



**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Balance Sheet - All Fund Types and Account Groups - June 30, 2001	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds - For the Fiscal Year Ended June 30, 2001	6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - All Governmental Fund Types and Expendable Trust Fund - For the Fiscal Year Ended June 30, 2001	8
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - All Proprietary Fund Types - For the Fiscal Year Ended June 30, 2001	10
Combined Statement of Revenues, Expenses, and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - All Proprietary Fund Types - For the Fiscal Year Ended June 30, 2001	11
Combined Statement of Cash Flows - All Proprietary Fund Types - For the Fiscal Year Ended June 30, 2001	12
Notes to the Financial Statements	13
Schedule of Federal Awards Expenditures - For the Fiscal Year Ended June 30, 2001	42
Notes to the Schedule of Federal Awards Expenditures	43
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	45
Report of Independent Accountants on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133	47
Schedule of Findings	49

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REPORT OF INDEPENDENT ACCOUNTANTS

Upper Valley Joint Vocational School District
Miami County
8811 Career Drive
Piqua, Ohio 45356

To the Board of Education:

We have audited the accompanying general-purpose financial statements of the Upper Valley Joint Vocational School District, Miami County, (the District) as of and for the year ended June 30, 2001, as listed in the table of contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Upper Valley Joint Vocational School District, Miami County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2001, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

November 30, 2001

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UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>
Assets and Other Debits			
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$4,356,929	\$282,914	\$1,373,506
Receivables:			
Property and Other Taxes	7,141,849		
Accounts	5,364	48,611	
Intergovernmental	119,007	116,361	
Interfund	587,473		
Due From Other Funds			
Prepaid Items	25,086		
Inventory of Supplies and Materials	1,170		
Inventory Held for Resale			
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	130,939		
Fixed Assets (Net, where applicable, of Accumulated Depreciation)			
Assets Held for Resale	240,870		
Other Debits:			
Amount to be Provided for Retirement of General Long-Term Debt			
Total Assets and Other Debits	<u>\$12,608,687</u>	<u>\$447,886</u>	<u>\$1,373,506</u>
Liabilities, Fund Equity and Other Credits			
Liabilities:			
Accounts Payable	\$195,893	\$39,082	\$400
Contracts Payable	10,150		
Accrued Wages and Benefits Payable	741,917	58,667	
Compensated Absences Payable	40,576		
Interfund Payable		567,473	
Due to Other Funds	6,164	2,232	
Intergovernmental Payable	139,657	14,452	
Deferred Revenue	7,016,471	96,217	
Due to Students			
Claims Payable			
Applied Technology Loan Payable			
Energy Conservation Loan Payable			
Total Liabilities	<u>8,150,828</u>	<u>778,123</u>	<u>400</u>
Fund Equity and Other Credits:			
Investment in General Fixed Assets			
Contributed Capital			
Retained Earnings:			
Unreserved (Deficit)			
Fund Balance:			
Reserved for Encumbrances	202,872	40,061	
Reserved for Inventory	1,170		
Reserved for Property Taxes	211,276		
Reserved for Unclaimed Monies	1,239		
Reserved for Textbooks and Instructional Materials	130,939		
Designated for Textbooks and Instructional Materials	34,884		
Designated for Capital Improvements	389,316		
Unreserved, Undesignated (deficit)	3,486,163	(370,298)	1,373,106
Total Fund Equity and Other Credits	<u>4,457,859</u>	<u>(330,237)</u>	<u>1,373,106</u>
Total Liabilities, Fund Equity, and Other Credits	<u>\$12,608,687</u>	<u>\$447,886</u>	<u>\$1,373,506</u>

See Accompanying Notes to the General Purpose Financial Statements.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Total (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	
\$106,504	\$749,358	\$59,085			\$6,928,296
					7,141,849
8,369	896				63,240
7,372		603			243,343
					587,473
800	7,684				8,484
	2,586				27,672
627					1,797
20,232	55,916				76,148
					130,939
485			\$13,699,354		13,699,839
					240,870
				\$1,067,858	1,067,858
<u>\$144,389</u>	<u>\$816,440</u>	<u>\$59,688</u>	<u>\$13,699,354</u>	<u>\$1,067,858</u>	<u>\$30,217,808</u>
\$5,790	\$225				\$241,390
					10,150
2,966					803,550
8,289	747			754,982	804,594
20,000					587,473
88					8,484
4,526	13			18,801	177,449
375					7,113,063
		39,648			39,648
	164,394				164,394
				174,075	174,075
				120,000	120,000
<u>42,034</u>	<u>165,379</u>	<u>39,648</u>		<u>1,067,858</u>	<u>10,244,270</u>
			13,699,354		13,699,354
169,666					169,666
(67,311)	651,061				583,750
					242,933
					1,170
					211,276
					1,239
					130,939
					34,884
					389,316
		20,040			4,509,011
<u>102,355</u>	<u>651,061</u>	<u>20,040</u>	<u>13,699,354</u>		<u>19,973,538</u>
<u>\$144,389</u>	<u>\$816,440</u>	<u>\$59,688</u>	<u>\$13,699,354</u>	<u>\$1,067,858</u>	<u>\$30,217,808</u>

