

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER**



**Basic Financial Statements**

**June 30, 2013**





# Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Springfield-Clark Career Technology Center, Clark County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2012 through June 30, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Springfield-Clark Career Technology Center is responsible for compliance with these laws and regulations.

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

Dave Yost  
Auditor of State

March 13, 2014

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Springfield-Clark Career Technology Center

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Springfield-Clark Career Technology Center (the Center) as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3–10 and pages 44–46 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2013, on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center's internal control over financial reporting and compliance.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Dayton, Ohio

December 2, 2013

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

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The discussion and analysis of Springfield-Clark County Career Technology Center's (the Center) financial performance provides an overall review of the Center's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the Center's financial performance as a whole; readers should also review the transmittal letter, review the notes to the basic financial statements and the basic financial statements to enhance their understanding of the Center's performance.

**Financial Highlights**

Key financial highlights for 2013 are as follows:

- Net position of governmental activities increased \$388,587 which represents a 4% increase from 2012.
- General revenues accounted for \$11,338,575 in revenue or 94% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$769,272 or 6% of total revenues of \$12,107,847.
- The Center had \$11,719,260 in expenses related to governmental activities; \$769,272 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$11,338,575 were also used to provide for these programs.

**Overview of the 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 the 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 Position* and *Statement of Activities* provide information about the activities of the whole Center, presenting both an aggregate view of the Center's finances and a longer-term view of those finances. 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 Center's most significant funds with all other nonmajor funds presented in total in one column. The General Fund is the major fund of the Center.

**Government-wide Financial Statements**

While this document contains the large number of funds used by the Center to provide programs and activities, the view of the Center as a whole looks at all financial transactions and asks the question, "How did we do financially during 2013?" The Government-wide Financial Statements answers 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.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

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These two statements report the Center's net position and changes in position. This change in net position is important because it tells the reader that, for the Center as a whole, the financial position has improved or diminished. The causes of this change may be the result of many factors, both financial and non-financial. Non-financial factors include the Center's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs and other factors.

In the Government-wide Financial Statements, the overall financial position of the Center is presented in the following manner:

- **Governmental Activities** – Most of the Center's programs and services are reported here including instruction, support services, operation of non-instructional services, extracurricular activities and interest and fiscal charges.

**Fund Financial Statements**

The analysis of the Center's major fund begins on the balance sheet. Fund financial reports provide detailed information about the Center's major funds. The Center uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the Center's most significant funds.

**Governmental Funds** Most of the Center's activities are reported in governmental funds, which focus on how 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* accounting, which measures cash and all other *financial assets* that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Center'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 Position and the Statement of Activities) and *governmental funds* is reconciled in the financial statements.

**Fiduciary Funds** Fiduciary Funds are used to account for resources held for the benefits of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Center's own programs.

**The Center as a Whole**

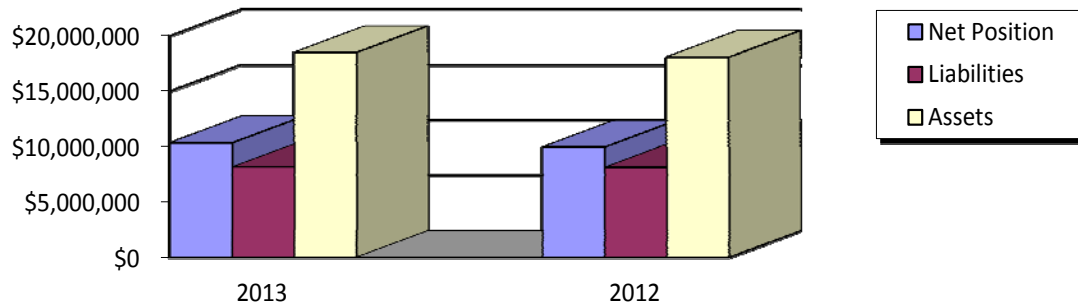
As stated previously, the Statement of Net Position looks at the Center as a whole. Table 1 provides a summary of the Center's net position for fiscal year 2013 compared to fiscal year 2012:



**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

**Table 1**  
**Net Position**

	Governmental Activities	
	2013	2012
Assets:		
Current and Other Assets	\$14,051,884	\$13,627,455
Capital Assets	4,430,511	4,432,586
Total Assets	18,482,395	18,060,041
Liabilities:		
Other Liabilities	4,912,647	4,681,147
Long-Term Liabilities	3,241,009	3,438,742
Total Liabilities	8,153,656	8,119,889
Net Position:		
Net Investment in Capital Assets	1,928,112	1,658,846
Restricted	126,765	514,712
Unrestricted	8,273,862	7,766,594
Total Net Position	\$10,328,739	\$9,940,152



Over time, net position can serve as a useful indicator of a government's financial position. At June 30, 2013, the Center's assets exceeded liabilities by \$10,328,739.

At year-end, capital assets represented 24% of total assets. Capital assets include land, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2013, was \$1,928,112. These capital assets are used to provide services to the students and are not available for future spending. Although the Center's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

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A portion of the Center's net position, \$126,765 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Current Assets increased mainly due to an increase in taxes receivable, which was mainly due to an increase in amounts available for advance. Long-Term Liabilities decreased mainly due to the Center making regularly scheduled debt payments.

