



**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
GALLIA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
GALLIA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Gallia-Jackson-Vinton Joint Vocational School District
Gallia County
P.O. Box 157
Rio Grande, Ohio 45674

To the Board of Education:

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

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

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

As described in Note 3 to the general purpose financial statements, during the year ended June 30, 2001, the School District adopted Governmental Accounting Statement No. 33 and No. 36.

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

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the School District, taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

Jim Petro
Auditor of State

November 30, 2001

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GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
<u>Assets and Other Debits:</u>			
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$875,990	\$237,111	\$1,051,231
Cash and Cash Equivalents in Segregated Accounts	100,000	0	0
<u>Receivables:</u>			
Taxes	1,845,666	0	0
Accounts	0	75	0
Intergovernmental	400	173,461	0
Accrued Interest	2,264	0	0
Interfund	221,532	0	0
Prepaid Items	12,727	1,407	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	16,266	0	0
<u>Restricted Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	32,757	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0
<u>Other Debits:</u>			
Amount to be Provided from			
General Government Resources	0	0	0
Total Assets and Other Debits	\$3,107,602	\$412,054	\$1,051,231
<u>Liabilities, Fund Equity and Other Credits:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$14,334	\$23,076	\$19,263
Contracts Payable	57,275	0	0
Accrued Wages and Benefits Payable	330,957	77,507	0
Compensated Absences Payable	19,698	335	0
Interfund Payable	0	221,935	0
Intergovernmental Payable	76,263	22,003	0
Deferred Revenue	1,818,973	83,361	0
Property Tax Refund Payable	0	0	0
Total Liabilities	2,317,500	428,217	19,263
<u>Fund Equity and Other Credits:</u>			
Investment in General Fixed Assets	0	0	0
Contributed Capital	0	0	0
<u>Retained Earnings:</u>			
Unreserved	0	0	0
<u>Fund Balance:</u>			
Reserved for Encumbrances	198,396	120,505	32,145
Reserved for Property Taxes	26,693	0	0
Reserved for Statutory Set Asides	32,757	0	0
Reserved for Inventory	16,266	0	0
<u>Unreserved:</u>			
Undesignated	515,990	(136,668)	999,823
Total Fund Equity and Other Credits	790,102	(16,163)	1,031,968
Total Liabilities, Fund Equity and Other Credits	\$3,107,602	\$412,054	\$1,051,231

See accompanying notes to the general purpose financial statements.

<i>PROPRIETARY FUND TYPE</i>	<i>ACCOUNT GROUPS</i>		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
Enterprise			
\$806,927	\$0	\$0	\$2,971,259
0	0	0	100,000
0	0	0	1,845,666
50,730	0	0	50,805
0	0	0	173,861
0	0	0	2,264
2,450	0	0	223,982
600	0	0	14,734
7,797	0	0	7,797
2,403	0	0	18,669
0	0	0	32,757
94,733	9,023,645	0	9,118,378
0	0	480,824	480,824
<u>\$965,640</u>	<u>\$9,023,645</u>	<u>\$480,824</u>	<u>\$15,040,996</u>
\$172	\$0	\$0	\$56,845
0	0	0	57,275
18,805	0	0	427,269
36,808	0	448,957	505,798
2,047	0	0	223,982
10,980	0	26,372	135,618
408	0	0	1,902,742
0	0	5,495	5,495
<u>69,220</u>	<u>0</u>	<u>480,824</u>	<u>3,315,024</u>
0	9,023,645	0	9,023,645
163,045	0	0	163,045
733,375	0	0	733,375
0	0	0	351,046
0	0	0	26,693
0	0	0	32,757
0	0	0	16,266
0	0	0	1,379,145
<u>896,420</u>	<u>9,023,645</u>	<u>0</u>	<u>11,725,972</u>
<u>\$965,640</u>	<u>\$9,023,645</u>	<u>\$480,824</u>	<u>\$15,040,996</u>

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GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<u>Revenues:</u>				
Intergovernmental	\$2,579,238	\$1,727,687	\$80,473	\$4,387,398
Interest	133,583	0	0	133,583
Tuition and Fees	12,325	206,523	0	218,848
Extracurricular Activities	1,365	135	0	1,500
Property and Other Local Taxes	2,139,410	0	0	2,139,410
Miscellaneous	41,951	14,744	0	56,695
Total Revenues	4,907,872	1,949,089	80,473	6,937,434
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	25,353	0	0	25,353
Special	270	515,437	0	515,707
Vocational	2,298,427	331,646	0	2,630,073
Adult/Continuing	0	275,838	0	275,838
<i>Support Services:</i>				
Pupils	0	125,306	0	125,306
Instructional Staff	195,358	545,292	0	740,650
Board of Education	38,012	0	0	38,012
Administration	359,679	31,363	0	391,042
Fiscal	254,496	8,312	0	262,808
Business	35,988	0	0	35,988
Operation and Maintenance of Plant	942,556	5,160	318,107	1,265,823
Pupil Transportation	12,012	0	0	12,012
Central	32,843	53,268	0	86,111
Total Expenditures	4,194,994	1,891,622	318,107	6,404,723
Excess of Revenues Over (Under) Expenditures	712,878	57,467	(237,634)	532,711
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	1,649	0	0	1,649
Operating Transfers In	0	4,417	650,000	654,417
Operating Transfers Out	(659,222)	0	0	(659,222)
Total Other Financing Sources (Uses)	(657,573)	4,417	650,000	(3,156)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	55,305	61,884	412,366	529,555
Fund Balance (Deficit) at Beginning of Year, As Restated	728,325	(78,047)	619,602	1,269,880
Increase (Decrease) in Reserve for Inventory	6,472	0	0	6,472
Fund Balance (Deficit) at End of Year	\$790,102	(\$16,163)	\$1,031,968	\$1,805,907

