



Mary Taylor, CPA  
Auditor of State



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

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# Mary Taylor, CPA

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## INDEPENDENT ACCOUNTANTS' REPORT

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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio, as of June 30, 2009, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2010, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

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

**Mary Taylor, CPA**  
Auditor of State

February 19, 2010

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

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)*

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The discussion and analysis of the Gallia-Jackson-Vinton Joint Vocational School District's (the District's) financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**Financial Highlights**

- Total assets of the District exceeded its liabilities at June 30, 2009 by \$27,352,087. This balance was comprised of a \$23,895,231 balance in capital assets, net of related debt and net asset amounts restricted for specific purposes, and \$3,456,856 in unrestricted net assets.
- In total, net assets of governmental activities increased by \$273,772, which represents a 1.08 percent increase from 2008. Net assets of the business-type activities decreased \$42,456, which represents a 2.33 percent decrease from 2008.
- General revenues accounted for \$5,963,922 or 61.24 percent of all revenues of governmental activities. Program specific revenues in the form of charges for services and sales, and operating grants and contributions accounted for \$3,775,337 or 38.76 percent of total revenues of \$9,739,259 for the governmental activities.
- The District had \$9,465,487 in expenses related to governmental activities; only \$3,775,337 of these expenses was offset by program specific charges for services and sales, operating grants and contributions. General revenues (primarily taxes and grants and entitlements) of \$5,471,643 were used to provide for the remainder of these programs.
- The District had \$2,006,954 in expenses related to business-type activities; \$1,875,244 of these expenses were offset by program specific charges for services and sales, operating grants and contributions.
- The District recognizes two major governmental funds: the General and Classroom Facilities Funds. In terms of dollars received and spent, the General Fund is significantly larger than all the other governmental funds of the District combined. The General Fund had \$7,545,924 in operating revenues and \$7,501,467 in operating expenditures.
- The District recognizes one major proprietary fund: the Adult Education Fund. In terms of dollars received and spent, the Adult Education Fund is significantly larger than all the other proprietary funds of the District combined. The Adult Education Fund had \$1,677,504 in operating revenues and \$1,908,294 in operating expenses in fiscal year 2009.

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

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)*

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**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand the District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

**Reporting the District as a Whole**

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The statement of net assets and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. These statements include all assets and liabilities using the accrual basis of accounting which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The statement of activities presents information showing how the government's net assets changed during the recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District's activities are divided into two distinct kinds of activities: governmental activities and business-type activities.

**Governmental Activities**

Most of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues including federal and state grants and other shared revenues.



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

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2009*

*(Unaudited)*

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**Business-Type Activities**

These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided. The District rotary and adult education operations are reported as business activities.

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

The analysis of the District's major funds begins on page 11. Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one of two categories: governmental and proprietary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Proprietary Funds**

Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the District as a whole.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

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

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2009*

*(Unaudited)*

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**Government-Wide Financial Analysis**

Recall that the statement of net assets provides the perspective of the District as a whole, showing assets, liabilities, and the difference between them (net assets). Table 1 provides a summary of the District's net assets for 2009 compared to fiscal year 2008:

Table 1  
**Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b><u>Assets:</u></b>						
Current and Other Assets	\$15,358,836	\$25,766,663	\$1,873,329	\$1,853,787	\$17,232,165	\$27,620,450
Capital Assets, Net	17,538,191	8,132,618	130,227	142,279	17,668,418	8,274,897
<i>Total Assets</i>	<i>32,897,027</i>	<i>33,899,281</i>	<i>2,003,556</i>	<i>1,996,066</i>	<i>34,900,583</i>	<i>35,895,347</i>
<b><u>Liabilities:</u></b>						
Long-Term Liabilities	3,265,549	3,433,920	73,159	61,148	3,338,708	3,495,068
Other Liabilities	4,055,558	5,163,213	154,230	116,295	4,209,788	5,279,508
<i>Total Liabilities</i>	<i>7,321,107</i>	<i>8,597,133</i>	<i>227,389</i>	<i>177,443</i>	<i>7,548,496</i>	<i>8,774,576</i>
<b><u>Net Assets:</u></b>						
Invested in Capital Assets, Net of Related Debt	14,660,226	5,049,084	130,227	142,279	14,790,453	5,191,363
Restricted	9,104,778	18,289,134	0	0	9,104,778	18,289,134
Unrestricted	1,810,916	1,963,930	1,645,940	1,676,344	3,456,856	3,640,274
<i>Total Net Assets</i>	<i>\$25,575,920</i>	<i>\$25,302,148</i>	<i>\$1,776,167</i>	<i>\$1,818,623</i>	<i>\$27,352,087</i>	<i>\$27,120,771</i>

Current and other assets decreased \$10,388,285 from fiscal year 2008 with governmental activities comprising \$10,407,827 of the decrease. This decrease is the result of a decrease in cash held by the District, primarily for the classroom facilities construction.

Capital assets increased by \$9,393,521 primarily as a result of construction in progress.

Current (other) liabilities decreased \$1,069,720 due to decreases in contracts payable and deferred revenue related to taxes receivable for fiscal year 2009.

Long-term liabilities decreased \$156,360 or 4.47 percent due to schedule debt payments made by the District.

The net assets of the District business-type activities decreased \$42,456 or 2.33 percent. This change is mostly due to the rotary services program which decreased \$87,598.

For governmental activities, the District's smallest portion of net assets of \$1,810,916 or 7.08 percent is unrestricted. These net assets represent resources that may be used to meet the District's ongoing obligations to its students and creditors.

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

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2009*

*(Unaudited)*

The next largest balance for governmental activities of \$9,104,778 or 35.60 percent is restricted assets.

The remaining portion of net assets for governmental activities is the net assets Invested in Capital Assets, Net of Related Debt. The District used these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

Table 2 shows the changes in net assets for fiscal year 2009 and provides a comparison to fiscal year 2008.

**Table 2  
Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<b><u>Revenues:</u></b>						
<i>Program Revenues:</i>						
Charges for Services and Sales	\$153,487	\$152,420	\$1,599,312	\$1,344,379	\$1,752,799	\$1,496,799
Operating Grants and Contributions	3,621,850	3,931,907	275,932	302,888	3,897,782	4,234,795
<i>General Revenues:</i>						
Property Taxes	2,414,480	2,508,803	0	0	2,414,480	2,508,803
Unrestricted Grants and Entitlements	3,057,163	4,752,353	0	0	3,057,163	4,752,353
Investment Earnings	390,271	492,051	0	0	390,271	492,051
Miscellaneous	102,008	732,452	89,254	17,697	191,262	750,149
<b>Total Revenues</b>	<b>9,739,259</b>	<b>12,569,986</b>	<b>1,964,498</b>	<b>1,664,964</b>	<b>11,703,757</b>	<b>14,234,950</b>
<b><u>Expenses:</u></b>						
<i>Program Expenses:</i>						
<i>Instruction:</i>						
Regular	54,105	72,328	0	0	54,105	72,328
Special	802,724	798,823	0	0	802,724	798,823
Vocational	4,733,003	4,105,294	0	0	4,733,003	4,105,294
Adult/Continuing	426,741	380,515	0	0	426,741	380,515

(Continued)

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2009*  
*(Unaudited)*

Table 2  
**Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2009	2008	2009	2008	2009	2008
<i>Support Services:</i>						
Pupils	406,603	374,966	0	0	406,603	374,966
Instructional Staff	489,992	456,291	0	0	489,992	456,291
Board of Education	75,894	72,967	0	0	75,894	72,967
Administration	624,427	586,647	0	0	624,427	586,647
Fiscal	379,100	375,082	0	0	379,100	375,082
Business	59,855	53,651	0	0	59,855	53,651
Operation and Maintenance of Plant	873,613	786,683	0	0	873,613	786,683
Pupil Transportation	27,044	21,347	0	0	27,044	21,347
Central	254,067	382,145	0	0	254,067	382,145
Operation of Non- Instructional Services	182,262	191,551	0	0	182,262	191,551
Extracurricular Activities	8,409	14,834	0	0	8,409	14,834
Interest and Fiscal Charges	67,648	23,534	0	0	67,648	23,534
Rotary	0	0	98,660	41,570	98,660	41,570
Adult Education	0	0	1,908,294	1,667,343	1,908,294	1,667,343
<i>Total Expenses</i>	<u>9,465,487</u>	<u>8,696,658</u>	<u>2,006,954</u>	<u>1,708,913</u>	<u>11,472,441</u>	<u>10,405,571</u>
<i>Changes in Net Assets</i>	273,772	3,873,328	(42,456)	(43,949)	231,316	3,829,379
Net Assets at Beginning of Year	<u>25,302,148</u>	<u>21,428,820</u>	<u>1,818,623</u>	<u>1,862,572</u>	<u>27,120,771</u>	<u>23,291,392</u>
Net Assets at End of Year	<u>\$25,575,920</u>	<u>\$25,302,148</u>	<u>\$1,776,167</u>	<u>\$1,818,623</u>	<u>\$27,352,087</u>	<u>\$27,120,771</u>