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Governmental Funds			Fiduciary Fund Type	Total (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects		Expendable Trust
Revenues:						
Property and Other Taxes	\$6,819,981					\$6,819,981
Tuition and Fees	19,953	861,208				881,161
Interest	319,627			\$47,842	\$1,420	368,889
Intergovernmental	6,170,708	1,558,635		5,500		7,734,843
Rent	6,972					6,972
Gifts and Donations	8,990	875			22,500	32,365
Customer Services	172,046	2,935				174,981
Miscellaneous	62,448	14,260				76,708
Total Revenues	13,580,725	2,437,913		53,342	23,920	16,095,900
Expenditures:						
Current:						
Instruction:						
Regular	1,179,960					1,179,960
Special	463,265					463,265
Vocational	6,590,819	316,734				6,907,553
Adult/Continuing		1,575,433			21,747	1,597,180
Other		14,757				14,757
Support Services:						
Pupils	765,606	284,166				1,049,772
Instructional Staff	124,937	75,617				200,554
Board of Education	33,257					33,257
Administration	1,240,784	333,289				1,574,073
Fiscal	379,488	1,256				380,744
Business	144,801					144,801
Operation and Maintenance of Plant	911,349	52,002				963,351
Pupil Transportation	86,846					86,846
Central	391,217	123,738		6,105		521,060
Operation of Non-Instructional Services	95,451	11,693				107,144
Extracurricular Activities	29,167					29,167
Capital Outlay	72,835			20,875		93,710
Debt Service:						
Principal Retirement	40,000		\$31,650			71,650
Interest and Fiscal Charges	8,560					8,560
Total Expenditures	12,558,342	2,788,685	31,650	26,980	21,747	15,427,404
Excess of Revenues Over (Under) Expenditures	1,022,383	(350,772)	(31,650)	26,362	2,173	668,496
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	6,676					6,676
Operating Transfers In		66,766	31,650	554,197		652,613
Operating Transfers Out	(652,611)					(652,611)
Total Other Financing Sources (Uses)	(645,935)	66,766	31,650	554,197		6,678
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	376,448	(284,006)		580,559	2,173	675,174
Fund Balances at Beginning of Year (restated)	4,081,695	(46,231)		792,547	17,867	4,845,878
Increase in Reserve for Inventory	(285)					(285)
Fund Balances (Deficit) at End of Year	\$4,457,858	(\$330,237)	\$0	\$1,373,106	\$20,040	\$5,520,767

See Accompanying Notes to the General Purpose Financial Statements.

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UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	General Fund			Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property and Other Taxes	\$6,716,701	\$6,783,701	\$67,000			
Tuition and Fees	18,000	18,546	546	\$1,031,500	\$848,712	(\$182,788)
Interest	281,300	319,536	38,236			
Intergovernmental	5,590,457	6,157,663	567,206	1,970,435	1,657,724	(312,711)
Rent	6,000	6,972	972			
Gifts and Donations	5,000	8,550	3,550	1,000	875	(125)
Customer Services	191,226	174,681	(16,545)	2,336	2,935	599
Miscellaneous	16,724	33,871	17,147	16,000	14,260	(1,740)
Total Revenues	12,825,408	13,503,520	678,112	3,021,271	2,524,506	(496,765)
Expenditures:						
Current:						
Instruction:						
Regular	1,319,676	1,179,421	140,255	2,000		2,000
Special	493,810	457,746	36,064			
Vocational	8,765,862	6,796,923	1,968,939	358,691	324,480	34,211
Adult/Continuing				1,544,973	1,622,495	(77,522)
Other				22,412	14,518	7,894
Support Services:						
Pupils	977,171	778,262	198,909	362,121	294,449	67,672
Instructional Staff	201,235	134,008	67,227	103,418	69,825	33,593
Board of Education	52,078	34,734	17,344			
Administration	1,324,567	1,263,520	61,047	387,588	345,435	42,153
Fiscal	422,651	380,560	42,091	2,040	1,198	842
Business	146,591	145,031	1,560	500	13	487
Operation and Maintenance of Plant	1,270,969	997,041	273,928	59,256	56,050	3,206
Pupil Transportation	127,872	90,121	37,751	116		116
Central	567,530	409,721	157,809	142,018	129,590	12,428
Operation of Non-Instructional Services	252,416	188,305	64,111	21,721	17,190	4,531
Extracurricular Activities	38,295	31,253	7,042			
Capital Outlay	614,404	196,876	417,528	200		200
Debt Service:						
Principal Retirement	40,000	40,000				
Interest and Fiscal Charges	8,560	8,560				
Total Expenditures	16,623,687	13,132,082	3,491,605	3,007,054	2,875,243	131,811
Excess of Revenues Over (Under) Expenditures	(3,798,279)	371,438	4,169,717	14,217	(350,737)	(364,954)
Other Financing Sources (Uses):						
Other Financing Uses						
Proceeds from Sale of Fixed Assets	105,000	6,653	(98,347)			
Refund of Prior Year Expenditures	15,041	40,658	25,617	2,000	13,193	11,193
Refund of Prior Year Receipts				(5,487)	(5,487)	
Advances In	300,000	196,450	(103,550)		457,473	457,473
Advances Out	(300,000)	(477,473)	(177,473)		(189,450)	(189,450)
Operating Transfers In				71,794	66,765	(5,029)
Operating Transfers Out	(670,000)	(652,611)	17,389	(11,496)		11,496
Total Other Financing Sources (Uses)	(549,959)	(886,323)	(336,364)	56,811	342,494	285,683
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(4,348,238)	(514,885)	3,833,353	71,028	(8,243)	(79,271)
Fund Balances at Beginning of Year	3,755,290	3,755,290		160,309	160,309	
Prior Year Encumbrances Appropriated	639,592	639,592		68,113	68,113	
Fund Balances (Deficit) at End of Year	\$46,644	\$3,879,997	\$3,833,353	\$299,450	\$220,179	(\$79,271)

See Accompanying Notes to the General Purpose Financial Statements.