See accompanying notes to the general purpose financial statements.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$2,579,238	\$2,579,238	\$0
Interest	131,779	131,779	0
Tuition and Fees	11,925	11,925	0
Extracurricular Activities	1,365	1,365	0
Property and Other Local Taxes	2,122,052	2,122,052	0
Miscellaneous	359,494	359,494	0
<i>Total Revenues</i>	<u>5,205,853</u>	<u>5,205,853</u>	<u>0</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	12,067	12,067	0
Special	0	0	0
Vocational	2,523,409	2,523,409	0
Adult/Continuing	0	0	0
<i>Support Services:</i>			
Pupils	99,440	99,440	0
Instructional Staff	244,729	244,729	0
Board of Education	88,752	88,752	0
Administration	375,603	375,603	0
Fiscal	259,730	259,730	0
Business	33,557	33,557	0
Operation and Maintenance of Plant	1,006,492	1,006,492	0
Pupil Transportation	52,273	52,273	0
Central	64,996	64,996	0
<i>Total Expenditures</i>	<u>4,761,048</u>	<u>4,761,048</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	444,805	444,805	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	1,649	1,649	0
Advances In	249,030	249,030	0
Advances Out	(213,246)	(213,246)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(659,222)	(659,222)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(621,789)</u>	<u>(621,789)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(176,984)	(176,984)	0
Fund Balance at Beginning of Year	737,867	737,867	0
Prior Year Encumbrances Appropriated	<u>184,701</u>	<u>184,701</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$745,584</u></u>	<u><u>\$745,584</u></u>	<u><u>\$0</u></u>

See accompanying notes to the general purpose financial statements.

SPECIAL REVENUE FUNDS

CAPITAL PROJECTS FUNDS

Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,712,958	\$1,712,958	\$0	\$80,473	\$80,473	\$0
0	0	0	0	0	0
206,523	206,523	0	0	0	0
135	135	0	0	0	0
0	0	0	0	0	0
14,785	14,785	0	0	0	0
<u>1,934,401</u>	<u>1,934,401</u>	<u>0</u>	<u>80,473</u>	<u>80,473</u>	<u>0</u>
0	0	0	0	0	0
528,099	528,099	0	0	0	0
342,100	342,100	0	0	0	0
297,343	297,343	0	0	0	0
136,031	136,031	0	0	0	0
654,028	654,028	0	0	0	0
0	0	0	0	0	0
31,179	31,179	0	0	0	0
8,312	8,312	0	0	0	0
0	0	0	0	0	0
5,160	5,160	0	374,101	374,101	0
0	0	0	0	0	0
61,587	61,587	0	0	0	0
<u>2,063,839</u>	<u>2,063,839</u>	<u>0</u>	<u>374,101</u>	<u>374,101</u>	<u>0</u>
(129,438)	(129,438)	0	(293,628)	(293,628)	0
0	0	0	0	0	0
212,399	212,399	0	0	0	0
(244,225)	(244,225)	0	0	0	0
4,417	4,417	0	650,000	650,000	0
0	0	0	0	0	0
<u>(27,409)</u>	<u>(27,409)</u>	<u>0</u>	<u>650,000</u>	<u>650,000</u>	<u>0</u>
(156,847)	(156,847)	0	356,372	356,372	0
66,550	66,550	0	584,641	584,641	0
185,414	185,414	0	58,809	58,809	0
<u>\$95,117</u>	<u>\$95,117</u>	<u>\$0</u>	<u>\$999,822</u>	<u>\$999,822</u>	<u>\$0</u>

(continued)

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types (Continued)
For the Fiscal Year Ended June 30, 2001

	TOTALS (MEMORANDUM ONLY)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$4,372,669	\$4,372,669	\$0
Interest	131,779	131,779	0
Tuition and Fees	218,448	218,448	0
Extracurricular Activities	1,500	1,500	0
Property and Other Local Taxes	2,122,052	2,122,052	0
Miscellaneous	374,279	374,279	0
<i>Total Revenues</i>	<u>7,220,727</u>	<u>7,220,727</u>	<u>0</u>
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	12,067	12,067	0
Special	528,099	528,099	0
Vocational	2,865,509	2,865,509	0
Adult/Continuing	297,343	297,343	0
<i>Support Services:</i>			
Pupils	235,471	235,471	0
Instructional Staff	898,757	898,757	0
Board of Education	88,752	88,752	0
Administration	406,782	406,782	0
Fiscal	268,042	268,042	0
Business	33,557	33,557	0
Operation and Maintenance of Plant	1,385,753	1,385,753	0
Pupil Transportation	52,273	52,273	0
Central	126,583	126,583	0
<i>Total Expenditures</i>	<u>7,198,988</u>	<u>7,198,988</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	21,739	21,739	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	1,649	1,649	0
Advances In	461,429	461,429	0
Advances Out	(457,471)	(457,471)	0
Operating Transfers In	654,417	654,417	0
Operating Transfers Out	(659,222)	(659,222)	0
<i>Total Other Financing Sources (Uses)</i>	<u>802</u>	<u>802</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	22,541	22,541	0
Fund Balance at Beginning of Year	1,389,058	1,389,058	0
Prior Year Encumbrances Appropriated	428,924	428,924	0
Fund Balance at End of Year	<u><u>\$1,840,523</u></u>	<u><u>\$1,840,523</u></u>	<u><u>\$0</u></u>

