MIAMI VALLEY CAREER TECHNOLOGY CENTER

Single Audit Report

June 30, 2002

Auditor of State
Betty Montgomery

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Board of Education
Miami Valley Career Technology Center
6800 Hoke Road
Clayton, Ohio 45315

We have reviewed the Independent Auditor's Report of the Miami Valley Career Technology Center, Montgomery County, prepared by Plattenburg & Associates, Inc., for the audit period July 1, 2001 to June 30, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

February 10, 2003

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PLATTENBURG & ASSOCIATES, INC./CERTIFIED PUBLIC ACCOUNTANTS
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Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*

January 21, 2003

Board of Education
Miami Valley Career Technology Center

We have audited the general purpose financial statements of the Miami Valley Career Technology Center, (the Center), as of and for the year ended June 30, 2002, and have issued our report thereon dated January 21, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

Plattenburg & Associates, Inc.
Certified Public Accountants

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Report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB *Circular A-133*

January 21, 2003

Board of Education
Miami Valley Career Technology Center

Compliance

We have audited the compliance of the Miami Valley Career Technology Center, (the Center) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2002. The Center's major federal program is identified in the summary of auditor's results portion of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Center's management. Our responsibility is to express an opinion on the Center's compliance based on our audit.

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

In our opinion, the Center complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2002.

Internal Control Over Compliance

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

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

Schedule of Federal Awards Expenditures

We have audited the general purpose financial statements of the District as of and for the year ended June 30, 2002, and have issued our report thereon dated January 21, 2003. Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the Center taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by *OMB Circular A-133* and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

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

Plattenburg & Associates, Inc.
Certified Public Accountants

MIAMI VALLEY CAREER TECHNOLOGY CENTER

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED June 30, 2002

Federal Grant/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
U.S. DEPARTMENT OF EDUCATION				
Passed Through Ohio Department of Education:				
Adult and Community Education	AB-SL-02	84.002	218,732	434,285
Vocational Education - Basic Grants	20-C1-02	84.048	433,527	1,092,901
Math Science Subsidy	MS-S1-02	84.281	4,723	5,315
Innovative Education Program	C2-S1-02	84.298	2,710	10,428
(Direct Receipt)				
Federal Pell Grant Program	N/A	84.063	355,238	355,238
Total Federal Assistance			$1,014,930	$1,898,167

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A -- SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B -- MATCHING REQUIREMENTS

Certain federal programs require the Center to contribute non-federal funds (matching funds) to support the federally-funded programs. The Center has complied with the matching requirements. The expenditure of non-federal matching funds is not included on the schedule.

MIAMI VALLEY CAREER TECHNOLOGY CENTER
June 30, 2002

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	*Type of Financial Statement Opinion*	Unqualified
(d)(1)(ii)	*Were there any material control weakness conditions reported at the financial statement level (GAGAS)?*	No
(d)(1)(ii)	*Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?*	No
(d)(1)(iii)	*Was there any reported material non-compliance at the financial statement level (GAGAS)?*	No
(d)(1)(iv)	*Were there any material internal control weakness conditions reported for major federal programs?*	No
(d)(1)(iv)	*Were the any other reportable internal control weakness conditions reported for major federal programs?*	No
(d)(1)(v)	*Type of Major Programs' Compliance Opinion*	Unqualified
(d)(1)(vi)	*Are there any reportable findings under Section .510?*	No
(d)(1)(vii)	*Major Programs (list):*	Pell Grant Adult and Community Educatio
(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 Noted

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None Noted

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MIAMI VALLEY CAREER TECHNOLOGY CENTER
JUNE 30, 2002

SCHEDULE OF PRIOR AUDIT AND QUESTIONED COSTS
OMB CIRCULAR A-133

Miami Valley Career Technology Center had no prior audit findings or questioned costs.

MIAMI VALLEY CAREER TECHNOLOGY CENTER

General Purpose Financial Statements

June 30, 2002

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Independent Auditors' Report

January 21, 2003

Board of Education
Miami Valley Career Technology Center

We have audited the accompanying general purpose financial statements of the Miami Valley Career Technology Center, (the Center), as of and for the year ended June 30, 2002. These general purpose financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Center, as of June 30, 2002, and the results of its operations and the cash flows of its proprietary fund type and non-expendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards*, we have also issued a report dated January 21, 2003 on our consideration of the Center's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Plattenburg & Associates, Inc.
Certified Public Accountants

Miami Valley Career Technology Center
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2002