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

**Table 2**  
**Changes in Net Position**

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	Governmental Activities	
	2013	2012
Revenues:		
Program Revenues		
Charges for Services	\$163,575	\$239,388
Operating Grants, Contributions	605,697	496,206
General Revenues:		
Property Taxes	4,892,062	4,663,682
Grants and Entitlements	6,368,413	6,609,148
Other	78,100	30,960
Total Revenues	<u>12,107,847</u>	<u>12,039,384</u>
Program Expenses:		
Instruction	6,805,595	6,775,116
Support Services:		
Pupil and Instructional Staff	1,413,885	1,964,962
School Administrative, General		
Administration, Fiscal and Business	1,740,444	1,408,683
Operations and Maintenance	1,253,657	1,285,607
Pupil Transportation	38,293	42,113
Central	63,420	45,709
Operation of Non-Instructional Services	257,435	263,830
Extracurricular Activities	27,097	30,070
Interest and Fiscal Charges	119,434	114,692
Total Program Expenses	<u>11,719,260</u>	<u>11,930,782</u>
Change in Net Position	388,587	108,602
Net Position - Beginning of Year	<u>9,940,152</u>	<u>9,831,550</u>
Net Position - End of Year	<u><u>\$10,328,739</u></u>	<u><u>\$9,940,152</u></u>

The Center's revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 93% of the Center's revenues for governmental activities.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

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The Center depends greatly on property taxes as a revenue source. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. The overall revenues generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home were reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

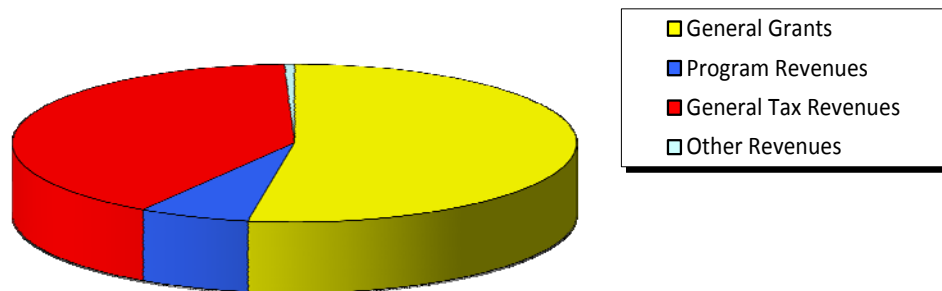
Thus Ohio Schools do not receive additional property tax revenue from an increase in appraisal values and must regularly return to the voters to maintain a constant level of service.

Property taxes made up 40% of revenues for governmental activities for the Center in fiscal year 2013. The Center’s reliance upon tax revenues is demonstrated by the following graph:

**Governmental Activities**  
**Revenue Sources**

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	2013	Percentage
General Grants	\$6,368,413	52.60%
Program Revenues	769,272	6.35%
General Tax Revenues	4,892,062	40.40%
Other Revenues	69,793	0.58%
Total Revenue Sources	<u>\$12,107,847</u>	<u>100.00%</u>



Instruction comprises 58% of governmental program expenses. Support services expenses were 38% of governmental program expenses. All other expenses were 4%.

Property taxes revenue increased mainly due to an increase in property tax receipts. Total expenses decreased mainly due to the Center’s ongoing effort to cut costs.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

**Governmental Activities**

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

**Table 3**  
**Governmental Activities**

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Instruction	\$6,805,595	\$6,775,116	(\$6,324,880)	(\$6,370,230)
Support Services:				
Pupil and Instructional Staff	1,413,885	1,964,962	(1,375,712)	(1,914,836)
School Administrative, General				
Administration, Fiscal and Business	1,740,444	1,408,683	(1,719,418)	(1,397,244)
Operations and Maintenance	1,253,657	1,285,607	(1,253,657)	(1,280,983)
Pupil Transportation	38,293	42,113	(38,293)	(42,113)
Central	63,420	45,709	(63,420)	(45,709)
Operation of Non-Instructional Services	257,435	263,830	(28,077)	(4,864)
Extracurricular Activities	27,097	30,070	(27,097)	(24,517)
Interest and Fiscal Charges	119,434	114,692	(119,434)	(114,692)
Total Expenses	<u>\$11,719,260</u>	<u>\$11,930,782</u>	<u>(\$10,949,988)</u>	<u>(\$11,195,188)</u>

**The Center's Funds**

The Center has one major governmental fund: the General Fund. Assets of the general fund comprised \$13,765,154 (97%) of the total \$14,206,287 governmental funds' assets.

**General Fund:** Fund balance at June 30, 2013 was \$8,238,644, an increase in fund balance of \$295,458 from 2012. The fund balance increased mostly due to an increase in property tax revenue from 2013 to 2012.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2013, the Center amended its General fund budgets; however none were significant. The Center uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the Center revised the Budgets in an attempt to deal with unexpected changes in revenues and expenditures.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

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For the General Fund, final budget basis revenue was \$11,355,086, compared to original budget estimates of \$11,284,526. Of the \$70,560 difference, most was due to an underestimation of taxes revenue and intergovernmental revenue in the original budget.

The Center's ending unobligated cash balance for the General Fund was \$7,439,613.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2013, the Center had \$4,430,511 invested in land, buildings, furniture, fixtures, equipment and infrastructure, improvements and equipment. Table 4 shows fiscal year 2013 balances compared to fiscal year 2012:

**Table 4**  
**Capital Assets at Year End**  
**(Net of Depreciation)**

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	Governmental Activities	
	2013	2012
Land	\$647,488	\$647,488
Land Improvements	23,216	27,410
Buildings and Improvements	2,559,833	2,669,438
Furniture, Fixtures and Equipment	1,083,980	954,776
Infrastructure	115,994	133,744
Total Net Capital Assets	<u>\$4,430,511</u>	<u>\$4,432,856</u>

The decrease in capital assets is due to depreciation expense exceeding additions to capital assets.

See Note 7 to the basic financial statements for further details on the Center's capital assets.

**Debt**

At June 30, 2013, the Center had \$2,502,399 in general obligation bonds outstanding, \$426,993 due within one year. Table 5 summarizes debt outstanding:

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Management’s Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2013**  
**(Unaudited)**

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**Table 5**  
**Outstanding Debt, at Year End**

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	Governmental Activities	
	2013	2012
General Obligation School Improvement Bonds	\$305,000	\$305,000
Capital Leases	2,197,399	2,468,740
	<u>\$2,502,399</u>	<u>\$2,773,740</u>

See Note 12 and 13 in the notes to the basic financial statements for further details on the Center’s outstanding debt.

