the School District whose uses are restricted to a particular purpose.

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the School District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the School District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The School District has various funds established to provide scholarships to its students that are classified as private-purpose trust funds. Funds used to account for the activity of the numerous student-managed activities within the School District are classified as agency funds.

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 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 all liabilities associated with the operation of the School District are included on the Statement of Net Assets.

Fund Financial Statements

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

D. Basis of Accounting

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

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

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

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CLARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of June 30, 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. On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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

E. Cash, Cash Equivalents and Investments

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

During fiscal year 2011, investments included were limited to non-negotiable certificates of deposits, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Corporation Notes, Commercial Paper, STAROhio, and money market accounts.

The School District has invested funds in the State Treasury Assets Reserve of Ohio (STAR Ohio) during fiscal year 2011. STAR Ohio is an investment pool managed by the State Treasurer's Office that allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2011.

The School District allocates interest according to State statutes. Interest revenue credited to the General Fund during fiscal year was \$21,289 which included \$912 assigned from other School District funds. Interest was also recorded in the Private Purpose Trust Fund for \$406.

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CLARK COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Materials and Supplies Inventory

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

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 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 is reported in the year in which services are consumed. The amount reported as prepaid items are reported as a nonspendable fund balance since the School District has already incurred the expenditure.

H. Estimates

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

I. Capital Assets and Depreciation

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Interfund Activity

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

K. Compensated Absences

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

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

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

L. Accrued Liabilities and Long-Term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term notes, general obligation bonds, and capital leases are recognized as a liability on the governmental fund financial statements when due.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interfund Balances

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

N. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. None of the School District’s net assets are restricted by enabling legislation.

O. Fund Balance

The School District implemented GASB No. 54 “*Fund Balance Reporting and Governmental Fund Type Definitions*” during the fiscal year. The School District no longer reports reservations of fund balance on the governmental balance sheet. The School District reports the following categories:

- Nonspendable fund balance relates to the value of consumable inventories and prepaids.
- Restricted fund balances related to money received from local, state or federal grants or maintained in segregated accounts for construction.
- Committed fund balances are balances the School District Board has formally allocated.
- Assigned fund balances are balances the School District administration have specified the future use.
- The General fund or any fund with a negative fund balance is reported as unassigned fund balance.

When the School District has multiple fund balances available within a particular fund, the School District will spend the funds in the following order – committed, assigned then unassigned. Nonspendable and restricted balance are subject to the governing documents and not subject to School District policy for spending the balances.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$3,881,482) difference are as follows:

School Facilities Loan Payable	(\$14,348)
Energy Conservation Bonds Payable	(305,000)
Capital Lease Payable	(2,864,601)
Compensated Absences	(697,533)
Net Adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	(\$3,881,482)

Another element of that reconciliation explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of the \$4,615,249 difference are as follows:

Capital assets	\$11,392,231
Accumulated depreciation	(6,776,982)
Net Adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	\$4,615,249

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

Another element of that reconciliation states that the issuance or repayment of long-term obligations is reported as an other financing source or an expenditure in governmental funds, the issuance or repayments increase or reduce the long-term liabilities in the statement of net assets. The details of this \$462,034 are as follows:

Principal paid on outstanding debt	\$50,000
Payment on capital lease obligations	412,034
Net Adjustment – current financial resources focus to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	\$462,034

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Another element of that reconciliation states that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$151,255) are as follows:

Current capital additions	\$272,328
Net impact of dispositions	(355,136)
Depreciation expense	<u>(68,447)</u>
Net Adjustment – capital assets to increase <i>fund balance</i> – <i>total governmental funds</i> to arrive at <i>net assets</i> – <i>governmental activities</i>	<u><u>(\$151,255)</u></u>

NOTE 3 – ACCOUNTABILITY

At June 30, 2011, the Food Service Fund and Miscellaneous Federal Grants special revenue funds had deficit fund balances of \$43,875 and \$2,237, respectively. The deficits were created by application of generally accepted accounting principles. The general fund provides cash to these funds; however that does not happen until needed.