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Assets and Other Debits:			
Equity in Pooled Cash and Investments	$11,933,355	$722,950	$1,965,396
Restricted Equity in Pooled Cash and Investments	73,220	0	0
Receivables:			
Taxes	11,599,893	0	0
Intergovernmental	0	759,883	0
Accounts	27,886	152,254	0
Interfund Receivable	808,868	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0
Other Debits:			
Amount to be Provided for Retirement of General Long-Term Obligations	0	0	0
Total Assets & Other Debits	$24,443,222	$1,635,087	$1,965,396
Liabilities, Fund Equity & Other Credits:			
Liabilities:			
Accounts Payable	$496,090	$63,119	$133,179
Accrued Wages & Benefits	2,275,848	199,770	0
Compensated Absences Payable	152,887	14,152	0
Special Termination Benefit Payable	47,000	5,000	0
Interfund Payable	0	808,868	0
Deferred Revenue	11,016,066	739,774	0
Undistributed Monies	0	0	0
Total Liabilities	13,987,891	1,830,683	133,179
Fund Equity & Other Credits:			
Investment in General Fixed Assets	0	0	0
Retained Earnings:			
Unreserved	0	0	0
Fund Balance:			
Reserved for Encumbrances	850,983	15,369	200,872
Reserved for Property Tax Advances	583,827	0	0
Reserved for Endowments	0	0	0
Reserved for Set-Asides	73,220	0	0
Unreserved & Undesignated	8,947,301	(210,965)	1,631,345
Total Fund Equity & Other Credits	10,455,331	(195,596)	1,832,217
Total Liabilities, Fund Equity & Other Credits	$24,443,222	$1,635,087	$1,965,396

See accompanying notes.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		
Enterprise	Trust and Agency	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
$171,822	$128,409	$0	$0	$14,921,932
0	0	0	0	73,220
0	0	0	0	11,599,893
0	0	0	0	759,883
3,819	2,058	0	0	186,017
0	0	0	0	808,868
0	0	21,277,494	0	21,277,494
0	0	0	2,475,892	2,475,892
$175,641	$130,467	$21,277,494	$2,475,892	$52,103,199
$2,792	$4,979	$0	$0	$700,159
0	0	0	15,076	2,490,694
0	0	0	1,250,816	1,417,855
0	0	0	1,210,000	1,262,000
0	0	0	0	808,868
0	0	0	0	11,755,840
0	113,948	0	0	113,948
2,792	118,927	0	2,475,892	18,549,364
0	0	21,277,494	0	21,277,494
172,849	0	0	0	172,849
0	0	0	0	1,067,224
0	0	0	0	583,827
0	7,500	0	0	7,500
0	0	0	0	73,220
0	4,040	0	0	10,371,721
172,849	11,540	21,277,494	0	33,553,835
$175,641	$130,467	$21,277,494	$2,475,892	$52,103,199

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Miami Valley Career Technology Center
Combined Statement of Revenues, Expenditures
And Changes in Fund Balance
All Governmental Fund Types
For the Year Ended June 30, 2002

	Governmental Fund Types			
	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Revenues:				
Taxes	$11,441,450	$0	$0	$11,441,450
Intergovernmental	11,243,443	1,988,139	0	13,231,582
Investment	382,089	0	6,588	388,677
Tuition & Fees	35,492	2,175,109	0	2,210,601
Miscellaneous	197,723	55,838	0	253,561
Total Revenues	23,300,197	4,219,086	6,588	27,525,871
Expenditures:				
Current:				
Instruction:				
Regular	3,037,869	0	0	3,037,869
Special	338,651	0	0	338,651
Vocational	9,525,138	2,760,255	0	12,285,393
Other	0	608,098	0	608,098
Support Services:				
Pupils	1,071,078	267,716	0	1,338,794
Instructional Staff	1,140,964	235,244	0	1,376,208
Board of Education	11,588	0	0	11,588
Administration	1,309,119	45,511	0	1,354,630
Fiscal	746,926	0	0	746,926
Business	474,402	0	0	474,402
Operation & Maintenance of Plant	2,963,423	7,960	0	2,971,383
Pupil Transportation	47,884	0	0	47,884
Central	1,170,092	430,133	0	1,600,225
Operation of Non-Instructional Services	85,150	82,637	0	167,787
Capital Outlay	0	5,730	614,138	619,868
Total Expenditures	21,922,284	4,443,284	614,138	26,979,706
Excess of Revenues Over (Under) Expenditures	1,377,913	(224,198)	(607,550)	546,165
Other Financing Sources (Uses):				
Proceeds from Sale of Fixed Assets	15,672	0	0	15,672
Operating Transfers In	0	7,110	2,000,000	2,007,110
Operating Transfers (Out)	(2,007,110)	0	0	(2,007,110)
Total Other Financing Sources (Uses)	(1,991,438)	7,110	2,000,000	15,672
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(613,525)	(217,088)	1,392,450	561,837
Fund Balance, Beginning of Year	11,068,856	21,492	439,767	11,530,115
Fund Balance, End of Year	$10,455,331	($195,596)	$1,832,217	$12,091,952

See accompanying notes.