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Revenues,
Expenses and Changes in Fund Equity
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001

	Enterprise
<u>Operating Revenues:</u>	
Tuition and Fees	\$649,671
Sales	132,148
Charges for Services	39,016
Other Operating Revenues	28,822
<i>Total Operating Revenues</i>	849,657
<u>Operating Expenses:</u>	
Salaries	498,476
Fringe Benefits	108,038
Purchased Services	65,529
Material and Supplies	230,573
Cost of Sales	3,224
Depreciation	10,208
Other Operating Expenses	13,246
<i>Total Operating Expenses</i>	929,294
Operating Income (Loss)	(79,637)
<u>Nonoperating Revenues (Expenses):</u>	
Federal Donated Commodities	1,643
Interest Income	1,541
Federal and State Subsidies	366,529
Loss on Sale of Fixed Assets	(1,225)
<i>Total Nonoperating Revenues (Expenses)</i>	368,488
Income (Loss) Before Operating Transfers	288,851
Operating Transfers In	4,805
Net Income (Loss)	293,656
Retained Earnings at Beginning of Year	439,719
Retained Earnings at End of Year	733,375
Contributed Capital at End of Year	163,045
Fund Equity at End of Year	\$896,420

See accompanying notes to the general purpose financial statements.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001

	ENTERPRISE FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition and Fees	\$620,004	\$620,004	\$0
Sales	130,820	130,820	0
Charges for Services	66,965	66,965	0
Other Revenues	28,822	28,822	0
Total Revenues	846,611	846,611	0
<u>Expenditures:</u>			
Salaries	493,781	493,781	0
Fringe Benefits	116,377	116,377	0
Purchased Services	74,203	74,203	0
Materials and Supplies	240,035	240,035	0
Other Expenditures	13,246	13,246	0
Capital Outlay	11,900	11,900	0
Total Expenditures	949,542	949,542	0
Excess of Revenues Over (Under) Expenditures	(102,931)	(102,931)	0
<u>Other Financing Sources (Uses):</u>			
Interest Income	1,541	1,541	0
Federal and State Subsidies	366,529	366,529	0
Advances In	847	847	0
Advances Out	(4,805)	(4,805)	0
Operating Transfers In	4,805	4,805	0
Total Other Financing Sources (Uses)	368,917	368,917	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	265,986	265,986	0
Fund Equity at Beginning of Year	505,364	505,364	0
Prior Year Encumbrances Appropriated	18,180	18,180	0
Fund Equity at End of Year	\$789,530	\$789,530	\$0

See accompanying notes to the general purpose financial statements.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001

	Enterprise
<u>Increases (Decreases) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$197,785
Cash Received from Tuition and Fee Payments	620,004
Cash Received from Other Operating Revenues	28,822
Cash Payments to Suppliers for Goods and Services	(297,790)
Cash Payments to Employees for Services	(493,781)
Cash Payments for Employee Benefits	(115,429)
Cash Payments for Other Operating Expenses	(13,246)
<i>Net Cash from Operating Activities</i>	(73,635)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Cash Received from Operating Grants	366,529
Advances In from Other Funds	847
Advances Out to Other Funds	(4,805)
Operating Transfers In	4,805
<i>Net Cash from Noncapital Financing Activities</i>	367,376
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Cash Payments for Capital Acquisitions	(11,900)
<i>Net Cash from Capital and Related Financing Activities</i>	(11,900)
<u>Cash Flows from Investing Activities:</u>	
Interest Received on Investments	1,541
<i>Net Cash from Investing Activities</i>	1,541
Net Increase (Decrease) in Cash and Cash Equivalents	283,382
Cash and Cash Equivalents at Beginning of Year	523,545
Cash and Cash Equivalents at End of Year	\$806,927

(continued)

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2001

	Enterprise
<i>Reconciliation of Operating Income (Loss)</i>	
<u>to Net Cash from Operating Activities:</u>	
Operating Income (Loss)	(\$79,637)
<i>Adjustments to Reconcile Operating Income (Loss)</i>	
<u>to Net Cash from Operating Activities:</u>	
Depreciation	10,208
Donated Commodities Used During Year	1,643
<i>Changes in Assets and Liabilities:</i>	
(Increase) Decrease in Accounts Receivable	(596)
(Increase) Decrease in Interfund Receivable	(2,450)
(Increase) Decrease in Inventory Held for Resale	708
(Increase) Decrease in Materials and Supplies Inventory	(482)
(Increase) Decrease in Prepaid Items	124
Increase (Decrease) in Accounts Payable	(608)
Increase (Decrease) in Accrued Wages and Benefits Payable	(9,062)
Increase (Decrease) in Compensated Absences Payable	5,690
Increase (Decrease) in Intergovernmental Payable	1,016
Increase (Decrease) in Deferred Revenue	(189)
Total Adjustments	6,002
Net Cash from Operating Activities	(\$73,635)