**For the Future**

Springfield-Clark Career Technology Center continues to be flat-lined by the State of Ohio in terms of revenue. We are on the guarantee, which means we are not generating any more revenue for additional students. It is up in the air as to how long ODE will keep us on this guarantee past FY15. Clark County experienced a re-appraisal in 2013. There were parts of the county that saw an increase, while other parts saw a decrease. Because of that, I have also flat-lined our Res/Ag tax revenue for the near future. I am not expecting to see any additional revenue to help offset our increasing expenses.

The school district is constantly looking at ways to live within our budget. We are always looking at ways to do the things more efficiently and cheaper. Salaries and benefits account for roughly 78% of the district’s budget. As our staff retire, we are usually able to replace that position with a less expensive instructor. I do not anticipate changing this practice due to upcoming retirements. As a vocational school, we are required to spend 75% of our weighted funds on our vocational programs. This includes items such as; textbooks, workbooks, supplies, technology, equipment, etc. We will be starting a HB264 Energy Conservation Project in January 2014 that will help reduce our energy and operation and maintenance costs by an estimated \$85,535 annually.

The Springfield-Clark Career Technology Center is committed to providing the kids of Clark County the best vocational education resources to enhance their learning capabilities possible. In order to do this, we must find ways to be innovative in our delivery methods, which includes using the most recent technology that our industries are using. We can achieve this by living within our means and spending our weighted and grant funds wisely.

**Contacting the Center’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) 3257368.

Springfield-Clark County Career Technology Center  
Statement of Net Position  
June 30, 2013

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$8,163,336
Receivables:	
Taxes	5,723,701
Accounts	49,888
Interest	2,600
Intergovernmental	85,179
Inventory	27,180
Nondepreciable Capital Assets	647,488
Depreciable Capital Assets, Net	<u>3,783,023</u>
 Total Assets	 <u>18,482,395</u>
Liabilities:	
Accounts Payable	59,438
Accrued Wages and Benefits	884,745
Accrued Interest Payable	7,864
Unearned Revenue	3,960,600
Long-Term Liabilities:	
Due Within One Year	536,781
Due In More Than One Year	<u>2,704,228</u>
 Total Liabilities	 <u>8,153,656</u>
Net Position:	
Net Investment in Capital Assets	1,928,112
Restricted for:	
Local / State Grants	58,166
Federal Grants	53,799
Other Purposes	14,800
Unrestricted	<u>8,273,862</u>
 Total Net Position	 <u>\$10,328,739</u>

See accompanying notes to the basic financial statements.

Springfield-Clark County Career Technology Center  
Statement of Activities  
For the Fiscal Year Ended June 30, 2013

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$0	\$626	\$0	\$626
Special	701,154	0	0	(701,154)
Vocational	6,104,441	76,125	403,964	(5,624,352)
Support Services:				
Pupil	715,887	0	32,988	(682,899)
Instructional Staff	697,998	0	5,185	(692,813)
General Administration	42,730	0	0	(42,730)
School Administration	1,014,656	0	21,026	(993,630)
Fiscal	514,154	0	0	(514,154)
Business	168,904	0	0	(168,904)
Operations and Maintenance	1,253,657	0	0	(1,253,657)
Pupil Transportation	38,293	0	0	(38,293)
Central	63,420	0	0	(63,420)
Operation of Non-Instructional Services	257,435	86,824	142,534	(28,077)
Extracurricular Activities	27,097	0	0	(27,097)
Interest and Fiscal Charges	119,434	0	0	(119,434)
Totals	<u>\$11,719,260</u>	<u>\$163,575</u>	<u>\$605,697</u>	<u>(10,949,988)</u>

General Revenues:	
Property Taxes Levied for:	
General Purposes	4,892,062
Grants and Entitlements not Restricted	6,368,413
Investment Earnings	8,307
Other Revenues	69,793
Total General Revenues	<u>11,338,575</u>
Change in Net Position	388,587
Net Position - Beginning of Year	<u>9,940,152</u>
Net Position - End of Year	<u>\$10,328,739</u>

See accompanying notes to the basic financial statements.



Springfield-Clark County Career Technology Center  
Balance Sheet  
Governmental Funds  
June 30, 2013

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>			
Equity in Pooled Cash and Investments	\$7,809,938	\$353,398	\$8,163,336
<b>Receivables:</b>			
Taxes	5,723,701	0	5,723,701
Accounts	49,358	530	49,888
Interest	2,600	0	2,600
Intergovernmental	0	85,179	85,179
Interfund	154,403	0	154,403
Inventory	25,154	2,026	27,180
<b>Total Assets</b>	<b>13,765,154</b>	<b>441,133</b>	<b>14,206,287</b>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts Payable	41,761	17,677	59,438
Accrued Wages and Benefits	842,450	42,295	884,745
Compensated Absences	69,808	0	69,808
Interfund Payable	0	154,403	154,403
Deferred Revenue	4,572,491	75,405	4,647,896
<b>Total Liabilities</b>	<b>5,526,510</b>	<b>289,780</b>	<b>5,816,290</b>
<b>Fund Balances:</b>			
Nonspendable	25,154	2,026	27,180
Restricted	0	73,079	73,079
Assigned	739,602	168,476	908,078
Unassigned	7,473,888	(92,228)	7,381,660
<b>Total Fund Balances</b>	<b>8,238,644</b>	<b>151,353</b>	<b>8,389,997</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$13,765,154</b>	<b>\$441,133</b>	<b>\$14,206,287</b>

See accompanying notes to the basic financial statements.

Springfield-Clark County Career Technology Center  
 Reconciliation of Total Governmental Fund Balance to  
 Net Position of Governmental Activities  
 June 30, 2013

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Total Governmental Fund Balance		\$8,389,997
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		4,430,511
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	\$611,891	
Intergovernmental	<u>75,405</u>	
Delinquent Property Taxes		687,296
In the statement of net position interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(7,864)
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(668,802)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(2,502,399)</u>
Net Position of Governmental Activities		<u>\$10,328,739</u>

See accompanying notes to the basic financial statements.