Miami Valley Career Technology Center
Combined Statement of Revenues, Expenditures
And Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
All Governmental Fund Types
For the Year Ended June 30, 2002

	General			Special Revenue		
	Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:						
Taxes	$11,751,553	$11,751,553	$0	$0	$0	$0
Intergovernmental	11,247,296	11,247,296	0	2,107,599	2,107,599	0
Investment	382,089	382,089	0	0	0	0
Tuition & Fees	35,072	35,072	0	2,129,920	2,129,920	0
Miscellaneous	170,757	170,757	0	53,838	53,838	0
Total Revenues	23,586,767	23,586,767	0	4,291,357	4,291,357	0
Expenditures:						
Current:						
Instruction:						
Regular	3,195,741	3,046,134	149,607	0	0	0
Special	355,330	349,487	5,843	0	0	0
Vocational	10,102,514	9,762,875	339,639	2,859,009	2,836,279	22,730
Other	0	0	0	584,954	584,954	0
Support Services:						
Pupils	1,042,684	979,916	62,768	267,716	267,716	0
Instructional Staff	1,164,794	1,090,502	74,292	251,395	251,084	311
Board of Education	25,636	18,013	7,623	0	0	0
Administration	1,432,526	1,340,922	91,604	47,404	47,404	0
Fiscal	652,344	647,142	5,202	0	0	0
Business	509,846	505,804	4,042	0	0	0
Operation & Maintenance of Plant	3,164,477	3,109,934	54,543	7,960	7,960	0
Pupil Transportation	73,547	58,759	14,788	0	0	0
Central	1,664,238	1,633,516	30,722	430,930	430,294	636
Operation of Non-Instructional Services	95,987	91,917	4,070	81,137	81,137	0
Extracurricular Activities	0	0	0	0	0	0
Capital Outlay	0	0	0	6,580	6,080	500
Total Expenditures	23,479,664	22,634,921	844,743	4,537,085	4,512,908	24,177
Excess (Deficiency) of Revenues Over Under Expenditures	107,103	951,846	844,743	(245,728)	(221,551)	24,177
Other Financing Sources (Uses):						
Proceeds from Sale of Fixed Assets	15,672	15,672	0	0	0	0
Operating Transfers In	380,812	380,812	0	13,850	13,850	0
Operating Transfers (Out)	(2,417,929)	(2,417,922)	7	(283,927)	(283,927)	0
Advances In	331,226	331,226	0	808,868	808,868	0
Advances (Out)	(808,868)	(808,868)	0	(51,039)	(51,039)	0
Total Other Financing Sources (Uses)	(2,499,087)	(2,499,080)	7	487,752	487,752	0
Excess of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(2,391,984)	(1,547,234)	844,750	242,024	266,201	24,177
Fund Balance, Beginning of Year (Includes Prior Year Encumbrances Appropriated)	12,216,284	12,216,284	0	378,417	378,417	0
Fund Balance, End of Year	$9,824,300	$10,669,050	$844,750	$620,441	$644,618	$24,177

See accompanying notes.

Capital Projects			Totals (Memorandum Only)		
Revised Budget	Actual	Variance: Favorable (Unfavorable)	Revised Budget	Actual	Variance: Favorable (Unfavorable)
$0	$0	$0	$11,751,553	$11,751,553	$0
0	0	0	13,354,895	13,354,895	0
6,588	6,588	0	388,677	388,677	0
0	0	0	2,164,992	2,164,992	0
0	0	0	224,595	224,595	0
6,588	6,588	0	27,884,712	27,884,712	0
0	0	0	3,195,741	3,046,134	149,607
0	0	0	355,330	349,487	5,843
0	0	0	12,961,523	12,599,154	362,369
0	0	0	584,954	584,954	0
0	0	0	1,310,400	1,247,632	62,768
0	0	0	1,416,189	1,341,586	74,603
0	0	0	25,636	18,013	7,623
0	0	0	1,479,930	1,388,326	91,604
0	0	0	652,344	647,142	5,202
0	0	0	509,846	505,804	4,042
0	0	0	3,172,437	3,117,894	54,543
0	0	0	73,547	58,759	14,788
0	0	0	2,095,168	2,063,810	31,358
0	0	0	177,124	173,054	4,070
0	0	0	0	0	0
1,299,803	848,005	451,798	1,306,383	854,085	452,298
1,299,803	848,005	451,798	29,316,552	27,995,834	1,320,718
(1,293,215)	(841,417)	451,798	(1,431,840)	(111,122)	1,320,718
0	0	0	15,672	15,672	0
2,000,000	2,000,000	0	2,394,662	2,394,662	0
0	0	0	(2,701,856)	(2,701,849)	7
0	0	0	1,140,094	1,140,094	0
0	0	0	(859,907)	(859,907)	0
2,000,000	2,000,000	0	(11,335)	(11,328)	7
706,785	1,158,583	451,798	(1,443,175)	(122,450)	1,320,725
472,762	472,762	0	13,067,463	13,067,463	0
$1,179,547	$1,631,345	$451,798	$11,624,288	$12,945,013	$1,320,725