NOTE 4 – DEPOSITS AND INVESTMENTS

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

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

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

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

1. United States Treasury Notes, Bills, Bonds or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time, and;
8. Under limited circumstances, debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payments for investments may be made only upon delivery of the securities representing the investments to the Treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011**

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

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

Custodial Credit Risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The District’s policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2011, \$2,909,042 of the District’s bank balance of \$6,487,673 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution’s trust department or agent, but not in the District’s name.

Ohio Revised Code Chapter 135, Uniform Depository Act, authorizes pledging of pooled securities in lieu of specific securities. Specifically, a designated public depository may pledge a single pool of eligible securities to secure repayment of all public monies deposited in the financial institution, provided that all times the total value of the securities so pledged is at least equal to 105% of the total amount of all public deposits secured by the pool, including the portion of such deposits covered by any federal deposit insurance.

Investments

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

Investment Type	Fair Value	Maturity	
		Less than One Year	1 - 5 Years
Federal Home Loan Bank Notes	\$799,534	\$359,667	\$439,867
United State Treasury Bill	149,901	149,901	0
Federal Home Loan Mortgage Corporation Notes	625,140	0	625,140
Federal National Mortgage Association Notes	155,047	0	155,047
STAR Ohio	0	0	0
Money Market Funds	5,341	5,341	0
	<u>\$1,734,963</u>	<u>\$514,909</u>	<u>\$1,220,054</u>

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

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

**SPRINGFIELD-CLARK COUNTY CAREER TECHNOLOGY CENTER
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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 4 – DEPOSITS AND INVESTMENTS (continued)

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

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

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The School District's investment policy allows investments in Federal Agencies or Instrumentalities. Federal Home Loan Bank Notes, United States Treasury Bill, Federal Home Loan Mortgage Corporation Notes, Federal National Mortgage Association Notes and STAROhio comprised 46%, 9%, 36% and 9% of the School District's investments, respectively.

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

NOTE 5 – PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar year 2011 for real and public utility property taxes represents collections of calendar year 2010 taxes. Property tax payments received during calendar year 2011 for tangible personal property (other than public utility property) is for calendar year 2011 taxes.

2011 real property taxes are levied after April 1, 2010, on the assessed value as of January 1, 2010, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2011 public utility property taxes became a lien December 31, 2010, are levied after April 1, 2011, and are collected in 2011 with real property taxes.

2011 tangible personal property taxes are levied after April 1, 2010, on the value as of December 31, 2009. Collections are made in 2011. Tangible personal property assessments are twenty-five percent of true value.

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

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 5 – PROPERTY TAXES (Continued)

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

	2010 Second- Half Collections		2011 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$2,287,486,710	96.79%	\$2,233,443,390	96.89%
Public Utility	72,976,900	3.09	70,963,800	3.08
Tangible Personal Property	2,834,019	0.12	648,030	0.03
Total Assessed Value	<u>2,363,297,629</u>	<u>100.00%</u>	<u>2,305,055,220</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$3.00		\$3.00	

The School District receives property taxes from Clark, Miami, Champaign, and Greene Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 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 represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes, which became measurable as of June 30, 2011. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available, from Clark County only, as an advance at June 30, 2011, was \$1,277,220 and is recognized as revenue in the General Fund.

