



Dave Yost • Auditor of State



**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT  
LOGAN COUNTY**

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Ohio Hi-Point Joint Vocational School District  
Logan County  
2280 State Route 540  
Bellefontaine, Ohio 43311-9594

To the Board of Education:

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

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

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

As described in Note 18, during the fiscal year ended June 30, 2011, the School District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2012, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The Schedule of Federal Awards Receipts and Expenditures (the Schedule) provides additional information required by the 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 basic financial statements. The Schedule is management's responsibility, and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State

March 16, 2012

**Ohio Hi-Point Joint Vocational School District**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2011**  
**(Unaudited)**

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

**Financial Highlights**

Key financial highlights for 2011 are as follows:

- Net assets of governmental activities increased \$441,655 which represents a 3.3% increase from 2010. The increase indicates that the District's revenues exceeded expenses in 2011.
- General revenues accounted for \$12,023,305 in revenue or 79% of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$3,236,674 or 21% of total revenues of \$15,259,979.
- The District had \$14,818,324 in expenses related to governmental activities; \$3,236,674 of these expenses were offset by program specific charges for services, grants or contributions. General revenues of \$12,023,305 were also used to provide for these programs.

**Overview of the Financial Statements**

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

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

**Ohio Hi-Point Joint Vocational School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)**

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**Government-wide Financial Statements**

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

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

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

- Governmental Activities – All of the District's programs and services are reported here including instruction, support services, operation of non-instructional services and interest and fiscal charges.

**Fund Financial Statements**

The analysis of the District's major funds is presented in the Fund Financial Statements. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

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

**Fiduciary Funds** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the District programs. These funds use the accrual basis of accounting.

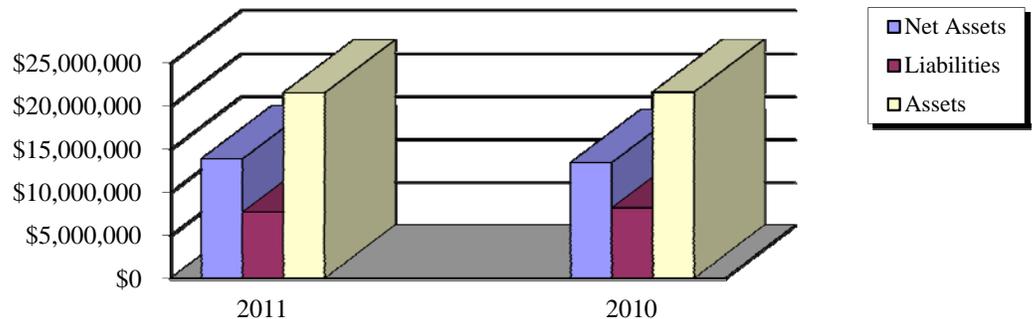
**Ohio Hi-Point Joint Vocational School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)**

**The District as a Whole**

As stated previously, the Statement of Net Assets looks at the District as a whole. Table 1 provides a summary of the District's net assets for 2011 compared to 2010:

Table 1  
Net Assets

	Governmental Activities	
	2011	2010
Assets:		
Current and Other Assets	\$14,962,660	\$14,813,099
Capital Assets	6,577,894	6,791,867
Total Assets	21,540,554	21,604,966
Liabilities:		
Other Liabilities	5,421,598	5,435,102
Long-Term Liabilities	2,248,840	2,741,403
Total Liabilities	7,670,438	8,176,505
Net Assets:		
Invested in Capital Assets, Net of Related Debt	5,650,473	5,626,618
Restricted	247,599	876,376
Unrestricted	7,972,044	6,925,467
Total Net Assets	\$13,870,116	\$13,428,461



Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the District's assets exceeded liabilities by \$13,870,116.

At year-end, capital assets represented 31% of total assets. Capital assets include land, construction in progress, buildings and improvements, and equipment. Capital assets, net of related debt to acquire the assets at June 30, 2011, was \$5,650,473. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

**Ohio Hi-Point Joint Vocational School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)**

A portion of the District's net assets, \$247,599 represents resources that are subject to external restriction on how they must be used. The external restriction will not affect the availability of fund resources for future use.

Capital Assets increased mainly due to the continued work on the energy improvements construction project. Long-Term Liabilities decreased mainly due to the District making scheduled debt payments.

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

Table 2  
Changes in Net Assets

	Governmental Activities	
	2011	2010
Revenues:		
Program Revenues		
Charges for Services	\$1,920,422	\$2,034,743
Operating Grants, Contributions	1,316,252	1,238,620
General Revenues:		
Property Taxes	4,989,123	5,898,335
Grants and Entitlements	6,746,018	5,976,056
Other	288,164	302,765
Total Revenues	15,259,979	15,450,519
Program Expenses:		
Instruction	8,419,091	8,470,784
Support Services:		
Pupil and Instructional Staff	1,168,251	1,202,623
School Administrative, General Administration, Fiscal and Business	2,279,673	2,158,622
Operations and Maintenance	1,687,081	1,503,989
Pupil Transportation	70,358	60,292
Central	864,963	778,097
Operation of Non-Instructional Services	281,547	280,498
Interest and Fiscal Charges	47,360	58,729
Total Program Expenses	14,818,324	14,513,634
Change in Net Assets	441,655	936,885
Net Assets Beginning of Year	13,428,461	12,491,576
Net Assets End of Year	\$13,870,116	\$13,428,461

The change in net assets of \$441,655 indicates that the District's revenues exceeded expenses in fiscal year 2011.

**Ohio Hi-Point Joint Vocational School District  
Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)**

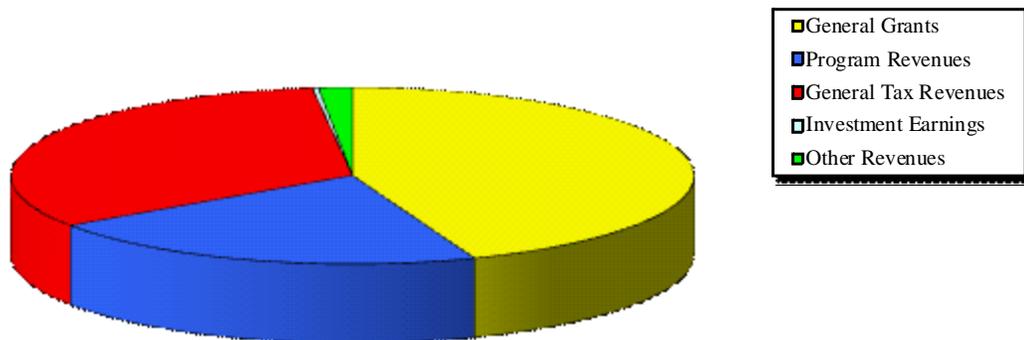
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**Governmental Activities**

The District revenues are mainly from two sources. Property taxes levied for general purposes and grants and entitlements comprised 77% of the District’s revenues for governmental activities.