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

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2009*

*(Unaudited)*

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The most significant governmental activities program expenses for the District are Vocational Instruction, Operation and Maintenance of Plant, Special Instruction, Administration and Instructional Staff. These programs account for 79.49 percent of the total governmental activities. Vocational Instruction, which accounts for 50.00 percent of the total, represents costs associated with providing instructional activities designed to prepare students to enter into the workforce with education in a trade or technical skills. Operation and Maintenance of Plant, which represents 9.23 percent of the total, represents costs associated with operating and maintaining the District's facilities. Special Instruction, which accounts for 8.48 percent of the total, represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Administration, which represent 6.60 percent of the total, represents costs associated with the overall administrative responsibility for each building and the District as a whole. Instructional Staff, which represents 5.18 percent of the total, represents costs associated with assisting the teaching staff with the content and process of educating students.

The majority of the funding for the most significant programs indicated above is from operating grants and contributions, property taxes, and grants and entitlements not restricted for specific programs. Operating grants and contributions, property taxes, and grants and entitlements not restricted for specific programs accounts for 93.37 percent of total revenues for governmental activities.

As noted previously, the net assets for the governmental activities increased \$273,772 or 1.08 percent. Total revenues, for governmental activities, decreased \$2,830,727 or 22.52 percent from last year and expenses increased \$768,829 or 8.84 percent over last year.

The District had program revenue increases of \$308,990, as well as decreases in general revenues of \$2,541,737. The decrease in general revenue is mostly due to the decrease in unrestricted grants during fiscal year 2009, which is the result of the school facilities grant being reported as revenue in fiscal year 2008.

The total expenses for governmental activities increased due to normal increases in expenses (i.e. annual salary increases and inflation).

The most significant program expenses for the District's business-type activities is Adult Education. This program, which accounts for 95.08 percent of the total business-type activities, represents costs associated with providing instructional activities that are designed to develop basic education and job training for adults. All of the funding for this program comes from tuition and fees, grants, and contributions.

**Governmental Activities**

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and intergovernmental revenue and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 24.79 percent and intergovernmental revenue made up 68.58 percent of the total revenue for the governmental activities in fiscal year 2009.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation until the millage rate has been reduced to 2 mills. The District's operating millage rate is currently at 2 mills and collections do increase/decrease correspondingly with fluctuations in property valuations.

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

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2009*

*(Unaudited)*

The District's intergovernmental revenue consists of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2009, the District received \$5,366,821 through the State's foundation program, which represents 55.10 percent of the total revenue for the governmental activities. The District relies on this state funding to operate at the current levels of service.

Instruction accounts for 63.56 percent of governmental activities program expenses. Support services expenses make up 33.71 percent of governmental activities expenses. The statement of activities shows the cost of program services and charges for services and grants offsetting those services.

**Business-Type Activities**

Business-type activities include the Rotary activities and the Adult Education program. These programs had program revenues of \$1,875,244 and expenses of \$2,006,954 for fiscal year 2009. Over 84 percent of those program revenues were from tuition and classroom materials and fees for the adult education program.

Table 3 shows, the total cost of services and the net cost of services for fiscal year 2009 and comparison to fiscal year 2008. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3  
**Net Cost of Activities**

	Total Cost of Services	Total Cost of Services	Net Cost of Services	Net Cost of Services
	2009	2008	2009	2008
<b><i>Program Expenses:</i></b>				
<i>Governmental Activities:</i>				
Instruction	\$6,016,573	\$5,356,960	\$2,756,067	\$1,770,507
Support Services	3,190,595	3,109,779	2,877,587	2,789,526
Operation of Non-Instructional Service	182,262	191,551	(19,561)	13,930
Extracurricular Activities	8,409	14,834	8,409	14,834
Interest and Fiscal Charges	67,648	23,534	67,648	23,534
<i>Business-Type Activities:</i>				
Rotary	98,660	41,570	87,598	(808)
Adult Education	1,908,294	1,667,343	44,112	62,454
<b>Total Expenses</b>	<b>\$11,472,441</b>	<b>\$10,405,571</b>	<b>\$5,821,860</b>	<b>\$4,673,977</b>

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

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)*

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**The District's Funds**

The District's governmental funds are accounted for using the modified accrual basis of accounting. (See Note 2 for discussion of significant accounting policies and procedures). All governmental funds had total revenues and other financing sources of \$18,092,472 and expenditures and other financing uses of \$19,150,738.

Total governmental funds fund balance decreased by \$1,058,266. The decrease in fund balance for the year was most significant in the Classroom Facilities Fund, a decrease of \$1,255,814.

The District should remain stable in fiscal years 2010 and 2011. However, projections beyond fiscal year 2011 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

**Budget Highlights - General Fund**

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

During the course of the fiscal year, the District amended its General Fund budget several times. The District uses a modified program-based budget technique that is designed to control program budgets while providing building administrators and supervisors flexibility for program management.

The District prepares and monitors a detailed cashflow plan for the General Fund. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

For the General Fund, the final budget basis revenue was \$7,817,860 representing a \$ 2,637 increase from the original budget estimates of \$7,815,223. The final budget reflected a 0.03 percent decrease from the original budgeted amount. Most of this difference was due to the District receiving more intergovernmental revenues than originally anticipated. For the General Fund, the final budget basis expenditures were \$7,975,260 representing a decrease of \$1,056,916 from the original budget estimates of \$9,032,976. The final budget reflected a 11.70 percent decrease from the original budgeted amount. The difference is primarily the result of high estimates of Vocational Instruction and Operation and Maintenance of Plant expenditures on the original budget.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2009, the District had \$21.9 million invested in capital assets in the governmental activities and \$0.1 million in the business-type activities. These totals carry accumulated depreciation of \$4.4 million and \$0.07 million, respectively. Table 4 shows fiscal year 2009 balances compared to fiscal year 2008.

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

*Management's Discussion and Analysis*

*For the Fiscal Year Ended June 30, 2009*

*(Unaudited)*

Table 4  
**Capital Assets & Accumulated Depreciation at Year End**

	Governmental Activities		Business-Type Activities	
	2009	2008	2009	2008
<i>Nondepreciable Capital Assets:</i>				
Land	\$110,702	\$110,702	\$0	\$0
Construction in Progress	14,417,962	4,886,189	0	0
<i>Depreciable Capital Assets:</i>				
Buildings and Improvements	5,133,333	5,091,533	0	0
Furniture, Fixtures and Equipment	1,944,979	1,913,792	201,843	199,152
Vehicles	254,495	248,495	0	0
Textbooks	105,839	105,839	0	0
<i>Total Capital Assets</i>	<u>21,967,310</u>	<u>12,356,550</u>	<u>201,843</u>	<u>199,152</u>
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(3,276,366)	(3,170,458)	0	0
Furniture, Fixtures and Equipment	(926,017)	(841,151)	(71,616)	(56,873)
Vehicles	(120,897)	(106,484)	0	0
Textbooks	(105,839)	(105,839)	0	0
<i>Total Accumulated Depreciation</i>	<u>(4,429,119)</u>	<u>(4,223,932)</u>	<u>(71,616)</u>	<u>(56,873)</u>
Capital Assets, Net	<u>\$17,538,191</u>	<u>\$8,132,618</u>	<u>\$130,227</u>	<u>\$142,279</u>

More detailed information pertaining to the District's capital asset activity can be found in Note 9 to the basic financial statements.

**Debt Administration**

At June 30, 2009, the District had \$2,856,000 in Qualified Zone Academy Bonds (QZAB) outstanding, with \$204,000 due within one year. Table 5 summarizes the amount outstanding for fiscal year 2009 compared to fiscal year 2008.

Table 5  
**Outstanding Debt, Governmental Activities at Year End**

Purpose	2009	2008
QZAB	\$2,856,000	\$3,060,000



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

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2009  
(Unaudited)*

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**Current Issues**

Although considered a mid-wealth district, the District is financially stable, and has been over the past several years. As indicated in the preceding financial information, the District is dependent on property taxes and state funding. State funding does not increase solely as a result of inflation. Therefore, in the long-term, the current program and staffing levels will be dependent on increased funding from property taxes to meet inflation. Careful financial planning has permitted the District to provide a quality education for our students.