NOTE 6 – RECEIVABLES

Receivables at June 30, 2011, consisted of current and delinquent property taxes, accounts (rent and student fees), intergovernmental grants, interest and interfund transactions. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
Nonmajor Governmental Fund:	
Adult Vocational Education	\$31,634

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 7 – CAPITAL ASSETS

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

	Balance 7/01/10	Increases	Decreases	Balance 6/30/11
Governmental Activities				
Capital Assets, not being depreciated				
Land	\$647,488	\$0	\$0	\$647,488
Total Capital Assets, not depreciated	647,488	0	0	647,488
Capital Assets, being depreciated				
Land Improvements	364,938	0	0	364,938
Buildings and Improvements	7,637,785	0	0	7,637,785
Furniture, Fixtures and Equipment	2,533,810	272,328	(296,221)	2,509,917
Vehicles	232,073	0	0	232,073
Total Capital Assets, depreciated	10,768,606	272,328	(296,221)	10,744,713
Less: Accumulated Depreciation				
Land Improvements	(329,948)	(3,925)	0	(333,873)
Buildings and Improvements	(4,709,847)	(129,250)	0	(4,839,097)
Furniture, Fixtures and Equipment	(1,399,560)	(216,977)	227,774	(1,388,763)
Vehicles	(210,235)	(4,984)	0	(215,219)
Total Accumulated Depreciation	(6,649,590)	(355,136)	227,774	(6,776,952)
Capital Asset, being depreciated, net	4,119,016	(82,808)	(68,447)	3,967,761
 Governmental Activities				
Capital Assets, Net	\$4,766,504	(82,808)	(\$68,447)	\$4,615,249

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$259,933
Support Services:	
Instructional Staff	21,195
Administration	1,644
Operation and Maintenance of Plant	19,035
Pupil Transportation	4,984
Central	39,385
Food Service	8,960
Total Depreciation Expense	\$355,136

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 8 – RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2011, the School District contracted with Selective Insurance Company and Travelers Insurance Company for the coverages identified below.

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

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

B. Workers' Compensation

For fiscal year 2011, the School District participated in the Ohio School Board Association Workers' Compensation Group Rating Plan (GRP), a workers' compensation insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate.

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

NOTE 9 – DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3476.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2011, 11.81 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2011, 2010, and 2009 were \$175,660, \$134,536, and \$132,757 respectively; 98 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

B. State Teachers Retirement System

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

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 9 – DEFINED BENEFIT PENSION PLANS (Continued)

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

Funding Policy - For the fiscal year ended June 30, 2011, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2010, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2011, 2010, and 2009 were \$646,868, \$437,894, and \$610,177 respectively; 93 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009. Contributions to the DC and Combined Plans for fiscal year 2011 were \$25,594 made by the School District and \$18,282 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As June 30, 2011, five members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid. The remaining members of the board have elected SERS.

NOTE 10 – POSTEMPLOYMENT BENEFITS

A. School Employee Retirement System

Plan Description – The School District participates in two cost-sharing multiple employer defined benefit OPEB plans administered by the School Employees Retirement System for non-certificated retirees and their beneficiaries, a Health Care Plan and a Medicare Part B Plan. The Health Care Plan includes hospitalization and physicians' fees through several types of plans including HMO's, PPO's and traditional indemnity plans as well as a prescription drug program. The Medicare Part B Plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries up to a statutory limit. Benefit provisions and the obligations to contribute are established by the System based on authority granted by State statute. The financial reports of both Plans are included in the SERS Comprehensive Annual Financial Report which is available by contacting SERS at 300 East Broad St., Suite 100, Columbus, Ohio 43215-3746.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 10 – POSTEMPLOYMENT BENEFITS (Continued)

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 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 2011, this amount was \$18,926.

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 \$40,196, \$27,045, and \$91,786 respectively; 98 percent has been contributed for fiscal year 2011 and 100 percent 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 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 year ended June 30, 2011, 2010, and 2009 were \$11,034, \$8,001, and \$9,639, 98 percent has been contributed for fiscal year 2011 with 100% for fiscal years 2010 and 2009.

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2011, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2011, 2010, and 2009 were \$49,759, \$33,684, and \$46,937 respectively; 93 percent has been contributed for fiscal year 2011 and 100 percent for fiscal years 2010 and 2009.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 11 – OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

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

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

B. Insurance Benefits

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

NOTE 12 – CAPITAL LEASES - LESSEE DISCLOSURE

During 2009, the School District entered into capitalized leases for copiers. Also during 2008, the School District entered into capitalized leases as part of the OASBO loan financing program for the improvement of the educational facility. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the fund financial statements in the General Fund.