The District depends greatly on property taxes as a revenue source. The District has a 2.0 mill continuing levy. The District has not sought voter approval since approximately 1977 for any additional funds. The District always collects 2.0 mills on the valuation and they do get inflationary increases. Property taxes made up 33% of revenue for governmental activities for the District in fiscal year 2011.

		<u>Percentage</u>
General Grants	\$6,746,018	44.21%
Program Revenues	3,236,674	21.21%
General Tax Revenues	4,989,123	32.69%
Investment Earnings	43,475	0.29%
Other Revenues	<u>244,689</u>	<u>1.60%</u>
Total Revenue Sources	<u>\$15,259,979</u>	<u>100.00%</u>



Instruction comprises 56.8% of governmental program expenses. Support services expenses were 41.0% of governmental program expenses. All other expenses were 2.2%.

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

**Ohio Hi-Point Joint Vocational School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)**

Table 3  
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2011	2010	2011	2010
Instruction	\$8,419,091	\$8,470,784	(\$5,888,072)	(\$6,304,057)
Support Services:				
Pupil and Instructional Staff	1,168,251	1,202,623	(745,726)	(796,170)
School Administrative, General				
Administration, Fiscal and Business	2,279,673	2,158,622	(2,273,351)	(1,761,819)
Operations and Maintenance	1,687,081	1,503,989	(1,675,789)	(1,492,195)
Pupil Transportation	70,358	60,292	(70,358)	(60,292)
Central	864,963	778,097	(859,963)	(773,097)
Operation of Non-Instructional Services	281,547	280,498	(21,031)	6,088
Interest and Fiscal Charges	47,360	58,729	(47,360)	(58,729)
Total Expenses	<u>\$14,818,324</u>	<u>\$14,513,634</u>	<u>(\$11,581,650)</u>	<u>(\$11,240,271)</u>

**The District's Funds**

The District has one major governmental fund: the General Fund. Assets of the general fund comprised \$14,125,075 (94%) of the total \$15,096,938 governmental funds assets.

**General Fund:** Fund balance at June 30, 2011 was \$8,447,870 an increase in fund balance of \$344,009 from 2010. The increase in fund balance is due primarily to an increase in tuition and fees revenue.

**General Fund Budgeting Highlights**

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

During the course of fiscal year 2011, the District amended its general fund budget numerous times, however none were significant. The District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management. During the course of the year, the District revised the Budget in an attempt to deal with unexpected changes in revenues and expenditures.

For the General Fund, the budget basis revenue (excluding advances in) was \$11,345,591, which is \$669,409 less than original budget revenue (excluding advances in) estimates of \$12,015,000.

The District's General Fund ending unobligated cash balance was \$6,864,468, which is \$1,612,589 above the final budgeted amount.

**Ohio Hi-Point Joint Vocational School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)**

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**Capital Assets and Debt Administration**

*Capital Assets*

At the end of fiscal year 2011, the District had \$6,577,894 invested in land, buildings and improvements, and equipment. Table 4 shows fiscal year 2011 balances compared to fiscal year 2010:

Table 4  
Capital Assets

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Land	\$412,076	\$412,076
Construction in Progress	0	1,281,913
Buildings and Improvements	4,891,685	3,774,078
Equipment	1,274,133	1,323,800
Total Net Capital Assets	<u>\$6,577,894</u>	<u>\$6,791,867</u>

Capital assets decreased from the prior year due to depreciation exceeding additions during fiscal year 2011.

See note 6 in the notes to the basic financial statements for further details on the District's capital assets.

*Debt*

At June 30, 2011, the District had \$1,425,003 in long term debt, \$258,333 due within one year. Table 5 summarizes loans outstanding at year end.

Table 5  
Outstanding Debt, at Year End

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
ODE Construction/Equipment Loan	\$300,003	\$333,336
HP 264 Energy Conservation Note	1,125,000	1,350,000
	<u>\$1,425,003</u>	<u>\$1,683,336</u>

See note 7 in the notes to the basic financial statements for further details on the District's outstanding debt.

**Ohio Hi-Point Joint Vocational School District  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
(Unaudited)**

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**For the Future**

In June of 2005, the State legislature passed House Bill 66. House Bill 66 phases out the tax on tangible personal property of general business, telephone, and telecommunications companies, and railroads. The tax on general business and railroad property began being phased out in 2006 and was eliminated in 2009. The tax on telephone and telecommunication property began being phased out in 2009 and will be eliminated by 2011. The tax is being phased out by reducing the assessment rate on the property each year. In the first five years, school districts are being reimbursed fully for the lost revenue; in the following seven years, the reimbursements are phased out. This was accelerated by HB 153 Ohio Hi-Point still be getting money after 2013.

Management must plan carefully and prudently to provide the resources to meet student needs over the next several years. Financially, the future of the District is not without challenges. Management must diligently plan future expenditures.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Eric Adelsberger, Treasurer at Ohio Hi-Point Joint Vocational School District, 2280 State Route 540, Bellefontaine, Ohio 43311.

Ohio Hi-Point Joint Vocational School District  
Statement of Net Assets  
June 30, 2011

	Governmental Activities
Assets:	
Equity in Pooled Cash and Investments	\$9,040,462
Restricted Cash and Investments	14,086
Receivables:	
Taxes	5,704,821
Accounts	61,408
Interest	2,127
Intergovernmental	139,005
Inventory	751
Nondepreciable Capital Assets	412,076
Depreciable Capital Assets, Net	<u>6,165,818</u>
 Total Assets	 <u>21,540,554</u>
Liabilities:	
Accounts Payable	200,608
Accrued Wages and Benefits	682,940
Accrued Interest Payable	3,656
Unearned Revenue	4,534,394
Long-Term Liabilities:	
Due Within One Year	391,304
Due In More Than One Year	<u>1,857,536</u>
 Total Liabilities	 <u>7,670,438</u>
Net Assets:	
Invested in Capital Assets, Net of Related Debt	5,650,473
Restricted for:	
Capital Projects	171,369
Federal Grants	42,729
Set-Aside	14,086
Other Purposes	19,415
Unrestricted	<u>7,972,044</u>
 Total Net Assets	 <u>\$13,870,116</u>

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District  
Statement of Activities  
For the Fiscal Year Ended June 30, 2011