Miami Valley Career Technology Center
Combined Statement of Revenues, Expenses
And Changes in Retained Earnings/Fund Balance
Proprietary Fund Type and Non-Expendable Trust Fund
For the Year Ended June 30, 2002

	Proprietary Fund Type	Fiduciary Fund Type	
	Enterprise	Non-Expendable Trust	Totals (Memorandum Only)
Operating Revenues:			
Investment Revenue	$0	$284	$284
Charges for Services	242,703	0	242,703
Total Operating Revenues	242,703	284	242,987
Operating Expenses:			
Materials & Supplies	266,449	0	266,449
Total Operating Expenses	266,449	0	266,449
Net Income (Loss)	(23,746)	284	(23,462)
Retained Earnings/Fund Balance, Beginning of Year	196,595	11,256	207,851
Retained Earnings/Fund Balance, End of Year	$172,849	$11,540	$184,389

See accompanying notes.

Miami Valley Career Technology Center
Combined Statement of Cash Flows
Proprietary Fund Type and Non-Expendable Trust Fund
For the Year Ended June 30, 2002

	Proprietary Fund Type	Fiduciary Fund Type	
	Enterprise	Non-Expendable Trust	Totals (Memorandum only)
Cash Flows from Operating Activities:			
Cash Received from Investment Earnings	$0	$284	$284
Cash Received from Charges for Services	239,872	0	239,872
Cash Payments for Supplies & Materials	(263,657)	0	(263,657)
Net Cash Provided (Used) by Operating Activities	(23,785)	284	(23,501)
Net Increase (Decrease) in Cash and Cash Equivalents	(23,785)	284	(23,501)
Cash and Cash Equivalents at Beginning of Year	195,607	11,256	206,863
Cash and Cash Equivalents at End of Year	$171,822	$11,540	$183,362
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating Income (Loss)	($23,746)	$284	($23,462)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivables	(2,831)	0	(2,831)
Increase (Decrease) in Accounts Payable	2,792	0	2,792
Net Cash Provided (Used) by Operating Activities	($23,785)	$284	($23,501)

Reconciliation of Non-Expendable trust fund to balance sheet:

Cash and cash equivalents - All Fiduciary Funds	$128,409
Cash and cash equivalents - Agency Fund	116,869
Cash and cash equivalents - Non-Expendable Trust Fund	$11,540

See accompanying notes.

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MIAMI VALLEY CAREER TECHNOLOGY CENTER

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002

1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Miami Valley Career Technology Center is a joint vocational school as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes high school and adult students to academic preparation and job training which lead to employment and/or further education upon graduation from high school. Miami Valley Career Technology Center District includes twenty-seven member school districts throughout Montgomery, Butler, Champaign, Darke, Miami, Preble, Shelby and Warren counties. The first official body designated as the Miami Valley Career Technology Center District Board of Education was formed in November 1967.

The Center operates under a board comprised of seventeen individuals. These individuals are elected to the board of the member schools districts, and are then appointed by their respective boards, except in counties with few member school districts. These counties have the County Educational Service Center appoint the individual to the Board, instead of all member school districts in the county appointing the individual.

The Center is a jointly governed organization, legally separate from other organizations. The Board of Education of the Miami Valley Career Technology Center is not directly elected, although no other School District appoints a voting majority of the Board. None of the school districts that appoint Board members are financially accountable for the Miami Valley Career Technology Center.

The reporting entity is comprised of the jointly governed organization, component units and other organizations that are included to insure that the financial statements of the Center are not misleading. The jointly governed organization consists of all funds, departments, boards and agencies that are not legally separate from the Center. For Miami Valley Career Technology Center District, this includes general operations, preschool and student related activities of the Center.