Springfield-Clark County Career Technology Center  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
Governmental Funds  
For the Fiscal Year Ended June 30, 2013

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$4,897,182	\$0	\$4,897,182
Tuition and Fees	29,581	0	29,581
Investment Earnings	8,307	0	8,307
Intergovernmental	6,368,412	530,291	6,898,703
Charges for Services	49,066	86,824	135,890
Other Revenues	41,138	26,761	67,899
<b>Total Revenues</b>	<b>11,393,686</b>	<b>643,876</b>	<b>12,037,562</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Special	700,881	0	700,881
Vocational	5,469,247	378,872	5,848,119
Other	0	405	405
<b>Support Services:</b>			
Pupil	682,017	33,543	715,560
Instructional Staff	688,454	444	688,898
General Administration	42,730	0	42,730
School Administration	991,058	21,777	1,012,835
Fiscal	513,964	0	513,964
Business	168,884	0	168,884
Operations and Maintenance	1,231,846	0	1,231,846
Pupil Transportation	38,293	0	38,293
Central	23,453	1,042	24,495
Operation of Non-Instructional Services	0	257,359	257,359
Extracurricular Activities	24,006	3,091	27,097
Capital Outlay	0	333,632	333,632
<b>Debt Service:</b>			
Principal Retirement	460,305	0	460,305
Interest and Fiscal Charges	111,570	0	111,570
<b>Total Expenditures</b>	<b>11,146,708</b>	<b>1,030,165</b>	<b>12,176,873</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>246,978</b>	<b>(386,289)</b>	<b>(139,311)</b>
<b>Other Financing Sources (Uses):</b>			
Issuance of Capital Leases	188,964	0	188,964
Proceeds from Sale of Capital Assets	11,047	0	11,047
Transfers In	0	151,531	151,531
Transfers (Out)	(151,531)	0	(151,531)
<b>Total Other Financing Sources (Uses)</b>	<b>48,480</b>	<b>151,531</b>	<b>200,011</b>
<b>Net Change in Fund Balance</b>	<b>295,458</b>	<b>(234,758)</b>	<b>60,700</b>
<b>Fund Balance - Beginning of Year</b>	<b>7,943,186</b>	<b>386,111</b>	<b>8,329,297</b>
<b>Fund Balance - End of Year</b>	<b>\$8,238,644</b>	<b>\$151,353</b>	<b>\$8,389,997</b>

See accompanying notes to the basic financial statements.

Springfield-Clark County Career Technology Center  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2013

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Net Change in Fund Balance - Total Governmental Funds \$60,700

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

Governmental funds report capital asset additions as expenditures.  
 However, in the statement of activities, the cost of those assets is  
 allocated over their estimated useful lives as depreciation  
 expense. This is the amount of the difference between capital  
 asset additions and depreciation in the current period.

Capital assets used in governmental activities	\$335,725	
Depreciation Expense	<u>(325,708)</u>	10,017

Governmental funds only report the disposal of assets to the  
 extent proceeds are received from the sale. In the statement  
 of activities, a gain or loss is reported for each disposal. The  
 amount of the proceeds must be removed and the gain or loss  
 on the disposal of capital assets must be recognized. This is the  
 amount of the difference between the proceeds and the gain or loss. (12,092)

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

Delinquent Property Taxes	(\$5,120)	
Intergovernmental	<u>75,405</u>	70,285

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net position. 460,305

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. (7,864)

Some expenses reported in the statement of activities do not require the  
 use of current financial resources and therefore are not reported as  
 expenditures in governmental funds. (3,800)

Proceeds from debt issues are an other financing source in the funds,  
 but a debt issue increases long-term liabilities in the statement  
 of net position. (188,964)

Change in Net Position of Governmental Activities \$388,587

See accompanying notes to the basic financial statements.

Springfield-Clark County Career Technology Center  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

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	Private Purpose Trust	Agency
	<u>          </u>	<u>          </u>
Assets:		
Equity in Pooled Cash and Investments	\$191,499	\$22,052
Receivables:		
Accounts	<u>          0</u>	<u>          380</u>
Total Assets	<u>          191,499</u>	<u>          22,432</u>
Liabilities:		
Other Liabilities	<u>          0</u>	<u>          22,432</u>
Total Liabilities	<u>          0</u>	<u>          \$22,432</u>
Net Position:		
Held in Trust	<u>          191,499</u>	
Total Net Position	<u>          \$191,499</u>	

See accompanying notes to the basic financial statements.

Springfield-Clark County Career Technology Center  
Statement of Changes in Fiduciary Net Position  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2013

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	<u>Private Purpose Trust</u>
Additions:	
Donations	\$238
Investment Earnings	<u>104</u>
Total Additions	<u>342</u>
Deductions:	
Scholarships	<u>500</u>
Total Deductions	<u>500</u>
Change in Net Position	(158)
Net Position - Beginning of Year	<u>191,657</u>
Net Position - End of Year	<u><u>\$191,499</u></u>

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, 2013**

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**Note 1 – Description of the Center and Reporting Entity**

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The Springfield-Clark County Career Technology Center (the “Center”) is a joint vocational school district as defined by Section 3322.28 of the Ohio Revised Code. The Center 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 (2) members of the Springfield City Board of Education and one (1) 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 the time. The City and the Educational Service center each selected who will also serve as members of the board of the School Center. In 1998, the Board of Education passed a resolution to expand from the five (5) board members to a nine (9) member Board of Education with local, ESC, and City school district representatives. Each district including: Clark-Shawnee Local, Greenon Local, Northeastern Local, Northwestern Local, Southeastern Local, and Tecumseh Local would have one (1) seat. The ESC would have one (1) seat and Springfield City would have two (2) seats. The Center is staffed by 27 classified employees, 67 certified teaching personnel, and 6 administrative employees who provide services to 692 students and other community members. The Center currently operates six (6) instructional buildings and an administrative building. During 2008, our name was changed from Joint Vocational School to Career Technology Center.