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$1,384,552	\$68,653	\$133,017	(\$1,182,882)
Special	574,899	0	1,330	(573,569)
Vocational	4,530,376	55,829	62,624	(4,411,923)
Adult/Continuing	1,919,478	1,641,493	562,654	284,669
Other	9,786	0	5,419	(4,367)
<b>Support Services:</b>				
Pupil	804,214	0	218,036	(586,178)
Instructional Staff	364,037	0	204,489	(159,548)
General Administration	55,120	0	0	(55,120)
School Administration	853,383	0	4,730	(848,653)
Fiscal	283,038	0	0	(283,038)
Business	1,088,132	0	1,592	(1,086,540)
Operations and Maintenance	1,687,081	11,212	80	(1,675,789)
Pupil Transportation	70,358	0	0	(70,358)
Central	864,963	0	5,000	(859,963)
Operation of Non-Instructional Services	281,547	143,235	117,281	(21,031)
Interest and Fiscal Charges	47,360	0	0	(47,360)
<b>Total Governmental Activities</b>	<b>\$14,818,324</b>	<b>\$1,920,422</b>	<b>\$1,316,252</b>	<b>(11,581,650)</b>

Property Taxes Levied for:

General Purposes	4,989,123
Grants and Entitlements not Restricted	6,746,018
Unrestricted Contributions	152,309
Investment Earnings	43,475
Other Revenues	92,380
<b>Total General Revenues</b>	<b>12,023,305</b>
Change in Net Assets	441,655
Net Assets Beginning of Year	13,428,461
<b>Net Assets End of Year</b>	<b>\$13,870,116</b>

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District  
Balance Sheet  
Governmental Funds  
June 30, 2011

	General	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity in Pooled Cash and Investments	\$8,208,355	\$832,107	\$9,040,462
Restricted Cash and Investments	14,086	0	14,086
Receivables:			
Taxes	5,704,821	0	5,704,821
Accounts	61,408	0	61,408
Interest	2,127	0	2,127
Intergovernmental	0	139,005	139,005
Interfund	134,278	0	134,278
Inventory	0	751	751
<b>Total Assets</b>	<b>14,125,075</b>	<b>971,863</b>	<b>15,096,938</b>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	180,450	20,158	200,608
Accrued Wages and Benefits	653,429	29,511	682,940
Compensated Absences	103,310	0	103,310
Interfund Payable	0	134,278	134,278
Deferred Revenue	4,740,016	139,005	4,879,021
<b>Total Liabilities</b>	<b>5,677,205</b>	<b>322,952</b>	<b>6,000,157</b>
Fund Balances:			
Nonspendable	0	751	751
Restricted	14,086	697,468	711,554
Assigned	976,527	0	976,527
Unassigned	7,457,257	(49,308)	7,407,949
<b>Total Fund Balances</b>	<b>8,447,870</b>	<b>648,911</b>	<b>9,096,781</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$14,125,075</b>	<b>\$971,863</b>	<b>\$15,096,938</b>

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District  
 Reconciliation of Total Governmental Fund Balance to  
 Net Assets of Governmental Activities  
 June 30, 2011

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Total Governmental Fund Balance		\$9,096,781
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		6,577,894
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Delinquent Property Taxes	204,821	
Interest	801	
Intergovernmental	<u>139,005</u>	
		344,627
In the statement of net assets interest payable is accrued when incurred, whereas in the governmental funds interest is reported as a liability only when it will require the use of current financial resources.		(3,656)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds.		
Compensated Absences		(720,527)
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		<u>(1,425,003)</u>
Net Assets of Governmental Activities		<u><u>\$13,870,116</u></u>

See accompanying notes to the basic financial statements.

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

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes	\$4,971,729	\$0	\$4,971,729
Tuition and Fees	1,747,471	0	1,747,471
Investment Earnings	43,708	554	44,262
Intergovernmental	6,746,018	1,235,740	7,981,758
Charges for Services	18,503	143,333	161,836
Other Revenues	223,790	32,014	255,804
<b>Total Revenues</b>	<b>13,751,219</b>	<b>1,411,641</b>	<b>15,162,860</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	1,141,898	122,430	1,264,328
Special	591,200	0	591,200
Vocational	4,496,931	62,589	4,559,520
Adult/Continuing	1,339,788	571,914	1,911,702
Other	0	9,786	9,786
<b>Support Services:</b>			
Pupil	584,642	219,340	803,982
Instructional Staff	173,103	185,797	358,900
General Administration	54,701	0	54,701
School Administration	874,644	2,421	877,065
Fiscal	276,817	0	276,817
Business	1,083,180	2,275	1,085,455
Operations and Maintenance	1,589,047	59,985	1,649,032
Pupil Transportation	82,127	0	82,127
Central	812,707	5,000	817,707
Operation of Non-Instructional Services	0	272,055	272,055
Capital Outlay	0	20,505	20,505
<b>Debt Service:</b>			
Principal Retirement	258,333	0	258,333
Interest and Fiscal Charges	48,092	0	48,092
<b>Total Expenditures</b>	<b>13,407,210</b>	<b>1,534,097</b>	<b>14,941,307</b>
<b>Net Change in Fund Balance</b>	<b>344,009</b>	<b>(122,456)</b>	<b>221,553</b>
<b>Fund Balances Beginning of Year, Restated (Note 18)</b>	<b>8,103,861</b>	<b>771,367</b>	<b>8,875,228</b>
<b>Fund Balances End of Year</b>	<b>\$8,447,870</b>	<b>\$648,911</b>	<b>\$9,096,781</b>

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes  
 in Fund Balance of Governmental Funds to the Statement of Activities  
 For the Fiscal Year Ended June 30, 2011

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Net Change in Fund Balance - Total Governmental Funds \$221,553

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

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

Capital assets used in governmental activities	283,984	
Depreciation Expense	<u>(497,957)</u>	(213,973)

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

Delinquent Property Taxes	17,394	
Interest	(787)	
Intergovernmental	<u>80,512</u>	97,119

Repayment of bond principal is an expenditure in the  
 governmental funds, but the repayment reduces long-term  
 liabilities in the statement of net assets. 258,333

In the statement of activities interest expense is accrued when incurred,  
 whereas in governmental funds an interest expenditure is reported  
 when due. 732

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

Compensated Absences	<u>77,891</u>	
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Change in Net Assets of Governmental Activities	<u><u>\$441,655</u></u>	
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See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011

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	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Investments	<u>\$12,150</u>	<u>\$55,453</u>
Total Assets	<u>12,150</u>	<u>55,453</u>
Liabilities:		
Accounts Payable	3,550	5,267
Due to Students	<u>0</u>	<u>50,186</u>
Total Liabilities	<u>3,550</u>	<u>\$55,453</u>
Net Assets:		
Held in Trust	<u>8,600</u>	
Total Net Assets	<u>\$8,600</u>	

See accompanying notes to the basic financial statements.