See accompanying notes to the general purpose financial statements.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Gallia-Jackson-Vinton Joint Vocational School District is a joint vocational school district as defined by Section 3311.18 of the Ohio Revised Code and is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A vocational school exposes students to job training leading to employment upon graduation from high school. The Gallia-Jackson-Vinton Joint Vocational School District includes six participating districts spread throughout Gallia, Jackson, and Vinton Counties.

The Gallia-Jackson-Vinton Joint Vocational School District operates under a nine-member Board of Education and is responsible for the provision of public education to residents of the District. The Board of Education of the District is not directly elected. The Board is made up from members of the elected boards of the participating school districts. The Board consists of five members from the three city school districts and four members from the three local school districts. The District has an enrollment of 833 students and is staffed by 11 classified, 63 certified, and 11 administrative employees.

Reporting Entity

The financial reporting entity consists of the stand-alone government, component units, and other governmental organizations that are included to ensure the financial statements of the District are not misleading or incomplete. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the Gallia-Jackson-Vinton Joint Vocational School District, this includes general operations, student guidance, extra-curricular activities, educational media, care and upkeep of grounds and buildings, food service, and adult education.

Component units are legally separate organizations for which the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organizations' resources; the District is legally obligated or has otherwise assumed the responsibility to finance the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approved the budget, the issuance of debt, or the levying of taxes. No separate governmental units meet the criteria for inclusion as a component unit.

The District is involved with the Southeast Ohio Voluntary Educational Consortium (SEOVEC), which is defined as a jointly governed organization. The District is also associated with the Ohio School Boards Association Workers' Compensation Group Rating Program which is defined as a public entity risk pool.

Additional information concerning the jointly governed organization and public entity risk pool is presented in Note 18.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gallia-Jackson-Vinton 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 District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the District's accounting policies are described below.

Basis of Presentation - Fund Accounting

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

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other 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 regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the District 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 District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the District's governmental fund types:

General Fund - The general fund is the operating fund of the 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 District 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 expendable trusts or for 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).

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Proprietary Fund Type:

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

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

Fiduciary Fund Type:

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The District has no fiduciary funds.

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 District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of the District except those accounted for in the proprietary funds.

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.

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: taxes, investment earnings, tuition, grants and entitlements, and student fees.

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2001, whose availability is undeterminable and which are intended to finance fiscal year 2002 operations, have been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on general long-term obligations are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. The costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned and expenses are recognized when they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

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.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 Gallia 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 Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final Amended Certificate requested during fiscal year 2001. Prior to the year-end, the District requested an Amended Certificate that matched estimated revenue with actual revenue for the year.

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 District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any 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 does not exceed the amounts set forth in the most recent Certificate of Estimated Resources. During the year, three 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. Prior to year-end, the Board passed final appropriations that equaled expenditures plus encumbrances for the year. Formal budgetary integration is employed as a management control device during the year for all 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 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 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.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Cash and Cash Equivalents

To improve cash management, all cash received by the District is pooled in a central bank account. Monies for all funds, including proprietary funds, are maintained in this account or temporarily used to purchase short term investments. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet. "Cash and Cash Equivalents in Segregated Accounts" represents a certificate of deposit.

During fiscal year 2001, investments were limited to a certificate of deposit. This investment had a maturity of less than two years. 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 District credits interest to the General and Enterprise (Food Service) Funds. Interest revenue earned for these funds during fiscal year 2001 totaled \$133,583 and \$1,541, respectively.

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

Inventory

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

Prepaid Items

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

Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is no longer required by State statute and can be used for certain purposes at the discretion the Board of Education. A fund balance reserve has also been established.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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 related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year.

Donated fixed assets are recorded at their fair values as of the date received. The District maintains a capitalization threshold of two hundred dollars. The District does not possess any infrastructure.

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

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund types is computed using the straight-line method over an estimated useful life. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Intergovernmental Revenues

Intergovernmental revenues are generally received from reimbursable, nonreimbursable, and entitlement type grant programs. These grant programs involve transactions that are categorized as either government-mandated or voluntary nonexchange transactions. For governmental funds, intergovernmental revenues from government-mandated and voluntary nonexchange transactions are recorded as a receivable when all eligibility requirements are met, and as revenue when the resources are available. Revenues that are not available in the current period are deferred. For proprietary funds, intergovernmental revenues from government-mandated and voluntary nonexchange transactions are recorded as a receivable and revenue when all eligibility requirements are met. Revenues received before the eligibility requirements are met are deferred.