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

The Center is associated with four jointly governed organizations, one related organization and one public entity risk pool. These organizations are:

Jointly Governed Organizations:
- Metropolitan Dayton Educational Computer Association
- Southwestern Ohio Educational Purchasing Cooperative
- Southwestern Ohio Instructional Technology Association
- Ohio Association of Joint Vocational School Superintendents
- The Dayton Area Superintendent's Association

Related Organization:
- Miami Valley Career Technology Center Education Foundation

Public Entity Risk Pool:
- Southwestern Ohio Educational Purchasing Cooperative Workers' Compensation Group Rating Plan

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis Of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

General Fund - The General Fund is the operating fund of the Center 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 Center for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

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

Proprietary Fund Type:

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

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

Fiduciary Fund Types:

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

Account Groups:

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

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the Center.

General Long-Term Debt Account Group - This account group is established to account for all Long-term obligations of the Center.

B. Measurement Focus and Basis of Accounting

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

The proprietary and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary and nonexpendable trust fund operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

The modified accrual basis of accounting is followed for the governmental and agency funds. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year, in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Center, available means expected to be received within sixty days of year-end.

Non-exchange transactions, in which the Center 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. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Center must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Center on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The accrual basis of accounting is utilized for reporting purposes by the proprietary and nonexpendable trust funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each function. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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

Tax Budget:

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the Center must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate maybe further amended during the year if projected increases or decreases in revenue are identified by the Center Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2002.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the Center. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances:

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

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

To improve cash management, cash received by the Center is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Center's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet. Under existing Ohio statutes, all investment earnings accrue to the General Fund except those specifically related to Food Service Enterprise Fund, and those funds individually authorized by Board resolution.

During fiscal year 2002, investments were limited to a repurchase agreement, U.S. Treasury Notes, a Student Loan Marketing Association Note, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, a Federal Farm Credit Bank Note, and STAR Ohio.

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

The Center has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on June 30, 2002.

For presentation on the combined balance sheet, 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 Educational Service Center are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

E. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Department of Education. At fiscal year-end, the Center has restricted equity in pooled cash investments of $73,220. A fund balance reserve has also been established.

F. 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 could differ from those estimates.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Center maintains a capitalization threshold of one thousand dollars. The Center does not have any infrastructure.

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

Assets in the general fixed assets account group are not depreciated.

H. Interfund Assets/Liabilities

Short-term interfund loans are classified as "Interfund receivables" and "interfund payables."

I. Compensated Absences

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

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

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account “compensated absences payable” in the fund from which the employees who have leave are paid. The remainder is reported in the general long-term debt account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

J. Accrued Liabilities and Long-Term Obligations

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

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

L. Fund Balance Reserves

The Center reserves fund balance for amounts that are legally segregated for a specific purpose or which are not available for appropriation. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, budget stabilization reserve for the workers' compensation refund, and contributions to the nonexpendable trust fund that must be kept intact. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

M. Total Columns on General Purpose Financial Statements

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

3. BUDGETARYBASIS OF ACCOUNTING

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

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

3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather thaws a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).

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

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Uses
All Governmental Fund Types

	General	Special Revenue	Capital Projects
GAAP Basis	($613,525)	($217,088)	$1,392,450
Revenue Accruals	998,608	887,879	0
Expenditure Accruals	(599,724)	(400,975)	100,184
Encumbrances	(1,332,593)	(3,615)	(334,051)
Budget Basis	($1,547,234)	$266,201	$1,158,583

4. DEPOSITS AND INVESTMENTS

State statutes classify monies held by the Center into three categories.

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;

2. Bonds, notes debentures, or any other obligations or security issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

4. Bonds and other obligations of the State of Ohio;

5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;

6. The State Treasurer's investment pool (STAR Ohio);

7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim monies available for investment at any one time; and

8. Under limited circumstances, debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

Cash on Hand:

At fiscal year end, the Center had $1,000 in undeposited cash on hand, which is included on the balance sheet of the Center as part of "Equity in Pooled Cash and Cash Equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements."

Deposits:

At fiscal year end, the carrying amount of the Center's deposits was $3,220,947 and the bank balance was $3,984,344. Of the bank balance:

1. $100,000 was covered by federal depository insurance; and

2. $3,884,344 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements would potentially subject the Center to a successful claim by the Federal Deposit Insurance Corporation.

Investments:

During 2002, the Center continued to diversify its investment portfolio to gain a higher rate of return while still maintaining liquidity and minimizing risk. Investments include a repurchase agreement, Federal National Mortgage Association Notes, Federal Home Loan Bank Notes, Federal Home Loan Mortgage Notes, and STAR Ohio.