Ohio Hi-Point Joint Vocational School District  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2011

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	<u>Private Purpose Trust</u>
Additions:	
Donations	\$7,102
Other	<u>1,240</u>
Total Additions	<u>8,342</u>
Deductions:	
Scholarships	<u>7,707</u>
Total Deductions	<u>7,707</u>
Change in Net Assets	635
Net Assets Beginning of Year	<u>7,965</u>
Net Assets End of Year	<u><u>\$8,600</u></u>

See accompanying notes to the basic financial statements.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Note 1 - Description of the District**

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Ohio Hi-Point Joint Vocational School District (the District) is a district of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating districts' elected boards, which possesses its own budgeting and taxing authority. The District exposes students to job training leading to employment upon graduation from high school. Ohio Hi-Point Joint Vocational School District includes fourteen member schools throughout Logan, Hardin, Champaign, Union and Auglaize counties.

The District was established on January 27, 1970. It is staffed by approximately 30 non-certified employees and approximately 95 certified full-time teaching personnel who provide services to more than 1,500 high school students and approximately 2,300 adult students and other community members.

**Reporting Entity**

A reporting entity is comprised of the stand-alone government, component units and other organizations that are included to ensure that the financial statements are not misleading. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Ohio Hi-Point Joint Vocational School District, this includes general operations, food service, adult education and student related activities of the District.

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

The District is associated with one jointly governed organization and two insurance purchasing pools. These organizations are the Western Ohio Computer Organization, the Logan County Schools Benefit Plan Association and the Northern Buckeye Educational Council Workers' Compensation Group Rating Plan. These organizations and the District's participation are discussed in notes 12 and 13 to the basic financial statements.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Note 2 - Summary of Significant Accounting Policies**

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The financial statements of the 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 most significant of the District's accounting policies are described below.

**Measurement Focus**

**Government-wide Financial Statements**

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

The government-wide statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the statement of net assets. Fiduciary Funds are not included in entity-wide statements.

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

**Fund Financial Statements**

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

The private purpose trusts are reported using the economic resources measurement focus.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Fund Accounting**

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

**Governmental Funds**

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

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

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary funds are a private purpose trust fund and two agency funds. The private purpose trust fund accounts for scholarship programs for students. The student managed activity agency fund accounts for assets and liabilities generated by student managed activities. The grant agency fund accounts for Pell Grant and guarantee student loan money awarded/loaned to adult students for tuition.

**Basis of Accounting**

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

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. 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 District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, included 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. 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 year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

Deferred Revenue

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

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

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

Unearned Revenue

Unearned revenue represents amounts under the accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met because such amounts have not yet been earned.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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Expenses/Expenditures

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. However, debt service expenditures, as well as any expenditures related to compensated absences, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Equity in Pooled Cash and Investments**

Cash received by the District is pooled for investment purposes. Interest in the pool is presented as “Equity in Pooled Cash and Investments” on the financial statements.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposits and repurchase agreements are reported at cost.

During the current fiscal year, investments were limited to STAR Ohio, U.S. agency securities, money market account and certificates of deposit.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2011. 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 Rule2A7 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, 2011.

Following Ohio statutes, the Board has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the general fund during fiscal year 2011 amounted to \$43,708, which includes approximately \$5,682 assigned from other District funds.

**Inventory**

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

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Capital Assets**

General capital assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand five hundred dollars (\$2,500). The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

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

<u>Description</u>	<u>Estimated Lives</u>
Building and Improvements	10 - 50 years
Equipment	5 - 20 years

**Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for 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 District will compensate the employees for the benefits through paid time off or some other means. The 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 that it is probable that the benefits will result in termination payments. The liability is based on the District's past experience of making termination payments.

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

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Employees may accumulate up to 220 sick days.

Each employee upon retirement with a minimum of five (5) years Ohio Hi Point Vocational School employment shall receive severance payment, based upon the employee's rate of pay at retirement, equal to 27.5%, 30% or 33%, depending on service of the employee's accumulated, but unused sick leave at retirement up to a maximum accrual of 200 days or a maximum of 66 days severance payment.

For governmental fund financial statements, the expenditures for unpaid compensated absences are recognized when due. The related liability is recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid.

**Net Assets**

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

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Of the District's \$247,599 in restricted net assets, none were restricted by enabling legislation.

**Interfund Activity**

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

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

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

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Fund Balance**

In accordance with Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its fund balance based on the purpose for which the resources were received and the level of constraint placed on the resources. The following categories are used:

Nonspendable – resources that are not in spendable form (inventory) or have legal or contractual requirements to maintain the balance intact.

Restricted – resources that have external purpose restraints imposed on them by providers, such as creditors, grantors, or other regulators.

Committed – resources that are constrained for specific purposes that are internally imposed by the government at its highest level of decision making authority, the Board of Education.

Assigned – resources that are intended to be used for specific purposes as approved through the District's formal purchasing procedure by the Treasurer.

Unassigned – residual fund balance within the General Fund that is not restricted, committed, or assigned. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from incurred expenses for specific purposes exceeding amounts which had been restricted, committed or assigned for said purposes.

The District applies restricted resources first when an expense is incurred for purposes which both restricted and unrestricted net assets are available. The District considers committed, assigned, and unassigned fund balances, respectively, to be spent when expenditures are incurred for purposes for which any of the unrestricted fund balance classifications could be used.

**Estimates**

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

**Restricted Assets**

Restricted assets in the general fund and the statements of net assets represent equity in pooled cash and investments set aside to establish textbook and capital acquisition reserves.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Accrued Liabilities and Long-Term Obligations**

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

In general, governmental fund payables and accrued liabilities that once incurred are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

**Note 3 - Equity in Pooled Cash and Investments**

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The District maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments."

State statute requires the classification of monies held by the District into three categories:

Active Monies - Those monies required to be kept in a "cash" or "near cash" status for immediate use by the District. Such monies must by law be maintained either as cash in the District treasury, in depository accounts payable or withdrawable on demand.

Inactive Monies – Those monies not required for use within the current two-five year period of designated depositories. Ohio law permits inactive monies to be deposited or invested as certificates of deposit maturing not later than the end of the current period of designated depositories, or as savings or deposit accounts, including, but not limited to passbook accounts.

