



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Upper Valley Joint Vocational School District, Miami County, (the District), as of and for the year ended June 30, 2008, 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, each major fund, and the aggregate remaining fund information of the Upper Valley Joint Vocational School District, Miami County, as of June 30, 2008, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General Fund and Adult Education Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Federal Awards Receipts and Expenditures is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Receipts and Expenditures to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 16, 2009

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED**

The discussion and analysis of Upper Valley Joint Vocational School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008 are as follows:

- In total, net assets decreased \$61,602, which represents a less than one percent decrease from fiscal year 2007.
- General revenues accounted for \$16,163,654, or 73.4 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$5,870,877, or 26.6 percent of total revenues of \$22,034,531.
- The School District had \$22,096,133 in expenses; only \$5,870,877 of these expenses were offset by program specific charges for services, grants or contributions. The combination of general revenues (primarily taxes and unrestricted grants and entitlements) consisting of \$16,163,654 and beginning net assets of \$20,716,582 were adequate to provide for these programs.
- Among major funds, the General Fund had \$17,315,713 in revenues and \$18,449,980 in expenditures. The General Fund's balance decreased \$1,184,424 over fiscal year 2007.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Upper Valley Joint Vocational School 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 Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other nonmajor funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current fiscal year's revenues and expenses regardless of when cash is received or paid.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities all of the School District's programs and services are reported as governmental activities including, but not limited to, instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities. The School District does have Internal Service Funds that are accounted for as governmental activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School District's major funds begins on page 13. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, the Adult Education Special Revenue Fund, the Note Retirement Debt Service Fund, and the Building Capital Projects Fund.

Governmental Funds

Most of the School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

Governmental fund information helps 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.

Proprietary Funds

Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. Internal service funds are used to report activities that provide services to the School District's other funds and departments.

Fiduciary Funds

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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(Continued)**

The School District as a Whole

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

Table 1 provides a summary of the School District's net assets for fiscal year 2008 compared to fiscal year 2007:

**Table 1
Net Assets**

	2008	2007	Change
Assets:			
Current Assets	\$17,841,819	\$21,035,380	(\$3,193,561)
Capital Assets	13,838,105	13,593,776	244,329
Total Assets	<u>31,679,924</u>	<u>34,629,156</u>	<u>(2,949,232)</u>
Liabilities:			
Long-Term Liabilities	1,320,070	3,182,142	(1,862,072)
Other Liabilities	9,704,874	10,730,432	(1,025,558)
Total Liabilities	<u>11,024,944</u>	<u>13,912,574</u>	<u>(2,887,630)</u>
Net Assets:			
Invested in Capital Assets, Net of Related Debt	12,733,070	10,560,247	2,172,823
Restricted	2,174,894	3,369,684	(1,194,790)
Unrestricted	5,747,016	6,786,651	(1,039,635)
Total Net Assets	<u>\$20,654,980</u>	<u>\$20,716,582</u>	<u>(\$ 61,602)</u>

Total net assets decreased \$61,602, from fiscal year 2007. Total assets of governmental activities decreased by \$2,949,232, as current assets decreased by \$3,193,561, mainly due to a decrease in property taxes receivable related to the ongoing phase out of tangible personal property tax coupled with a decrease in cash as a result of increased expenses relating to continued renovations being made throughout the School District as well as operating expenses exceeding current year revenues. Capital assets increased by \$244,329 as the School District continues to renovate and purchase new equipment. Total liabilities decreased \$2,887,630. The decrease in long-term liabilities was due to the retirement of \$1,950,000 of the School Improvement Bond Anticipation Note. The \$1,025,558 decrease in other liabilities from fiscal year 2007 was due to a decrease of accounts payable related to the timing of when invoices are paid as well as the decrease in deferred revenue resulting from property taxes.

Invested in capital assets, net of related debt increased due to the purchase of new equipment and the completion of several building renovations throughout the School District as well as debt payments made during fiscal year 2008. Unrestricted net assets, the part of net assets that can be used to finance day-to-day activities without constraints established by grants or legal requirements of the School District, decreased by \$1,039,635. This decrease from fiscal year 2007 was due to the decline of the General Fund balance due to increased expenditures relating to the building renovations throughout the School District. Beginning unrestricted net assets of \$6,786,651 is enough to cover the decrease. Restricted net assets decreased \$1,194,790 due to a decrease in net assets restricted for debt service as well as there not being a reserve for capital maintenance in fiscal year 2008 as there was in fiscal year 2007. During fiscal year 2008 the School District paid down a greater amount of the note payable than in prior years.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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(Continued)**

Table 2 shows the changes in net assets for fiscal year 2008 compared to fiscal year 2007.

**Table 2
Changes in Net Assets**

	2008	2007	Change
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,867,567	\$ 2,002,340	(\$134,773)
Operating Grants and Contributions	4,003,310	4,592,795	(589,485)
Total Program Revenues	<u>5,870,877</u>	<u>6,595,135</u>	<u>(724,258)</u>
General Revenues:			
Property Taxes	7,579,701	7,981,133	(401,432)
Grants and Entitlements	7,915,977	7,188,822	727,155
Investment Earnings	571,189	703,192	(132,003)
Gifts and Donations	60,205	58,560	1,645
Miscellaneous	36,582	48,889	(12,307)
Total General Revenues	<u>16,163,654</u>	<u>15,980,596</u>	<u>183,058</u>
Total Revenues	<u>22,034,531</u>	<u>22,575,731</u>	<u>(541,200)</u>
Program Expenses:			
Instruction:			
Regular	1,933,743	1,762,296	171,447
Special	1,173,245	1,101,433	71,812
Vocational	9,310,842	8,909,579	401,263
Adult/Continuing	1,565,151	1,520,635	44,516
Student Intervention Services	39,128	44,449	(5,321)
Support Services:			
Pupils	1,193,895	1,420,811	(226,916)
Instructional Staff	242,583	231,319	11,264
Board of Education	54,920	44,195	10,725
Administration	2,386,925	2,205,624	181,301
Fiscal	609,655	575,885	33,770
Business	158,414	148,833	9,581
Operation and Maintenance of Plant	1,579,421	1,440,999	138,422
Pupil Transportation	51,911	62,969	(11,058)
Central	759,998	678,860	81,138
Operation of Non-Instructional Services	847,611	822,045	25,566
Extracurricular Activities	65,133	62,055	3,078
Interest and Fiscal Charges	123,558	183,518	(59,960)
Total Expenses	<u>22,096,133</u>	<u>21,215,505</u>	<u>\$880,628</u>
Change in Net Assets	(61,602)	1,360,226	
Net Assets at Beginning of Year	<u>20,716,582</u>	<u>19,356,356</u>	
Net Assets at End of Year	<u>\$20,654,980</u>	<u>\$20,716,582</u>	

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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(Continued)**

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for the School District's operations. Property taxes made up 34.4 percent of revenues for governmental activities for the Upper Valley Joint Vocational School District for fiscal year 2008.

Instruction comprises 63.5 percent of School District expenses. Support services expenses make up 31.9 percent of the expenses.

Charges for services decreased by \$134,773 from fiscal year 2007. The decrease was primarily due to a significant decrease in adult education enrollment.

Operating grants and contributions decreased significantly from fiscal year 2007. The primary reason for this decrease was due to a decrease in special education, adult education, and career tech enrollment.

The decrease in property tax revenue was the result of the phase out of the personal property tax. The State is reimbursing local governments for this loss and is the primary reason for the increase in grants and entitlements.

The significant decrease in investment earnings was due to decreased interest rates and lower fund balances to invest.

Overall expenses increased \$880,628, which represents a 4.2 percent increase from fiscal year 2007. Historically, expenses have been increasing each fiscal year and the primary reason for this is increased salaries and benefits as a result of staff raises.