The District currently participates in several State and Federal programs, categorized as follows:

Entitlements:

General Fund

State Foundation Program

Special Revenue Funds

Miscellaneous Grant - ABLE JOBS Expansion

Enterprise Funds

State Foundation Program

Nonreimbursable Grants:

Special Revenue Funds

Local Professional Development Block Grant

Wellness Block Grants

Educational Management Information System

Eisenhower - Education for Economic Security Act/Title II

Title VI/Chapter II

School Net Professional Development

Network Connectivity

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Special Education Consortium
School Improvement Incentive Grant
Pioneer Project Grant
State School-to-Work
Goals 2000 Intervention
Economic Education - Consumer Education Projects
Career Development
Adult Full Service Center - Post Secondary Vocation Education
Adult Basic Literacy Education
P.E.T.E.
Vocational Education: Carl D. Perkins
Telecommunications Act Grant
Federal School-to-Work
U.R.O.G.

Capital Project Funds:

Vocational Education Equipment Grant

Reimbursable Grants:

Special Revenue Funds

Basic Education Opportunity Grant Program - PELL

Enterprise Funds

National School Lunch Program
Government Donated Commodities

Grants and entitlements accounted for fifty-eight percent of the District's operating revenue during the 2001 fiscal year.

Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables" and "interfund payables". Long-term interfund loans are classified as "advances to/from other funds" and are equally offset by fund balance reserve accounts which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District 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 District's termination policy. The District records a liability for accumulated unused sick leave for classified, certified, and administrative employees after eleven years of service.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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

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, claims and judgments, compensated absences, contractually required pension contributions, and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. In general, amounts paid more than sixty days after year end are considered not to have been paid with current available financial resources.

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

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

Fund Balance Reserves

The District reserves fund balance for amounts that are legally segregated for 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, statutory set asides and inventory.

Contributed Capital

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

Estimates

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations 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.

NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT

The District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions" and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues."

GASB Statement No. 33 establishes accounting and financial reporting guidelines about when to report the results of nonexchange transactions. GASB Statement No. 36 is a modification to the provisions of GASB Statement No. 33 for certain specific nonexchange revenues. The implementation of these statements required a prior period adjustment to accrue \$42,879 as intergovernmental receivable in the Special Revenue Funds. This adjustment had the effect of increasing fund balance in the Special Revenue Funds from the previous balance of (\$120,926) to the restated balance of (\$78,047).

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and the Combined Statement of Revenues, Expenses, and Changes in Fund Equity - Budget and Actual (Budget Basis), Proprietary Fund Type 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 than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING - (Continued)

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	\$55,305	\$61,884	\$412,366
Net Adjustment for Revenue Accruals	297,981	(14,688)	0
Net Adjustment for Expenditure Accruals and Encumbrances	(566,054)	(172,217)	(55,994)
Net Adjustment for Other Financing Sources (Uses)	35,784	(31,826)	0
Budget Basis	(\$176,984)	(\$156,847)	\$356,372

Net Income (Loss)/Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses Proprietary Fund Type	
	Enterprise
GAAP Basis	\$293,656
Net Adjustment for Revenue Accruals	(3,046)
Net Adjustment for Expense Accruals and Encumbrances	(19,608)
Capital Outlay	(10,848)
Depreciation Expense	10,208
Other Financing Sources (Uses)	(4,376)
Budget Basis	\$265,986

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 5 - ACCOUNTABILITY

Fund Deficits

Fund balances at June 30, 2001, included the following individual fund deficits:

Special Revenue Funds:

Economic Education Grant	\$1,180
Career Development Grant	7,950
Adult Full Service Center Grant	12,834
Wellness Grant	544
Eisenhower Grant	119
Carl D. Perkins Grant	55,672
PELL - Basic Education Opportunities Grant	5,750
Title VI Grant	74
Miscellaneous Federal Grants	10,441

The deficit in each of these funds is the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. These deficits will be eliminated as future expected revenues are received. These deficits do not exist on the cash basis. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

Protection of the District'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 money deposited with the institution.

State Statute permits interim monies to be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the fair 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 fair value daily, and that the term of 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 (STAROhio); and,
7. Certain bankers' acceptances and commercial paper notes, for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim moneys available for investment at any one time.

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

The following information classifies deposits by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements." The District held no investments that require categorization in accordance with GASB Statement No. 3.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 6 - DEPOSITS AND INVESTMENTS - (Continued)

Deposits: At fiscal year-end, the carrying amount of the District's deposits was \$3,104,016 and the bank balance was \$3,365,525. \$400,000 of the bank balance was covered by federal depository insurance. \$2,965,525 was collateralized with securities held by the District or by its agency in the District's name. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

NOTE 7 - 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 District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at thirty-five 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 eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are twenty-five percent of true value. The assessed values upon which the fiscal year 2001 taxes were collected are:

	2000 Second - Half Collections		2001 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$647,054,280	59.6%	\$671,836,820	60.1%
Public Utility Personal	334,871,720	30.8%	337,307,540	30.2%
Tangible Personal Property	104,649,132	9.6%	107,831,976	9.7%
Total Assessed Value	<u>\$1,086,575,132</u>	<u>100.0%</u>	<u>\$1,116,976,336</u>	<u>100.0%</u>
Tax rate per \$1,000 of assessed valuation	\$2.00		\$2.00	