The State Legislature has also made several significant changes impacting local taxes:

In 2004 the Ohio Legislature modified the provisions of the 1999 HB283. This bill was designed to reduce the assessed valuation of the inventory component of personal property tax from 25 percent to 0 percent by 2031. The modification speeds up the reduction of assessed valuation to be completed in half the original time. Effective January 1, 2001 non-municipal owned electric utilities and rural cop-ops were deregulated in the State of Ohio. All electric company personal property were reduced from 100 percent assessed value (from 50 percent for rural co-ops) to 25 percent. (Distribution and transmission of personal property will continue to be assessed at 88 percent.) This significantly reduced revenues to certain Districts and moderately affects others.

Effective May 1, 2001 a kilowatt hour (KWH) tax began being collected. 37.8 percent of these new dollars would be deposited in a new Property Tax Replacement Fund (PTRF). 70 percent of the PTRF will be paid to Districts that lost revenue as determined by the Ohio Department of Taxation. First, distribution will be made to cover costs of fixed sum levies such as debt issues and emergency levies. Next, fixed rate levies would be replaced from 2002 through 2007; after this a phase out formula would begin.

The above changes affect about 13 percent of property tax revenue. Based on these factors, the Board of Education and the administration of the District must maintain careful financial planning and prudent fiscal management in order to preserve the financial stability of the District.

Residential growth has not eluded the District over the past few years. Increasing numbers of housing developments are being approved. Residential/agricultural property contributes 78 percent of the District's real estate valuation.

No commercial growth was realized in fiscal year 2009. Commercial/industrial assessed valuation remained unchanged for fiscal year 2009.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it received. If you have any questions about this report or need additional information contact Donalyn Smith, Treasurer of Gallia-Jackson-Vinton Joint Vocational School District, P.O. Box 157, Rio Grande, Ohio 45674.

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

*Statement of Net Assets*

*June 30, 2009*

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>Assets:</u></b>			
Equity in Pooled Cash and Cash Equivalents	\$11,781,041	\$1,856,012	\$13,637,053
Cash and Cash Equivalents in Segregated Accounts	100,000	0	100,000
Property Taxes Receivable	3,086,529	0	3,086,529
Accounts Receivable	7,709	2,146	9,855
Intergovernmental Receivable	337,258	3,935	341,193
Internal Balance	(7,185)	7,185	0
Prepaid Items	5,324	2,075	7,399
Inventory Held for Resale	11,832	0	11,832
Materials and Supplies Inventory	3,571	1,976	5,547
Restricted Assets:			
Equity in Pooled Cash and Cash Equivalents	32,757	0	32,757
Non-Depreciable Capital Assets	14,528,664	0	14,528,664
Depreciable Capital Assets, Net	3,009,527	130,227	3,139,754
<i>Total Assets</i>	<u>32,897,027</u>	<u>2,003,556</u>	<u>34,900,583</u>
<b><u>Liabilities:</u></b>			
Accounts Payable	31,136	58,410	89,546
Accrued Wages and Benefits	660,025	64,372	724,397
Contracts Payable	559,426	0	559,426
Intergovernmental Payable	199,416	31,448	230,864
Accrued Interest Payable	21,965	0	21,965
Claims Payable	3,636	0	3,636
Matured Compensated Absences Payable	14,439	0	14,439
Deferred Revenue	2,565,515	0	2,565,515
Long-Term Liabilities:			
Due within One Year	237,091	4,433	241,524
Due in More Than One Year	3,028,458	68,726	3,097,184
<i>Total Liabilities</i>	<u>7,321,107</u>	<u>227,389</u>	<u>7,548,496</u>
<b><u>Net Assets:</u></b>			
Invested in Capital Assets, Net of Related Debt	14,660,226	130,227	14,790,453
Restricted for:			
Capital Projects	8,547,579	0	8,547,579
Other Purposes	557,199	0	557,199
Unrestricted	1,810,916	1,645,940	3,456,856
<i>Total Net Assets</i>	<u>\$25,575,920</u>	<u>\$1,776,167</u>	<u>\$27,352,087</u>

See accompanying notes to the basic financial statements.

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

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2009*

	<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>
<b><u>Governmental Activities:</u></b>			
<i>Instruction:</i>			
Regular	\$54,105	\$0	\$0
Special	802,724	34,423	1,278,823
Vocational	4,733,003	20,354	1,518,866
Adult/Continuing	426,741	0	408,040
<i>Support Services:</i>			
Pupils	406,603	0	41,071
Instructional Staff	489,992	0	145,546
Board of Education	75,894	0	0
Administration	624,427	2,197	121,194
Fiscal	379,100	0	0
Business	59,855	0	0
Operation and Maintenance of Plant	873,613	0	0
Pupil Transportation	27,044	0	0
Central	254,067	0	3,000
<i>Operation of Non-Instructional Services:</i>			
Food Services	174,487	96,513	105,310
Other	7,775	0	0
Extracurricular Activities	8,409	0	0
Interest and Fiscal Charges	67,648	0	0
<i>Total Governmental Activities</i>	<u>9,465,487</u>	<u>153,487</u>	<u>3,621,850</u>
<b><u>Business-Type Activities:</u></b>			
Rotary	98,660	11,062	0
Adult Education	1,908,294	1,588,250	275,932
<i>Total Business-Type Activities</i>	<u>2,006,954</u>	<u>1,599,312</u>	<u>275,932</u>
<i>Totals</i>	<u>\$11,472,441</u>	<u>\$1,752,799</u>	<u>\$3,897,782</u>

**General Revenues:**

*Property Taxes Levied for:*

General Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

*Total General Revenues*

Change in Net Assets

*Net Assets at Beginning of Year*

*Net Assets at End of Year*

See accompanying notes to the basic financial statements.

Net (Expense) Revenue and  
Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(\$54,105)	\$0	(\$54,105)
510,522	0	510,522
(3,193,783)	0	(3,193,783)
(18,701)	0	(18,701)
(365,532)	0	(365,532)
(344,446)	0	(344,446)
(75,894)	0	(75,894)
(501,036)	0	(501,036)
(379,100)	0	(379,100)
(59,855)	0	(59,855)
(873,613)	0	(873,613)
(27,044)	0	(27,044)
(251,067)	0	(251,067)
27,336	0	27,336
(7,775)	0	(7,775)
(8,409)	0	(8,409)
(67,648)	0	(67,648)
(5,690,150)	0	(5,690,150)
0	(87,598)	(87,598)
0	(44,112)	(44,112)
0	(131,710)	(131,710)
(5,690,150)	(131,710)	(5,821,860)
2,414,480	0	2,414,480
3,057,163	0	3,057,163
390,271	0	390,271
102,008	89,254	191,262
5,963,922	89,254	6,053,176
273,772	(42,456)	231,316
25,302,148	1,818,623	27,120,771
\$25,575,920	\$1,776,167	\$27,352,087

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

*Balance Sheet*

*Governmental Funds*

*June 30, 2009*

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$2,165,929	\$7,344,671	\$2,244,350	\$11,754,950
Cash and Cash Equivalents in Segregated Accounts	100,000	0	0	100,000
Property Taxes Receivable	3,086,529	0	0	3,086,529
Accounts Receivable	0	0	7,709	7,709
Intergovernmental Receivable	0	328,476	8,782	337,258
Interfund Receivable	100,161	0	0	100,161
Prepaid Items	5,017	0	307	5,324
Inventory Held for Resale	0	0	11,832	11,832
Materials and Supplies Inventory	3,365	0	206	3,571
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	32,757	0	0	32,757
<i>Total Assets</i>	<u>\$5,493,758</u>	<u>\$7,673,147</u>	<u>\$2,273,186</u>	<u>\$15,440,091</u>
<b><u>Liabilities and Fund Balances:</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	\$15,689	\$58	\$14,984	\$30,731
Accrued Wages and Benefits	565,451	0	94,574	660,025
Contracts Payable	0	559,426	0	559,426
Intergovernmental Payable	156,653	0	42,763	199,416
Matured Compensated Absences Payable	12,376	0	2,063	14,439
Interfund Payable	0	0	107,346	107,346
Deferred Revenue	2,990,423	328,476	8,782	3,327,681
<i>Total Liabilities</i>	<u>3,740,592</u>	<u>887,960</u>	<u>270,512</u>	<u>4,899,064</u>
<b><u>Fund Balances:</u></b>				
Reserved for Encumbrances	281,180	3,375,242	127,599	3,784,021
Reserved for Property Taxes	96,106	0	0	96,106
Reserved for Budget Stabilization	32,757	0	0	32,757
Reserved for Prepaid Items	5,017	0	307	5,324
<i>Unreserved, Undesignated, Reported in:</i>				
General Fund	1,338,106	0	0	1,338,106
Special Revenue Funds	0	0	467,298	467,298
Capital Projects Funds	0	3,409,945	1,407,470	4,817,415
<i>Total Fund Balances</i>	<u>1,753,166</u>	<u>6,785,187</u>	<u>2,002,674</u>	<u>10,541,027</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$5,493,758</u>	<u>\$7,673,147</u>	<u>\$2,273,186</u>	<u>\$15,440,091</u>

See accompanying notes to the basic financial statements.