Interim Monies – 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. Ohio law permits interim monies to be invested or deposited in the following securities:

- (1) Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest.
- (2) Bonds, notes, debentures, or other obligations or securities issued by any federal governmental agency.
- (3) No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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- (4) Interim deposits in the eligible institutions applying for interim monies to be evidenced by time certificates of deposit maturing not more than one year from date of deposit, or by savings or deposit accounts, including, but limited to, passbook accounts.
- (5) Bonds and other obligations of the State of Ohio.
- (6) The Ohio State Treasurer's investment pool (STAR Ohio).
- (7) Commercial paper and banker's acceptances which meet the requirements established by Ohio Revised Code, Sec. 135.142.
- (8) Under limited circumstances, corporate debt interests in either of the two highest rating classifications by at least two nationally recognized rating agencies.

Protection of the 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 moneys deposited with the institution.

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

### **Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of June 30, 2011, \$534,597 of the District's bank balance of \$3,466,969 was exposed to custodial risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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

**Investments**

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

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
STAR Ohio	\$4,297,780	0.16
Money Market Accounts	12,958	0.00
US Treasury Notes	1,179,429	0.88
US Treasury Bills	324,980	0.21
Total Fair Value	<u>\$5,815,147</u>	
Portfolio Weighted Average Maturity		0.31

Interest Rate Risk - In accordance with the investment policy, the District manages its exposure to declines in fair values by limiting the maturity of its individual investments to five years.

Credit Risk – It is the District’s policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations. The District’s investments in U.S. Treasury Notes and US Treasury Bills were rated AAA by Standard & Poor’s and Fitch Ratings and Aaa by Moody’s Investors Service. Investments in STAR Ohio were rated AAAM by Standard & Poor’s. Money Market Accounts were not rated.

Concentration of Credit Risk – The District’s investment policy allows investments in Federal Agencies or Instrumentalities. The District has invested 20 percent of the District’s investments in U.S Treasury Notes, 6 percent in US Treasury Bills, 74 percent of the District’s investments are in STAR Ohio and less than 1 percent of the District’s investments in Money Market accounts.

Custodial Credit Risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the District’s securities are registered in the name of the District. The District does not have a policy for custodial credit risk.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Note 4 - Property Taxes**

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

Tangible personal property tax revenue received during calendar year 2011 (other than public utility property tax) represents the collection of 2011 taxes levied against local and interexchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. The October 2008 tangible personal property tax settlement was the last property tax settlement for general personal property taxes. Tangible personal property taxes received from telephone companies in calendar year 2011 were levied after April 1, 2010, on the value as of December 31, 2010. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. The District receives property taxes from the County. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2011, are available to finance fiscal year 2012 operations. The amount available for advance can vary based on the date the tax bills are sent.

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

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable at June 30, 2011. The entire amount of delinquent taxes receivable is recognized as a revenue on the government-wide financial statements. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is available to finance current year operations. The receivable is, therefore, offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at

**Ohio Hi-Point Joint Vocational School District**  
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June 30, 2011, was \$965,606 for General Fund and is recognized as revenue. The District receives taxes from Logan, Hardin, Champaign, Union, Madison, Shelby, Wyandot and Auglaize counties.

The assessed value, by property classification, upon which taxes collected in 2011 were based as follows:

	<u>Amount</u>
Tangible and Public Utility Personal	\$112,631,820
Real Estate	<u>2,732,165,780</u>
Total	<u><u>\$2,844,797,600</u></u>

**Note 5 – Receivables**

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

A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
<b>Other Governmental Funds:</b>	
Vocational Education Enhancement	\$441
Adult Basic Education	79,474
Vocational Education	58,028
Miscellaneous State Grants	480
Improving Teacher Quality	<u>582</u>
Total	<u><u>\$139,005</u></u>

**Ohio Hi-Point Joint Vocational School District**  
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**Note 6 - Capital Assets**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
<i>Capital Assets, not being depreciated:</i>				
Land	\$412,076	\$0	\$0	\$412,076
Construction in Progress	1,281,913	20,505	1,302,418	0
<i>Capital Assets, being depreciated:</i>				
Buildings and Improvements	8,933,097	1,337,778	0	10,270,875
Equipment	4,325,666	228,119	0	4,553,785
Totals at Historical Cost	<u>14,952,752</u>	<u>1,586,402</u>	<u>1,302,418</u>	<u>15,236,736</u>
Less Accumulated Depreciation:				
Buildings and Improvements	5,159,019	220,171	0	5,379,190
Equipment	<u>3,001,866</u>	<u>277,786</u>	<u>0</u>	<u>3,279,652</u>
Total Accumulated Depreciation	<u>8,160,885</u>	<u>497,957</u>	<u>0</u>	<u>8,658,842</u>
Governmental Activities Capital Assets, Net	<u>\$6,791,867</u>	<u>\$1,088,445</u>	<u>(\$1,302,418)</u>	<u>\$6,577,894</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$89,959
Vocational	207,729
Adult/Continuing	72,127
Support Services:	
Pupil	1,471
Instructional Staff	2,725
General Administration	419
School Administration	2,726
Fiscal	3,525
Business	15,059
Operations and Maintenance	36,077
Pupil Transportation	8,812
Central	48,794
Operation of Non-Instructional Services	8,534
Total Depreciation Expense	<u>\$497,957</u>

**Ohio Hi-Point Joint Vocational School District**  
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**Note 7 - Long-Term Liabilities**

The change in the District's long-term obligations during the year consist of the following:

	Beginning Balance	Issued	Retired	Ending Balance	Due In One Year
<b>Governmental Activities:</b>					
ODE Construction/Equipment Loan	\$333,336	\$0	\$33,333	\$300,003	\$33,333
HB Energy Conservation Bond	1,350,000	0	225,000	1,125,000	225,000
Total Long-Term Debt	1,683,336	0	258,333	1,425,003	258,333
Compensated Absences	1,058,067	84,119	318,349	823,837	132,971
Total Governmental Activities	<u>\$2,741,403</u>	<u>\$84,119</u>	<u>\$576,682</u>	<u>\$2,248,840</u>	<u>\$391,304</u>

The following is a summary of the District's future annual debt service requirements for general obligations:

Fiscal Year Ending June 30	Principal	Interest	Total
2012	\$258,333	\$39,488	\$297,821
2013	258,333	30,713	289,046
2014	258,333	21,938	280,271
2015	258,334	13,163	271,497
2016	258,334	4,388	262,722
2017-2020	<u>133,336</u>	<u>0</u>	<u>133,336</u>
Total	<u>\$1,425,003</u>	<u>\$109,690</u>	<u>\$1,534,693</u>

Vocational Building Assistance Loan – On April 25, 2005, the District received a loan for \$500,000. A portion of the loan proceeds has been used to purchase equipment under the authority of House Bill 66 and the District still holds a portion of the loan proceeds in the Permanent Improvement Fund. The loan was issued for a fifteen-year period at 0% with final maturity during fiscal year 2021. The debt will be retired from the general fund.