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

**Table 3
Governmental Activities**

	Total Cost Of Services 2008	Net Cost of Services 2008	Total Cost Of Services 2007	Net Cost of Services 2007
Instruction	\$14,022,109	(\$9,769,999)	\$13,338,392	(\$8,449,961)
Support Services	7,037,722	(6,232,508)	6,809,495	(5,863,957)
Operation of Non- Instructional Services	847,611	(34,058)	822,045	(60,879)
Extracurricular Activities	65,133	(65,133)	62,055	(62,055)
Interest and Fiscal Charges	123,558	(123,558)	183,518	(183,518)
Total Expenses	\$22,096,133	(\$16,225,256)	\$21,215,505	(\$14,620,370)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED
(Continued)**

The School District's Funds

Information about the School District's major funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$21,936,166 and expenditures of \$24,166,354. The net change in fund balance for the year in the General Fund, Adult Education Special Revenue Fund, Note Retirement Debt Service Fund and Building Capital Projects Fund were (\$1,184,424), (\$179,048), (\$24,345) and (\$862,871), respectively.

The significant decrease in fund balance in the General Fund was due to increased expenditures from fiscal year 2007. Revenues stayed relatively the same from fiscal year 2007, decreasing less than one percent. In regards to revenues, property taxes decreased due to the phase out of tangible personal property, but intergovernmental revenue increased due to grants from the State. The significant increase in expenditures in the General Fund was a result of several building renovation projects and salary increases throughout the School District. The decrease in the Adult Education Special Revenue Fund was the result of a decrease in enrollment which led to a decrease in tuition and fees. The decrease in fund balance in the Note Retirement Debt Service Fund was caused by the required debt payments exceeding revenues. Although expenditures exceeded revenues, fund balance was enough to cover the payments. The Building Capital Projects Fund primarily reflects expenditures for interest and fiscal charges relating to the school improvement bond anticipation note. The decrease was due to the requirement to record note debt activity in the fund that originally received the proceeds. The deficit will be alleviated when the debt is paid off.

General Fund Budgeting Highlights

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

The School District uses site-based budgeting and the budgeting systems are designed to tightly control total site budgets but provide flexibility for site management.

During fiscal year 2008, the General Fund had a budget of \$6,209,955 and \$10,147,133 for property taxes and intergovernmental revenues, respectively. The General Fund received \$6,506,829 in property tax revenue, and \$10,201,134 in intergovernmental revenue which accounts for roughly 96 percent of General Fund revenues. The variance in property taxes reflects conservative estimates for tangible personal property taxes due to the uncertainty of the economy and the continued phase-out of the tax. The tangible personal property assessment percentage for fiscal year 2008 was 6.25 percent, down from 12.5 in fiscal year 2007. The intergovernmental revenues variance reflects the underestimating of tangible personal tax loss reimbursements from the State regarding the above mentioned phase-out.

The School District budgeted \$25,780,699 for expenditures, but expended only \$19,131,676, a difference of \$6,649,023. The majority of the difference was in vocational instruction. The School District's vocational expenditures are 47.8 percent of total expenditures. The School District budgets extra dollars for vocational expenditures to cover any unforeseen circumstances that may arise as well as \$3,000,000 for vocational equipment, which is purchased on the basis of need. However, actual expenditures are normally around \$750,000 annually for vocational equipment. The School District's ending unobligated cash balance was \$7,204,486 above the final budgeted amount.

For the General Fund, the original and final budgeted receipt estimates equaled. Original and final budgeted expenditures had a variance in total of only \$20,498.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
UNAUDITED
(Continued)**

Capital Assets

At the end of fiscal year 2008, the School District had \$13,838,105 invested in land, construction in progress, buildings and improvements, furniture, fixtures, and equipment, and vehicles.

Table 4 shows fiscal year 2008 balances compared to fiscal year 2007.

**Table 4
Capital Assets (Net of Depreciation) at June 30,**

	2008	2007
Land	\$ 1,173,459	\$ 1,173,459
Construction in Progress	252,398	132,536
Buildings and Improvements	9,370,748	9,106,554
Furniture, Fixtures, and Equipment	2,997,793	3,126,206
Vehicles	43,707	55,021
Totals	\$13,838,105	\$13,593,776

Overall capital assets increased \$244,329 from fiscal year 2007. The most significant additions in fiscal year 2008 were the completion of several building renovations and the furniture, fixtures, and equipment associated with the renovated buildings. Depreciation expense of \$492,587 offset the large capital assets additions during fiscal year 2008.

For more information on capital assets, refer to Note 8 of the basic financial statements.

Debt Administration

At June 30, 2008, the School District had \$1,900,000 in debt outstanding.

**Table 5
Outstanding Debt at Fiscal Year-End**

	Governmental Activities	
	2008	2007
Short-Term Debt:		
Note Payable	\$1,900,000	\$1,950,000
Long-Term Debt:		
School Improvement Bond Anticipation Note	_____	1,900,000
Total Outstanding Debt	\$1,900,000	\$3,850,00

During fiscal year 2008, \$1,950,000 of the note was paid off and the remaining \$1,900,000 is presented as a fund liability. The purpose of the note was for improving the existing school building by constructing a new addition and renovation and remodeling, acquiring equipment and furnishings, and making related site improvements.

At June 30, 2008, the School District's overall legal debt margin was \$190,194,275 and the unvoted debt margin was \$2,123,762. See Notes 13 and 14 of the notes to the basic financial statements for more detailed information.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
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(Continued)**

Current Financial Issues and Concerns

The School District has experienced some losses of business based on the closing of several manufacturing facilities. The impact of these closings, with little promise of new manufacturing and industrial base, creates concern for local government and school officials. The School District's strong financial position will not force an immediate reaction to these losses. However, should there be a continuation of this trend, the results may begin to impact the School District's cash flow and require a differing list of priorities in future years.

Externally, the State of Ohio was found by the Ohio Supreme Court in March 1997 to be operating an unconstitutional system of school funding, one that was neither "adequate" nor "equitable." Since 1997, the State has directed its tax revenue growth toward school districts with little property tax wealth. The legislators and government officials continue to negotiate the plan for improvement of the financing of public schools in the State of Ohio.

In comparison to other school districts in the State, the Upper Valley Joint Vocational School District would not be considered a School District suffering with low wealth. Therefore, the Upper Valley Joint Vocational School District has not anticipated any meaningful growth in State revenue. The concern is that, to meet the requirements of the court, the State may require redistribution of the Commercial Activities Tax that was enacted to replace the recently repealed Tangible Personal Property tax.

With the adoption of the fiscal year 2008 through fiscal year 2009 Biennial Budget Bill, the State Legislature has included a three percent increase in per pupil subsidies but eliminated the Cost of Doing Business factor for a net increase of less than two percent per pupil. This action coupled with the effects of a second ADM enrollment count factored into State subsidies could continue to negatively impact intergovernmental revenues. Recently, The Ohio Governor's Office instituted a 10% reduction in the State's FY09 Budget that reduced some funding to the School District. A second round of cuts amounting to 4.75% was also instituted. The bulk of the budget cuts primarily affected the District's Adult Education Programs.

The State Foundation amounts, which represent the primary source of State funding for the School District, have been basically unaffected by the cuts thus far. Even though the State legislature has enacted a new tax on business called the Commercial Activities Tax, and has offered a hold harmless transition guarantee against significant loss of revenue due to the tax structure changes for the near term, State support for schools continues to generate many more questions than answers. Both scenarios require management to plan carefully and prudently to provide the resources to meet student needs over the next several years.