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

*Reconciliation of Total Governmental Fund Balances to*

*Net Assets of Governmental Activities*

*June 30, 2009*

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<b>Total Governmental Fund Balances</b>		\$10,541,027
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		17,538,191
Some of the District's receivables will be collected after fiscal year-end, however are not available soon enough to pay for the current period's expenditures and therefore are deferred or not reported in the funds. These receivables consist of:		
Property taxes	424,908	
Intergovernmental	<u>337,258</u>	
Total receivables that are not reported in the funds.		762,166
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
General obligation bonds	(2,856,000)	
Accrued interest on bonds	(21,965)	
Compensated absences	<u>(409,549)</u>	
Total liabilities that are not reported in the funds.		(3,287,514)
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		<u>22,050</u>
<i>Net Assets of Governmental Activities</i>		<u><u>\$25,575,920</u></u>

See accompanying notes to the basic financial statements.

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

*Statement of Revenues, Expenditures and Changes in Fund Balances*

*Governmental Funds*

*For the Fiscal Year Ended June 30, 2009*

	General	Classroom Facilities	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$2,335,501	\$0	\$0	\$2,335,501
Intergovernmental	4,880,459	8,092,741	1,947,200	14,920,400
Interest	220,475	143,219	26,577	390,271
Tuition and Fees	6,125	0	12,325	18,450
Extracurricular Activities	940	0	0	940
Gifts and Donations	4,104	0	0	4,104
Customer Sales and Services	0	0	134,097	134,097
Miscellaneous	98,320	0	3,688	102,008
<i>Total Revenues</i>	<u>7,545,924</u>	<u>8,235,960</u>	<u>2,123,887</u>	<u>17,905,771</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	53,572	0	0	53,572
Special	0	0	782,249	782,249
Vocational	4,373,383	0	228,771	4,602,154
Adult/Continuing	0	0	410,146	410,146
<i>Support Services:</i>				
Pupils	357,055	0	45,432	402,487
Instructional Staff	335,299	0	126,418	461,717
Board of Education	75,716	0	0	75,716
Administration	456,277	0	128,814	585,091
Fiscal	369,087	0	0	369,087
Business	56,208	0	0	56,208
Operation and Maintenance of Plant	862,852	0	38,435	901,287
Pupil Transportation	26,207	0	0	26,207
Central	254,324	0	3,888	258,212
Operation of Non-Instructional Services	0	0	171,750	171,750
Extracurricular Activities	8,270	0	0	8,270
Capital Outlay	0	9,491,774	36,303	9,528,077
<i>Debt Service:</i>				
Principal Retirement	204,000	0	0	204,000
Interest and Fiscal Charges	69,217	0	0	69,217
<i>Total Expenditures</i>	<u>7,501,467</u>	<u>9,491,774</u>	<u>1,972,206</u>	<u>18,965,447</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>44,457</u>	<u>(1,255,814)</u>	<u>151,681</u>	<u>(1,059,676)</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Proceeds from the Sale of Capital Assets	1,410	0	0	1,410
Transfers In	0	0	185,291	185,291
Transfers Out	(185,291)	0	0	(185,291)
<i>Total Other Financing Sources (Uses)</i>	<u>(183,881)</u>	<u>0</u>	<u>185,291</u>	<u>1,410</u>
<i>Net Change in Fund Balances</i>	(139,424)	(1,255,814)	336,972	(1,058,266)
<i>Fund Balances at Beginning of Year</i>	<u>1,892,590</u>	<u>8,041,001</u>	<u>1,665,702</u>	<u>11,599,293</u>
<i>Fund Balances at End of Year</i>	<u>\$1,753,166</u>	<u>\$6,785,187</u>	<u>\$2,002,674</u>	<u>\$10,541,027</u>

See accompanying notes to the basic financial statements.



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

*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2009*

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**Net Change in Fund Balances - Total Governmental Funds** (\$1,058,266)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. 9,414,248

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (8,675)

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

Property taxes	78,979
Intergovernmental	<u>(8,245,491)</u>

Total revenues not reported in the funds. (8,166,512)

Repayment of bond principal and capital lease payments are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 204,000

In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 1,569

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

Compensated absences	(35,629)
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The internal service fund used by management to charge the cost of insurance to individual funds is not reported in the government-wide statement of activities. Governmental expenditures and the related internal service fund revenue are eliminated. The net revenue (expense) of the internal service fund is allocated among activities. (76,963)

*Change in Net Assets of Governmental Activities* \$273,772

See accompanying notes to the basic financial statements.

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

*Statement of Revenues, Expenditures and Changes  
in Fund Balance - Budget and Actual (Budget Basis)  
General Fund*

*For the Fiscal Year Ended June 30, 2009*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Property Taxes	\$2,511,264	\$2,353,548	\$2,353,548	\$0
Intergovernmental	4,687,666	4,880,459	4,880,459	0
Interest	209,000	220,475	220,475	0
Tuition and Fees	11,865	6,125	6,125	0
Extracurricular Activities	845	940	940	0
Rent	500	0	0	0
Contributions and Donations	600	4,104	4,104	0
Miscellaneous	398,483	352,209	352,209	0
<i>Total Revenues</i>	<u>7,820,223</u>	<u>7,817,860</u>	<u>7,817,860</u>	<u>0</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	87,415	52,873	52,873	0
Vocational	4,863,242	4,656,467	4,656,467	0
<i>Support Services:</i>				
Pupils	428,823	360,753	360,753	0
Instructional Staff	364,692	331,786	331,786	0
Board of Education	171,500	133,614	133,614	0
Administration	523,426	477,677	477,677	0
Fiscal	426,338	369,692	369,692	0
Business	66,432	55,051	55,051	0
Operation and Maintenance of Plant	1,218,291	954,625	954,625	0
Pupil Transportation	86,900	34,930	34,930	0
Central	510,000	263,556	263,556	0
Extracurricular Activities	11,900	11,019	11,019	0
<i>Debt Service:</i>				
Principal Retirement	204,000	204,000	204,000	0
Interest and Fiscal Charges	69,217	69,217	69,217	0
<i>Total Expenditures</i>	<u>9,032,176</u>	<u>7,975,260</u>	<u>7,975,260</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,211,953)</u>	<u>(157,400)</u>	<u>(157,400)</u>	<u>0</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Advances In	105,577	105,577	105,577	0
Proceeds from Sale of Capital Assets	21,687	1,410	1,410	0
Transfers Out	(795,372)	(185,291)	(185,291)	0
Advances Out	(150,000)	(94,961)	(94,961)	0
<i>Total Other Financing Sources (Uses)</i>	<u>(818,108)</u>	<u>(173,265)</u>	<u>(173,265)</u>	<u>0</u>
<i>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</i>	<u>(2,030,061)</u>	<u>(330,665)</u>	<u>(330,665)</u>	<u>0</u>
<i>Fund Balance at Beginning of Year</i>	2,040,063	2,040,063	2,040,063	0
Prior Year Encumbrances Appropriated	294,909	294,909	294,909	0
<i>Fund Balance at End of Year</i>	<u>\$304,911</u>	<u>\$2,004,307</u>	<u>\$2,004,307</u>	<u>\$0</u>

See accompanying notes to the basic financial statements.