HB Energy Conservation Bond – On July 1, 2008, the District issued \$1,800,000, which will be used for energy improvements throughout the District. The Bond was issued for a rate of 3.9% with final maturity during fiscal year 2016. As of June 30, 2011, \$1,302,418 of this debt has been used to acquire capital assets, leaving a balance of \$497,582 of debt which is not related to a capital asset. The debt will be retired from the general fund.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Note 8 - Pension Plans**

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**School Employees Retirement System of Ohio**

Plan Description

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement, disability, and survivor benefits; annual cost-of-living adjustments; and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

Funding Policy

Plan members are required to contribute 10% of their annual covered salary and District is required to contribute 14% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care fund) of the System. For fiscal year ending June 30, 2011, the allocation to pension and death benefits is 11.81%. The remaining 2.19% of the 14% employer contribution rate is allocated to the Health Care and Medicare B Funds. The District's contributions to SERS for the years ended June 30, 2011, 2010, and 2009 were \$161,211, \$161,100, and \$121,355, respectively; 100% has been contributed for fiscal years 2011, 2010 and 2009.

**State Teachers Retirement System of Ohio**

Plan Description

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

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
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Plan Options

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

DB Plan Benefits

Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the “formula benefit” or the “money-purchase benefit” calculation. Under the “formula benefit,” the retirement allowance is based on years of credited service and final average salary, which is the average of the member’s three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31<sup>st</sup> year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation for every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the “money-purchase benefit” calculation, a member’s lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits

Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump-sum withdrawal. Employer contributions into members’ accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member’s designated beneficiary is entitled to receive the member’s account balance.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
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Combined Plan Benefits

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

Eligible faculty of Ohio's public colleges and universities may choose to enroll in either STRS Ohio or an alternative retirement plan (ARP) offered by their employer. Employees have 120 days from their employment date to select a retirement plan.

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

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

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

A DB or Combined Plan member with five or more years' credited service who becomes disabled may qualify for a disability benefit. Eligible spouses and dependents of members who die before retirement may qualify for survivor benefits. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the DB Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Funding Policy

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

Contribution requirements and the contributions actually made for the fiscal year ended June 30, 2011, were 10% of covered payroll for members and 14% for employers. The District's contributions to STRS for the years ended June 30, 2011, 2010, and 2009 were \$720,238, \$705,802, and \$686,992, respectively; 100% has been contributed for fiscal years 2011, 2010 and 2009.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
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**Note 9 - Post Employment Benefits**

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**School Employees Retirement System of Ohio**

Plan Description

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

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code (ORC) 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2011 was \$96.40 for most participants, but could be as high as \$369.10 depending on their income; SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal year 2011, the actuarially required allocation was .76%. District contributions for the year ended June 30, 2011, 2010 and 2009 were \$10,374, \$10,178 and \$10,013, respectively, which equaled the required contributions each year.

Health Care Plan

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

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

**Ohio Hi-Point Joint Vocational School District**  
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The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14% contribution to the Health Care Fund. At June 30, 2011, the health care allocation was 1.43%. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2% of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5% of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2011, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14% employer contribution rate is the total amount assigned to the Health Care Fund. The District contributions assigned to health care for the years ended June 30, 2011, 2010, and 2009 were \$56,470, \$43,992, and \$75,410, respectively; 100% has been contributed for fiscal years 2011, 2010 and 2009.

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

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at [www.ohsers.org](http://www.ohsers.org) under *Employers/Audit Resources*.

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

#### Plan Description

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

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

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

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

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
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Funding Policy

Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14% employer contributions rate, 1% of covered payroll was allocated to post-employment health care for the year ended June 30, 2011, 2010 and 2009. The 14% employer contribution rate is the maximum rate established under Ohio law. The District contributions for the years ended June 30, 2011, 2010, and 2009 were \$55,403, \$54,292, and \$52,846, respectively; 100% has been contributed for fiscal years 2011, 2010 and 2009.

**Note 10 - Contingent Liabilities**

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**Grants**

The District receives significant financial assistance from numerous federal, state and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds.

However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District as of June 30, 2011.

**Note 11 - Risk Management**

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**Property and Liability**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District's vehicles are covered under a business policy with the Cincinnati Insurance Company, which carries a \$2,500 deductible and a \$1,000,000 limit on any accident. Settled claims have not exceeded this commercial coverage in any of the past four years.

The District is exposed to various risks of loss related to torts, theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the fiscal year 2011, the District contracted with the Ohio School Plan for general liability insurance with a \$1,000,000 single occurrence and a \$3,000,000 aggregate. Building and business personal property is protected by the Cincinnati Insurance Company and has a \$2,500 deductible. In the event of an earthquake, a \$5,000 deductible applies. The District insures electronic data processing equipment in the amount of \$500,000 and electronic data processing media in the amount of \$106,250 with extra expenses in the amount of \$150,000 for labor costs to get the system back online. The District's deductible for electronic data processing is \$250.

Settled claims have not exceeded this commercial coverage in any of the past four years.

**Ohio Hi-Point Joint Vocational School District**  
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**Workers' Compensation**

For fiscal year 2011, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 13). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Sheakley Uniservice provides administrative, cost control and actuarial services to the GRP.

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

**Note 12 - Jointly Governed Organization**

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**Western Ohio Computer Organization (WOCO)** - The District is a participant in the Western Ohio Computer Organization (WOCO). WOCO is an association of public school districts within the boundaries of Hardin, Auglaize, Shelby, Logan, Miami and Champaign Counties. The organization was formed for the purpose of applying modem technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. Financial information can be obtained from Don Walls, who serves as Director, at 129 East Court Street, 4<sup>th</sup> Floor, Sidney, Ohio 45365.

Each of the governments of these districts supports WOCO based upon a per pupil charge dependent on the software package utilized. In accordance with GASB Statement No. 14, the District does not have an equity interest in WOCO, as the residual interest in net resources of the joint venture upon dissolution is not equivalent to an equity interest. WOCO is governed by a board of directors consisting of the superintendents of the member school districts and the degree of control is limited to the representation on the board.

**Note 13 - Insurance Pools**

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**Northern Buckeye Education Council Workers' Compensation Group Rating Plan** – The District participates in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The Northern Buckeye Education Council Workers' Compensation Group Rating Plan (the "Plan") was established through the Northern Buckeye Education Council (NBEC) as an insurance purchasing pool. The Plan is governed by the Northern Buckeye Education Council and the participants of the Plan. The Executive Director of the NBEC coordinates the management and administration of the Plan. Each year, the participants pay an enrollment fee to the Plan to cover the costs of administering the

**Ohio Hi-Point Joint Vocational School District**  
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program. The firm of Sheakley Uniservice provides administrative, cost control and actuarial services to the GRP.