Debt Service Fund			Capital Projects Funds			Expendable Trust Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
			\$45,000	\$47,842	\$2,842	\$1,160	\$1,420	\$260
			5,500	5,500				
						22,500	22,500	
			50,500	53,342	2,842	23,660	23,920	260
						41,418	21,747	19,671
						108		108
			8,626	6,105	2,521			
			1,388,619	20,875	1,367,744			
\$31,650	\$31,650							
31,650	31,650		1,397,245	26,980	1,370,265	41,526	21,747	19,779
(31,650)	(31,650)		(1,346,745)	26,362	1,373,107	(17,866)	2,173	20,039
				(2,500)	(2,500)			
31,650	31,650		554,198	554,197	(1)			
31,650	31,650		554,198	551,697	(2,501)			
			(792,547)	578,059	1,370,606	(17,866)	2,173	20,039
			790,922	790,922		17,866	17,866	
			4,125	4,125				
\$0	\$0	\$0	\$2,500	\$1,373,106	\$1,370,606	\$0	\$20,039	\$20,039

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Proprietary Fund Types		Total (Memorandum Only)
	Enterprise	Internal Service	
Operating Revenues:			
Sales	\$372,542		\$372,542
Charges for Services		\$912,519	912,519
Other Operating Revenues		41,558	41,558
Total Operating Revenues	<u>372,542</u>	<u>954,077</u>	<u>1,326,619</u>
Operating Expenses:			
Salaries and Wages	116,856	6,253	123,109
Fringe Benefits	31,630	1,743	33,373
Purchased Services	100	155,131	155,231
Supplies and Materials	339		339
Cost of Sales	260,605	89,428	350,033
Claims		727,686	727,686
Depreciation	1,209		1,209
Other Operating Expenses	23	26	49
Total Operating Expenses	<u>410,762</u>	<u>980,267</u>	<u>1,391,029</u>
Operating Loss	<u>(38,220)</u>	<u>(26,190)</u>	<u>(64,410)</u>
Non-Operating Revenues			
Interest	38	36,432	36,470
Federal and State Subsidies	18,964		18,964
Federal Donated Commodities	5,463		5,463
Total Non-Operating Revenues	<u>24,465</u>	<u>36,432</u>	<u>60,897</u>
Net Loss	(13,755)	10,242	(3,513)
Retained Earnings (Deficit) at Beginning of Year	<u>(53,556)</u>	<u>640,819</u>	<u>587,263</u>
Retained Earnings (Deficit) at End of Year	(67,311)	651,061	583,750
Contributed Capital at Beginning and End of Year	<u>169,666</u>		<u>169,666</u>
Fund Equity at End of Year	<u>\$102,355</u>	<u>\$651,061</u>	<u>\$753,416</u>

See Accompanying Notes to the General Purpose Financial Statements.

UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET (NON-GAAP BASIS) AND ACTUAL
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Enterprise Funds			Internal Service Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Sales	\$385,000	\$370,557	(\$14,443)			
Charges for Services				\$930,000	\$937,685	\$7,685
Federal and State Subsidies	16,475	18,547	2,072			
Interest	250	39	(211)	32,000	36,432	4,432
Other Operating Revenues				20,300	40,852	20,552
Total Revenues	401,725	389,143	(12,582)	982,300	1,014,969	32,669
Expenses:						
Salaries and Wages	116,700	116,287	413	6,100	6,094	6
Fringe Benefits	32,735	32,687	48	1,344,488	659,367	685,121
Purchased Services	575	100	475	160,000	154,673	5,327
Supplies and Materials	358,928	282,041	76,887	118,448	98,108	20,340
Other Operating Expenses	250	23	227	50	26	24
Total Expenses	509,188	431,138	78,050	1,629,086	918,268	710,818
Excess of Revenues Over/(Under) Expenses Before Advances	(107,463)	(41,995)	65,468	(646,786)	96,701	743,487
Advances In		20,000	20,000			
Advances Out		(4,500)	(4,500)			
Excess of Revenues Over/(Under) Expenses And Advances	(107,463)	(26,495)	80,968	(646,786)	96,701	743,487
Fund Equity at Beginning of Year	92,830	92,830		640,112	640,112	
Prior Year Encumbrances Appropriated	19,133	19,133		6,674	6,674	
Fund Equity at End of Year	\$4,500	\$85,468	\$80,968	\$0	\$743,487	\$743,487

See Accompanying Notes to the General Purpose Financial Statements.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