The school systems participating in the Center 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 Center, 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 Center. For the Center, this includes general operations, food service, preschool and student related activities of the Center.

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

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

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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

The Center 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**

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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 Center's accounting policies are described below.

**Basis of Presentation**

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

Government-Wide Financial Statements

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

The statement of net position presents the financial condition of the governmental activities of the Center 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 Center'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 Center, 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 Center.



**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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Fund Financial Statements

During the year, the Center segregates transactions related to certain Center 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 Center 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.

**Fund Accounting**

The Center 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 Center 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 Center 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 Center.

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 Center for any purpose provided it is expended or transferred according to the general laws of Ohio.

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

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Center under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Center's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Center 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 Center 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, 2013**

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**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 Center are included on the Statement of Net position.

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.

**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 Center, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the Center 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 Center must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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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, 2013, but which were levied to finance fiscal year 2014 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.

**Equity in Pooled Cash and Investments**

To improve cash management, cash received by the Center is pooled. Monies for all funds, including fiduciary funds, are maintained in this pool. Individual fund integrity is maintained through the Center'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 position and governmental balance sheet.

During fiscal year 2013, 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 Center has invested funds in the State Treasury Assets Reserve of Ohio (STAR Ohio) during fiscal year 2013. 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, 2013.

The Center allocates interest according to State statutes. Interest revenue credited to the General Fund during fiscal year was \$8,307.

**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.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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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.

**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.

**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 Center maintains a capitalization threshold of one thousand dollars. The Center 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.

Description	Estimated Lives
Land Improvements	15 - 30 years
Buildings and Improvements	20 - 40 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 years

**Interfund Activity**

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

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental activities column on the Statement of Net Position.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. The interfund services provided and used are not eliminated in the process of consolidation.

**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 Center will compensate the employees for the benefits through paid time off or some other means. The Center 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 Center 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 Center's termination policy. The Center records a liability for accumulated unused sick leave for all employees after ten years of service with the Center.

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. There was no fund liability for the current year. The entire liability is reported on the government-wide statement of net position

**Accrued Liabilities and Long-Term Obligations**

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

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

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**Net Position**

Net position represents the difference between assets and liabilities. Net position 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 position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Center or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments. None of the Center’s net position are restricted by enabling legislation.

**Fund Balance**

The Center implemented GASB No. 54 “Fund Balance Reporting and Governmental Fund Type Definitions” during the 2011 fiscal year. The Center 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 Center Board has formally allocated.
- -Assigned fund balances are balances the Center 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 Center has multiple fund balances available within a particular fund, the Center 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 Center policy for spending the balances.

**Note 3 – Accountability**

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Accountability

The following funds had deficit fund balances/net position at June 30, 2013:

Fund	Deficit
Perkins Grant	\$21,719
Food Service	68,272
Miscellaneous Federal Grants	2,237

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.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**Note 4 – Equity in Pooled Cash and Investments**

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State statutes classify monies held by the Center 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 Center 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 Center'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.

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;

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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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 Center, 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.

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

As of June 30, 2013, \$2,427,896 of the Center's bank balance of \$5,927,896 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 Center's name.

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



**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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Investment Type	Fair Value	Weighted Average	
		Maturity (Years)	% of Total
Federal Home Loan Bank	\$794,840	0.70	28%
Federal Home Loan Mortgage Association	104,707	2.41	4%
Federal National Mortgage Association	1,457,499	2.81	52%
Federal Farm Credit Bank	214,924	1.26	7%
Money Market Fund	10,721	0.00	0%
STAROhio	77,274	0.16	3%
US Treasury Note	155,103	0.83	6%
Total Fair Value	<u>\$2,815,068</u>		<u>100%</u>
Portfolio Weighted Average Maturity		1.89	

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 Center manages its exposure to decline in fair values by limiting the weighted average maturity of its investment portfolio.

Credit Risk: The Center’s investments, except for the Money Market Funds and STAROhio were rated AA+ and Aaa by Standard & Poor’s and Moody’s Investor Services, respectively. Investments in STAROhio were rated AAAm by Standard & Poor’s. The Money Market Funds are not rated. The Center’s investment policy does not specifically address credit risk beyond requiring the Center to only invest in securities authorized by State statute.

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 Center’s investment policy allows investments in Federal Agencies or Instrumentalities. 28% in Federal Home Loan Bank, 52% in Federal Home Loan Mortgage Association, 4% in Federal National Mortgage Association, 7% in Federal Farm Credit Bank, 6% in Money Market Fund, Less than 1% in STAROhio, and 3% in US Treasury Note.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Center will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The federal agency securities and U.S. Treasury notes are exposed to custodial credit risk in that they are uninsured, unregistered and held by the counterparty’s trust department or agent but not in the Center’s name. The Center has no investment policy dealing with investment custodial risk beyond the requirement in State statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the Treasurer or qualified trustee.

**Note 5 – Property Taxes**

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Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the Center. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
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**For the Fiscal Year Ended June 30, 2013**

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Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. The Center receives property taxes from the County. The County Auditor periodically advances to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2014 operations. The amount available for advance can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2013. Delinquent property taxes collected within 60 days are included as a receivable and tax revenue as of June 30, 2013 on the fund statements. The entire amount of delinquent taxes receivable is recognized as revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2013, was \$1,151,210 for General Fund and is recognized as revenue.

The assessed value, by property classification, upon which taxes collected in 2013 were based as follows:

	Amount
Agricultural/Residential and Other Real Estate	\$2,212,069,579
Public Utility	85,555,770
Total	<u>\$2,297,625,349</u>

The Center receives property taxes from Clark, Miami, Champaign, and Greene Counties. The County Auditors periodically advance to the Center its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2013, are available to finance fiscal year 2013 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**Note 6 – Receivables**

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Receivables at June 30, 2013, 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.