**Logan County Schools Benefit Plan Association** – The District participates in the Logan County Schools Benefit Plan Association (the Plan); a public entity shared risk pool consisting of three local school districts, one joint vocational school district and the Logan County Educational Service Center. The District pays monthly premiums to the Plan for employee medical benefits. The Plan is responsible for the payment of all Plan liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

**Note 14 – Accountability**

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The following funds had a deficit in fund balance:

Other Governmental Funds:	
Vocational Education Enhancements	\$399
Miscellaneous State Grants	270
Adult Basic Education	19,223
Vocational Education	28,834
Improving Teacher Quality	582

The deficit in fund balances were due to accruals in GAAP. The general fund is liable for any deficit in these funds and will provide operating transfers when cash is required not when accruals occur.

**Note 15 - Statutory Reserves**

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The District is required by State statute to annually set aside in the general fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and the acquisition and construction of capital improvements. The District utilizes the Senate Bill 345 calculation for textbooks and instructional materials set-aside and the House Bill 412 calculation for the Capital Improvements set-aside. Amounts not spent by year-end or offset by similar restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years.

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

**Ohio Hi-Point Joint Vocational School District**  
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**For the Fiscal Year Ended June 30, 2011**

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	<u>Textbooks</u>	<u>Capital Acquisition</u>
Set Aside Reserve Balance as of June 30, 2010	(\$58,509)	\$34,380
Current Year Set Aside Requirements	134,586	116,639
Qualified Disbursements	<u>(63,648)</u>	<u>(149,362)</u>
Total	<u>\$12,429</u>	<u>\$1,657</u>
Set Aside Balance Carried Forward to Future Years	<u>\$12,429</u>	<u>\$1,657</u>

**Note 16 - Interfund Transactions**

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Interfund transactions at June 30, 2011, consisted of the following interfund fund receivables and payables:

	Interfund	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$134,278	\$0
Other Governmental Funds	<u>0</u>	<u>134,278</u>
Total All Funds	<u>\$134,278</u>	<u>\$134,278</u>

Interfund balances are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations; to segregate and to return money to the fund from which it was originally provided once a project is completed.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
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**Note 17 – Fund Balances**

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

Fund Balances	General	Other Governmental Funds	Total
<b>Nonspendable:</b>			
Inventory	\$0	\$751	\$751
<b>Total Nonspendable</b>	<b>0</b>	<b>751</b>	<b>751</b>
<b>Restricted for:</b>			
Set Asides	14,086	0	14,086
Other Grants	0	19,163	19,163
Food Service	0	9,354	9,354
Permanent Improvement	0	668,951	668,951
<b>Total Restricted</b>	<b>14,086</b>	<b>697,468</b>	<b>711,554</b>
<b>Assigned to:</b>			
Encumbrances	976,527	0	976,527
<b>Total Assigned</b>	<b>976,527</b>	<b>0</b>	<b>976,527</b>
<b>Unassigned (Deficit)</b>	<b>7,457,257</b>	<b>(49,308)</b>	<b>7,407,949</b>
<b>Total Fund Balance</b>	<b>\$8,447,870</b>	<b>\$648,911</b>	<b>\$9,096,781</b>

**Note 18 – Change in Accounting Principles and Restatement of Fund Balance**

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**Change in Accounting Principles**

For fiscal year 2011, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” GASB 54 shifts the focus of fund balance reporting from the availability of fund resources for budgeting to the extent to which the District is bound to honor constraints on the specific purposes for which amounts in funds can be spent.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Basic Financial Statements**  
**For the Fiscal Year Ended June 30, 2011**

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**Restatement of Fund Balance**

The implementation of GASB 54 had the following effects on fund balance of the following major and non-major (other governmental) funds of the District as they were previously reported.

	General Fund	Other Governmental Funds
	<u>                    </u>	<u>                    </u>
Fund Balance, June 30, 2010	\$7,428,073	\$1,447,155
Change in Fund Structure	<u>675,788</u>	<u>(675,788)</u>
Fund Balance, June 30, 2010 - Restated	<u><u>\$8,103,861</u></u>	<u><u>\$771,367</u></u>

Ohio Hi-Point Joint Vocational School District  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Non-GAAP Budgetary Basis)  
For the Fiscal Year Ended June 30, 2011

	General Fund			
	Original Budget	Final Budget	Actual	Variance from Final Budget
<b>Revenues:</b>				
Taxes	\$5,000,000	\$4,704,766	\$5,002,145	\$297,379
Tuition and Fees	70,000	58,665	62,373	3,708
Investment Earnings	35,000	42,982	45,699	2,717
Intergovernmental	6,663,000	6,344,966	6,746,018	401,052
Other Revenues	247,000	194,212	206,488	12,276
<b>Total Revenues</b>	<b>12,015,000</b>	<b>11,345,591</b>	<b>12,062,723</b>	<b>717,132</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	1,281,083	1,208,302	1,136,487	71,815
Special	639,065	618,244	581,499	36,745
Vocational	4,582,882	4,898,959	4,607,790	291,169
Adult/Continuing	74,579	86,606	72,178	14,428
<b>Support Services:</b>				
Pupil	584,282	616,064	579,448	36,616
Instructional Staff	182,066	179,581	168,908	10,673
General Administration	63,605	67,320	63,319	4,001
School Administration	992,405	941,135	885,199	55,936
Fiscal	304,020	308,527	290,190	18,337
Business	1,078,052	1,027,761	966,676	61,085
Operations and Maintenance	1,928,413	1,869,200	1,758,104	111,096
Pupil Transportation	122,216	98,802	92,930	5,872
Central	1,145,208	1,100,417	1,035,014	65,403
<b>Debt Service:</b>				
Principal Retirement	260,000	274,657	258,333	16,324
Interest and Fiscal Charges	58,000	51,131	48,092	3,039
<b>Total Expenditures</b>	<b>13,295,876</b>	<b>13,346,706</b>	<b>12,544,167</b>	<b>802,539</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(1,280,876)</b>	<b>(2,001,115)</b>	<b>(481,444)</b>	<b>1,519,671</b>
<b>Other Financing Sources (Uses):</b>				
Advances In	0	713,969	759,098	45,129
Advances (Out)	(725,000)	(804,050)	(756,261)	47,789
<b>Total Other Financing Sources (Uses)</b>	<b>(725,000)</b>	<b>(90,081)</b>	<b>2,837</b>	<b>92,918</b>
<b>Net Change in Fund Balance</b>	<b>(2,005,876)</b>	<b>(2,091,196)</b>	<b>(478,607)</b>	<b>1,612,589</b>
<b>Fund Balance Beginning of Year (includes prior year encumbrances appropriated)</b>	<b>7,343,075</b>	<b>7,343,075</b>	<b>7,343,075</b>	<b>0</b>
<b>Fund Balance End of Year</b>	<b>\$5,337,199</b>	<b>\$5,251,879</b>	<b>\$6,864,468</b>	<b>\$1,612,589</b>

See accompanying notes to the required supplementary information.