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

*Statement of Net Assets*

*Proprietary Funds*

*June 30, 2009*

	Business-Type Activities			Governmental
	Adult Education	Other	Total	Internal Service
		Enterprise Fund	Enterprise Funds	
<b><u>Assets:</u></b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$1,795,525	\$60,487	\$1,856,012	\$26,091
Accounts Receivable	1,380	766	2,146	0
Intergovernmental Receivable	3,935	0	3,935	0
Interfund Receivable	7,185	0	7,185	0
Prepaid Items	2,075	0	2,075	0
Materials and Supplies Inventory	1,976	0	1,976	0
<i>Noncurrent Assets:</i>				
Depreciable Capital Assets, Net	130,227	0	130,227	0
<i>Total Assets</i>	<u>1,942,303</u>	<u>61,253</u>	<u>2,003,556</u>	<u>26,091</u>
<b><u>Liabilities:</u></b>				
<i>Current Liabilities:</i>				
Accounts Payable	58,410	0	58,410	405
Accrued Wages and Benefits	64,372	0	64,372	0
Intergovernmental Payable	31,321	127	31,448	0
Claims Payable	0	0	0	3,636
Compensated Absences Payable	4,433	0	4,433	0
<i>Noncurrent Liabilities:</i>				
Compensated Absences Payable	68,726	0	68,726	0
<i>Total Liabilities</i>	<u>227,262</u>	<u>127</u>	<u>227,389</u>	<u>4,041</u>
<b><u>Net Assets:</u></b>				
Invested in Capital Assets	130,227	0	130,227	0
Unrestricted	1,584,814	61,126	1,645,940	22,050
<i>Total Net Assets</i>	<u>\$1,715,041</u>	<u>\$61,126</u>	<u>\$1,776,167</u>	<u>\$22,050</u>

See accompanying notes to the basic financial statements.

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

*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2009*

	Business-Type Activities			Governmental
	Adult Education	Other Enterprise Fund	Total Enterprise Funds	Internal Service
<b><u>Operating Revenues:</u></b>				
Tuition	\$825,422	\$0	\$825,422	\$0
Sales	159,102	0	159,102	0
Charges for Services	603,726	11,062	614,788	0
Other Revenues	89,254	0	89,254	0
<i>Total Operating Revenues</i>	<u>1,677,504</u>	<u>11,062</u>	<u>1,688,566</u>	<u>0</u>
<b><u>Operating Expenses:</u></b>				
Salaries	1,031,824	0	1,031,824	0
Fringe Benefits	190,819	0	190,819	0
Purchased Services	478,245	959	479,204	3,610
Materials and Supplies	95,252	43,837	139,089	0
Claims	0	0	0	73,353
Depreciation	14,743	0	14,743	0
Other	97,411	53,864	151,275	0
<i>Total Operating Expenses</i>	<u>1,908,294</u>	<u>98,660</u>	<u>2,006,954</u>	<u>76,963</u>
<i>Operating Income (Loss)</i>	<u>(230,790)</u>	<u>(87,598)</u>	<u>(318,388)</u>	<u>(76,963)</u>
<b><u>Nonoperating Revenues:</u></b>				
Federal and State Subsidies	275,932	0	275,932	0
<i>Total Nonoperating Revenues</i>	<u>275,932</u>	<u>0</u>	<u>275,932</u>	<u>0</u>
<i>Change in Net Assets</i>	45,142	(87,598)	(42,456)	(76,963)
<i>Net Assets at Beginning of Year</i>	<u>1,669,899</u>	<u>148,724</u>	<u>1,818,623</u>	<u>99,013</u>
<i>Net Assets at End of Year</i>	<u>\$1,715,041</u>	<u>\$61,126</u>	<u>\$1,776,167</u>	<u>\$22,050</u>

See accompanying notes to the basic financial statements.

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

Statement of Cash Flows

Proprietary Funds

For the Fiscal Year Ended June 30, 2009

	Business-Type Activities			Governmental
	Adult Education	Other Enterprise Fund	Total Enterprise Funds	Internal Service Fund
<b><u>Increase (Decrease) in Cash and Cash Equivalents:</u></b>				
<b><u>Cash Flows from Operating Activities:</u></b>				
Cash Received from Customers	\$762,828	\$10,812	\$773,640	\$0
Cash Received from Tuition and Fees	843,308	0	843,308	0
Other Cash Receipts	89,254	0	89,254	0
Cash Payments to Employees for Services	(1,008,298)	0	(1,008,298)	0
Cash Payments for Employee Benefits	(195,643)	0	(195,643)	(91,905)
Cash Payments for Goods and Services	(536,737)	(44,941)	(581,678)	(16,538)
Other Cash Payments	(97,074)	(53,737)	(150,811)	0
<i>Net Cash from Operating Activities</i>	<u>(142,362)</u>	<u>(87,866)</u>	<u>(230,228)</u>	<u>(108,443)</u>
<b><u>Cash Flows from Noncapital Financing Activities:</u></b>				
Operating Grants Received	276,577	0	276,577	0
<i>Net Cash from Noncapital Financing Activities</i>	<u>276,577</u>	<u>0</u>	<u>276,577</u>	<u>0</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>				
Payments for Capital Acquisitions	(2,691)	0	(2,691)	0
<i>Net Cash from Capital and Related Financing Activities</i>	<u>(2,691)</u>	<u>0</u>	<u>(2,691)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	131,524	(87,866)	43,658	(108,443)
<i>Cash and Cash Equivalents at Beginning of Year</i>	1,664,001	148,353	1,812,354	134,534
<i>Cash and Cash Equivalents at End of Year</i>	<u>\$1,795,525</u>	<u>\$60,487</u>	<u>\$1,856,012</u>	<u>\$26,091</u>
<b><u>Reconciliation of Operating Income (Loss)</u></b>				
<b><u>to Net Cash from Operating Activities:</u></b>				
Operating Income (Loss)	(\$230,790)	(\$87,598)	(\$318,388)	(\$76,963)
<b><u>Adjustments to Reconcile Operating Income (Loss)</u></b>				
<b><u>to Net Cash from Operating Activities:</u></b>				
Depreciation	14,743	0	14,743	0
<i>(Increase) Decrease in Assets:</i>				
Accounts Receivable	0	(250)	(250)	0
Intergovernmental Receivables	17,886	0	17,886	0
Prepaid Items	1,223	0	1,223	0
Materials and Supplies Inventory	4,612	0	4,612	0
<i>Increase (Decrease) in Liabilities:</i>				
Accounts Payable	54,259	0	54,259	(12,928)
Accrued Wages and Benefits	11,515	0	11,515	0
Claims Payable	0	0	0	(18,552)
Intergovernmental Payable	(27,821)	(18)	(27,839)	0
Compensated Absences Payable	12,011	0	12,011	0
<i>Total Adjustments</i>	<u>88,428</u>	<u>(268)</u>	<u>88,160</u>	<u>(31,480)</u>
<i>Net Cash from Operating Activities</i>	<u>(\$142,362)</u>	<u>(\$87,866)</u>	<u>(\$230,228)</u>	<u>(\$108,443)</u>

See accompanying notes to the basic financial statements.

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**NOTE 1 - DESCRIPTION OF THE DISTRICT AND REPORTING ENTITY**

The Gallia-Jackson-Vinton Joint Vocational School District (the District) is a joint vocational 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 District includes six participating districts spread throughout Gallia, Jackson, and Vinton Counties.

The 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 Districts. The Board consists of five members from the three city Districts and four members from the three local Districts. The District has an enrollment of 1,043 students and is staffed by 22 classified, 60 certified, and 13 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 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 Southeastern Ohio Voluntary Educational Cooperative (SEOVEC) and the Southeastern Ohio Special Education Regional Resource Center (SERRC), which are defined as jointly governed organizations. 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 organizations and public entity risk pool is presented in Note 17.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

**A. Basis of Presentation**

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

**Government-Wide Financial Statements**

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

**Fund Financial Statements**

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

**B. Fund Accounting**

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts. The funds of the District fall within two categories: governmental and proprietary.

**Governmental Funds**

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



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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

The following are the District's major governmental funds:

**General Fund**- This 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 is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**Classroom Facilities Fund**- This fund is used to account for monies received and expended in connection with contracts entered into by the District and the Ohio Department of Education for the building and equipping of classroom facilities.

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

**Proprietary Funds**

The proprietary fund focus is on the determination of the change in net assets, financial position and cash flows. The District's proprietary funds are classified as enterprise. Enterprise funds may be used to account for any activities for which a fee is charged to external users for goods or services.

The following is the District's only major proprietary fund:

**Adult Education Fund** - This fund is used to account for transactions made in connection with adult education classes.

The other proprietary fund of the District accounts for transactions made in connection with goods and services provided by vocational education classes.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's only fiduciary fund is an agency fund which is used to account for student loans. This fund has a zero balance at June 30, 2009.

**C. Measurement Focus**

**Government-Wide Financial Statements**

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

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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

**Fund Financial Statements**

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the District's finances and meets the cash flow needs of its proprietary activities.