In conclusion, the Upper Valley Joint Vocational School District has committed itself to financial excellence for many years. In addition, the School District's system of financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future and to provide the best educational opportunities to its students.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact William Stump, Treasurer at Upper Valley Joint Vocational School District, 8811 Career Drive, Piqua, Ohio 45356, or e-mail at stumpw@uvjvs.org.

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

**STATEMENT OF NET ASSETS
JUNE 30, 2008**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$10,599,488
Accounts Receivable	110,298
Accrued Interest Receivable	89,223
Intergovernmental Receivable	298,818
Inventory of Supplies and Materials	31,141
Inventory Held for Resale	78,767
Prepaid Items	13,622
Property Taxes Receivable	6,567,791
Assets Held for Resale	52,671
Nondepreciable Capital Assets	1,425,857
Depreciable Capital Assets, Net	12,412,248
Total Assets	31,679,924
Liabilities:	
Accounts Payable	84,436
Contracts Payable	130,250
Retainage Payable	15,242
Accrued Wages and Benefits Payable	1,225,631
Matured Compensated Absences Payable	54,494
Notes Payable	1,900,000
Accrued Interest Payable	53,200
Intergovernmental Payable	314,505
Deferred Revenue	5,927,116
Long Term Liabilities:	
Due Within One Year	68,851
Due In More Than One Year	1,251,219
Total Liabilities	11,024,944
Net Assets:	
Invested in Capital Assets, Net of Related Debt	12,733,070
Restricted for:	
Capital Projects	1,331,974
Debt Service	186,716
Other Purposes	107,842
Uniform School Supplies	74,316
Adult Education	421,741
Set-Asides	52,305
Unrestricted	5,747,016
Total Net Assets	\$20,654,980

See Accompanying Notes to the Basic Financial Statements.

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

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
			<u>Total Governmental Activities</u>
Governmental Activities:			
Instruction:			
Regular	\$1,933,743		(\$1,933,743)
Special	1,173,245		(850,888)
Vocational	9,310,842	\$114,298	(6,867,896)
Adult/Continuing	1,565,151	903,065	(79,524)
Student Intervention Services	39,128		(37,948)
Support Services:			
Pupils	1,193,895	48,958	(865,412)
Instructional Staff	242,583		(172,529)
Board of Education	54,920		(54,920)
Administration	2,386,925	206,411	(2,083,892)
Fiscal	609,655	724	(608,931)
Business	158,414		(158,414)
Operation and Maintenance of Plant	1,579,421	26,003	(1,524,010)
Pupil Transportation	51,911		(39,782)
Central	759,998	18,901	(724,618)
Operation of Non-Instructional Services	847,611	549,207	(34,058)
Extracurricular Activities	65,133		(65,133)
Interest and Fiscal Charges	123,558		(123,558)
Total Governmental Activities	\$22,096,133	\$1,867,567	\$4,003,310
General Revenues:			
Property Taxes Levied for:			
			6,530,496
			1,049,205
Grants and Entitlements not Restricted to			
			7,915,977
			571,189
			60,205
			Decrease in Fair Value of Investments
			36,582
			<u>16,163,654</u>
			(61,602)
			<u>20,716,582</u>
			<u>\$20,654,980</u>

See Accompanying Notes to the Basic Financial Statements.

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>General</u>	<u>Adult Education</u>	<u>Note Retirement</u>	<u>Building</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$7,842,987	\$279,119	\$896,774	\$30,430	\$1,420,320	\$10,469,630
Receivables:						
Property Taxes	5,673,222		894,569			6,567,791
Accounts	7,288	86,623			16,387	110,298
Intergovernmental	4,570	151,301			142,947	298,818
Accrued Interest	77,624		8,030		3,569	89,223
Interfund	25,450				1,233	26,683
Assets Held for Resale	52,671					52,671
Inventory of Supplies and Materials	3,021				28,120	31,141
Inventory Held for Resale					2,344	2,344
Prepaid Items	13,622					13,622
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	53,975					53,975
Total Assets	<u>13,754,430</u>	<u>517,043</u>	<u>1,799,373</u>	<u>30,430</u>	<u>1,614,920</u>	<u>17,716,196</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts Payable	54,326	8,656		8,100	11,127	82,209
Contracts Payable	93,638				36,612	130,250
Retainage Payable	12,726				2,516	15,242
Accrued Wages and Benefits Payable	1,151,950	25,140			48,541	1,225,631
Intergovernmental Payable	278,192	19,160			17,153	314,505
Interfund Payable	30,112	2,536			26,252	58,900
Deferred Revenue	5,360,853	125,667	843,644		75,020	6,405,184
Notes Payable				1,900,000		1,900,000
Accrued Interest Payable				53,200		53,200
Matured Compensated Absences Payable	54,494					54,494
Total Liabilities	<u>7,036,291</u>	<u>181,159</u>	<u>843,644</u>	<u>1,961,300</u>	<u>217,221</u>	<u>10,239,615</u>
Fund Balances:						
Reserved for Encumbrances	569,277	23,007		39,666	104,264	736,214
Reserved for Property Taxes	348,445		52,614			401,059
Reserved for Textbooks and Instructional Materials	52,305					52,305
Reserved for Unclaimed Monies	1,670					1,670
Reserved for Assets Held for Resale	52,671					52,671
Unreserved, Undesignated (Deficit) Reported in:						
General Fund	5,693,771					5,693,771
Special Revenue Funds		312,877			61,050	373,927
Debt Service Fund			903,115			903,115
Capital Projects Funds				(1,970,536)	1,232,385	(738,151)
Total Fund Balances (Deficit)	<u>6,718,139</u>	<u>335,884</u>	<u>955,729</u>	<u>(1,930,870)</u>	<u>1,397,699</u>	<u>7,476,581</u>
Total Liabilities and Fund Balances	<u>\$13,754,430</u>	<u>\$517,043</u>	<u>\$1,799,373</u>	<u>\$30,430</u>	<u>\$1,614,920</u>	<u>\$17,716,196</u>

See Accompanying Notes to the Basic Financial Statements.

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

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2008**

Total Governmental Fund Balance	\$7,476,581
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**Amounts reported for governmental activities in the
Statement of Net Assets are different because:**

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

Land	\$1,173,459	
Construction in Progress	252,398	
Building and Improvements	12,017,697	
Furniture, Fixtures, and Equipment	7,094,507	
Vehicles	250,704	
Accumulated Depreciation	<u>(6,950,660)</u>	
Total Capital Assets		13,838,105

Two Internal Service Funds are used by management to charge the costs of insurance and supplies to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Assets.	180,610
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Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Property Taxes Receivable	239,616	
Intergovernmental Receivable	55,124	
Accounts Receivable	149,250	
Accrued Interest Receivable	<u>34,078</u>	
		478,068

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

Compensated Absences Payable	<u>(1,318,384)</u>
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Net assets of Governmental Activities	<u><u>\$20,654,980</u></u>
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See Accompanying Notes to the Basic Financial Statements.

UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	General	Adult Education	Note Retirement	Building	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property Taxes	\$6,503,731		\$1,050,394			\$7,554,125
Tuition and Fees	41,571	\$1,098,092			\$237,364	1,377,027
Investment Earnings	422,206		38,428	\$16,103	61,825	538,562
Intergovernmental	10,218,944	549,651	110,975		1,137,455	12,017,025
Charges for Services	103,840				245,874	349,714
Gifts and Donations	3,110	6,540			50,555	60,205
Rent	2,926					2,926
Miscellaneous	19,385	6,709	10,374		114	36,582
Total Revenues	<u>17,315,713</u>	<u>1,660,992</u>	<u>1,210,171</u>	<u>16,103</u>	<u>1,733,187</u>	<u>21,936,166</u>
Expenditures:						
Current:						
Instruction:						
Regular	1,853,611					1,853,611
Special	1,174,294					1,174,294
Vocational	8,818,860				340,190	9,159,050
Adult/Continuing		1,387,482			178,298	1,565,780
Student Intervention Services	37,128				2,000	39,128
Support Services:						
Pupils	831,261	72,500		13,406	257,029	1,174,196
Instructional Staff	176,687				79,523	256,210
Board of Education	54,920					54,920
Administration	1,990,249	312,441			11,694	2,314,384
Fiscal	552,919		23,867		35,160	611,946
Business	156,150					156,150
Operation and Maintenance of Plant	1,295,674	39,156			17,702	1,352,532
Pupil Transportation	34,378				12,129	46,507
Central	661,401	28,461			55,085	744,947
Operation of Non-Instructional Services	111,851				724,447	836,298
Extracurricular Activities	65,133					65,133
Capital Outlay	635,464			8,100	49,587	693,151
Debt Service:						
Interest and Fiscal Charges				168,117		168,117
Current Refunding				1,900,000		1,900,000
Total Expenditures	<u>18,449,980</u>	<u>1,840,040</u>	<u>23,867</u>	<u>2,089,623</u>	<u>1,762,844</u>	<u>24,166,354</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,134,267)</u>	<u>(179,048)</u>	<u>1,186,304</u>	<u>(2,073,520)</u>	<u>(29,657)</u>	<u>(2,230,188)</u>
Other Financing Sources (Uses):						
Transfers - In			900,000	2,110,649	50,157	3,060,806
Transfers - Out	(50,157)		(2,110,649)	(900,000)		(3,060,806)
Total Other Financing Sources (Uses)	<u>(50,157)</u>		<u>(1,210,649)</u>	<u>1,210,649</u>	<u>50,157</u>	
Net Change in Fund Balances	(1,184,424)	(179,048)	(24,345)	(862,871)	20,500	(2,230,188)
Fund Balances (Deficit) at Beginning of Year	7,902,563	514,932	980,074	(1,067,999)	1,377,199	9,706,769
Fund Balances (Deficit) at End of Year	<u>\$6,718,139</u>	<u>\$335,884</u>	<u>\$955,729</u>	<u>(\$1,930,870)</u>	<u>\$1,397,699</u>	<u>\$7,476,581</u>

See Accompanying Notes to the Basic Financial Statements.

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

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Net Change in Fund Balances - Total Governmental Funds (\$2,230,188)

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

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

Capital Outlay	\$738,103	
Depreciation Expense	<u>(492,587)</u>	
Excess of Capital Outlay Over Depreciation Expense		245,516

The cost of disposed capital assets is removed from the capital assets account on the Statement of Net Assets resulting in a loss on disposal of capital assets on the Statement of Activities.

Loss on Disposal of Capital Assets		(1,187)
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Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Notes Payable		1,900,000
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Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds, when it is due and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The difference in interest on the Statement of Activities is the result of the following.

Decrease in Accrued Interest		44,559
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The Internal Service Funds used by management to charge the costs of insurance and supplies to individual funds is reported in the Statement of Activities.

(80,018)

Some revenues that will not be collected for several months after the School District's fiscal year-end are not considered "available" revenues and are deferred in the governmental funds.

Property Taxes	25,576	
Tuition and Fees	137,900	
Investment Earnings	31,886	
Intergovernmental	<u>(97,738)</u>	
Total		97,624

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

These activities consist of:

Increase in Compensated Absences		<u>(37,908)</u>
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Change in Net Assets of Governmental Activities

(\$61,602)

See Accompanying Notes to the Basic Financial Statements.

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:				
Property Taxes	\$6,209,955	\$6,209,955	\$6,506,829	\$296,874
Tuition and Fees	43,000	43,000	41,830	(1,170)
Interest	410,000	410,000	452,570	42,570
Intergovernmental	10,147,133	10,147,133	10,201,134	54,001
Charges for Services	121,500	121,500	103,658	(17,842)
Gifts and Donations	1,500	1,500	3,110	1,610
Rent	5,480	5,480	2,926	(2,554)
Miscellaneous	25,850	25,850	19,059	(6,791)
Total Revenues	<u>16,964,418</u>	<u>16,964,418</u>	<u>17,331,116</u>	<u>366,698</u>
Expenditures:				
Current:				
Instruction:				
Regular	1,924,446	1,965,664	1,856,512	109,152
Special	1,187,526	1,228,228	1,164,503	63,725
Vocational	13,997,479	13,706,555	9,136,392	4,570,163
Student Intervention Services	22,761	34,910	34,435	475
Support Services:				
Pupils	1,018,003	1,037,517	858,656	178,861
Instructional Staff	237,019	243,365	182,059	61,306
Board of Education	53,417	54,718	41,091	13,627
Administration	2,064,175	2,146,487	2,009,655	136,832
Fiscal	543,691	562,112	553,191	8,921
Business	147,937	157,635	157,050	585
Operation and Maintenance of Plant	1,742,022	1,596,266	1,417,667	178,599
Pupil Transportation	96,900	98,211	40,731	57,480
Central	823,335	845,647	698,367	147,280
Operation of Non-Instructional Services	481,392	494,129	127,299	366,830
Extracurricular Activities	68,560	70,628	62,069	8,559
Capital Outlay	1,392,534	1,538,627	791,999	746,628
Total Expenditures	<u>25,801,197</u>	<u>25,780,699</u>	<u>19,131,676</u>	<u>6,649,023</u>
Excess of Revenues Under Expenditures	<u>(8,836,779)</u>	<u>(8,816,281)</u>	<u>(1,800,560)</u>	<u>7,015,721</u>
Other Financing Sources (Uses):				
Refund of Prior Year Expenditure	3,000	3,000	20,272	17,272
Refund of Prior Year Receipts	(1,600)	(1,768)		1,768
Advances - In			20,332	20,332
Advances - Out	(125,000)	(125,000)	(25,450)	99,550
Transfers - Out	(100,000)	(100,000)	(50,157)	49,843
Total Other Financing Sources (Uses)	<u>(223,600)</u>	<u>(223,768)</u>	<u>(35,003)</u>	<u>188,765</u>
Net Change in Fund Balance	(9,060,379)	(9,040,049)	(1,835,563)	7,204,486
Fund Balance at Beginning of Year	7,703,133	7,703,133	7,703,133	
Prior Year Encumbrances Appropriated	1,383,266	1,383,266	1,383,266	
Fund Balance at End of Year	<u>\$26,020</u>	<u>\$46,350</u>	<u>\$7,250,836</u>	<u>\$7,204,486</u>

See Accompanying Notes to the Basic Financial Statements.

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (NON-GAAP BASIS) AND ACTUAL
ADULT EDUCATION FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Tuition and Fees	\$1,190,500	\$1,190,500	\$1,093,739	(\$96,761)
Intergovernmental	605,000	605,000	548,931	(56,069)
Gifts and Donations	4,000	4,000	6,540	2,540
Miscellaneous	5,000	5,000	6,709	1,709
Total Revenues	<u>1,804,500</u>	<u>1,804,500</u>	<u>1,655,919</u>	<u>(148,581)</u>
Expenditures:				
Current:				
Instruction:				
Adult/Continuing	1,755,372	1,755,372	1,398,929	356,443
Support Services:				
Pupils	92,900	92,900	72,013	20,887
Administration	354,186	354,186	313,441	40,745
Operation and Maintenance of Plant	46,671	46,671	46,653	18
Central	28,150	28,150	28,091	59
Total Expenditures	<u>2,277,279</u>	<u>2,277,279</u>	<u>1,859,127</u>	<u>418,152</u>
Excess of Revenues Under Expenditures	(472,779)	(472,779)	(203,208)	269,571
Other Financing Sources:				
Transfers - In	25,000	25,000		(25,000)
Net Change in Fund Balance	(447,779)	(447,779)	(203,208)	244,571
Fund Balance at Beginning of Year	424,552	424,552	424,552	
Prior Year Encumbrances Appropriated	23,227	23,227	23,227	
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$244,571</u>	<u>\$244,571</u>

See Accompanying Notes to the Basic Financial Statements.

UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2008

Assets:

Current Assets:

Equity in Pooled Cash and Cash Equivalents	\$75,883
Inventory Held for Resale	76,423
Interfund Receivable	32,217
Total Assets	<u>184,523</u>

Liabilities:

Current Liabilities:

Accounts Payable	2,227
Compensated Absences Payable	769
Total Current Liabilities	<u>2,996</u>

Long-Term Liabilities:

Compensated Absences Payable	917
Total Liabilities	<u>3,913</u>

Net Assets:

Unrestricted	180,610
Total Net Assets	<u>\$180,610</u>

See Accompanying Notes to the Basic Financial Statements.

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

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED 30, 2008**

Operating Revenues:	
Charges for Services	<u>\$137,457</u>
Operating Expenses:	
Salaries and Wages	9,001
Fringe Benefits	2,443
Materials and Supplies	2,227
Cost of Sales	104,436
Claims	100,051
Other	58
Total Operating Expenses	<u>218,216</u>
Operating Loss	(80,759)
Non-Operating Revenue:	
Interest Revenue	<u>741</u>
Change in Net Assets	(80,018)
Net Assets at Beginning of Year	<u>260,628</u>
Net Assets at End of Year	<u><u>\$180,610</u></u>

See Accompanying Notes to the Basic Financial Statements.

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

**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

Increase (Decrease) in Cash and Cash Equivalents

Cash Flows from Operating Activities:

Cash Received from Interfund Services Provided	\$156,698
Cash Payments for Employee Services and Benefits	(11,424)
Cash Payments to Suppliers for Goods and Services	(123,317)
Cash Payments for Employee Medical Insurance Claims	(100,051)
Other Operating Expenses	(58)
Net Cash Used for Operating Activities	<u>(78,152)</u>

Cash Flows from Investing Activities:

Interest	<u>741</u>
Net Decrease in Cash and Cash Equivalents	(77,411)
Cash and Cash Equivalents at Beginning of Year	<u>153,294</u>
Cash and Cash Equivalents at End of Year	<u><u>\$75,883</u></u>

Reconciliation of Operating Loss to Net Cash

Used for Operating Activities:

Operating Loss	(\$80,759)
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Adjustments to Reconcile Operating Loss to Net

Cash Used for Operating Activities:

Changes in Assets and Liabilities:	
Increase in Inventory of Supplies and Materials	(18,881)
Decrease in Interfund Receivable	19,241
Increase in Accounts Payable	2,227
Increase in Compensated Absences Payable	20
Net Cash Used for Operating Activities	<u><u>(\$78,152)</u></u>

See Accompanying Notes to the Basic Financial Statements.

UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2008

	<u>Private Purpose Trust</u>	<u>Agency</u>
Assets:		
Equity in Pooled Cash and Cash Equivalents	\$2,226	<u>\$85,973</u>
Liabilities:		
Undistributed Monies		<u>\$85,973</u>
Net Assets:		
Held in Trust for Scholarships	<u>\$2,226</u>	

See Accompanying Notes to the Basic Financial Statements.

UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Private Purpose Trust</u>
Additions:	
Interest	\$284
Gifts and Donations	17,504
Total Additions	<u>17,788</u>
Deletions:	
Payments in Accordance with Trust Agreements	<u>23,175</u>
Change in Net Assets	(5,387)
Net Assets at Beginning of Year	<u>7,613</u>
Net Assets at End of Year	<u><u>\$2,226</u></u>

See Accompanying Notes to the Basic Financial Statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Upper Valley Joint Vocational School District (the "School District") as defined by Section 3311.18 of the Ohio Revised Code, is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes high school and adult students to academic preparation and job training which lead to employment and/or further education upon graduation from high school. The School District includes fourteen member school districts throughout all or portions of Auglaize, Darke, Logan, Miami, and Shelby Counties. The first official body designated as the Upper Valley Joint Vocational School District Board of Education was formed in 1972.

The School District operates under a Board of Education consisting of eleven representatives who are members of the Boards of Education of the participating schools. One member is appointed from each of the following: Bradford Exempted Village School District, Covington Exempted Village School District, and Miami County Educational Service Center. Two members are appointed from the following city and/or county school districts: Piqua, Shelby, Sidney, and Troy. The Board of Education is responsible for providing vocational job training to residents of the participating school districts.

A. Reporting Entity:

The School District is a jointly governed organization, legally separate from other organizations. The Board of Education of the School District is not directly elected. None of the school districts that appoint Board members are financially accountable for the School District.

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

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

The School District participates in three jointly governed organizations, one insurance purchasing pool, and one public entity shared risk pool. These organizations are discussed in Note 16 to the basic financial statements. These organizations are:

Jointly Governed Organizations:

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

Insurance Purchasing Pool:

Southwestern Ohio Educational Purchasing Council Workers'
Compensation Group Rating Plan

Public Entity Shared Risk Pool

Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

1. Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the Internal Service Funds are eliminated to avoid "doubling up" revenues and expenses. The government-wide financial statements usually distinguish between those activities that are governmental and those that are considered business-type activities. The School District, however, has no activities which are reported as business-type.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Fund Financial Statements:

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

B. Fund Accounting

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

1. Governmental Funds:

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

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

Adult Education Special Revenue Fund - The Adult Education Special Revenue Fund accounts for transactions made in connection with adult education classes. Receipts include, but are not limited to, tuition from patrons and students and grants from the State Department of Education. Expenditures include supplies, salaries and textbooks.

Note Retirement Debt Service Fund - The Note Retirement Debt Service Fund accounts for property tax revenues and grants collected for the payment of the School District's debt.

Building Capital Projects Fund - The Building Capital Projects Fund accounts for the financial resources associated with the construction of the Science and Technology addition to the main instructional building.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Proprietary Funds:

Proprietary funds focus on the determination of operating income, changes in net assets, financial position, and cash flows. The School District's proprietary funds are Internal Service Funds. The Internal Service Funds account for the financing of services provided by one department or agency to another department or agency of the School District on a cost-reimbursement basis. The School District's two Internal Service Funds are a Warehouse Fund and an Employee Benefits Fund.

3. Fiduciary Funds:

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

C. Measurement Focus

1. Government-wide Financial Statements:

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

2. Fund Financial Statements:

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

Like the government-wide financial statements, both Internal Service Funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (e.g., revenues) and decreases (e.g., expenses) in total net assets. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its internal service activities.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Accounting

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

1. Revenues - Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

2. 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, 2008, but which were levied to finance fiscal year 2009 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.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Expenses/Expenditures:

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

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

E. Cash and Cash Equivalents

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

During fiscal year 2008, the School District invested in US Treasury Money Market Mutual Fund, Commercial Paper, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal Home Loan Bank Discount Bonds, Federal Home Loan Mortgage Corporation Discount Notes, Federal National Mortgage Association Discount Notes, Federal National Mortgage Association Notes, US Treasury Notes, and the State Treasury Asset Reserve of Ohio (STAROhio). Investments are reported at fair value which is based on quoted market prices. For investments in open-end mutual funds, fair value is determined by the fund's share price.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2008.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2008 amounted to \$422,206 which includes \$106,802 assigned from other School District funds.