**Note 7 – Capital Assets**

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

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities:</b>				
<b>Capital Assets, not being depreciated:</b>				
Land	\$647,488	\$0	\$0	\$647,488
<b>Total capital assets, not being depreciated</b>	<b>647,488</b>	<b>0</b>	<b>0</b>	<b>647,488</b>
<b>Capital Assets, being depreciated:</b>				
Land Improvements	364,938	0	0	364,938
Building and Improvements	7,637,785	0	0	7,637,785
Furniture, Fixtures and Equipment	2,505,914	335,725	25,823	2,815,816
Vehicles	362,058	0	0	362,058
<b>Total capital assets being depreciated</b>	<b>10,870,695</b>	<b>335,725</b>	<b>25,823</b>	<b>11,180,597</b>
Totals at Historical Cost	<u>11,518,183</u>	<u>335,725</u>	<u>25,823</u>	<u>11,828,085</u>
Less Accumulated Depreciation For:				
Land Improvements	337,798	3,924	0	341,722
Building and Improvements	4,968,347	109,605	0	5,077,952
Furniture, Fixtures and Equipment	1,551,138	194,429	13,731	1,731,836
Vehicles	228,314	17,750	0	246,064
Total Accumulated Depreciation	<u>7,085,597</u>	<u>325,708</u>	<u>13,731</u>	<u>7,397,574</u>
Total capital assets, net	<u>\$4,432,586</u>	<u>\$10,017</u>	<u>\$12,092</u>	<u>\$4,430,511</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Vocational	\$245,097
Support Services:	
Instructional Staff	9,083
School Administration	1,735
Operations and Maintenance	21,459
Operation of Non-Instructional Services	9,409
Central	38,925
Total Depreciation Expense	<u>\$325,708</u>

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**Note 8 – Risk Management**

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**Property and Liability**

The Center 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 2013, the Center contracted with Selective Insurance Company and Travelers Insurance Company for the coverages identified below.

Building and Contents-replacement cost (\$1,000 deductible)	\$350,000,000
Automobile Liability	1,000,000
Uninsured Motorists	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.

**Workers' Compensation**

For fiscal year 2013, the Center 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 Center 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.

**Note 7 - Pension Plans**

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**School Employees Retirement System of Ohio**

Plan Description

The Center contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per 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 can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
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Funding Policy

Plan members are required to contribute 10% of their annual covered salary and the Center is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2013, the allocation to pension and death benefits is 13.10%. The remaining 0.90% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The Center's contributions to SERS for the years ended June 30, 2013, 2012, and 2011 were \$204,836, \$201,881, and \$175,660, respectively; 100% has been contributed for fiscal years 2013, 2012 and 2011.

**State Teachers Retirement System of Ohio**

Plan Description

The Center participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple employer public employee retirement system. STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution, or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof. Additional information or copies of STRS Ohio's Comprehensive Annual Financial Report can be requested by writing to STRS Ohio, 275 E. Broad Street, Columbus, OH 43215-3771, by calling toll-free 1-888-227-7877, or by visiting the STRS Ohio web site at [www.strsoh.org](http://www.strsoh.org).

Plan Options

New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5% of earned compensation among various investment choices. The Combined Plan offers features of the DC Plan and DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
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average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

Combined Plan Benefits

Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member’s defined benefit is determined by multiplying 1% of the member’s final average salary by the member’s years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for DB Plan participants.

The DB and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalizations, physicians’ fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

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 members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members’ beneficiaries.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
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Funding Policy

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2013, were 10% of covered payroll for members and 14% for employers. The Center's contributions to STRS for the years ended June 30, 2013, 2012, and 2011 were \$739,736, \$680,856, and \$646,868, respectively; 91% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.

**Note 8- Post Employment Benefits**

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**School Employees Retirement System of Ohio**

Plan Description

In addition to a cost-sharing multiple-employer defined benefit pension plan, the School Employees Retirement System of Ohio (SERS) administers two postemployment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2013 was \$104.90 for most participants, but could be as high as \$335.70 depending on their income; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2013, the actuarially required allocation was 0.74%. Center contributions for the years ended June 30, 2013, 2012 and 2011 were \$10,827, \$12,991, and \$11,034, respectively, which equaled the required contributions each year.

Health Care Plan

ORC 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The ORC provides the statutory authority to fund SERS' postemployment benefits through employer contributions. Active members do not make contributions to the postemployment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2013, the health care allocation was .16%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
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according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2013, the minimum compensation level was established at \$20,525. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The Center contributions assigned to health care for the years ended June 30, 2013, 2012, and 2011 were \$2,341, \$44,447, and \$40,196, respectively. 100% has been contributed for fiscal years 2013, 2012 and 2011.

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its Comprehensive Annual Financial Report. The report can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

### **State Teachers Retirement System of Ohio**

#### Plan Description

STRS Ohio administers a pension plan that is comprised of: a Defined Benefit Plan; a self-directed Defined Contribution Plan and a Combined Plan that is a hybrid of the Defined Benefit and the Defined Contribution Plan.

Ohio law authorized STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the Defined Benefit or Combined Plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums.

Pursuant to 3307 of the Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting [www.strsoh.org](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

#### Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2013, 2012 and 2011. The 14% employer contribution rate is the maximum rate established under Ohio law. The Center contributions for the years ended June 30, 2013, 2012, and 2011 were \$52,838, \$52,374, and \$49,759, 91% has been contributed for fiscal year 2013 and 100% for fiscal years 2012 and 2011.



**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
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**Note 11 – Other Employee Benefits**

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**Compensated Absences**

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten (10) to twenty (20) 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, Treasurer, and Technology Director.

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 25% of the first 120 days of sick leave days and 20.833% of sick leave days accumulated in excess of 120. The maximum severance is not to exceed 55 days for teachers and classified employees. For administrators, 30% of the first 120 days of total sick leave accumulation is paid, plus 20% of days in excess of 120 up to a maximum of 65 days for administrative personnel.