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

	Category 2	Category 3	Unclassified	Fair Value
Repurchase Agreement	$ 0	$1,887,852	$ 0	$1,887,852
Money Market	0	2,615	0	2,615
U.S. Agencies	3,821,824	0	0	3,821,824
Discount Notes	4,485,735	0	0	4,485,735
STAR Ohio	0	0	1,576,179	1,576,179
Total	$8,307,559	$1,890,467	$1,576,179	$11,774,205

5. PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the Center. Real property taxes are levied after April I on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April I and are collected with real property taxes. Assessed values for real property taxes are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at 88 percent of true value (with certain exceptions) and on real property at 35 percent of true value. Tangible personal property taxes are levied after April I on the value listed as of December 31 of the current year. Tangible personal property assessments are 25 percent of true value. The assessed values upon which fiscal year 2002 taxes were collected are:

	2001 Second-Half Collections Amount	2002 First-Half Collections Amount
Agricultural/Residential and Other Real Estate	$4,903,781,820	$5,035,388,540
Public Utility	329,732,590	253,557,470
Tangible Personal Property	745,227,078	769,958,441
Total Assessed Value	$5,978,741,488	$6,058,904,451
Tax rate per $1,000 of assessed valuation	$2.58	$2.58

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

The Center receives property taxes from all counties within the Center. The County Auditors periodically advance to the Center its portion of the taxes collected Second-half real property tax payments collected by the Counties by June 30, 2002, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2002. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at year-end, was $583,827 in the General Fund.

6. FIXED ASSETS

A summary of the changes in general fixed assets at year-end are as follows:

Asset Category	Beginning Balance	Addition	Deletion	Ending Balance
Land and Improvements	$4,046,275	$ 0	$ 0	$4,046,275
Buildings and Improvements	11,838,140	0	0	11,838,140
Equipment	5,212,804	162,156	4,481	5,370,479
Vehicles	12,600	10,000	0	22,600
Totals	$21,109,819	$172,156	$4,481	$21,277,494

7. RISK MANAGEMENT

A. Property and Liability

The Center is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the current fiscal year, the Center contracted with Chubb Insurance for general, property, and vehicle liability insurance. Coverages provided are as follows:

Building and Contents-replacement cost ($5,000 deductible)	$43,765,67
Boiler and Machinery ($5,000 deductible)	14,000,00
Crime Insurance ($1,000 deductible)	10,000
Automobile Liability ($250 deductible)	214,002
Uninsured Motorists ($250 deductible)	214,002
General Liability	
Per occurrence	1,000,000
Total per year	38,700,000

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

B. Workers' Compensation

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

8. DEFINED BENEFIT PENSION PLANS

A. School Employees Retirement System

The Center contributes to the School Employees Retirement System (SERS), a costsharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute 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. The report may be obtained by writing to the School Employees Retirement System, 300 East Broad Street, Suite 100, Columbus, OH 43215-3746.

Plan members are required to contribute 9 percent of their annual covered salary and the Center is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. The Center's contributions for pension obligations to SERS for the fiscal years ended June 30, 2002, 2001, and 2000 were $258,171, $230,674, and $215,365, respectively; 91 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. $22,614 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds and the general long-term debt account group.

B. State Teachers Retirement System

The Center participates in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215- 3771.

Plan members are required to contribute 9.3 percent of their annual covered salary and the Center is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The Center's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2002, 2001, and 2000 were $1,948,100, $1,676,131, and $1,583,932, respectively; 86 percent has been contributed for fiscal year 2002 and 100 percent for the fiscal years 2001 and 2000. $272,761 representing the unpaid contribution for fiscal year 2002 is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2002, six members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

9. POSTEMPLOYMENT BENEFITS

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

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Health Care Reserve Allocation for the year ended June 30, 2002, will be 4.5% of covered payroll.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was $3.256 billion at June 30, 2001. For the year ended June 30, 2001, net health care costs paid by STRS were $300,772,000 and STRS had 102,132 eligible benefit recipients.

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

For this fiscal year, employer contributions to fund health care benefits were 9.80 percent of covered payroll, an increase from 8.45 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2002, the minimum pay has been established at $12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2001, were $161,439,934 and the target level was $242.2 million. At June 30, 2001, SERS had net assets available for payment of health care benefits of $315.7 million. SERS has approximately 50,000 participants currently receiving health care benefits.

10. EMPLOYEE BENEFITS

A. Compensated Absences

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per fiscal year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 225 days for all employees, except for administrative personnel who can accumulate unlimited days, but the total that can be used for sick leave cannot exceed 236 days. Upon retirement and ten or more years of service with Miami Valley Career Technology Center, a payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 76 days for all employees, except for administrative personnel supervisors, who can receive payment for 100 days. In addition, unused personal days during Miami Valley Career Technology Center service may be added to sick leave for conversion purposes.

