

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

**GALLIA COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 1999**

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## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, (the School District) as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

As described in Note 4 to the accompanying general purpose financial statements, during the year ended June 30, 1999, the School District changed its method of accounting and financial reporting for its Internal Revenue Code Section 457 Deferred Compensation Plans.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 1999, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

**Gallia-Jackson-Vinton Joint Vocational School District**

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

A handwritten signature in black ink, appearing to read "Jim Retro", written over a circular stamp or seal.

JIM RETRO  
Auditor of State

December 13, 1999

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**June 30, 1999**

	<b>GOVERNMENTAL FUND TYPES</b>		
	General	Special Revenue	Capital Projects
<b><i>Assets and Other Debits:</i></b>			
<b><i>Assets:</i></b>			
Equity in Pooled Cash and Cash Equivalents	\$440,968	\$99,908	\$415,989
Cash and Cash Equivalents in Segregated Accounts	100,000	0	0
<b><i>Receivables:</i></b>			
Taxes	1,767,166	0	0
Accounts	0	151	0
Intergovernmental	1,204	108,541	150,000
Accrued Interest	449	0	0
Interfund	339,769	0	0
Prepaid Items	14,006	0	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	13,739	0	0
<b><i>Restricted Assets:</i></b>			
Equity in Pooled Cash and Cash Equivalents	69,070	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0
<b><i>Other Debits:</i></b>			
Amount to be Provided from General Government Resources	0	0	0
<b><i>Total Assets and Other Debits</i></b>	<b>\$2,746,371</b>	<b>\$208,600</b>	<b>\$565,989</b>

See accompanying notes to the general purpose financial statements.

**PROPRIETARY  
FUND TYPE**

**ACCOUNT GROUPS**

Enterprise	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
\$355,404	\$0	\$0	\$1,312,269
0	0	0	100,000
0	0	0	1,767,166
15,869	0	0	16,020
0	0	0	259,745
0	0	0	449
0	0	0	339,769
302	0	0	14,308
6,391	0	0	6,391
2,005	0	0	15,744
0	0	0	69,070
104,221	9,416,843	0	9,521,064
0	0	411,772	411,772
\$484,192	\$9,416,843	\$411,772	\$13,833,767

(continued)

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Combined Balance Sheet**  
**All Fund Types and Account Groups**  
**June 30, 1999**

	<b>GOVERNMENTAL FUND TYPES</b>		
	General	Special Revenue	Capital Projects
<b><i>Liabilities, Fund Equity and Other Credits:</i></b>			
<b><i>Liabilities:</i></b>			
Accounts Payable	\$28,201	\$2,899	\$10,805
Contracts Payable	57,000	0	0
Accrued Wages and Benefits Payable	394,878	35,392	0
Compensated Absences Payable	12,179	0	0
Interfund Payable	0	100,059	233,705
Intergovernmental Payable	75,089	13,640	0
Deferred Revenue	1,739,531	0	0
Property Tax Refund Payable	0	0	0
<b><i>Total Liabilities</i></b>	<b>2,306,878</b>	<b>151,990</b>	<b>244,510</b>
<b><i>Fund Equity and Other Credits:</i></b>			
Investment in General Fixed Assets	0	0	0
Contributed Capital	0	0	0
Retained Earnings:			
Unreserved	0	0	0
Fund Balance:			
Reserved for Encumbrances	273,769	98,411	40,530
Reserved for Property Taxes	27,635	0	0
Reserved for Statutory Set Asides	69,070	0	0
Reserved for Inventory	13,739	0	0
Unreserved:			
Undesignated	55,280	(41,801)	280,949
<b><i>Total Fund Equity and Other Credits</i></b>	<b>439,493</b>	<b>56,610</b>	<b>321,479</b>
<b><i>Total Liabilities, Fund Equity and Other Credits</i></b>	<b>\$2,746,371</b>	<b>\$208,600</b>	<b>\$565,989</b>

See accompanying notes to the general purpose financial statements.