**D. Basis of Accounting**

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

**Revenues - Exchange and Nonexchange Transactions**

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

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

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

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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

**Deferred Revenue**

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

Property taxes for which there is an enforceable legal claim as of June 30, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

**Expenses/Expenditures**

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

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

**E. Budgetary Process**

All funds are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Board of Education may appropriate. The appropriations resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The District Treasurer has been authorized by the Board to allocate appropriations to the function and object level within the fund.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during fiscal year 2008 (See Note 4).

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during fiscal year 2009.

**F. Cash and Cash Equivalents**

To improve cash management, cash received by the District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements. "Cash and Cash Equivalents in Segregated Accounts" represents a certificate of deposit.

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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

During the fiscal year 2009, the District's investments were limited to certificates of deposit. These investments 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, Permanent Improvement, Classroom Facilities, and Food Service (Special Revenue) Funds. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$220,475, which includes \$160,145 assigned from other District funds.

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

**G. Inventory**

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used.

On fund financial statements, 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 and for resale. The cost of inventory items is recorded as an expenditure in the governmental funds and as an expense in the proprietary funds when consumed or used.

**H. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2009, 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.

**I. Restricted Assets**

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors or laws of other governments or imposed by enabling legislation. As of June 30, 2009, the District reported restricted assets in the General Fund which represent cash and cash equivalents set aside for a budget stabilization reserve.

**J. Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the fund.

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand five hundred dollars. The District does not possess any infrastructure. Improvements are capitalized; the cost 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 enterprise fund capital assets is also capitalized.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	50 years
Furniture, Fixtures and Equipment	5 - 20 years
Vehicles	5 - 20 years
Textbooks	5 - 20 years

**K. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivables" and "Interfund Payables". Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net assets. The only interfund balances which remain on the government-wide statement of net assets are those between governmental and business-type activities. These amounts are reflected as "Internal Balances". The District has \$7,185 of internal balances which is the result of a payment from the Pell Grant (Nonmajor Special Revenue) Fund to the Adult Education Fund.

**L. Compensated Absences**

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements".

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed 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 payments 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 and certified employees and administrators who have at least 12 years of service with the District.

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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

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

For the governmental funds, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "matured compensated absences payable" in the fund from which the employees will be paid. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**M. Accrued Liabilities and Long-Term Liabilities**

All payables, accrued liabilities and long-term liabilities are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term liabilities payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, and special termination benefits will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year.

**N. Net Assets**

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

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

**O. Fund Balance Reserves**

The District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, property taxes, prepaids and set asides.

**P. Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are charges for services for the rotary activity and adult education programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of that fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

**Q. Interfund Transactions**

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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

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

**R. 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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

**NOTE 3- NEW GASB PRONOUNCEMENTS**

For fiscal year 2009, the District implemented GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments", and GASB No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments", and GASB Statement No. 56, "Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards". The implementation of GASB Statements No. 52, 55 and 56 had no effect on the disclosure requirements and there was no effect on the prior period fund balances of the District.

**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 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Budget Basis) is presented for the General Fund 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.
4. Advances-in, advances-out and principal payments on short-term notes are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** - (Continued)

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

	Net Change in Fund Balance
	<u>General</u>
GAAP Basis	(\$139,424)
<i>Adjustments:</i>	
Revenue Accruals	271,936
Expenditure Accruals	(179,825)
Encumbrances	(293,968)
Other Sources	10,616
Budget Basis	<u><u>(\$330,665)</u></u>

**NOTE 5 - ACCOUNTABILITY**

**Fund Deficits**

Fund balances at June 30, 2009 included the following individual fund deficits:

<i>Nonmajor Special Revenue Funds:</i>	
Special Education Consortium	\$58,383
EMIS Grant	10
B & I Credentialing Grant	2,433
Miscellaneous State Grants	991
Special Education Grants to States	4,000
Career and Technical Education - Basic Grants to States	9,668
Federal PELL Grant	6,572
State Grants for Innovative Programs	1



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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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**NOTE 5 - ACCOUNTABILITY** - (Continued)

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 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.

Public depositories must give security for all public funds on deposit. 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 monies 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;

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**NOTE 6 - DEPOSITS AND INVESTMENTS** - (Continued)

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 and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements" and GASB Statement No. 40, "Deposit and Investment Risk Disclosures."

**Deposits:** Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned. All deposits are collateralized with eligible securities. Such collateral, as permitted by the Ohio Revised Code, is held in single financial institution collateral pools at Federal Reserve Banks, or at member banks of the federal reserve system, in the name of the respective depository bank and pledged as a pool of collateral against all of the public deposits it holds or as specific collateral held at the Federal Reserve Bank in the name of the District.

At June 30, 2009, the carrying amount of all District deposits was \$13,769,810. Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures", as of June 30, 2009 \$13,912,901 of the District's bank balance of \$14,162,901 was exposed to custodial risk as discussed above, while \$250,000 was covered by Federal Deposit Insurance. The \$13,912,901 exposed to custodial risk was collateralized with securities held by the District or by its agency in the District's name.

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

**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 6.25 percent of true value for capital assets and for inventory for 2008 and will reduce to zero for 2009. The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second - Half Collections		2009 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$961,906,300	77.6%	\$961,906,300	77.6%
Public Utility Personal	246,905,810	19.9%	246,905,810	19.9%
Tangible Personal Property	31,569,405	2.5%	31,569,405	2.5%
Total Assessed Value	<u>\$1,240,381,515</u>	<u>100.0%</u>	<u>\$1,240,381,515</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, 2009 is available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable as of June 30, 2009. 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. The District had \$96,106 available for advance at June 30, 2009.

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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**NOTE 8 - RECEIVABLES**

Receivables at June 30, 2009 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:

	<u>Amounts</u>
Classroom Facilities	\$328,476
<i>Nonmajor Special Revenue Funds:</i>	
B & I Credentialing Grant	2,433
Miscellaneous State Grants	1,200
Adult Education - Basic Grants to States	1,803
Career and Technical Education - Basic Grants to States	3,346
<i>Total Nonmajor Special Revenue Funds</i>	<u>8,782</u>
Adult Education	<u>3,935</u>
<i>Total Intergovernmental Receivables</i>	<u><u>\$341,193</u></u>

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

**NOTE 9 - CAPITAL ASSETS**

Capital asset governmental activity for the fiscal year ended June 30, 2009 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2008</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2009</u>
<b>Governmental Activities</b>				
<i>Nondepreciable Capital Assets:</i>				
Land	\$110,702	\$0	\$0	\$110,702
Construction in Progress	4,886,189	9,531,773	0	14,417,962
Total Nondepreciable Capital Assets	4,996,891	9,531,773	0	14,528,664
<i>Depreciable Capital Assets:</i>				
Buildings and Improvements	5,091,533	41,800	0	5,133,333
Furniture, Fixtures and Equipment	1,913,792	39,862	(8,675)	1,944,979
Vehicles	248,495	6,000	0	254,495
Textbooks	105,839	0	0	105,839
Total Depreciable Capital Assets	7,359,659	87,662	(8,675)	7,438,646
Total Capital Assets	12,356,550	9,619,435	(8,675)	21,967,310
<i>Accumulated Depreciation:</i>				
Buildings and Improvements	(3,170,458)	(105,908)	0	(3,276,366)
Furniture, Fixtures and Equipment	(841,151)	(84,866)	0	(926,017)
Vehicles	(106,484)	(14,413)	0	(120,897)
Textbooks	(105,839)	0	0	(105,839)
Total Accumulated Depreciation	(4,223,932)	(205,187)	0	(4,429,119)
Governmental Activities Capital Assets, Net	<u>\$8,132,618</u>	<u>\$9,414,248</u>	<u>(\$8,675)</u>	<u>\$17,538,191</u>

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

**NOTE 9 - CAPITAL ASSETS** - (Continued)

Depreciation expense was charged to governmental functions as follow:

<b>Governmental Activities</b>	
<i>Instruction:</i>	
Special	\$15,016
Vocational	115,358
Adult/Continuing	14,949
<i>Support Services:</i>	
Pupils	159
Instructional Staff	12,603
Administration	8,085
Fiscal	5,125
Business	2,679
Operation and Maintenance of Plant	14,767
Pupil Transportation	6,519
Central	70
Operation of Non-Instructional Services	9,857
Governmental Activities Depreciation Expense	<u>\$205,187</u>