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

F. Interfund Receivables and Payables

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "Interfund Receivable" and "Interfund Payable." Interfund balances are eliminated on the government-wide Statement of Net Assets.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Assets Held for Resale

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

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventory consists of administrative and school supplies held for resale, expendable supplies held for consumption, purchased food held for resale, and non-food supplies.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

J. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, laws of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets in the General Fund represent amounts required by statute to be set aside by the School District for the purchase of textbooks and instructional materials and amounts representing unclaimed monies.

K. Capital Assets

The School District's only capital assets are general capital assets. General capital assets are those assets specifically related to governmental activities. General capital assets usually result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Assets but are not reported in the fund financial statements.

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	75 years
Furniture, Fixtures, and Equipment	8-20 years
Vehicles	10-12 years

L. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the Internal Service Funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences 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 fiscal year.

M. Compensated Absences

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

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

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

On governmental fund financial statements, compensated absences are reported as liabilities and expenditures to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the funds from which the employees are paid. In the proprietary funds, the entire amount of compensated absences is reported as a fund liability.

N. Net Assets

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide Statement of Net Assets reports \$2,174,894 of restricted net assets, none of which are restricted by enabling legislation.

O. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, property taxes, textbooks and instructional materials, unclaimed monies, and assets held for resale.

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

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Internal Service Funds. For the School District, these revenues are charges for services for supplies. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses that do not meet these definitions are reported as non-operating.

Q. Internal Activity

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

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

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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

R. Budgetary Process

All funds, other than the agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of budgetary control has been established by the Board of Education at the fund and function level for the General Fund and at the fund level for all other funds. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Advances-in and advances-out are not required to be budgeted since they represent a cash flow resource and are intended to be repaid. The Treasurer has been authorized to allocate Board appropriations to the object level in the General Fund and the function and object level within all other funds.

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

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

S. Estimates

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

3. ACCOUNTABILITY

The Miscellaneous State Grants and Carl Perkins Special Revenue Funds and the Building Capital Projects Fund had deficit fund balances at June 30, 2008, of \$3,215, \$19,888, and \$1,930,870, respectively. The deficits in the Miscellaneous State Grants and Carl Perkins Special Revenue Funds are due to adjustments for accrued liabilities which generate expenditures that are greater than those recognized on a cash basis. The General Fund is liable for the deficits and provides operating transfers when cash is required, not when accruals occur. The deficit in the Building Capital Projects Fund is due to the liability for notes payable being reported as a fund liability and will be alleviated when the notes are paid.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

4. BUDGETARY BASIS OF ACCOUNTING

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

The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the fund liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. The change in the fair value of investments is not included on the budget basis operating statement. This amount is included as revenue on the GAAP basis operating statement.

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

Net Change in Fund Balances		
	General	Adult Education
GAAP Basis	(\$1,184,424)	(\$179,048)
Net Adjustment for Revenue Accruals	12,268	(5,073)
Net Adjustment for Expenditure Accruals	(35,570)	15,461
Change in Fair Value of Investments - FY 2007	23,407	
Change in Fair Value of Investments - FY 2008	(11,623)	
Advances	(5,118)	
Adjustment for Encumbrances	(634,503)	(34,548)
Budget Basis	(\$1,835,563)	(\$203,208)

5. DEPOSITS AND INVESTMENTS

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

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

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

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

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

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

A. Investments

As of June 30, 2008, the School District had the following investments. All investments are in an internal investment pool.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

5. DEPOSITS AND INVESTMENTS (Continued)

	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>	
		<u>Less than 1</u>	<u>1-2</u>
US Treasury Money Market Mutual Fund	\$31,127	\$31,127	
Commercial Paper	502,912	502,912	
Federal Home Loan Mortgage Corporation (FHLMC) Notes	1,544,813	1,311,874	\$232,939
Federal Home Loan Bank Bonds	2,333,642	1,529,161	804,481
Federal Home Loan Bank Discount Bonds	1,125,703	1,125,703	
Federal Home Loan Mortgage Corporation (FHLMC) Discount Notes	496,900	496,900	
Federal National Mortgage Association (FNMA) Discount Notes	289,478	289,478	
Federal National Mortgage Association (FNMA) Notes	2,813,700	1,771,015	1,042,685
US Treasury Notes	472,139	472,139	
STAROhio	999,888	999,888	
Totals	<u>\$10,610,302</u>	<u>\$8,530,197</u>	<u>\$2,080,105</u>

Interest Rate Risk – The School District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and that an investment must be purchased with the expectation that it will be held to maturity. State statute limits investments in commercial paper to a maximum maturity of 180 days from the date of purchase.

Credit Risk – The US Treasury Money Market Mutual Fund, Commercial Paper, Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal Home Loan Bank Discount Bonds, Federal Home Loan Mortgage Corporation Discount Notes, Federal National Mortgage Association Discount Notes, Federal National Mortgage Association Notes, and the US Treasury Notes carry a rating of AAA by Moody's. STAROhio carries a rating of AAAM by Standard and Poor's. The School District's investment policy limits investments to those authorized by State statute. Ohio law requires that STAROhio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service. Investments in commercial paper are limited to notes rated at the time of purchase to have the highest classification established by two nationally recognized standard rating services.

Concentration of Credit Risk – The School District places no limit on the amount it may invest in any one issuer, however State statute limits investments in commercial paper and bankers' acceptances to 25 percent of the interim monies available for investment at any one time. The School District's investments in Federal Home Loan Mortgage Corporation Notes, Federal Home Loan Bank Bonds, Federal Home Loan Bank Discount Bonds, and Federal National Mortgage Association Notes represent 14.56 percent, 21.99 percent, 10.61 percent, and 26.52 percent, respectively, of the School District's total investments.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

6. PROPERTY TAXES

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the School District. Real property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in calendar year 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar year 2008 (other than public utility property tax) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2008 were levied after April 1, 2007, on the value listed as of December 31, 2007. In prior years, tangible personal property was assessed at twenty-five percent of true value for capital assets and twenty-three percent of true value for inventory. The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent and will be reduced to zero for 2009. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the School District prior to June 30.

The School District receives property taxes from Miami, Darke, Shelby, Auglaize, and Logan Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2008, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property, public utility property and tangible personal property taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reported as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred revenue.

The amount available as an advance at June 30, 2008 was \$348,445 in the General Fund and \$52,614 in the Note Retirement Debt Service Fund. The amount available as an advance at June 30, 2007 was \$351,543 in the General Fund and \$61,399 in the Note Retirement Debt Service Fund.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

6. PROPERTY TAXES (Continued)

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

The assessed values upon which the fiscal year 2008 taxes were collected are:

	2007 Second – Half Collections		2008 First - Half Collections	
	Amount	Percent	Amount	Percent
Real Estate	\$1,953,429,560	84.37%	\$2,075,357,540	90.28%
Public Utility Personal	72,300,860	3.12	60,394,430	2.63
General Business Personal	289,699,956	12.51	162,903,566	7.09
Total	<u>\$2,315,430,376</u>	<u>100.00%</u>	<u>\$2,298,655,536</u>	<u>100.00%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$5.45		\$5.35	

7. RECEIVABLES

Receivables at June 30, 2008, consisted of property taxes, accounts receivable (tuition, charges for services, and student fees), intergovernmental receivables (grants and tuition and fees), accrued interest and interfund. All receivables are considered collectible in full and all will be received within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amount
Governmental Activities:	
Tuition and Fees	\$206,894
Entry Year Teacher Grant	2,400
Miscellaneous State Grants	7,597
ABLE Grant	37,004
Carl Perkins Grant	39,414
Title V	94
Title II-A	5,415
Total Intergovernmental Receivable	<u>\$298,818</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

8. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2008, was as follows:

	<u>Balance At 6/30/2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance At 6/30/2008</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,173,459			\$ 1,173,459
Construction in Progress	132,536	\$470,076	(\$350,214)	252,398
Total Capital Assets Not Being Depreciated	<u>1,305,995</u>	<u>470,076</u>	<u>(350,214)</u>	<u>1,425,857</u>
Depreciable Capital Assets:				
Buildings and Improvements	11,588,917	428,780		12,017,697
Furniture, Fixtures, and Equipment	6,908,126	189,461	(3,080)	7,094,507
Vehicles	250,704			250,704
Total Depreciable Capital Assets	<u>18,747,747</u>	<u>618,241</u>	<u>(3,080)</u>	<u>19,362,908</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(2,482,363)	(164,586)		(2,646,949)
Furniture, Fixtures, and Equipment	(3,781,920)	(316,687)	1,893	(4,096,714)
Vehicles	(195,683)	(11,314)		(206,997)
Total Accumulated Depreciation	<u>(6,459,966)</u>	<u>(492,587) *</u>	<u>1,893</u>	<u>(6,950,660)</u>
Depreciable Capital Assets, Net	<u>12,287,781</u>	<u>125,654</u>	<u>(1,187)</u>	<u>12,412,248</u>
Governmental Activities Capital Assets, Net	<u>\$13,593,776</u>	<u>\$595,730</u>	<u>(\$351,401)</u>	<u>\$13,838,105</u>

* Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$42,856
Special	4,479
Vocational	280,950
Adult/Continuing	14,942
Support Services:	
Pupils	11,517
Instructional Staff	3,830
Administration	31,254
Fiscal	545
Business	747
Operation and Maintenance of Plant	72,652
Pupil Transportation	5,404
Central	12,961
Operation of Non-Instructional Services	10,450
Total Depreciation Expense	<u>\$492,587</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

9. RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2008, the School District contracted with Selective Insurance Company of South Carolina for property, fleet, stop gap, employee benefits, and liability insurance. Insurance coverage provided includes the following:

Property (\$1,000 deductible, subject to scheduled limits)	\$1,000,000
Auto Liability/Physical Damage (\$1,000 Deductible)	1,000,000
General Liability (per occurrence/aggregate)	1,000,000/3,000,000
Employee Benefits Liability (per occurrence/aggregate)	1,000,000/3,000,000
Employer's Liability – Stop gap coverage	1,000,000
Umbrella Coverage	5,000,000

Settled claims have not exceeded this commercial coverage in the past three fiscal years. There have been no significant changes in coverage from the last fiscal year.

B. Medical Benefits

For fiscal year 2008, the School District participated in the Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust (Trust), a public entity shared risk pool consisting of fifty-five school districts (Note 16). The School District pays monthly premiums to the Trust for employee medical, dental, and vision insurance benefits. The Trust is responsible for the management and operations of the program. Upon withdrawal from the Trust, a participant is responsible for the payment of all Trust liabilities to its employees, dependents, and designated beneficiaries accruing as a result of withdrawal.

C. Workers' Compensation

For fiscal year 2008, the School District participated in the Southwestern Ohio Educational Purchasing Council Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 16). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Integrated Comp Inc. provides administrative, cost control, and actuarial services to the GRP.

10. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

Plan Description – The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

10. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$185,389, \$210,391, and \$200,474, respectively; 99.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

10. DEFINED BENEFIT PENSION PLANS (Continued)

Funding Policy – For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were, \$1,604,167, \$1,555,064 and \$1,539,791, respectively; 90.16 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$69,599 made by the School District and \$38,293 made by the plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Employees Retirement System. As of June 30, 2008, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

11. POST-EMPLOYMENT BENEFITS

A. School Employees Retirement System

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

11. POST-EMPLOYMENT BENEFITS (Continued)

The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$125,440, \$109,424, and \$109,535, respectively; 99.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare Part B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$13,358, \$14,307, and \$16,774 respectively; 99.34 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

B. State Teachers Retirement System of Ohio

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to one percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$123,397, \$119,620, and \$118,445 respectively; 90.16 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

12. OTHER EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Insurance Benefits

The School District provides life insurance and accidental death and dismemberment insurance to most employees through United of Omaha.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

13. LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2008 were as follows:

	Principal Outstanding 6/30/07	Additions	Deductions	Principal Outstanding 6/30/08	Amounts Due in One Year
Governmental Activities:					
School Improvement Bond Anticipation Note - 4.00%	\$1,900,000		\$1,900,000		
Compensated Absences	1,282,142	\$201,492	163,564	\$1,320,070	\$68,851
Total Long-Term Liabilities	<u>\$3,182,142</u>	<u>\$201,492</u>	<u>\$2,063,564</u>	<u>\$1,320,070</u>	<u>\$68,851</u>

School Improvement Bond Anticipation Note – During fiscal year 2007 the School District issued a bond anticipation note in the amount of \$3,850,000, of which \$1,900,000 was a long-term liability, for the purpose of improving the existing school building by constructing a new addition and renovations and remodeling, acquiring equipment and furnishings, and making related site improvements. During fiscal year 2008, \$1,950,000 of the note was paid off and the remaining \$1,900,000 is presented as a fund liability.

Compensated Absences will be paid from the following: General Fund and Adult Education Major Special Revenue Fund; Food Service, Uniform School Supplies, Education Management Information Systems, Adult Basic Education, and Carl D. Perkins Nonmajor Special Revenue Funds; and the Warehouse Internal Service Fund.

The School District's overall legal debt margin was \$190,194,275 and the unvoted debt margin was \$2,123,762 at June 30, 2008.

14. NOTES PAYABLE

During fiscal year 2008 the School District paid \$1,950,000 against the \$3,850,000 note and refinanced the remaining \$1,900,000 into a new note. The note matures on November 25, 2008 and will be repaid from the Building Capital Project Fund.

Types / Issues	Balance 6/30/2007	Additions	Deletions	Balance 6/30/2008
4.00% Bond Anticipation Note	<u>\$1,950,000</u>	<u>\$1,900,000</u>	<u>\$1,950,000</u>	<u>\$1,900,000</u>

15. INTERFUND ASSETS/LIABILITIES AND TRANSFER

Interfund Payable	Interfund Receivable			
	General	Internal Service	Other Governmental	Total
	General		\$28,982	\$1,130
Adult Education		2,536		2,536
Other Governmental	\$25,450	699	103	26,252
Total	<u>\$25,450</u>	<u>\$32,217</u>	<u>\$1,233</u>	<u>\$58,900</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

15. INTERFUND ASSETS/LIABILITIES AND TRANSFER (Continued)

Interfund balances represent unpaid charges for services and General Fund advances, resulting from the time lag between the dates that (1) interfund goods or services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. General Fund advances are made to move unrestricted balances to support programs and projects accounted for in other funds. Restricted monies are used to reimburse the General Fund for advancing monies to other funds due to timing differences in the receiving of grant monies. When the monies are finally received, the grant fund reimburses the General Fund for the initial advance. All are expected to be paid within one year.

The General Fund had transfers-out to Other Governmental Funds of \$50,157. Transfers are made to move General Fund revenues that are used to subsidize various programs in other funds. The transfer of \$2,110,649 from the Note Retirement Debt Service Fund to the Building Capital Projects Fund was done to move money to pay the obligation from the fund that originally received the debt proceeds. The transfer of \$900,000 from the Building Capital Projects Fund to the Note Retirement Debt Service Fund was done to move money to pay the debt requirements.