**PROPRIETARY  
FUND TYPE**

**ACCOUNT GROUPS**

Enterprise	General Fixed Assets	General Long-Term Obligations	Totals (Memorandum Only)
\$1,899	\$0	\$0	\$43,804
0	0	0	57,000
28,006	0	0	458,276
31,738	0	373,057	416,974
6,005	0	0	339,769
6,525	0	25,892	121,146
844	0	0	1,740,375
0	0	12,823	12,823
75,017	0	411,772	3,190,167
0	9,416,843	0	9,416,843
163,045	0	0	163,045
246,130	0	0	246,130
0	0	0	412,710
0	0	0	27,635
0	0	0	69,070
0	0	0	13,739
0	0	0	294,428
409,175	9,416,843	0	10,643,600
\$484,192	\$9,416,843	\$411,772	\$13,833,767

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 1999**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Revenues:</b>				
Intergovernmental	\$2,265,005	\$1,564,706	\$208,348	\$4,038,059
Interest	72,878	0	0	72,878
Tuition and Fees	144,341	0	0	144,341
Extracurricular Activities	1,246	0	0	1,246
Property & Other Local Taxes	1,893,087	0	0	1,893,087
Miscellaneous	184,055	8,918	16,150	209,123
<b>Total Revenues</b>	<b>4,560,612</b>	<b>1,573,624</b>	<b>224,498</b>	<b>6,358,734</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular	6,048	0	0	6,048
Special	403,690	0	0	403,690
Vocational	2,281,780	165,050	0	2,446,830
Adult/Continuing	0	257,937	0	257,937
<b>Support Services:</b>				
Pupils	68,392	242,079	0	310,471
Instructional Staff	225,343	751,151	0	976,494
Board of Education	47,201	0	0	47,201
Administration	288,118	28,874	0	316,992
Fiscal	253,362	6,574	0	259,936
Business	31,769	0	0	31,769
Operation and Maintenance of Plant	925,288	0	519,984	1,445,272
Pupil Transportation	11,520	0	0	11,520
Central	2,636	74,782	0	77,418
Extracurricular Activities	25,387	0	0	25,387
<b>Total Expenditures</b>	<b>4,570,534</b>	<b>1,526,447</b>	<b>519,984</b>	<b>6,616,965</b>
Excess of Revenues Over (Under) Expenditures	(9,922)	47,177	(295,486)	(258,231)
<b>Other Financing Sources (Uses):</b>				
Proceeds from Sale of Fixed Assets	3,670	0	0	3,670
Operating Transfers In	0	0	100,000	100,000
Operating Transfers Out	(100,000)	0	0	(100,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(96,330)</b>	<b>0</b>	<b>100,000</b>	<b>3,670</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(106,252)	47,177	(195,486)	(254,561)
Fund Balance (Deficit) at Beginning of Year	546,168	9,433	516,965	1,072,566
Increase (Decrease) in Reserve for Inventory	(423)	0	0	(423)
<b>Fund Balance (Deficit) at End of Year</b>	<b>\$439,493</b>	<b>\$56,610</b>	<b>\$321,479</b>	<b>\$817,582</b>

See accompanying notes to the general purpose financial statements.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 1999**