Employees who retire June 30, 2002, with at least 10 years experience were given a special termination benefit. For employees with at least ten years of service with the Center, the benefit was $10,000 for certified and classified employees. For employees with at least twenty years of service with the Center, the benefit was $15,000 for certified and classified employees. The employee must have at least ten years of service with the Center, and the final five years must be consecutive and be in a paid status immediately prior to retirement. Also, the benefit is only available for those employees who first become eligible to retire during fiscal year 2002. Notice of retirement must be given by March 30 for the special termination benefit to be payable. The benefit will be paid in two equal installments, with the first installment to be paid on the first business day in the following January. The second installment will be paid by the following June 30.

B. Insurance Benefits

The Center provides life insurance and accidental death and dismemberment insurance to most employees through Connecticut General Life Insurance. Medical/surgical benefits are provided through United Health Care and Anthem. Dental insurance is provided through Community Mutual.

11. LONG-TERM OBLIGATIONS

The changes in the Center's long-term obligations during fiscal year 2002 were as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Accrued Wages & Benefits	$6,256	$8,820	$0	$15,076
Compensated Absences	932,938	317,878	0	1,250,816
Special Termination Benefit Payable	104,000	1,106,000	0	1,210,000
Total General Long-Term Obligations	$1,043,194	$1,432,698	$ 0	$2,475,892

The accrued wages and benefits, and compensated absences will be paid from the fund from which the employees' salaries are paid. The accrued wages and benefits represents contractually required pension contributions paid outside the available period.

12. INTERFUND ACTIVITY

As of June 30, 2002, receivables and payables that resulted from various interfund transactions were as follows:

Fund Type/Fund	Receivables Interfund	Payables Interfund
General Fund	$808,868	$ 0
Special Revenue Fund:		
Carl D. Perkins	0	665,115
Adult Basic Education	0	125,840
Miscellaneous State Grants	0	6,000
Eisenhower	0	4,209
Title VI	0	7,704
Total All Funds	$808,868	$808,868

13. JOINTLY GOVERNED ORGANIZATIONS, RELATED ORGANIZATION, AND PUBLIC ENTITY RISK POOL

A. Jointly Governed Organizations

Metropolitan Dayton Educational Computer Association

The Metropolitan Dayton Educational Computer Association (MDECA) is a jointly governed organization consisting of Dayton area school districts. The jointly governed 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 districts. MDECA is governed by a board of directors consisting of superintendents and treasurers of the member school districts. The degree of control exercised by any participating school district is limited to its representation on the board.

Southwestern Ohio Educational Purchasing Cooperative

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

Each member district has one voting representative. Title to any and all equipment, furniture and supplies purchased by the SOEPC is held in trust for the member districts by the Fiscal Agent. Any district withdrawing from the SOEPC shall forfeit its claim to any and all SOEPC assets. One year prior notice is necessary for withdrawal from the group. During this time, the withdrawing member is liable for all member obligations. Payments to SOEPC are made from the General Fund. To obtain financial information, write to the Southwestern Ohio Educational Purchasing Cooperative, Robert Brown, who serves as Director, at 1831 Harshman Road, Dayton, Ohio 45424.

Southwestern Ohio Instructional Technology Association

The Southwestern Ohio Instructional Technology Association (SOITA) is a not-for-profit corporation formed under Section 1702.01 of the Ohio Revised Code. The purpose of the corporation is to serve the educational needs of the area through television programming for the advancement of educational programs.

The Board of Trustees is comprised of twenty-one representatives of SOITA member schools or institutions. Nineteen representatives are elected from within the counties by the qualified members within the counties, i.e. Auglaize, Butler, Champaign, Clark, Clinton, Darke, Fayette, Greene, Hamilton, Logan, Mercer, Miami, Montgomery, Preble, Shelby, and Warren. Montgomery, Greene and Butler Counties elect two representatives per area. All others elect one representative per area. All superintendents except for those from educational service centers vote on the representatives after nominating committee nominates individuals to run. One at-large non-public representative is elected by the non-public school SOITA members as the State assigned SOITA service area. One at-large higher education representative is elected by higher education SOITA members from within the State assigned SOITA service area.

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

Ohio Association of *Joint Vocational School Superintendents*

The Ohio Association of Joint Vocational School Superintendents (OAJVSS) is a not-for-profit organization. The purpose of the OAJVSS is to encourage and foster the ideal of vocational education as a worthy and integral part of the total educational system. The governing body of the organization is the Executive Committee. The Executive Committee consists of the Board of Directors and officers. The Board of Directors consists of five members selected by the membership of OAJVSS. Members of the Board of Directors serve staggered three year terms. The Board of Directors is responsible for electing officers of the organization. Officers include a President, a Vice-President, a Secretary and a Treasurer. All member districts are required to pay membership fees. Payments to OAJVSS are made from the General Fund.