Capital asset business-type activity for the fiscal year ended June 30, 2009 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2008</u>	<u>Transfers/ Additions</u>	<u>Transfers/ Deletions</u>	<u>Balance at June 30, 2009</u>
<b>Business-Type Activities</b>				
<i>Depreciable Capital Assets:</i>				
Furniture, Fixtures and Equipment	\$199,152	\$2,691	\$0	\$201,843
<i>Accumulated Depreciation:</i>				
Furniture, Fixtures and Equipment	<u>(56,873)</u>	<u>(14,743)</u>	<u>0</u>	<u>(71,616)</u>
Business-Type Activities Capital Assets, Net	<u>\$142,279</u>	<u>(\$12,052)</u>	<u>\$0</u>	<u>\$130,227</u>

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**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 2009, the District contracted with Hylant Administrative Services LLC for property and fleet insurance, liability insurance, and inland marine coverage. Coverages provided are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$22,992,827
Automobile Liability (\$250 deductible for comprehensive and \$500 for collision) Buses (\$1,000 deductible for both)	5,000,000
Uninsured Motorists (\$50 deductible for comprehensive and \$250 for collision)	1,000,000
Garage Keepers (\$250 deductible for comprehensive and \$500 for collision)	50,000
Educational General Liability	7,000,000
Employee Fiduciary Liability	7,000,000
Employers Liability - Stop GAP	5,000,000
Educational Legal Liability	7,000,000
Excess Liability	4,000,000
Public Official Bonds:	
Treasurer	50,000
Superintendent	50,000
Board President	20,000
Crime - Employee (\$1,000 deductible)	25,000

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 Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

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**NOTE 10 - RISK MANAGEMENT** - (Continued)

**Workers' Compensation**

For fiscal year 2009, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). 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 District is calculated as one experience and a common premium rate is applied to all 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 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.

**Medical Expense Reimbursement Plan**

The District has a Medical Expense Reimbursement Plan, Max 105, to reimburse eligible employees (those that are participating in the District's Health Plan) for the portion of their and their dependants' health claims. The Max 105 program is a combination of benefits that are provided by the District, United Healthcare, and Patrick Benefits Administrators. The District's health plan with United Healthcare covers the major medical costs. The policy is a high deductible plan. The Max 105 program covers the difference between the high deductible with United Healthcare and the employee's personal deductible.

The purpose of the Max 105 program is to reimburse employees covered under the Max 105 program for a portion of the uninsured medical expenses they incur each year while they are employed with the District and the Max 105 remains in effect. It is to help the employee and their dependents receive the medical care needed in the most cost-effective manner possible.

The claims paid are those submitted after the employee's deductible amount has been reached, but before the employer's health plan deductible with United Healthcare has been reached. Claims covered are for amounts applied to the medical deductible and co-insurance expenses incurred during the plan year, up to the employer's health plan annual deductible amount with United Healthcare.

Changes in claims activity for the fiscal year is as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2008	\$443	\$74,387	\$52,642	\$22,188
2009	22,188	73,353	91,905	3,636



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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

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

**Funding Policy** - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate 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 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers. Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$117,305, \$93,622 and \$117,825 respectively; 60.27 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**State Teachers Retirement System**

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

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on a member's lifetime contributions and earned interest matched by STRS Ohio funds divided by an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The DB portion of the Combined Plan payment is payable to a member on or after age 60; the DC portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**NOTE 11 – DEFINED BENEFIT PENSION PLANS** (Continued)

**Funding Policy** - For the fiscal year ended June 30, 2009, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2008, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The School District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007, were \$726,857, \$623,077 and \$680,527, respectively; 86.91 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$8,740 made by the District and \$8,324 made by the plan members.

**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, 2009, four members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages paid.

**NOTE 12 – POSTEMPLOYMENT BENEFITS**

**School Employees Retirement System**

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

**Funding Policy** – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2009, 4.16 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2009, this amount was \$35,800.

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**NOTE 12 – POSTEMPLOYMENT BENEFITS** (Continued)

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

The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007, were \$68,441, \$53,968 and \$52,348, respectively; 45.80 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The School District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007, were \$1,355, \$881, and \$1,060, respectively, which equaled the required contributions for each year.

***State Teachers Retirement System***

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

***Funding Policy*** – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2009, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The School District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007, were \$55,912, \$47,929, and \$50,836, respectively; 100 percent has been contributed for fiscal years 2009, 2008 and 2007.

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**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-five 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 United Healthcare in the amount of \$20,000.

The District contracts with United Healthcare for hospitalization and major medical insurance for all full-time employees. The District pays monthly premiums of \$1,245 for family coverage, \$830 for employee/spouse coverage, \$747 for employee/child coverage and \$415 for individual coverage. This coverage includes prescription drug insurance for the employees, utilizing a prescription deductible of \$10 for formulary generic, \$30 for formulary brand, and \$60 for non-formulary.

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

**NOTE 14 - INTERFUND ACTIVITY**

Interfund balances at June 30, 2009 were comprised of the following interfund receivables and interfund payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<i>General Fund</i>	\$100,161	\$0
<i>Nonmajor Special Revenue Funds:</i>		
Uniform School Supply	0	1,200
B & I Credentialing Grant	0	2,433
Miscellaneous State Grants	0	1,332
Adult Education Basic Grants to States	0	4,609
Special Education Grants to States	0	4,000
Career and Technical Education - Basic Grants to States	0	86,587
Federal PELL Grant	0	7,185
<i>Total Nonmajor Special Revenue Funds</i>	<u>0</u>	<u>107,346</u>
<i>Adult Education Fund</i>	<u>7,185</u>	<u>0</u>
<i>Total</i>	<u><u>\$107,346</u></u>	<u><u>\$107,346</u></u>

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, or (3) payments between funds are made.

Interfund balances at June 30, 2009 were comprised of the following interfund receivable and interfund payables:

<u>Transfers From</u>	<u>Transfers To</u>
	Nonmajor Special Revenue Funds
General	<u><u>\$185,291</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

**NOTE 15 - LONG-TERM OBLIGATIONS**

Changes in the governmental activities long-term obligations of the District during fiscal year 2009 were as follows:

	Issue Date	Interest Rate	Principal Outstanding July 1, 2008	Additions	Deletions	Principal Outstanding June 30, 2009	Amount Due in One Year
<i>Governmental Activities:</i>							
Qualified Zone Academy Bonds	2008	2.31%	\$3,060,000	\$0	\$204,000	\$2,856,000	\$204,000
Compensated Absences Payable			373,920	226,405	190,776	409,549	33,091
Total Long-Term Obligations			<u>\$3,433,920</u>	<u>\$226,405</u>	<u>\$394,776</u>	<u>\$3,265,549</u>	<u>\$237,091</u>

In December 2008, the District issued Qualified Zone Academy Bonds (QZAB) in the amount of \$3,060,000 for the renovation of the schools. The bonds were issued at an average interest rate of 2.31% and mature in March 2023. These bonds will be paid from the General Fund.

The compensated absences of the governmental activities are paid from the fund from which the respective employees' salaries are paid. Most of the District's employees of the governmental activities are paid from the General Fund.

Principal and interest to retire the Qualified Zone Academy Fund Bond outstanding at June 30, 2009 are as follows:

Fiscal Year Ending June 30,	QZAB	Interest	Total
2010	\$204,000	\$66,259	\$270,259
2011	204,000	61,526	265,526
2012	204,000	56,794	260,794
2013	204,000	52,061	256,061
2014	204,000	47,328	251,328
2015-2019	1,020,000	165,648	1,185,648
2020-2023	816,000	47,328	863,328
Total Debt Payments	<u>\$2,856,000</u>	<u>\$496,944</u>	<u>\$3,352,944</u>

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

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2009*

**NOTE 15 - LONG-TERM OBLIGATIONS** - (Continued)

Changes in the business-type activities long-term obligations of the District during fiscal year 2009 were as follows:

	Principal Outstanding July 1, 2008	Additions	Deletions	Principal Outstanding June 30, 2009	Amount Due in One Year
<i>Business-Type Activities:</i>					
Compensated Absences Payable	\$61,148	\$201,819	\$189,808	\$73,159	\$4,433

The compensated absences of the business-type activities are paid from the fund from which the respective employees' salaries are paid. Most of the District's employees of the business-type activities are paid from the Adult Education 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 textbook, capital improvement, and budget stabilization. Disclosure of this information is required by State statute.