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

The District receives property taxes from Gallia, Jackson, Vinton, Hocking, and Lawrence Counties. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by each county by June 30, 2001 is available to finance fiscal year 2001 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 7 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable as of June 30, 2001. 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 year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. Gallia-Jackson-Vinton Joint Vocational School District had \$26,693 available for advance at June 30, 2001.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2001 consisted of taxes, accounts (tuition and fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follow:

	Amounts
<i>General Fund:</i>	
Summer School Tuition	\$400
<i>Total General Fund</i>	400
 <i>Special Revenue Funds:</i>	
Local Special Education Consortium Grant	80,449
Economic Education Grant	2,400
Career Development Grant	7,657
Adult Full Service Grant	3,000
P.E.T.E. Grant	13,649
Carl D. Perkins Grant	61,855
U.R.O.G. Grant	4,451
<i>Total Special Revenue Funds</i>	173,461
 <i>Total Intergovernmental Receivables - All Funds</i>	 \$173,861

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 9 - FIXED ASSETS

A summary of the Enterprise Funds' fixed assets at June 30, 2001 follows:

\Furniture and Equipment	\$222,347
Less: Accumulated Depreciation	(127,614)
Net Fixed Assets	\$94,733

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

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
Land	\$116,973	\$0	\$0	\$116,973
Building and Improvements	5,920,535	106,674	1,153,580	4,873,629
Furniture, Fixtures, and Equipment	3,501,039	326,448	129,660	3,697,827
Vehicles	228,494	0	0	228,494
Textbooks	106,722	0	0	106,722
Total	\$9,873,763	\$433,122	\$1,283,240	\$9,023,645

There was no significant construction in progress at June 30, 2001.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 10 - RISK MANAGEMENT

Property and Liability

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

Building and Contents-replacement cost (\$1,000 deductible)	\$18,504,900
Earthquake (5% deductible)	18,504,900
Inland Marine Coverage (\$100 deductible)	5,000
Sign Supplemental (\$100 deductible maximum; 5% of limit; \$10 minimum)	20,500
Automobile Liability (\$50 deductible for comprehensive and \$250 for collision)	2,000,000
Uninsured Motorists (\$50 deductible for comprehensive and \$250 for collision)	1,000,000
Garage Keepers (\$100 deductible for comprehensive and \$250 for collision)	100,000
Builders Risk	30,000
Professional and General Liability	5,000,000
Umbrella Liability	1,000,000
Public Official Bonds:	
Treasurer	50,000
Superintendent	50,000
Board President	20,000
Public Employee Dishonesty	10,000

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 10 - RISK MANAGEMENT - (Continued)

Workers' Compensation

For fiscal year 2001, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school district is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

School Employees Retirement System

The District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing, multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio, 43215 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate for the District is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2001, 4.2 percent of annual covered salary was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$110,800, \$95,254, and \$92,834 respectively; 59.7 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$44,638 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

State Teachers Retirement System

The District contributes to 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 or by calling (614) 227-4090.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 11 - DEFINED BENEFIT PENSION PLANS - (Continued)

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. Of the District's contribution, 9.5 percent was used to fund pension obligations. 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 District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999 were \$439,550, \$408,922, and \$435,490 respectively; 87.1 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$56,893 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

Social Security System

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

NOTE 12 - POST-EMPLOYMENT BENEFITS

The District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly medicare premiums. Benefit provisions and the obligation 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.

For STRS, all benefit recipients are required to 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. For fiscal year 2001, the Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$141,284 during fiscal year 2001.

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

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

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. For fiscal year 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. 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.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 12 - POST-EMPLOYMENT BENEFITS - (Continued)

The target level for health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000 were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$77,781 during the 2001 fiscal year.

NOTE 13 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees, and administrators who are contracted to work 260/261 days per year, earn five to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year 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 125 percent of total contract days for administrators, 240 days for teachers, and 240 days for classified employees. Upon retirement, certificated employees receive one-fourth of the total sick leave accumulation up to a maximum of sixty (60) days. One additional day is given for each five years of service from fifteen (15) to thirty-five (35) years.

Upon retirement administrative employees receive payment for one-fourth of the total sick leave accrued, based upon historical employment information. One additional day is given for each five years of service from fifteen (15) to thirty-five (35) years.

Classified employees, upon retirement, receive payment for one-fourth of the total sick leave accumulation, up to a maximum of sixty (60) days.

Insurance Benefits

The District provides life insurance and accidental death and dismemberment insurance to all full-time employees through Anthem P.P.O., in the amount of \$20,000.