To obtain financial information, write to the Ohio Association of Joint Vocational School Superintendents, Ed Perkins, who serves as President, at the Warren County Career Center, 3525 North State Route 48, Lebanon, Ohio 45036.

The Dayton Area Superintendent's Association

The Dayton Area Superintendent's Association (DASA) is an organization formed by area school Superintendents. The purpose of the organization is to serve as a forum for practicing superintendents to present problems, seek solutions, reach consensus and take appropriate action to resolve issues. The organization also shares information among its members and provides, on a contractual basis, in service education for the school management team.

Membership in the organization is open to the greater Dayton area school system superintendents, assistant superintendents, directors, and professional staff members of institutions of higher education, and/or Region IX of the Buckeye Association of School Administrators. Region IX presently includes Champaign, Clark, Darke, Greene, Miami, Montgomery, Preble, Shelby, and Warren Counties. The Executive Committee is comprised of eight representatives of DASA member schools or institutions. The members of the Executive Committee are elected annually in each county. The County Superintendent of each county is responsible for the nomination and election of their representative.

All member schools are obligated to pay all dues and fees established by the Executive Committee. To obtain financial information, write to The Dayton Area Superintendent's Association, Buddy Coffey, who serves as DASA Executive Secretary, at 451 West Third Street, Dayton, Ohio 45422-1040.

B. Related Organization

Miami Valley Career Technology Center Education Foundation

The Miami Valley Career Technology Center Education Foundation is a legally separate body politic. The board members of the Miami Valley Career Technology Center Education Foundation are appointed by the Center. The Center is not able to impose its will of the Miami Valley Career Technology Center Education Foundation and financial benefit and/or burden relationship exists. The Miami Valley Career Technology Education Foundation is responsible for approving its own budgets, appointing personnel and accounting and finance related activities. To obtain financial information write to the Miami Valley Career Technology Center Education Foundation, Debbie Gossett, who serves as Treasurer, at 6800 Hoke Road, Clayton, Ohio 45315-9740.

C. Public Entity Risk Pool

Southwestern Ohio Educational Purchasing Cooperative

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

14. OHIO SCHOOLS COUNCIL

The Center participates in the Council's electric purchase program which was implemented during fiscal year 1998. This program allows school districts to purchase electricity at reduced rates, if the school districts will commit to participating for an eight year period. The participants make monthly payments based on estimated usage. Each June these estimated payments are compared to their actual usage for the year and any necessary adjustments are made.

Energy Acquisition Corp., a non-profit corporation with a self-appointing board, issued $119,140,000 in debt to pre-purchase eight years of electricity from Cleveland Electric Illuminating (CEI) for the participants. The participating school districts are not obligated in any manner for this debt. If a participating school district terminates their agreement, they are required to repay the savings to CEI and CEI will refund the remaining prepayment related to that participant to Energy Acquisition Corp.

15. SCHOOL FUNDING COURT DECISION

On December 11, 2002, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision reaffirmed earlier decisions that Ohio's current school-funding decision is unconstitutional. The Supreme Court relinquished jurisdiction over the case and directed "…the Ohio General Assembly to enact a school-funding scheme that is thorough and efficient…".

The School District is currently unable to determine what effect, if any, this decision will have on its future State funding and on its financial operations.

16. CONTINGENCIES

Grants

The Center received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the Center at June 30, 2002.

17. LITIGATION

All potential claims against the Center, from current litigation, are covered by insurance. As of the current year-end, the Center had no pending litigation or potential liability that would have a material effect on the financial statements.

18. STATUTORY RESERVES

	Textbook Reserve	Capital Maintenance Reserve	Budget Stabilization Reserve
Balance, 7/01/01	$ 0	$ 0	$73,220
Required Set Aside	216,289	216,289	0
Qualifying Expenditures	(216,289)	(216,289)	0
Balance, 6/30/02	$ 0	$ 0	$73,220

Expenditures for textbook and capital maintenance activity during the year were $2,102,276 and $1,021,732 respectively, which exceeded the required set-aside and reserve balance.

Senate Bill 345 eliminated the Budget Stabilization Reserve. The current year set-aside requirement for the Reserve is from a Bureau of Workers' Compensation refund received prior to April 10, 2001.

19. PRIOR PERIOD ADJUSTMENT

The beginning fixed asset balance of the general fixed asset account group has been adjusted for corrections to the fixed asset details as follows:

	General Fixed Assets Account Group
Balance previously stated, June 30, 2001	$29,069,724
Prior period adjustment	7,959,905
As restated, July 1, 2001	$21,109,819

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MIAMI VALLEY CAREER TECHNOLOGY CENTER

MONTGOMERY COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 25, 2003