**Insurance Benefits**

The Center provides life insurance to most employees through Coresource. Medical benefits are provided through Anthem Blue Cross and Blue Shield. Dental benefits are provided through Coresource. Vision benefits are provided through VSP.

**Note 12 – Capital Leases - Lessee Disclosure**

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During 2009, the Center entered into capitalized leases for copiers. Also during 2008, the Center 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 2013 totaled \$460,305 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, 2013.

Fiscal Year Ending June 30	Payment
2014	\$502,697
2015	501,438
2016	500,548
2017	462,960
2018	440,850
Total Minimum Lease Payments	\$2,408,493
Amount Representing Interest	(211,094)
Present Value of Minimum Lease Payments	<u>\$2,197,399</u>

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
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**Note 13 – Long-Term Obligations**

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Changes in long-term obligations of the Center during fiscal year 2013 were as follows:

	Interest Rate	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>						
General Obligation Bonds:						
2000 School Energy Conservation Bonds	4.60-6.25%	\$305,000	\$0	\$0	\$305,000	\$0
Capital Leases		2,468,740	188,964	(460,305)	2,197,399	426,993
Subtotal Bonds		2,773,740	188,964	(460,305)	2,502,399	426,993
Compensated Absences		665,002	150,518	(76,910)	738,610	109,788
Total Governmental Activities Long-Term Liabilities		<u>\$3,438,742</u>	<u>\$339,482</u>	<u>(\$537,215)</u>	<u>\$3,241,009</u>	<u>\$536,781</u>

**School Energy Conservation Improvement Bonds** – On November 1, 2000, the Center 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. The Center will be making the final \$305,000 payment on December 1, 2015.

**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 Center. 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.

**Note 14 – Interfund Activity**

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As of June 30, 2013, various interfund transactions were as follows:

	Interfund	
	Receivable	Payable
General Fund	\$154,403	\$0
Other Governmental Funds	0	154,403
Total All Funds	<u>\$154,403</u>	<u>\$154,403</u>

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
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**Note 15 – Joint Venture**

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**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 Center 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, 2013. 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**

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**Miami Valley Educational Computer Association** – The Center 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 Center paid MVECA \$25,907 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 2013, the Center paid \$559 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.

**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.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
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All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net position 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 2012, the Center did not pay 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**

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Ohio School Boards Workers' Compensation Group Rating Plan - The Center 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**

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**Grants**

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

**Litigation**

The Center is not party to any legal proceedings.

**Note 19 - Fund Balance Reserves for Set-Asides**

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The Center is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by 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 capital acquisition. Disclosure of this information is required by State statute.

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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	Capital Acquisition
Set Aside Reserve Balance as of June 30, 2012	\$0
Current Year Set Aside Requirements	120,304
Qualified Disbursements	(389,825)
Set Aside Reserve Balance as of June 30, 2013	<u>(\$269,521)</u>
Restricted Cash as of June 30, 2013	<u>\$0</u>

Qualifying disbursements for capital activity during the year exceeded the amount required for the set-aside.

**Note 20 - Fund Balance Allocation**

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The Center 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	Other Governmental Funds	Total
<b>Nonspendable:</b>			
Inventory	\$25,154	\$2,026	\$27,180
<b>Total Nonspendable</b>	<u>25,154</u>	<u>2,026</u>	<u>27,180</u>
<b>Restricted for:</b>			
Other Grants	\$0	\$52,834	\$52,834
S.A.F.E Student Emergency	0	14,800	14,800
Management Information System	0	2,494	2,494
Data Communications	0	1,296	1,296
HSTW	0	1,542	1,542
Improving Teacher Quality	0	113	113
<b>Total Restricted</b>	<u>0</u>	<u>73,079</u>	<u>73,079</u>
<b>Assigned to:</b>			
Budgetary Variances	440,752	0	440,752
Encumbrances	290,330	0	290,330
Public School Support	8,520	0	8,520
Permanent Improvement	0	168,476	168,476
<b>Total Assigned</b>	<u>739,602</u>	<u>168,476</u>	<u>908,078</u>
<b>Unassigned (Deficit)</b>	<u>7,473,888</u>	<u>(92,228)</u>	<u>7,381,660</u>
<b>Total Fund Balance</b>	<u>\$8,238,644</u>	<u>\$151,353</u>	<u>\$8,389,997</u>

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2013**

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**Note 21 – Change in Accounting Principles**

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The Center adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements and GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. GASB Statement No. 62 incorporates Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants' (AICPA) accounting and financial reporting guidance issued on or before November 30, 1989 into GASB authoritative literature. GASB Statement No. 63 provides financial reporting guidance for deferred outflows and inflows of resources and net position.

# **REQUIRED SUPPLEMENTARY INFORMATION**

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Springfield Clark Career Technology Center, Ohio  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2013