The District contracts with Anthem P.P.O. for hospitalization and major medical insurance for all full-time employees. The District pays monthly premiums of \$634.72 for family coverage and \$242.63 for individual coverage. This coverage includes prescription drug insurance for the employees, utilizing a prescription deductible of \$8 for formulary generic, \$15 for formulary brand, and \$25 for non-formulary.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 14 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at June 30, 2001 were comprised of the following interfund receivable and interfund payables:

	Interfund Receivables	Interfund Payables
General Fund	\$221,532	\$0
<i>Special Revenue Funds:</i>		
Economic Education Grant	0	2,400
Career Development Grant	0	7,657
Adult Vocational-Full Service Center	0	3,000
Wellness Grant	0	544
Miscellaneous State Grants	0	13,649
Adult Basic Literacy Education	0	22,958
Eisenhower Grant	0	120
Vocational Education	0	49,363
Carl D. Perkins Grant	0	7,086
PELL - Basic Education Opportunities Grant	0	10,425
Title VI Grant	0	752
Miscellaneous Federal Grants	0	103,981
<i>Total Special Revenue Funds</i>	0	221,935
<i>Enterprise Funds:</i>		
Uniform School Supply	0	2,047
Adult Education	2,450	0
<i>Total Enterprise Funds</i>	2,450	2,047
<i>Total</i>	\$223,982	\$223,982

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 15 - LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the District during fiscal year 2001, were as follows:

	Principal Outstanding June 30, 2000	Additions	Deletions	Principal Outstanding June 30, 2001
Compensated Absences Payable	\$417,482	\$31,475	\$0	\$448,957
Intergovernmental Payable	23,741	2,631	0	26,372
Property Tax Refund Payable	9,159	0	3,664	5,495
Totals	<u>\$450,382</u>	<u>\$34,106</u>	<u>\$3,664</u>	<u>\$480,824</u>

Compensated absences and intergovernmental payables will be paid from the fund from which the employee is paid. Property tax refunds are paid from the General Fund.

NOTE 16 - STATUTORY SET ASIDES

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and 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. Effective April 10, 2001, Senate Bill 345 eliminated the Statutory requirement for a budget reserve; however, the amount of the budget reserve funded with workers' compensation refunds or rebates may only be used to offset a budget deficit or certain other expenditures as directed by the Board of Education.

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

Account	Textbooks	Capital Improvements	Budget Stabilization	Totals
Set Aside Balances Carried Forward as of June 30, 2000	\$24,954	(\$90,331)	\$107,014	\$41,637
Reduction due to Senate Bill 345	0	0	(74,257)	(74,257)
FY 2001 Set Aside Required	119,604	119,604	0	239,208
FY 2001 Qualifying Disbursements	<u>(153,996)</u>	<u>(281,576)</u>	<u>0</u>	<u>(435,572)</u>
Set Aside Balances Carried Forward to FY 2002	<u>(9,438)</u>	<u>(252,303)</u>	<u>32,757</u>	<u>(228,984)</u>
Set Aside Reserve Balances at June 30, 2001	<u>\$0</u>	<u>\$0</u>	<u>\$32,757</u>	
Total Restricted Assets				<u>\$32,757</u>

Senate Bill 345 eliminated the Budget Stabilization Reserve, except for amounts related to unspent Bureau of Workers' Compensation refunds. The Bill requires the Board of Education to designate its intended use of the Reserve.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 16 - STATUTORY SET ASIDES - (Continued)

The District had qualifying disbursements and offsets during the fiscal year that reduced the textbook and capital improvements set aside amounts below zero. The extra amounts for the textbook set aside may be used to reduce the set aside requirements in future fiscal years. Some of the amount of the capital set aside may be used to reduce the set aside requirements in future fiscal years.

NOTE 17- SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains four Enterprise Funds to account for the operations of food service, uniform school supplies, rotary and adult education. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the Gallia-Jackson-Vinton Joint Vocational School District as of and for the fiscal year ended June 30, 2001.

	Food Service	Uniform School Supply	Rotary	Adult Education	Total Enterprise Funds
Operating Revenues	\$105,773	\$26,569	\$39,016	\$678,299	\$849,657
Operating Expenses Before Depreciation	109,313	30,187	39,876	739,710	919,086
Depreciation	2,561	0	0	7,647	10,208
Operating Income (Loss)	(6,101)	(3,618)	(860)	(69,058)	(79,637)
Donated Commodities	1,643	0	0	0	1,643
Operating Grants	25,563	0	0	340,966	366,529
Net Income (Loss)	21,759	1,187	(860)	271,570	293,656
Fixed Asset Additions	0	0	0	11,900	11,900
Fixed Asset Disposals	1,556	0	0	3,363	4,919
Net Working Capital	41,531	13,077	118,021	629,058	801,687
Total Assets	121,749	15,124	118,021	710,746	965,640
Long-Term Compensated Absences Payable	0	0	0	36,808	36,808
Total Equity	114,269	13,077	118,021	651,053	896,420
Encumbrances at June 30, 2001	491	0	1,000	15,905	17,396

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 18 - JOINTLY GOVERNED ORGANIZATION AND PUBLIC ENTITY RISK POOL

Jointly Governed Organization

Southeast Ohio Voluntary Educational Consortium (SEOVEC) is a jointly governed organization created as a regional council of governments pursuant to State Statutes. SEOVEC has 35 participants consisting of 26 school districts and 9 county boards of education. SEOVEC provides financial accounting services, educational management information system, and cooperative purchase services to member districts. Each member district pays an annual fee for services provided by SEOVEC. SEOVEC is governed by a board of directors which is selected by the member districts.

Each district has one vote in all matters; and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the board of directors. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. During fiscal year 2001, the Gallia-Jackson-Vinton Joint Vocational School District paid SEOVEC \$5,810 in fees.