Principal payments for capital leases in fiscal year 2011 totaled \$407,253 in the General Fund.

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

Fiscal Year Ending June 30,	Capital Lease
2012	\$505,483
2013	502,495
2014	482,055
2015	463,010
2016	462,187
2017	887,514
Total	<u>3,302,744</u>
Less: Amount Representing Interest	<u>(438,143)</u>
Present Value of Net Minimum Lease Payments	<u>\$2,864,601</u>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 12 – CAPITAL LEASES - LESSEE DISCLOSURE (Continued)

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

Fiscal year Ending June 30,	Principal	Interest	Total
2012	\$394,861	\$110,622	\$505,483
2013	409,893	92,602	502,495
2014	407,847	74,208	482,055
2015	405,000	58,010	463,010
2016	420,000	42,817	462,817
2017	827,000	60,514	887,514
Total	<u>\$2,864,601</u>	<u>\$438,773</u>	<u>\$3,303,374</u>

NOTE 13 – LONG-TERM OBLIGATIONS

Changes in long-term obligations of the School District during fiscal year 2011 were as follows:

	Amount Outstanding 6/30/10	Additions	Deductions	Amount Outstanding 6/30/11	Amounts Due in One Year
Governmental Activities:					
Vocational School Building Assistance Fund Loans 0.00%	\$19,130	\$0	\$4,782	\$14,348	\$4,782
School Energy Conservation Improvement Bonds 2000 4.60%-6.25%	355,000	0	50,000	305,000	55,000
Capital Leases	3,271,854	0	407,253	2,864,601	395,861
Compensated Absences	637,926	479,671	420,064	697,533	105,325
Total	<u>\$4,283,910</u>	<u>\$479,671</u>	<u>\$882,099</u>	<u>\$3,881,482</u>	<u>\$560,968</u>

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 13 – LONG-TERM OBLIGATIONS (Continued)

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

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

Principal and interest requirements to retire the vocational school building assistance fund loans and the school energy conservation bonds and at June 30, 2011, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2012	\$59,782	\$18,000	\$77,782
2013	59,782	16,000	75,782
2014	64,781	12,000	76,781
2015	135,003	5,000	140,003
Total	<u>\$319,348</u>	<u>\$51,000</u>	<u>\$370,348</u>

The School District's voted legal debt margin of \$207,454,970, energy conservation debt margin of \$20,440,497 with an unvoted debt margin of \$2,305,055 at June 30, 2011.

NOTE 14 – INTERFUND ACTIVITY

As of June 30, 2011 various interfund transactions were as follows:

Fund Type/Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
General	\$100,858	\$0	\$1,636	\$0
Nonmajor Funds:				
Food Service Fund	0	45,199	0	0
Other Grants	0	0	0	24
Educational Mgmt Information Systems	0	1,132	0	0
Schoolnet Professional Development	0	0	0	862
Vocational Education Grants	0	52,290	0	0
Miscellaneous Federal Grants	0	2,237	0	750
Total Nonmajor Funds	<u>0</u>	<u>100,858</u>	<u>0</u>	<u>1,636</u>
Total All Funds	<u>\$100,858</u>	<u>\$100,858</u>	<u>\$1,636</u>	<u>\$1,636</u>

The transfers related to closing out the old funds for the School District. The other interfund activity relates to timing of revenues being later than anticipated and the General fund advancing monies when needed.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 15 – JOINT VENTURE

Early Childhood Education Center – The Springfield-Clark County Career Technology Center entered into an agreement with Clark State Community College to operate the Early Childhood Education Center (the Center). Clark State Community College is acting as the fiscal agent. The School District has a financial responsibility to the Center to finance any operating deficits based upon a formula in the agreement. The Center incurred an operating profit for the fiscal year ended June 30, 2011. To obtain financial information, write to Joe Jackson, who serves as Vice President of Business Affairs, at 770 East Leffel Lane, Post Office Box 570, Springfield, Ohio 45501.