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2011**

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**Note 1 - Budgetary Process**

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All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the five year forecast and “voted and unvoted debt outside the \$10 mill limit”, the appropriations resolution and the certificate of estimated resources which are prepared on the budgetary basis of accounting. The five year forecast demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount that the Board of Education may appropriate. The appropriation resolution is the Board’s authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board at the fund and function level. Any budgetary modifications at this level may only be made by resolution of the Board.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during the fiscal year 2011.

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

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

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

**Ohio Hi-Point Joint Vocational School District**  
**Notes to the Required Supplementary Information**  
**For The Year Ended June 30, 2011**

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4. Advances in and advances out are operating transactions (budget basis) as opposed to balance sheet transactions.
5. Some funds are reported as part of the general fund (GAAP basis) as opposed to the general fund being reported alone (budget basis).

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

Net Change in Fund Balance

	General Fund
GAAP Basis	\$344,009
Revenue Accruals	(1,688,496)
Expenditure Accruals	1,434,635
Advances In	759,098
Advances (Out)	(756,261)
Encumbrances	(571,592)
Budget Basis	(\$478,607)

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**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>FEDERAL GRANTOR</b> <i>Pass Through Grantor</i> <b>Program Title</b>	<b>Federal CFDA Number</b>	<b>Receipts</b>	<b>Non-Cash Receipts</b>	<b>Disbursements</b>	<b>Non-Cash Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<i>(Passed through Ohio Department of Education)</i>					
<b>Child Nutrition Cluster:</b>					
Cash Assistance:					
School Breakfast Program	10.553	\$22,551		\$22,551	
Non-Cash Assistance (Food Distribution):					
School Breakfast Program	10.553		\$331		\$331
Total School Breakfast Program		<u>22,551</u>	<u>331</u>	<u>22,551</u>	<u>331</u>
<b>Cash Assistance:</b>					
National School Lunch Program	10.555	90,075		90,075	
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	10.555		3,557		3,557
Total National School Lunch Program		<u>90,075</u>	<u>3,557</u>	<u>90,075</u>	<u>3,557</u>
Total Child Nutrition Cluster		<u>112,626</u>	<u>3,888</u>	<u>112,626</u>	<u>3,888</u>
Total U.S. Department of Agriculture		<u>112,626</u>	<u>3,888</u>	<u>112,626</u>	<u>3,888</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<i>(Direct Program)</i>					
Student Financial Assistance Cluster:					
Federal Family Education Loans	84.032	659,103		659,366	
Federal Pell Grant Program	84.063	565,938		565,938	
Total Student Financial Assistance Cluster		<u>1,225,041</u>		<u>1,225,304</u>	
<i>(Direct Program)</i>					
Rural Education	84.358A	15,522		9,103	
<i>(Passed through Ohio Department of Education)</i>					
Adult Education State Grant Program	84.002	190,483		190,483	
Vocational Education Basic Grants to States					
Vocational Education Basic Grants to States - Adult	84.048	352,185		355,146	
		69,361		69,366	
Total Vocational Education Basic Grants to States		<u>421,546</u>		<u>424,512</u>	
Safe and Drug Free Schools and Communities State Grants	84.186	85			
Improving Teacher Quality State Grants	84.367	6,475		5,546	
Total U.S. Department of Education		<u>1,859,152</u>		<u>1,854,948</u>	
Total Federal Assistance		<u>\$1,971,778</u>	<u>\$3,888</u>	<u>\$1,967,574</u>	<u>\$3,888</u>

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

**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT  
LOGAN COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) reports the Ohio Hi-Point Joint Vocational School District's (the District) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting. Receipts are recognized when received rather than when earned, and expenditures are recorded when paid rather than when the obligation is incurred.

**NOTE B - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on the Schedule, The District assumes it expends federal monies first.

**NOTE C – FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance is reported in the Schedule at the entitlement value of the commodities received and consumed. The entitlement value reported in the Schedule is determined using the Commodity Allocation Tracking System (CATS). At June 30, 2011, the District had no significant food commodities inventory.

**NOTE D – MATCHING REQUIREMENTS**

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



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Ohio Hi-Point Joint Vocational School District  
Logan County  
2280 State Route 540  
Bellefontaine, Ohio 43311-9594

To the Board of Education:

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of the Ohio Hi-Point Joint Vocational School District, Logan County (the District), as of and for the fiscal year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 16, 2012, wherein we noted the District adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

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

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

### **Compliance and Other Matters**

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

We did note a certain matter not requiring inclusion in this report that we reported to the District's management in a separate letter dated March 16, 2012.

We intend this report solely for the information and use of the management, Board of Education, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

March 16, 2012



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Ohio Hi-Point Joint Vocational School District  
Logan County  
2280 State Route 540  
Bellefontaine, Ohio 43311-9594

To the Board of Education:

### Compliance

We have audited the compliance of the Ohio Hi-Point Joint Vocational School District (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 could directly and materially affect each of the Ohio Hi-Point Joint Vocational School District's major federal programs for the fiscal year ended June 30, 2011. The *summary of auditor's results* section of the accompanying schedule of findings identifies the School District's major federal programs. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to opine on the District's compliance based on our audit.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with these requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with these requirements.

In our opinion, the Ohio Hi-Point Joint Vocational School District complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the fiscal year ended June 30, 2011.

### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

**Internal Control Over Compliance  
(Continued)**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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

We noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the District's management in a separate letter dated March 16, 2012.

We intend this report solely for the information and use of the management, Board of Education, others within the District, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



**Dave Yost**  
Auditor of State

March 16, 2012

**OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT  
LOGAN COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
JUNE 30, 2011**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Student Financial Assistance Cluster: CFDA #84.032 and #84.063 Vocational Education Basic Grants to States: CFDA #84.048
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A\B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**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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# Dave Yost • Auditor of State

## Independent Accountants' Report on Applying Agreed-Upon Procedure

Ohio Hi-Point Joint Vocational School District  
Logan County  
2280 State Route 540  
Bellefontaine, Ohio 43311-9594

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy on February 23, 2011, to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

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

**Dave Yost**  
Auditor of State

March 16, 2012

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# Dave Yost • Auditor of State

OHIO HI-POINT JOINT VOCATIONAL SCHOOL DISTRICT

LOGAN 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  
MAY 3, 2012