Public Entity Risk Pool

The District participates in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of Directors consisting of the President, the President-Elect, and the Immediate Past President of the Ohio School Boards Association (OSBA). The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 19 - STATE SCHOOL FUNDING DECISION

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

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

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

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 19 - STATE SCHOOL FUNDING DECISION - (Continued)

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

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

NOTE 20 - CONTINGENCIES

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

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**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
GALLIA COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

Federal Grantor <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
U.S. Department of Agriculture						
<i>Pass Through Ohio Department of Education:</i>						
Child Nutrition Cluster:						
Food Distribution Program (Commodities)	N/A	10.550	\$	\$ 1,453	\$	\$ 1,643
National School Lunch Program	03-PU-00	10.555	3,638		3,638	
	04-PU-00		20,443		20,443	
Total National School Lunch Program			<u>24,081</u>	<u>0</u>	<u>24,081</u>	<u>0</u>
Total Child Nutrition Cluster			<u>24,081</u>	<u>1,453</u>	<u>24,081</u>	<u>1,643</u>
Total U.S. Department of Agriculture			<u>24,081</u>	<u>1,453</u>	<u>24,081</u>	<u>1,643</u>
U.S. Department of Education						
<i>Pass Through the Ohio Department of Education:</i>						
Federal Family Education Loan Program Direct to PELL Grant						
	N/A	84.063	121,838		125,138	
Adult Education State Administered Basic Grant	AB-SI-00C	84.002	18,492		18,402	
	AB-S1-01C		23,317		11,972	
	AB-S1-00		49,323		33,037	
	AB-S1-01		84,149		104,079	
Total Adult Education State Administered Basic Grant			<u>175,281</u>	<u>0</u>	<u>167,490</u>	<u>0</u>
Vocational Education Basic Grants to States		84.048				
Career/Family	N/A		1,500		(15)	
Secondary 99	2C-01-99				100	
Secondary 00	2C-01-00		50,566		35,870	
Secondary 01	2C-01-01		278,094		313,202	
Post Secondary 00	N/A		5,295		3,480	
Post-Secondary 01	N/A		72,421		78,226	
Total Vocational Education Basic Grants to States			<u>407,876</u>	<u>0</u>	<u>430,863</u>	<u>0</u>
State Grants for Math and Science NDEA - Title III	MS-S1-01	84.281	1,078	0	1,198	0
Innovative Education Program Strategies	C2-S1-00 C/O	84.298	(7)			
	C2-S1-00				985	
	C2-S1-01		1,198		514	
Total Innovative Education Program Strategies			<u>1,191</u>	<u>0</u>	<u>1,499</u>	<u>0</u>
<i>Pass Through Great Lakes Higher Education:</i>						
Guaranteed Student Loans						
	N/A	84.032	173,057		173,057	
Total U.S. Department of Education			<u>880,321</u>	<u>0</u>	<u>899,245</u>	<u>0</u>
U.S. Department of Labor						
<i>Pass Through the U.S. Department of Health and Human Services:</i>						
School-To-Work						
Urban Rural Opportunities Grant - FY 98	STW-UROG 98	17.249			2,030	
Urban Rural Opportunities Grant - FY 99	STW-UROG 99		23,411		20,553	
Urban Rural Opportunities Grant - FY 00	STW-UROG 00		215,514		181,860	
Urban Rural Opportunities Grant - FY 01	STW-UROG 01		106,994		111,402	
Total School-To-Work Grant			<u>345,919</u>	<u>0</u>	<u>315,845</u>	<u>0</u>
Total U.S. Department of Labor			<u>345,919</u>	<u>0</u>	<u>315,845</u>	<u>0</u>
U.S. Department of Health and Human Services						
<i>Pass Through the Ohio Department of Education:</i>						
Family Support Act / JOBS Grant						
	JB-S1-01	93.560			1,813	
<i>Pass Through the Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Title XIX - Medical Assistance Program						
	N/A	93.778	1,109		1,109	
Total U.S. Department of Health and Human Services			<u>1,109</u>	<u>0</u>	<u>2,922</u>	<u>0</u>
Total Federal Awards Receipts and Expenditures			<u>\$ 1,251,430</u>	<u>\$ 1,453</u>	<u>\$ 1,242,093</u>	<u>\$ 1,643</u>

The notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this Schedule.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
GALLIA COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the School District had no significant food commodities in inventory.



**STATE OF OHIO
OFFICE OF THE AUDITOR**

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

Gallia-Jackson-Vinton Joint Vocational School District
Gallia County
P.O. Box 157
Rio Grande, Ohio 45674

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio (the School District), as of and for the year ended June 30, 2001, and have issued our report thereon dated November 30, 2001, wherein we noted the School District adopted Governmental Accounting Standards Board Statements 33 and 36. 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 School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

Jim Petro
Auditor of State

November 30, 2001



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

Gallia-Jackson-Vinton Joint Vocational School District
Gallia County
P.O. Box 157
Rio Grande, Ohio 45674

To the Board of Education:

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

November 30, 2001

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
GALLIA COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

1. SUMMARY OF AUDITOR'S RESULTS

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

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

There were no findings related to the financial statements.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards.



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GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT

GALLIA 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
JANUARY 22, 2002**