Account	Textbook	Capital Improvement	Budget Stabilization	Totals
Set Aside Balances Carried Forward as of June 30, 2008	\$0	\$0	\$32,757	\$32,757
FY 2009 Set Aside Required	99,779	99,779	0	199,558
FY 2009 Qualifying Disbursements	<u>(99,779)</u>	<u>(99,779)</u>	<u>0</u>	<u>(199,558)</u>
Set Aside Balances Carried Forward to FY 2009	<u>0</u>	<u>0</u>	<u>32,757</u>	<u>32,757</u>
Set Aside Reserve Balances at June 30, 2009	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$32,757</u></u>	
Total Restricted Assets				<u><u>\$32,757</u></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.

The District had qualifying disbursements during the year that reduced the textbook and capital improvement set aside amounts to zero. For the textbook set aside, if expenditures exceed current year or accumulated set aside requirements, or if the actual reserve cash balance exceeds the set aside requirements, the excess may be carried forward to offset future textbook set aside requirements. For the capital improvement set aside, only an actual reserve cash balance that exceeds the set aside requirements may be carried forward to offset future capital improvement set aside requirements.

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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS AND PUBLIC ENTITY RISK POOL**

**Southeastern Ohio Voluntary Educational Cooperative**

Southeastern Ohio Voluntary Educational Cooperative (SEOVEC) is a jointly governed organization created as a regional council of governments pursuant to State Statutes. SEOVEC has 28 participants consisting of 25 districts and 3 educational service centers. 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 2009, the Gallia-Jackson-Vinton Joint Vocational District paid SEOVEC \$9,016 in fees. Financial information for SEOVEC can be obtained from their administrative offices at P.O. Box 1250, Athens, Ohio 45701.

**Southeastern Ohio Special Education Regional Resource Center**

The Southeastern Ohio Special Education Regional Resource Center (SERRC) is a special education service center which selects its own board, adopts its own budget and receives direct Federal and State grants for its operation. The jointly-governed organization was formed for the purpose of initiating, expanding and improving special education programs and services for children with disabilities and their parents.

The SERRC is governed by a board composed of superintendents of participating schools, parents of children with disabilities, representatives of chartered nonpublic schools, representatives of county boards of MR/DD, Ohio University and the Southeast Regional Professional Development Center whose terms rotate every year. The degree of control exercised by any participating District is limited to its representation on the Board. Currently, the District has no representative on the SERRC Board. Financial information can be obtained by contacting Bryan Swann, Treasurer, at the Athens-Meigs Educational Service Center, 507 Richland Avenue, Suite 108, Athens, Ohio 45701.

**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 Districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**NOTE 18 - 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, 2009.



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

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2009*

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**NOTE 19 - CONTRACTUAL COMMITMENTS**

As of June 30, 2009, the District had contractual commitments related to the construction of new facilities. The amount for each contractor is as follows:

<u>Contractor</u>	<u>Purchase Commitments</u>	<u>Amounts Paid as of June 30, 2009</u>	<u>Amounts Remaining on Contracts</u>
Central Fire Protection	\$723,760	\$615,645	\$108,115
Claypool Electric	3,214,701	2,306,148	908,553
Continental Office Environments	50,005	0	50,005
Environmental Restoration Group	3,900	3,708	192
Library Design Associates	46,731	46,731	0
Southern Cabinetry	372,000	286,094	85,906
Stockmeister Enterprises - General	3,280,979	2,309,543	971,436
Stockmeister Enterprises - Paving	412,800	0	412,800
Tom Sexton Associates	86,193	81,407	4,786
TP Mechanical	4,952,788	4,129,360	823,428
Wasserstrom	415,606	0	415,606
Total	<u>\$13,559,463</u>	<u>\$9,778,636</u>	<u>\$3,780,827</u>

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

**FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<b>FEDERAL GRANTOR/ Pass Through Grantor Program Title</b>	Grant Year	Federal CFDA Number	Receipts	Disbursements
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>				
<i>Passed Through Ohio Department of Education:</i>				
Child Nutrition Cluster:				
Non-Cash Assistance (Food Distribution):				
National School Lunch Program	2008/2009	10.555	\$ 11,832	\$ 11,451
Cash Assistance:				
School Breakfast Program	2008/2009	10.553	20,404	20,404
National School Lunch Program	2008/2009	10.555	82,632	82,632
Cash Assistance Subtotal			<u>103,036</u>	<u>103,036</u>
Total Child Nutrition Cluster			<u>114,868</u>	<u>114,487</u>
Total U.S. Department of Agriculture			114,868	114,487
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>				
<i>Direct from Federal Government:</i>				
Student Financial Aid Cluster:				
Federal Pell Grant Program	2009	84.063	242,037	241,460
<i>Passed Through the Great Lakes Higher Education:</i>				
Federal Family Education Loans	2009	84.032	82,776	82,776
Total Student Financial Aid Cluster			<u>324,813</u>	<u>324,236</u>
<i>Passed Through Ohio Department of Education:</i>				
Adult Education - Basic Grants to States				
Instructional Grant	2008	84.002	9,945	5,696
	2009		197,958	186,083
E/L Civics Grant	2008		6,475	1,094
	2009		29,098	30,901
Total Adult Education - Basic Grants to States			<u>243,476</u>	<u>223,774</u>
Vocational Education - Basic Grants to States	2008	84.048	145,265	69,024
	2009		305,628	302,006
Total Vocational Education - Basic Grants to States			<u>450,893</u>	<u>371,030</u>
Safe and Drug-Free Schools and Communities State Grants	2008	84.186	1,626	1,107
	2009		1,636	1,636
Total Safe and Drug-Free Schools and Communities State Grants			<u>3,262</u>	<u>2,743</u>
State Grants for Innovative Programs	2008	84.298	958	
	2009		696	696
Total State Grants for Innovative Programs			<u>1,654</u>	<u>696</u>
Rural School Achievement Program	2009	84.358A	59,565	53,159
Improving Teacher Quality State Grants	2008	84.367	3,729	
	2009		1,493	1,493
Total Improving Teacher Quality State Grants			<u>5,222</u>	<u>1,493</u>
Total U.S. Department of Education			<u>1,088,885</u>	<u>977,131</u>
<b>Total Federal Awards Receipts and Expenditures</b>			<b><u>\$ 1,203,753</u></b>	<b><u>\$ 1,091,618</u></b>

*The Notes to the Federal Awards Receipts and Expenditures Schedule is an integral part of the Schedule.*

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

**NOTES TO THE FEDERAL AWARDS RECEIPTS AND EXPENDITURES SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Awards Receipts and Expenditures Schedule (the Schedule) reports the Gallia-Jackson-Vinton Joint Vocational School District's (the District's) federal award programs' receipts and disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B – CHILD NUTRITION CLUSTER**

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

**NOTE C – FOOD DONATION PROGRAM**

Program regulations do not require the District to maintain separate inventory records for purchased food versus food commodities it receives from the U.S. Department of Agriculture. The District reports commodities consumed on the Schedule at the fair value.



# Mary Taylor, CPA

Auditor of State

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

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 financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio (the District), as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements and have issued our report thereon dated February 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

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

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

We noted a certain matter that we reported to the District's management in a separate letter dated February 19, 2010.

### **Compliance and Other Matters**

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

We did note a certain noncompliance or other matter that we reported to the District's management in a separate letter dated February 19, 2010.

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

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

**Mary Taylor, CPA**  
Auditor of State

February 19, 2010



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON 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 District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to its major federal program for the year ended June 30, 2009. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the District's major federal program. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to its major federal program for the year ended June 30, 2009.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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



**Mary Taylor, CPA**  
Auditor of State

February 19, 2010



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

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2009**

**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 significant deficiencies in internal control 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 significant deficiencies in internal control 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):	Student Financial Aid Cluster CFDA #'s 84.032 and 84.063
<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**

None.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

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GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT  
GALLIA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 §.315(b)  
JUNE 30, 2009

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2008-001	Significant Deficiency for not recording a \$2,261,649 receivable from the Ohio School Facilities Commission	Yes	N/A

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

To the Board of Education:

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

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

1. We noted the Board adopted an anti-harassment policy at its meeting on January 9, 2008.
2. We read the policy, noting it included the following requirements from Ohio Rev. Code Section 3313.666(B):
  - (1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
  - (2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.666;
  - (3) A procedure for reporting prohibited incidents;
  - (4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
  - (5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

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- (6) A procedure for documenting any prohibited incident that is reported;
- (7) A procedure for responding to and investigating any reported incident;
- (8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- (9) A disciplinary procedure for any student guilty of harassment, intimidation, or bullying, which shall not infringe on any student's rights under the first amendment to the Constitution of the United States; and
- (10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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



**Mary Taylor, CPA**  
Auditor of State

February 19, 2010



**Mary Taylor, CPA**  
Auditor of State

**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  
MARCH 9, 2010**