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS

Miami Valley Educational Computer Association – The School District is a participant in the Miami Valley Educational Computer Association (MVECA) which is a computer consortium. MVECA is an association of public school districts within the boundaries of Clark, Clinton, Fayette, Greene and Highland Counties. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of MVECA consists of six representatives from the member districts elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The School District paid MVECA \$25,697 for services provided during the fiscal year. Financial information can be obtained from Thor Sage, Executive Director, at MVECA at 330 Enon Road, Yellow Springs, Ohio 45387.

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

During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the general fund. During fiscal year 2011, the School District paid \$102,273 to the SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

NOTE 16 – JOINTLY GOVERNED ORGANIZATIONS (Continued)

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

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the general fund. During fiscal year 2010, the School District paid \$1,119 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Larry Pogue, who serves as Executive Director, at 150 East Sixth Street, Franklin, Ohio 45005.

NOTE 17 – INSURANCE POOL

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

NOTE 18 - CONTINGENCIES

A. Grants

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

B. Litigation

The School District is not party to any legal proceedings.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011**

NOTE 19 – SET-ASIDE CALCULATIONS AND FUND RESERVES

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

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

	Textbooks	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2010	(\$3,609,811)	\$0
Current Year Set Aside Requirement	123,890	123,890
Qualified Disbursements	(656,095)	(287,306)
Set Aside Reserve Balance as of June 30, 2011	(\$4,142,016)	(\$163,416)
Restricted Cash as of June 30, 2011	\$0	\$0

NOTE 20 – CHANGE IN ACCOUNTING PRINCIPLE

The School District implemented GASB 54, *Fund Balance Reporting and Governmental Fund Definitions*, during the fiscal year. The Auditor of State has issued a technical bulletin that addresses the classification of funds under GASB 54. Several of the School District's funds are required, per the bulletin, to be mapped into the General Fund. The impact of that Auditor of State guidance is detailed in the table below.

	General	Non-Major Funds
Fund Balance, 06/30/10	\$7,320,008	\$383,355
GASB 54 Implementation	46,411	(46,411)
Restated Fund Balance, 06/30/10	\$7,366,419	\$336,944

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2011

NOTE 21 - FUND BALANCE ALLOCATION

The School District has chosen to present to the consolidated summary of fund balance classification on the financial statements. The detail of those fund balance classifications are outlined below:

Fund Balances:	General	Non-Major Funds
Nonspendable:		
Prepaid Items	\$22,520	\$0
Inventory	31,145	2,098
Restricted for:		
Capital Improvements	0	89,926
Contributor restrictions	0	41,940
State Grants	0	15,179
Federal Grants	0	32,330
Assigned to:		
Public School Support	4,859	0
Encumbrances	1,135,237	0
Unassigned	7,127,850	(48,210)
Total Fund Balances	<u>\$8,321,611</u>	<u>\$133,263</u>