	Proprietary Fund Types		Total (Memorandum) Only
	Enterprise	Internal Service	
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$370,557		\$370,557
Other Operating Cash Receipts		40,851	40,851
Cash Received from Quasi-External Transactions with Other Funds		937,686	937,686
Cash Payments for Employee Services and Benefits	(148,975)	(7,837)	(156,812)
Cash Payments to Suppliers for Goods and Services	(261,104)	(246,909)	(508,013)
Cash Payments for Employee Medical Insurance Claims		(657,624)	(657,624)
Other Operating Expenses	(23)	(26)	(49)
Net Cash Used For Operating Activities	<u>(39,545)</u>	<u>66,141</u>	<u>26,596</u>
Cash Flows from Noncapital Financing Activities:			
Advances In	20,000		20,000
Advances Out	(4,500)		(4,500)
Federal and State Subsidies Received	18,547		18,547
Net Cash Provided By Noncapital Financing Activities	<u>34,047</u>		<u>34,047</u>
Cash Flows from Investing Activities:			
Interest	39	36,432	36,471
Net Cash Provided By Investing Activities	<u>39</u>	<u>36,432</u>	<u>36,471</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(5,459)	102,573	97,114
Cash and Cash Equivalents Beginning of Year	<u>111,963</u>	<u>646,786</u>	<u>758,749</u>
Cash and Cash Equivalents End of Year	<u>\$106,504</u>	<u>\$749,359</u>	<u>\$855,863</u>
Reconciliation of Operating Loss to Net Cash Used For Operating Activities:			
Operating Loss	(\$38,220)	(\$26,190)	(\$64,410)
Adjustments to Reconcile Operating Loss to Net Cash Provided Used For Operating Activities:			
Depreciation	1,209		1,209
Donated Commodities Received	5,463		5,463
Changes in Assets and Liabilities:			
Increase (Decrease) in Accounts Receivable	(937)	6,961	6,024
Decrease in Prepays		458	458
Increase in Intergovernmental Receivable	(4,280)		(4,280)
Decrease in Due From Other Funds	3,232	17,499	20,731
Increase Supplies and Materials Inventory	(165)		(165)
Increase in Inventory Held for Resale	(932)	(2,073)	(3,005)
Increase (Decrease) in Accounts Payable	(4,443)	(735)	(5,178)
Increase in Accrued Wages and Benefits Payable	28		28
Increase in Claims Payable		70,062	70,062
Increase (Decrease) in Intergovernmental Payable	(1,056)		(1,056)
Increase in Due to Other Funds	16		16
Increase (Decrease) in Compensated Absences Payable	540	159	699
Net Cash Used For Operating Activities	<u>(\$39,545)</u>	<u>\$66,141</u>	<u>\$26,596</u>

See Accompanying Notes to the General Purpose Financial Statements.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Upper Valley Joint Vocational School District as defined by Section 3311.18 of the Ohio Revised Code and 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. A vocational school exposes high school and adult students to academic preparation and job training which lead to employment and/or further education upon graduation from high school. Upper Valley Joint Vocational School District includes fourteen member school districts throughout all or portions of Auglaize, Darke, Logan, Miami and Shelby Counties. The first official body designated as the Upper Valley Joint Vocational School District Board of Education was formed in 1972.

The School District operates under an elected eleven member Board of Education responsible for providing vocational job training to residents of the participating districts. The School District employs 290 certified teaching personnel, including 14 administrators, and 126 classified staff members who annually serve approximately 2,414 secondary students and 4,796 adult students.

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

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

The School District is associated with three jointly governed organizations and one insurance purchasing pool. These organizations are presented in Notes 18 and 19 to the general purpose financial statements. These organizations are:

Jointly Governed Organizations:

- Southwestern Ohio Educational Purchasing Council
- Southwestern Ohio Instructional Technology Association
- Western Ohio Computer Organization

Insurance Purchasing Pool:

- Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation - Fund Accounting

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

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

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

1. Governmental Fund Types:

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

General Fund

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

Special Revenue Funds

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

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Fund

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

Capital Projects Funds

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

2. Proprietary Fund Types:

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

Enterprise Funds

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

Internal Service Funds

The internal service funds account for the financing of services provided by one department or agency to another department or agency of the School District on a cost-reimbursement basis.

3. Fiduciary Fund Types:

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

4. Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following accounts groups are used:

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the School District, other than those accounted for in proprietary or trust funds.

General Long-Term Debt Account Group

This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary or trust funds.

B. Measurement Focus and Basis of Accounting

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

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. The proprietary funds' operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

The modified accrual basis of accounting is followed for the governmental, expendable trust and agency funds. The full accrual basis of accounting is followed for the proprietary funds.

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. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of year-end.

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

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On a modified accrual basis, 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 fair value of donated commodities used during the year is reported in the operating statement as an expensed with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

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

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are required to be budgeted and appropriated. The Board approves appropriations at the function level for the general fund and at the fund level for all other funds which is considered to be the legal level of control. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The financial statements are presented at more detail than the legal level of control for the special revenue, debt service, capital projects, expendable trust, enterprise, and internal service fund types. The Treasurer has been given authority to allocate the Board's appropriations to the function/object level for these funds.

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

1. Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

By no later than January 20, the Board-adopted budget is filed with the Miami-Shelby-Darke County Joint Budget Commission for rate determination.

2. Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources.

The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final Amended Certificate issued during fiscal year 2001.

3. Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function level for the General Fund and at the fund level for all other funds, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to met the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any legal level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within the General Fund, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund does not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, they were not significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts adopted during the current fiscal year, including all amendments and modifications. Formal budgetary integration is employed as a management control device during the year for all funds, other than agency funds, consistent with statutory provisions.

4. Encumbrances:

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

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District is deposited into one of three bank accounts. All monies received for state and federal grants are deposited into the Federal Funds Account, all monies received for the Student Activity Funds are deposited into the Student Activity Account. All other monies, including proprietary funds are deposited in the general account. Monies in the general account are used to purchase short term investments. Individual fund integrity is maintained through the School District's records. Each fund's interest is presented as "equity in pooled cash and cash equivalents" on the combined balance sheet.

During fiscal year 2001, investments were limited to STAR Ohio and a repurchase agreement. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2001.

The Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2001 amounts to \$319,627, which includes \$18,358 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, all investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

E. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets represent unexpended revenues restricted for amounts required by statute to be set-aside by the School District for the purchase of textbooks and instructional materials. See Note 20 for additional information regarding set-asides.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure is reported in the year in which services are consumed.

H. Assets Held For Resale

As an integral part of the instructional laboratory experience of the Construction Trades programs, houses are constructed on lots purchased by the School District for the purpose of being sold at public auction upon completion. Transactions are conducted through the School District's Patronage Fund which is combined with the General Fund for the general purpose financial statements.

I. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in the governmental funds, and the related assets are reported in the General Fixed Assets Account Group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the General Fixed Assets Account Group are not depreciated. Depreciation of furniture and fixtures in the proprietary fund types is computed using the straight-line method over an estimated useful life of ten to twenty years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

K. Compensated Absences

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

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District's past experience of making termination payments.

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

L. Accrued Liabilities and Long-Term Obligations

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

Long-term obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Interfund Transactions

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

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

N. Fund Balance Reserves and Designations

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. The School District also designates a portion of fund balance to indicate tentative plans for future financial resource uses that reflect managerial plans or intent. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventory of supplies and materials, property taxes, textbooks and instructional materials, and unclaimed monies. A fund designation has also been established for textbooks and instructional materials and capital acquisition for amounts set aside that exceed the statutory required amount.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. Under Ohio law, unclaimed money must be held for five years before it becomes available for appropriation. Money not yet held for the five year period is presented as reserved.

O. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to proprietary funds that is not subject to repayment. These assets are recorded as their fair market value on the date donated. Depreciation of those assets acquired or constructed with contributed capital is expensed and closed to unreserved retained earnings at year end. There was no change in contributed capital during fiscal year 2001.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1992, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary fund have been classified as retained earnings.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Estimates

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

Q. Total Columns on General Purpose Financial Statements

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

3. CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCE

For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues".

Restatements were necessary for intergovernmental receivable and deferred revenue due to the implementation of GASB 33.

The following table summarizes the changes to fund balance:

	Special Revenue
Fund Balance as previously reported	<u>(\$65,777)</u>
Intergovernmental Receivable	21,546
Deferred Revenue	<u>(2,000)</u>
Fund Balance at June 30, 2000	<u><u>(\$46,231)</u></u>

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

4. ACCOUNTABILITY

The following funds had deficit fund balances/retained earnings at June 30, 2001:

	Deficit Fund Balance
Special Revenue Funds:	
Adult Education	\$314,495
Career Education	10,343
Adult Full Service Center	3,663
Adult Basic Education	21,696
Block Grants	2,748
Miscellaneous State Grants	2,788
Vocational Education	52,482
Professional Block Grant	284
Enterprise Fund:	
Food Service	29,441

The fund deficits in the Adult Education, Career Education, Adult Full Service Center, Adult Basic Education, Block Grants, Miscellaneous State Grants, and Vocational Education Special Revenue Funds and the Food Service Enterprise Fund will be eliminated when the advance, shown as an interfund payable is paid off. For the other funds, the General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

5. BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP basis) and Actual, All Governmental Fund Types and Expendable Trust Funds and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget (Non-GAAP basis) and Actual, Proprietary Fund Types are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

5. BUDGETARY BASIS OF ACCOUNTING (Continued)

3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types and Expendable Trust Funds				
	General	Special Revenue	Capital Projects	Expendable Trust
GAAP Basis	\$376,448	(\$284,006)	\$580,559	\$2,173
Revenue Accruals	(36,423)	99,786	0	0
Expenditure Accruals	28,085	(29,312)	400	0
Unrecorded Cash	(147)	0	0	0
Prepaid Items	5,899	0	0	0
Encumbrances	(607,724)	(62,734)	(400)	0
Advances	(281,023)	268,023	(2,500)	0
Budget Basis	<u>(\$514,885)</u>	<u>(\$8,243)</u>	<u>\$578,059</u>	<u>\$2,173</u>

Net Income (Loss)/Excess of Revenues Under Expenses and Advances All Proprietary Funds Types		
	Enterprise Funds	Internal Service Funds
GAAP Basis	(\$13,755)	\$10,242
Adjustments:		
Revenue Accruals	(2,402)	24,460
Expense Accruals	(7,216)	66,256
Inventory of Supplies and Materials	165	0
Inventory Held for Resale	1,040	2,073
Prepaid Items	0	(458)
Depreciation Expense	1,209	0
Advances	15,500	0
Encumbrances	(21,036)	(5,872)
Budget Basis	<u>(\$26,495)</u>	<u>\$96,701</u>

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

6. DEPOSITS AND INVESTMENTS

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

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

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

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

Protection of School District's deposits is provided by the Federal Deposit Insurance Corporation, 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 State Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

6. DEPOSITS AND INVESTMENTS (Continued)

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 eighty days from the date of purchase 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, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

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

Deposits: At fiscal year-end, the carrying amount of the School District's deposits was \$6,166,352 and the bank balance was \$6,533,350. Of the bank balance, \$135,796 was covered by federal depository insurance and \$6,397,554 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

The School District's investments are limited to STAR Ohio and a repurchase agreement. STAR Ohio, an investment fund operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. STAR Ohio had a carrying and fair value of \$816,542. The repurchase agreement is a Category 3 investment, with both a fair and carrying value of \$76,341.