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
Revenues:				
Taxes	\$4,855,977	\$4,886,341	\$4,861,421	(\$24,920)
Tuition and Fees	28,923	29,103	28,955	(148)
Investment Earnings	25,364	25,522	25,392	(130)
Intergovernmental	6,361,280	6,401,057	6,368,412	(32,645)
Charges for Services	1,894	1,906	1,896	(10)
Other Revenues	11,088	11,157	11,100	(57)
<b>Total Revenues</b>	<b>11,284,526</b>	<b>11,355,086</b>	<b>11,297,176</b>	<b>(57,910)</b>
Expenditures:				
Current:				
Instruction:				
Special	716,219	732,088	706,648	25,440
Vocational	5,491,443	5,613,115	5,418,060	195,055
Support Services:				
Pupil	698,976	714,462	689,635	24,827
Instructional Staff	780,099	797,383	769,674	27,709
General Administration	55,105	56,326	54,369	1,957
School Administration	1,022,367	1,045,019	1,008,705	36,314
Fiscal	508,662	519,933	501,865	18,068
Business	172,671	176,497	170,364	6,133
Operations and Maintenance	1,429,869	1,461,550	1,410,761	50,789
Pupil Transportation	43,650	44,617	43,067	1,550
Central	23,264	23,779	22,953	826
Extracurricular Activities	25,309	25,870	24,971	899
Debt Service:				
Principal Retirement	460,305	476,876	460,305	16,571
Interest and Fiscal Charges	119,316	115,587	111,570	4,017
<b>Total Expenditures</b>	<b>11,547,255</b>	<b>11,803,102</b>	<b>11,392,947</b>	<b>410,155</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(262,729)</b>	<b>(448,016)</b>	<b>(95,771)</b>	<b>352,245</b>
Other Financing Sources (Uses):				
Issuance of Capital Leases	188,752	189,933	188,964	(969)
Proceeds from Sale of Capital Assets	6,139	6,178	6,146	(32)
Advances In	76,431	76,909	76,517	(392)
Advances (Out)	(86,333)	(88,246)	(85,179)	3,067
Transfers In	25,719	25,880	25,748	(132)
Transfers (Out)	(179,680)	(183,661)	(177,279)	6,382
<b>Total Other Financing Sources (Uses)</b>	<b>31,028</b>	<b>26,993</b>	<b>34,917</b>	<b>7,924</b>
<b>Net Change in Fund Balance</b>	<b>(231,701)</b>	<b>(421,023)</b>	<b>(60,854)</b>	<b>360,169</b>
Fund Balance - Beginning of Year (includes prior year encumbrances appropriated)	7,500,467	7,500,467	7,500,467	0
<b>Fund Balance - End of Year</b>	<b>\$7,268,766</b>	<b>\$7,079,444</b>	<b>\$7,439,613</b>	<b>\$360,169</b>

See accompanying notes to the required supplementary information.



**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2013**

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**Note 1 – Budgetary Process**

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Career Technology Center Treasurer. The amounts reported as the original budgeted amounts on the budgetary schedules reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary schedules reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2013.

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

While the Center is reporting financial position, results of operations and changes in fund balance 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 Balances - Budget and Actual (Non-GAAP Budgetary Basis) 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 liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

**Springfield-Clark County Career Technology Center, Clark County, Ohio**  
**Notes to the Required Supplementary Information**  
**For the Fiscal Year Ended June 30, 2013**

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The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund.

	<u>General</u>
GAAP Basis	\$295,458
Revenue Accruals	(96,510)
Expenditure Accruals	81,264
Proceeds of Capital Assets	(4,901)
Transfers In	25,748
Transfers (Out)	(25,748)
Advances In	76,517
Advances (Out)	(85,179)
Encumbrances	<u>(327,503)</u>
Budget Basis	<u><u>(\$60,854)</u></u>

# SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER



## Single Audit Reports

June 30, 2013

**SPRINGFIELD CLARK CAREER TECHNOLOGY CENTER  
SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 2013**

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>U.S. DEPARTMENT OF AGRICULTURE</b>						
Passed Through Ohio Department of Education:						
Nutrition Cluster:						
School Breakfast Program	3L70	10.553	\$26,950	\$0	\$26,950	\$0
National School Lunch Program	3L60	10.555	96,567	15,861	96,567	15,861
Total Nutrition Cluster			<u>123,517</u>	<u>15,861</u>	<u>123,517</u>	<u>15,861</u>
Total U.S. Department of Agriculture			<u>123,517</u>	<u>15,861</u>	<u>123,517</u>	<u>15,861</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>						
Passed Through Ohio Department of Education:						
Career & Technical Education Basic Grants to States	3L90	84.048	389,187	0	392,395	0
Improving Teacher Quality	3Y60	84.367	0	0	513	0
Total Department of Education			<u>389,187</u>	<u>0</u>	<u>392,908</u>	<u>0</u>
Total Federal Assistance			<u>\$512,704</u>	<u>\$15,861</u>	<u>\$516,425</u>	<u>\$15,861</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.

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

To the Board of Education  
Springfield-Clark Career Technology Center

We have audited, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated December 2, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Center's financial statements are free from 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Plattenburg & Associates, Inc.*

Plattenburg & Associates, Inc.

Dayton, Ohio

December 2, 2013

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Education  
Springfield-Clark Career Technology Center

**Report on Compliance for Each Major Federal Program**

We have audited the 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, 2013. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Center's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Center's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Center, complied, in all material respects, with the types of compliance 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, 2013.

**Report on Internal Control over Compliance**

Management of the Center is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

*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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Center, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements. We issued our report thereon dated December 2, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Plattenburg & Associates, Inc.*  
Plattenburg & Associates, Inc.  
Dayton, Ohio  
December 2, 2013



**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

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

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

None

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER**  
**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS**  
**OMB CIRCULAR A-133**  
**June 30, 2013**

**Summary of Prior Audit Findings and Questioned Costs:**

**2012-1 Finding Type — Material Weakness / Material Noncompliance –Cash Management**

During the course of our prior audit we noted that the Center had not implemented effective internal control procedures to prevent, or detect and correct non-compliance related to procurement, suspension and debarment requirements. In addition we identified Center non-compliance related to these requirements consisting of the Centers failure to verify that they were contracting with parties or principals that were not suspended, debarred or otherwise excluded.

**Status:** Corrected.

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

To the Board of Education  
Springfield-Clark Career Technology Center

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

Accordingly, we have performed the procedure enumerated below, which was agreed to by the Board, solely to assist the Board in evaluating whether 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 amended its anti-harassment policy on August 13, 2012 to include harassment, intimidation or bullying of any student "on a school bus" or by an "electronic act."

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

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

*Plattenburg & Associates, Inc.*  
Plattenburg & Associates, Inc.  
Dayton, Ohio  
December 2, 2013

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# Dave Yost • Auditor of State

**SPRINGFIELD-CLARK CAREER TECHNOLOGY CENTER**

**CLARK COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
MARCH 25, 2014**