Springfield-Clark County Career Technology Center
Clark County, Ohio
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget (Non-GAAP Basis) and Actual -
General Fund
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$4,621,056	\$4,044,117	\$4,855,097	\$810,980
Intergovernmental	6,365,347	6,398,282	6,896,126	497,844
Tuition and Fees	35,021	25,021	19,659	(5,362)
Interest	32,882	43,421	43,359	(62)
Rent	1,677	2,677	2,353	(324)
Charges for Services	1,110	1,370	1,367	(3)
Miscellaneous	4,137	8,537	8,114	(423)
Total Revenues	11,061,230	10,523,425	11,826,075	1,302,650
Expenditures:				
Current:				
Instruction:				
Special	554,788	562,517	561,723	794
Vocational	5,500,533	5,513,264	5,279,221	234,043
Support Services:				
Pupils	1,023,291	1,049,316	986,890	62,426
Instructional Staff	566,545	555,510	505,243	50,267
Board of Education	98,752	73,762	55,839	17,923
Administration	909,161	892,373	837,481	54,892
Fiscal	538,406	561,042	550,232	10,810
Business	165,963	168,011	134,866	33,145
Operation and Maintenance of Plant	1,620,342	1,614,702	1,424,544	190,158
Pupil Transportation	58,931	67,241	59,959	7,282
Central	50,000	28,200	26,716	1,484
Extracurricular Activities	19,191	27,091	27,016	75
Debt Service:				
Principal Retirement	350,000	438,270	430,782	7,488
Interest and Fiscal Charges	142,073	160,878	160,878	0
Total Expenditures	11,597,976	11,712,177	11,041,390	670,787
Excess of Revenues Over (Under) Expenditures	(536,746)	(1,188,752)	784,685	1,973,437
Other Financing Sources (Uses):				
Proceeds from Sale of Assets	53,616	12,629	6,548	(6,081)
Refund of Prior Year Expenditures	7,230	10,230	10,111	(119)
Refund of Prior Year Receipts	(2,000)	0	0	0
Advances In	8,368	24,952	24,952	0
Advances Out	0	(31,634)	(31,634)	0
Transfers In	28,100	41,100	38,636	(2,464)
Transfers Out	0	(37,000)	(37,000)	0
Total Other Financing Sources (Uses)	95,314	20,277	11,613	(8,664)
Net Change in Fund Balance	(441,432)	(1,168,475)	796,298	1,964,773
Fund Balances at Beginning of Year	6,502,452	6,502,452	6,502,452	0
Prior Year Encumbrances Appropriated	217,541	217,541	217,541	0
Fund Balance at End of Year	\$6,278,561	\$5,551,518	\$7,516,291	\$1,964,773

See accompanying notes to the required supplementary information

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2011

Basis of Budgeting

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

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

General Budget Policies

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

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

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

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

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

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2011

The amounts reported in the final budget columns of the budgetary schedule reflects the amounts in the final amended certificate of estimated resources issued during fiscal year 2011.

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

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

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

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

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

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the fund liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

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

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

For the Fiscal Year Ended June 30, 2011

4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

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

GAAP Basis	\$955,192
Revenue Accruals	(41,514)
Expenditure Accruals	114,555
Encumbrances	(225,253)
Advances	(6,682)
Budget Basis	<u>\$796,298</u>

SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER



Single Audit Reports

June 30, 2011

**SPRINGFIELD CLARK CAREER TECHNOLOGY CENTER
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2011**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$27,608	\$0	\$27,608	\$0
National School Lunch Program	3L60	10.555	100,118	14,679	100,118	14,679
Total Nutrition Cluster			<u>127,726</u>	<u>14,679</u>	<u>127,726</u>	<u>14,679</u>
Total U.S. Department of Agriculture			<u>127,726</u>	<u>14,679</u>	<u>127,726</u>	<u>14,679</u>
U.S. DEPARTMENT OF EDUCATION						
Passed Through Ohio Department of Education:						
Career & Technical Education Basic Grants to States	3L90	84.048	441,360	0	482,912	0
Safe and Drug Free Schools and Communities	3D10	84.186	1,344	0	2,654	0
Improving Teacher Quality	3Y60	84.367	8,785	0	3,899	0
Total Department of Education			<u>451,489</u>	<u>0</u>	<u>489,465</u>	<u>0</u>
Total Federal Assistance			<u>\$579,215</u>	<u>\$14,679</u>	<u>\$617,191</u>	<u>\$14,679</u>

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

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

Board of Education
Springfield-Clark Career Technology Center

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center (the Center) as of and for the year ended June 30, 2011, which collectively comprise the Center's basic financial statements and have issued our report thereon dated December 15, 2011 wherein we noted the Center adopted GASB Statement No. 54 as disclosed in Note 20. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Center'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, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

Plattensburg & Associates, Inc.