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

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

6. DEPOSITS AND INVESTMENTS (Continued)

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$7,059,235	\$0
Investments:		
STAR Ohio	(816,542)	816,542
Repurchase Agreement	(76,341)	76,341
GASB Statement 3	\$6,166,352	\$892,883

7. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001, and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

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

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

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

7. PROPERTY TAXES (Continued)

The School District receives property taxes from Miami, Darke, Shelby, Auglaize and Logan Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2001, are available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2001, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue. The amount available as an advance at June 30, 2001, was \$211,276 in the General Fund.

The assessed values upon which fiscal year 2001 taxes were collected are:

	2000 Second- Half Collections		2001 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$1,514,088,810	71.88%	\$1,540,386,310	72.29%
Personal Property - Public Utility	111,814,470	5.30%	100,347,030	4.71%
Tangible Personal Property	480,540,792	22.82%	490,074,502	23.00%
Total Assessed Value	<u>\$2,106,444,072</u>	<u>100.00%</u>	<u>\$2,130,807,842</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$16.24		\$16.24	

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

8. RECEIVABLES

Receivables at June 30, 2001 consisted of property taxes, accounts receivable (rent, student fees and charges for services), interfund receivables and intergovernmental grants. All receivables are considered collectible in full.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
General Fund	
Tech Prep Reimbursement	\$33,000
Tuition and Fees	1,627
Customer Services	236
Vocational Equipment	84,144
Total General Fund	119,007
Special Revenue Funds:	
Adult Education Fund	
Customer Services	18,122
Tuition and Fees	120
Vocational Education	14,068
Adult Full Service Center	3,000
Title IV	4,353
Career Education	
Vocational Reimbursement	10,583
Miscellaneous State Grants	3,000
Adult Basic Education	63,115
Total Special Revenue Funds	116,361
Enterprise Funds:	
Food Service	2,028
Uniform School Supply	5,344
Total Enterprise Funds	7,372
Agency Fund:	
Pell Grant	603
Total Intergovernmental Receivables	\$243,343

9. FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2001, follows:

Furniture and Fixtures	\$159,902
Less Accumulated Depreciation	(159,417)
Net Fixed Assets	\$485

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

9. FIXED ASSETS (Continued)

A summary of the changes in general fixed assets during fiscal year 2001 follows:

Asset Category	Balance at 6/30/00	Additions	Deletions	Balance at 6/30/01
Land/Improvements	\$623,241	\$0	\$0	\$623,241
Buildings	5,646,586	54,920	0	5,701,506
Furniture/Equipment	6,331,143	839,159	108,644	7,061,658
Vehicles	260,420	52,529	0	312,949
Totals	<u>\$12,861,390</u>	<u>\$946,608</u>	<u>\$108,644</u>	<u>\$13,699,354</u>

10. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the School District contracted with Nationwide Insurance Company for property and fleet insurance, liability insurance, and inland marine coverage. Coverages provided by Nationwide Insurance are as follows:

Building and Contents Earthquake-replacement cost (\$1,000 deductible) (5% deductible-earthquake)	\$24,293,400
Inland Marine Coverage (\$1,000 deductible)	1,500,000
Electronic Data Processing (\$250 deductible)	750,000
Crime Insurance	65,000
Automobile Liability (\$500 deductible)	2,000,000
Uninsured Motorists (\$0 deductible)	2,000,000
General Liability Per occurrence	2,000,000
Total per year	5,000,000

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

The School District has elected to provide employee medical/surgical benefits through a self-insurance internal service fund. The employees share the cost of the monthly premium with the board. The premium varies with each employee depending on the type of coverage they select. Premiums are paid into a self-insurance fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. CoreSource is the School District's third party administrator who informs the School District of claim payments needed. The claims liability of \$164,394 reported in the Employee Benefit Self-Insurance Internal Service Fund at June 30, 2001, is based on an estimate provided by CoreSource and the requirements of GASB Statement No. 10, which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

10. RISK MANAGEMENT (Continued)

Changes in claims activity for the past two fiscal years are as follows:

	Balance at Beginning of Fiscal Year	Current Year Claims	Claim Payments	Balance at End of Fiscal Year
2000	\$49,328	\$695,557	\$650,553	\$94,332
2001	94,332	727,686	657,624	164,394

Interfund premiums are based primarily upon the insured funds' claims experience and are reported as quasi-external interfund transactions.

For fiscal year 2001, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan, (GRP) a insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Integrated Comp, Inc. provides administrative, cost control, and actuarial services to the GRP.

11. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

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

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

11. DEFINED BENEFIT PENSION PLANS (Continued)

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund pension obligations. The contribution requirements of plan members and employees are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$322,451, \$299,391, and \$279,671, respectively; 47.82 percent has been contributed for fiscal year 2001 and 100 percent for fiscal year 2000 and 1999. \$23,981 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the General Long-Term Debt Account Group.

B. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2001, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6.0 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$1,875,484, 1,761,572, and \$1,644,898, respectively; 85 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$111,119 represents the unpaid contribution for fiscal year 2001 and is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2001, four of the Board of Education members have elected Social Security. The Board's liability is 6.2 percent of wages paid. The remaining seven Board members contribute to SERS.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

12. POSTEMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$361,851 fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.80 percent of covered payroll, an increase of 1.3 percent from fiscal year 2000. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$124,418.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level of the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care for fiscal year ended June 30, 2000 (the latest information available), were \$140,696,340 and the target level was \$211 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

13. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from the Board of Education's Administrative Regulations and State laws. Full-time classified employees for annual terms on regular contracts will be granted two weeks paid vacation. They are granted one additional day of paid vacation for every full year of service to the Upper Valley Joint Vocational School District after completion of five years not to exceed five extra days. After twenty years of service, the employee will have twenty days of paid vacation. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers and Administrators do not earn vacation time, with the exception of the Superintendent and Treasurer.

Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 210 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation to a maximum of 49 days.

B. Health Care Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through United of Omaha. Medical/surgical benefits are provided to most employees through CoreSource. Dental benefits are provided to most employees through the Southwestern Ohio Educational Purchasing Council.

14. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	Amount Outstanding 6/30/00	Additions	Deductions	Amount Outstanding 6/30/01
Energy Conservation Loan				
Roof Replacement 1994 5.35%	\$160,000	\$0	\$40,000	\$120,000
Applied Technology Loan 1991 0%	205,725	0	31,650	174,075
Total Unvoted Long-Term Loans	<u>365,725</u>	<u>0</u>	<u>71,650</u>	<u>294,075</u>
Intergovernmental Payable	16,975	18,801	16,975	18,801
Compensated Absences	734,050	20,932	0	754,982
Total General Long-Term Obligations	<u>\$1,116,750</u>	<u>\$39,733</u>	<u>\$88,625</u>	<u>\$1,067,858</u>

The Energy Conservation Loan - Roof Replacement was authorized under House Bill 264 on July 21, 1994, and consists of ten \$40,000 notes (\$400,000) at an annual rate of 5.35% with one note maturing annually through December 15, 2003. The loan will be paid from the General Fund.

The Applied Technology Loan is an interest free loan acquired from the State Board of Education July 31, 1991, as authorized under House Bill 808. The final payment on the loan is scheduled September 30, 2006. The loan will be paid from the Bond Retirement Debt Service Fund with transfers from the General Fund.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

14. LONG-TERM OBLIGATIONS (Continued)

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

The School District's overall legal debt margin was \$191,598,631, the energy conservation debt margin was \$19,057,271 and the unvoted debt margin was \$2,130,808 at June 30, 2001.

Principal and interest requirements to retire general obligation debt, including loans outstanding at June 30, 2001, are as follows:

Fiscal year Ending June 30,	Principal	Interest	Total
2002	\$71,650	\$6,420	\$78,070
2003	71,650	4,280	75,930
2004	71,650	2,140	73,790
2005	31,650	0	31,650
2006	31,650	0	31,650
2007	5,825	0	5,825
Total	<u>\$294,075</u>	<u>\$12,840</u>	<u>\$306,915</u>

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

15. INTERFUND ACTIVITY

As of June 30, 2001, receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund Type/Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$0	\$6,164	\$587,473	\$0
<u>Special Revenue Funds:</u>				
Adult Full Service Center	0	0	0	3,000
Career Education	0	104	0	21,166
Adult Basic Education	0	0	0	59,749
Public School Preschool	0	0	0	15,048
Vocational Education	0	0	0	56,157
Adult Education	0	2,128	0	405,000
Title VI	0	0	0	4,353
ISO 9000	0	0	0	3,000
Total Special Revenue Funds	<u>0</u>	<u>2,232</u>	<u>0</u>	<u>567,473</u>
<u>Enterprise Funds:</u>				
Food Service	\$312	\$0	\$0	\$20,000
Uniform School Supply	488	88	0	0
Total Enterprise Funds	<u>800</u>	<u>88</u>	<u>0</u>	<u>20,000</u>
<u>Internal Service Fund:</u>				
Warehouse	7,684	0	0	0
Total All Funds	<u>\$8,484</u>	<u>\$8,484</u>	<u>\$587,473</u>	<u>\$587,473</u>

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

16. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of Food Service and Uniform School Supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Upper Valley Joint Vocational School District as of and for the fiscal year ended June 30, 2001.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$194,005	\$178,537	\$372,542
Depreciation Expense	1,209	0	1,209
Operating Income (Loss)	(42,445)	4,225	(38,220)
Federal Donated Commodities	5,463	0	5,463
Interest	38	0	38
Federal and State Subsidies	18,964	0	18,964
Net Income (Loss)	(17,980)	4,225	(13,755)
Net Working Capital (Deficit)	(23,761)	133,850	110,089
Total Assets	5,439	138,950	144,389
Long-Term Compensated Absences Payable	6,165	2,054	8,219
Total Equity (Deficit)	(29,440)	131,795	102,355
Encumbrances Outstanding at June 30, 2001	0	21,036	21,036

17. CONTINGENCIES

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

18. JOINTLY GOVERNED ORGANIZATIONS

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

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

18. JOINTLY GOVERNED ORGANIZATIONS (Continued)

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 2001, the School District paid \$686 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Robert Brown, who serves as Director, at 1831 Harshman Road, Dayton, Ohio 45424.

Southwestern Ohio Instructional Technology Association - The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under section 1702.01 of the Ohio Revised Code. 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-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. One at-large non-public representative is elected by the non-public school SOITA members as the State assigned SOITA service area. One at-large higher educational representative is elected by higher education SOITA members from within the State assigned SOITA service area.