	<b>GENERAL FUND</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b><i>Revenues:</i></b>			
Intergovernmental	\$2,363,764	\$2,363,764	\$0
Interest	72,895	72,895	0
Tuition and Fees	144,057	144,057	0
Extracurricular Activities	1,246	1,246	0
Property & Other Local Taxes	1,896,482	1,896,482	0
Miscellaneous	207,474	207,474	0
<b>Total Revenues</b>	<b>4,685,918</b>	<b>4,685,918</b>	<b>0</b>
<b><i>Expenditures:</i></b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	6,083	6,083	0
Special	405,021	405,021	0
Vocational	2,279,042	2,279,042	0
Adult/Continuing	0	0	0
<b>Support Services:</b>			
Pupils	76,426	76,426	0
Instructional Staff	233,086	233,086	0
Board of Education	73,258	73,258	0
Administration	282,286	282,286	0
Fiscal	266,389	266,389	0
Business	30,946	30,946	0
Operation and Maintenance of Plant	1,018,639	1,018,639	0
Pupil Transportation	76,539	76,539	0
Central	3,199	3,199	0
Extracurricular Activities	25,476	25,476	0
<b>Total Expenditures</b>	<b>4,776,390</b>	<b>4,776,390</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	(90,472)	(90,472)	0
<b><i>Other Financing Sources (Uses):</i></b>			
Proceeds from Sale of Fixed Assets	3,670	3,670	0
Refund of Prior Year Expenditures	218	218	0
Refund of Prior Year Receipts	0	0	0
Advances In	303,528	303,528	0
Advances Out	(336,518)	(336,518)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(100,000)	(100,000)	0
Other Financing Uses	(6,099)	(6,099)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(135,201)</b>	<b>(135,201)</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(225,673)	(225,673)	0
Fund Balance at Beginning of Year	444,035	444,035	0
Prior Year Encumbrances Appropriated	95,159	95,159	0
<b>Fund Balance at End of Year</b>	<b>\$313,521</b>	<b>\$313,521</b>	<b>\$0</b>

See accompanying notes to the general purpose financial statements.

**SPECIAL REVENUE FUNDS**

**CAPITAL PROJECTS FUNDS**

Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,522,765	\$1,522,765	\$0	\$58,349	\$58,349	\$0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
8,971	8,971	0	16,150	16,150	0
<u>1,531,736</u>	<u>1,531,736</u>	<u>0</u>	<u>74,499</u>	<u>74,499</u>	<u>0</u>
0	0	0	0	0	0
0	0	0	0	0	0
180,994	180,994	0	0	0	0
264,619	264,619	0	0	0	0
228,458	228,458	0	0	0	0
873,994	873,523	471	0	0	0
0	0	0	0	0	0
28,703	28,703	0	0	0	0
6,573	6,573	0	0	0	0
0	0	0	0	0	0
0	0	0	568,863	568,863	0
0	0	0	0	0	0
75,660	75,660	0	0	0	0
0	0	0	0	0	0
<u>1,659,001</u>	<u>1,658,530</u>	<u>471</u>	<u>568,863</u>	<u>568,863</u>	<u>0</u>
(127,265)	(126,794)	471	(494,364)	(494,364)	0
0	0	0	0	0	0
0	0	0	0	0	0
(1,462)	(1,462)	0	0	0	0
99,816	99,816	0	233,705	233,705	0
(303,528)	(303,528)	0	0	0	0
0	0	0	100,000	100,000	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>(205,174)</u>	<u>(205,174)</u>	<u>0</u>	<u>333,705</u>	<u>333,705</u>	<u>0</u>
(332,439)	(331,968)	471	(160,659)	(160,659)	0
55,224	55,224	0	452,302	452,302	0
275,780	275,780	0	73,010	73,010	0
<u>(\$1,435)</u>	<u>(\$964)</u>	<u>\$471</u>	<u>\$364,653</u>	<u>\$364,653</u>	<u>\$0</u>

(continued)

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual (Budget Basis)**  
**All Governmental Fund Types**  
**For the Fiscal Year Ended June 30, 1999**