16. JOINTLY GOVERNED ORGANIZATIONS/ INSURANCE PURCHASING POOL/PUBLIC ENTITY SHARED RISK POOL

A. Jointly Governed Organizations

Southwestern Ohio Educational Purchasing Council - The School District participates in the Southwestern Ohio Educational Purchasing Council (SOEPC), a purchasing council made up of nearly 100 school districts in 12 counties. The purpose of the council is to obtain prices for quality merchandise and services commonly used by schools. All member districts are obligated to pay all fees, charges, or other assessments as established by the SOEPC. Each member district has one voting representative. Any district withdrawing from the SOEPC forfeits its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations during the one year period. Payments to SOEPC are made from the General Fund. During fiscal year 2008, the School District paid \$125,085 to SOEPC. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Council, Ken Swink, who serves as Director, at 303 Corporate Center Drive, Suite 208, Vandalia, OH 45377.

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

**16. JOINTLY GOVERNED ORGANIZATIONS/ INSURANCE PURCHASING POOL/PUBLIC ENTITY
SHARED RISK POOL (Continued)**

All member districts are obligated to pay all fees, charges, or other assessments as established by the SOITA. Upon dissolution, the net assets shall be distributed to the federal government, or to a State or local government, for a public purpose. Payments to SOITA are made from the General Fund. During fiscal year 2007, the School District paid \$500 to SOITA for services provided during the fiscal year. To obtain financial information, write to the Southwestern Ohio Instructional Technology Association, Dave Gibson, who serves as Director, at 150 East Sixth Street, Franklin, Ohio 45005.

Western Ohio Computer Organization - The School District is a participant in the Western Ohio Computer Organization (WOCO) which is a computer consortium. WOCO is an association of public school districts in a geographic area determined by the Ohio Department of Education. The organization was formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts.

The governing board of WOCO consists of two representatives from each county elected by majority vote of all charter member school districts within each county plus one representative from the fiscal agent. Payments to WOCO are made from the General Fund. The School District paid WOCO \$75,428 for services provided during the fiscal year. Financial information can be obtained from Louis Ivey, who serves as Director, at 129 East Court Street, Sidney, Ohio 45365.

B. Insurance Purchasing Pool

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

C. Public Entity Shared Risk Pool

Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust - The Southwestern Ohio Educational Purchasing Cooperative Benefit Plan Trust (Trust) is a public entity shared risk pool consisting of fifty-five school districts. The Trust is organized as a Voluntary Employee Benefit Association under Section 501(c)(9) of the Internal Revenue Code and provides medical, dental, and vision insurance benefits to the employees of the participants. The Trust is governed by the Southwestern Ohio Educational Purchasing Cooperative and its participating members. Each participant decides which plans offered by the Trust that will be extended to its employees. Participation in the Trust is by written application subject to acceptance by the Trust and payment of the monthly premiums. Financial information can be obtained from the Southwestern Ohio Educational Purchasing Cooperative, 1831 Harshman Road, Dayton, Ohio 45424.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

17. SET-ASIDE CALCULATIONS

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

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

	Textbooks and Instructional Materials	Capital Improvements
Set-aside Reserve Balance as of June 30, 2007	\$64,450	\$217,844
Current Fiscal Year Set-aside Requirement	199,977	199,977
Qualifying Disbursements	(212,122)	(589,964)
Set-aside Reserve Balance as of June 30, 2008	52,305	(172,143)
Set-aside Balances Carried Forward to Future Fiscal years	\$52,305	\$0

The School District had qualifying disbursements and offsets during the fiscal year that reduced the capital improvements amount below zero. This extra amount of offsets may not be used to reduce the set-aside requirements in future fiscal years.

18. CONTINGENCIES

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2008.

B. Litigation

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

19. SIGNIFICANT CONTRACTUAL COMMITMENTS

As of June 30, 2008, the School District had contractual purchase commitments as follows:

<u>Company</u>	<u>Project</u>	<u>Contract Amount</u>	<u>Amount Expended</u>	<u>Balance at 6/30/2008</u>
G M Mechanical	HVAC Renovations	\$218,400	\$52,713	\$165,687
Heyne Construction	Restroom Renovations	62,900		62,900
Interface Floor Commercial	ATC Flooring	30,150		30,150
Morris Heating and Cooling	HVAC Installation	8,100		8,100
Nauman and Zelinski	ATC Project	6,250	2,187	4,063
Wagner Paving	Parking Lot Paving	40,964		40,964
Totals		<u>\$366,764</u>	<u>\$54,900</u>	<u>\$311,864</u>

20. SUBSEQUENT EVENT

On November 25, 2008, the School District reissued the \$1,900,000 bond anticipation note in the amount of \$670,000 for the purposes of improving the existing school building by constructing a new addition and renovation and remodeling, acquiring equipment and furnishings, and making related site improvements. The interest rate of the note is 3.75 percent and matures on November 24, 2009.

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

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
U.S. Department of Agriculture					
<i>Passed Through Ohio Department of Education</i>					
Child Nutrition Cluster:					
Cash Assistance					
School Breakfast Program	10.553	\$17,346		\$17,346	
Non-Cash Assistance (Food Distribution)					
National School Lunch Program	10.555		\$18,506		18,506
Cash Assistance					
National School Lunch Program		85,603		85,603	
Total Child Nutrition Cluster		<u>102,949</u>	<u>18,506</u>	<u>102,949</u>	<u>18,506</u>
Total U.S. Department of Agriculture		<u>102,949</u>	<u>18,506</u>	<u>102,949</u>	<u>18,506</u>
U.S. Department of Education					
<i>Passed Through Ohio Department of Education</i>					
Adult Education & Community Education	84.002	285,177		300,580	
Career and Technical Education - Basic Grants to States	84.048	382,028		396,247	
Safe and Drug-Free Schools and Communities	84.186	5,303		5,303	
State Grants for Innovative Programs	84.298	4,038		3,638	
Improving Teacher Quality State Grants	84.367	14,641		13,715	
Direct Program					
Student Financial Assistance Cluster:					
Federal Pell Grant Program	84.063	148,263		148,263	
Federal Family Education Loans	84.032	261,202		261,202	
Total Student Financial Assistance Cluster		<u>409,465</u>		<u>409,465</u>	
Total U.S. Department of Education		<u>1,100,652</u>		<u>1,128,948</u>	
Total Federal Assistance		<u>\$1,203,601</u>	<u>\$18,506</u>	<u>\$1,231,897</u>	<u>\$18,506</u>

See accompanying notes to the Federal Awards Expenditures Schedule.

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended 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 (expenditures) is reported in the Schedule at the fair value of the commodities received.

NOTE D - MATCHING REQUIREMENTS

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



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

We have audited the financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Upper Valley Joint Vocational School District, Miami County, (the District) as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 16, 2009. 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted certain matters that we reported to the District's management in a separate letter dated January 16, 2009.

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www.auditor.state.oh.us

Compliance and Other Matters

As part of reasonably assuring whether the 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 certain noncompliance or other matters that we reported to the District's management in a separate letter dated January 16, 2009.

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

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

January 16, 2009



Mary Taylor, CPA

Auditor of State

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

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

To the Board of Education:

Compliance

We have audited the compliance of the Upper Valley 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 apply to each of its major federal programs for the year ended June 30, 2008. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The 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 express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of 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 District's compliance with those 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 District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2008.

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 in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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**Internal Control Over Compliance
(Continued)**

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood that the District's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the District's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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 that might be 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 intend this report solely for the information and use of the audit committee, management, Board of Education, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

January 16, 2009

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2008**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	84.002 Adult Education And Community Education Student Financial Aid Cluster: 84.063 Federal Pell Grant Program 84.032 Federal Family Education Loans
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None



Mary Taylor, CPA
Auditor of State

UPPER VALLEY JOINT VOCATIONAL SCHOOL DISTRICT
MIAMI COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
APRIL 7, 2009