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a state or local government, for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2001, the School District paid \$12,541 to SOITA. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Steve Strouse, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Western Ohio Computer Organization - The School District is a participant in the Western Ohio Computer Organization (WOCO) which is a computer consortium. WOCO is an association of public school districts within the geographic area determined by the Ohio Department of Education. 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 WOCO consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. The School District paid WOCO \$21,707 for services provided during the year. Financial information can be obtained from Louis Ivey, who serves as Director, at 129 East Court Street, Sidney, Ohio 45365.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

19. INSURANCE PURCHASING POOL

Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan - The School District participates in The South Western Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by an eleven member Executive Committee consisting of the Chairperson, the Vice Chairperson, a representative from the Montgomery County Educational Service Center and eight other members elected by majority vote of all member school districts. The Chief Administrator of the 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.

20. SET ASIDE CALCULATIONS

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

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

	Budget Stabilization <u>Reserve</u>	Capital Improvements <u>Reserve</u>	Textbooks/ Instructional <u>Materials Reserve</u>
Set-aside Reserve Balance as of June 30, 2000	\$198,553	\$131,728	\$115,293
Current Year Set-aside Requirement	153,374	298,488	298,488
Transfer to Permanent Improvement Fund	(351,927)	0	0
Offsets	0	(551,928)	0
Qualifying Disbursements	<u>0</u>	<u>(145,415)</u>	<u>(282,842)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>\$0</u>	<u>(\$267,127)</u>	<u>\$130,939</u>
Set-aside Reserve Balance as of June 30, 2001	\$0	\$0	\$130,939

The School District had qualifying offsets and disbursements during the fiscal year that reduced the capital improvements set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount below zero for the capital improvement set-aside, the negative amount can only be carried forward to the extent of proceeds from a property tax levy.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2001
(Continued)**

21. STATE SCHOOL FUNDING DECISION

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- * A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- * Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of November 30, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirements that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

SCHEDULE OF FEDERAL AWARD EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001

Federal Grantor / Pass Through Grantor Program Title	Pass Through Entity Number	CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Passed through Ohio Department of Education:</i>						
Nutrition Cluster: Food Distribution Program	Not Available	10.550		\$5,571		\$5,462
National School Lunch Program	03 & 04-PU-99 & 00	10.555	\$17,849		\$17,849	
Total U.S. Department of Agriculture - Nutrition Cluster			17,849	5,571	17,849	5,462
U.S. DEPARTMENT OF JUSTICE						
<i>Passed through Ohio Parents for Drug Free Youth</i>						
Enforcing Underage Drinking Laws Initiative	Not Available	16.727	5,000		4,912	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through Ohio Department of Education:</i>						
Learn and Serve America	SV-SP-99	94.004	16,148			
U.S. DEPARTMENT OF LABOR						
<i>Passed through Sinclair Community College</i>						
School to Work	STW1997FED-STW	17.249	29,927		29,927	
U.S. DEPARTMENT OF EDUCATION						
<i>Passed through Ohio Department of Education:</i>						
Adult Education & Community Education	AB-S1-00 AB-S1-01	84.002	56,550 88,000 144,550		35,046 88,000 123,046	
Vocational Education- Basic Grants	20-C1-00 20-C2-00 20-C1-01 20-C2-01	84.048	40,012 12,253 222,513 95,410 370,188		38,236 4,676 221,415 109,478 373,805	
Sub-Total Vocational Education- Basic Grants						
<i>Passed through Edison Community College</i>						
Vocational Education- Basic Grants	VETP-078	84.048	108,458			
<i>Direct Payments from U.S. Department of Education</i>						
Pell Education Grant	1310819594A1	84.063	78,093		78,093	
<i>Passed through Ohio Department of Education:</i>						
Drug Free Schools and Communities	DR-S1-00	84.186	52,229		14,189	
Eisenhower Professional Development	MS-S1-2001	84.281	2,547			
Innovative Education Program Strategy	C2-S1-99 C2-S1-00 C2-S1-01	84.298	956 3,634 4,590		705 2,092 425 3,222	
Total U.S. Department of Education			760,655		592,355	
Total Federal Assistance			\$829,579	\$5,571	\$645,043	\$5,462

The accompanying notes to this schedule are an integral part of this schedule.

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
JUNE 30, 2001**

NOTE A--SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B--FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. At June 30, 2001, the District had no significant food commodities in inventory.

NOTE C--MATCHING REQUIREMENTS

Certain Federal programs require that the District contribute non-Federal funds (matching funds) to support the Federally-funded programs. The District has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

NOTE D--COMMINGLING OF FEDERAL MONIES

Several federal program monies were commingled with state and/or local revenues. It was assumed federal monies were expended first.

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

Upper Valley Joint Vocational School District
Miami County
8811 Career Drive
Piqua, Ohio 45356

To the Board of Education:

We have audited the financial statements of Upper Valley Joint Vocational School District, Miami County, (the District), as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated November 30, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated November 30, 2001.

Upper Valley Joint Vocational School District
Miami County
Report of Independent Accountants on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

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

Jim Petro
Auditor of State

November 30, 2001



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

Upper Valley Joint Vocational School District
Miami County
8811 Career Drive
Piqua, Ohio 45356

To the Board of Education:

Compliance

We have audited the compliance of Upper Valley Joint Vocational School District, Miami County, (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2001. The District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with 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 occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2001.

Internal Control Over Compliance

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

**Internal Control Over Compliance
(Continued)**

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

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

Jim Petro
Auditor of State

November 30, 2001

**UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505**

FOR THE YEAR ENDED JUNE 30, 2001

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(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 reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material 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 there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Vocational Education - Basic Grants to States 84.048
(d)(1)(viii)	Dollar Threshold: Type AIB Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



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UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT

MIAMI 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
DECEMBER 20, 2001**