Plattensburg & Associates, Inc.
December 15, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Education
Springfield-Clark Career Technology Center

Compliance

We have audited Springfield-Clark Career Technology Center's (the Center) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2011. The Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

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

As described in item 2011-1 in the accompanying schedule of findings and questioned costs, the Center did not comply with requirements regarding procurement, suspension and debarment that are applicable to its Career & Technology Education Basic Grants to States –ARRA grant. Compliance with such requirements is necessary, in our opinion, for the Center to comply with the requirements applicable to that program

In our opinion, except for the noncompliance described in the preceding paragraph, the Center complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

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

but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-1 to be a material weakness.

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the Center as of and for the year ended June 30, 2011, and have issued our report thereon dated December 15, 2011, which contained an unqualified opinion on those financial statements wherein we noted the Center adopted GASB Statement No. 54 as disclosed in Note 20. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.

December 15, 2011

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

Section I – Summary of Auditor’s Results

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

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

None

Section III –Federal Award Findings and Questioned Costs

Finding 2011-1 – CAREER & TECHNICAL EDUCATION BASIC GRANTS TO STATES -ARRA CFDA# 84.048

Finding Type

Material Weakness / Material Noncompliance –Procurement, Suspension and Debarment

Criteria

Compliance requirements for procurement are contained in the A-102 Common Rule (§.36) and OMB Circular A-110 (2 CFR § 215.40 through 215.48). Non-Federal entities are prohibited from contracting with parties that are suspended or debarred or whose principals are suspended or debarred. “Covered transactions” include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other specified criteria.

Non-federal entities must verify that they are not contracting with parties or principals that are suspended, debarred or otherwise excluded by checking the *Excluded Parties List Systems (EPLS)* maintained by the General Services Administration (GSA); collection of a certification from the entity; or adding a clause or condition to the covered transaction with that entity.

Condition

The District failed to verify that they are not contracting with parties or principals that are suspended, debarred or otherwise excluded.

Questioned Costs

\$69,489

Context

Two errors were noted out of forty disbursements tested.

Cause and Effect

The District’s internal control over compliance with the requirements applicable to federal programs were not designed to prevent, or detect and correct, noncompliance with procurement, suspension and debarment compliance requirements. This resulted in disbursements with parties that were not verified as required.

Recommendation

We recommend additional training related to the design of internal control over compliance with the requirements applicable to federal programs with an emphasis on procurement, suspension and debarment requirements and associated controls.

Views of Responsible Officials and Planned Corrective Actions

The District agrees with the auditor's recommendation and will implement additional training as recommended.

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
June 30, 2011**

Summary of Prior Audit Findings and Questioned Costs:

2010-1 – Material Weakness Related to Financial Reporting:

Material misstatements were identified during the course of the 2010 audit which were not prevented or detected by the District's internal controls over financial reporting. The following items were misstated:

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

Status:

Corrected

2010 Compliance Citation #1

Ohio Revised Code Sec. 5705.41B states that no subdivision or taxing unit is to expend money unless it has been appropriated. At June 30, 2011, the District had disbursements exceeding appropriations in the Permanent Improvement Fund and Food Service Fund.

Status:

Corrected

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURE**

Board of Education
Springfield-Clark Career Technology Center

Ohio Rev. Code Section 117.53 states “the auditor of state shall identify whether the school Center 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 Center or community school.”

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board of Education (the Board), solely to assist the Board in evaluating whether Springfield-Clark Career Technology Center (the Center) 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 the Board failed to amend its anti-harassment policy during the fiscal year ended June 30, 2011 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 management and the Board of Education and is not intended to be and should not be used by anyone other than these specified parties.

Plattenburg & Associates, Inc.

Plattenburg & Associates, Inc.
December 15, 2011



Dave Yost • Auditor of State

SPRINGFIELD CLARK CAREER TECHNOLOGY CENTER

CLARK COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 9, 2012**