	<b>TOTALS (MEMORANDUM ONLY)</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Intergovernmental	\$3,944,878	\$3,944,878	\$0
Interest	72,895	72,895	0
Tuition and Fees	144,057	144,057	0
Extracurricular Activities	1,246	1,246	0
Property & Other Local Taxes	1,896,482	1,896,482	0
Miscellaneous	232,595	232,595	0
<b>Total Revenues</b>	<b>6,292,153</b>	<b>6,292,153</b>	<b>0</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular	6,083	6,083	0
Special	405,021	405,021	0
Vocational	2,460,036	2,460,036	0
Adult/Continuing	264,619	264,619	0
<b>Support Services:</b>			
Pupils	304,884	304,884	0
Instructional Staff	1,107,080	1,106,609	471
Board of Education	73,258	73,258	0
Administration	310,989	310,989	0
Fiscal	272,962	272,962	0
Business	30,946	30,946	0
Operation and Maintenance of Plant	1,587,502	1,587,502	0
Pupil Transportation	76,539	76,539	0
Central	78,859	78,859	0
Extracurricular Activities	25,476	25,476	0
<b>Total Expenditures</b>	<b>7,004,254</b>	<b>7,003,783</b>	<b>471</b>
Excess of Revenues Over (Under) Expenditures	(712,101)	(711,630)	471
<b>Other Financing Sources (Uses):</b>			
Proceeds from Sale of Fixed Assets	3,670	3,670	0
Refund of Prior Year Expenditures	218	218	0
Refund of Prior Year Receipts	(1,462)	(1,462)	0
Advances In	637,049	637,049	0
Advances Out	(640,046)	(640,046)	0
Operating Transfers In	100,000	100,000	0
Operating Transfers Out	(100,000)	(100,000)	0
Other Financing Uses	(6,099)	(6,099)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(6,670)</b>	<b>(6,670)</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(718,771)	(718,300)	471
Fund Balance at Beginning of Year	951,561	951,561	0
Prior Year Encumbrances Appropriated	443,949	443,949	0
Fund Balance at End of Year	<b>\$676,739</b>	<b>\$677,210</b>	<b>\$471</b>

See accompanying notes to the general purpose financial statements.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Combined Statement of Revenues,**  
**Expenses and Changes in Fund Equity**  
**Proprietary Fund Type**  
**For the Fiscal Year Ended June 30, 1999**

	Enterprise
<b><i>Operating Revenues:</i></b>	
Tuition and Fees	\$339,290
Sales	112,982
Charges for Services	56,544
Other Operating Revenues	60,579
<i>Total Operating Revenues</i>	569,395
<b><i>Operating Expenses:</i></b>	
Salaries	391,706
Fringe Benefits	112,408
Purchased Services	41,404
Material and Supplies	163,286
Cost of Sales	7,085
Depreciation	9,897
Other Operating Expenses	4,506
<i>Total Operating Expenses</i>	730,292
Operating Income (Loss)	(160,897)
<b><i>Non-Operating Revenues (Expenses):</i></b>	
Federal Donated Commodities	4,580
Interest Income	322
Federal and State Subsidies	265,973
Loss on Disposal of Fixed Assets	(5,526)
<i>Total Non-Operating Revenues (Expenses)</i>	265,349
Net Income (Loss)	104,452
Retained Earnings at Beginning of Year	141,678
Retained Earnings at End of Year	246,130
Contributed Capital at End of Year	163,045
Fund Equity at End of Year	\$409,175

See accompanying notes to the general purpose financial statements.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Combined Statement of Revenues, Expenses and**  
**Changes in Fund Equity - Budget and Actual (Budget Basis)**  
**Proprietary Fund Type**  
**For the Fiscal Year Ended June 30, 1999**

	<b>ENTERPRISE FUND</b>		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b><i>Revenues:</i></b>			
Tuition and Fees	\$341,144	\$341,144	\$0
Sales	112,982	112,982	0
Charges for Services	56,545	56,545	0
Other Revenues	76,387	76,387	0
Refund of Prior Year Expense	492	492	0
<b><i>Total Revenues</i></b>	<b>587,550</b>	<b>587,550</b>	<b>0</b>
<b><i>Expenditures:</i></b>			
Salaries	404,857	404,857	0
Fringe Benefits	120,298	120,298	0
Purchased Services	40,972	40,972	0
Materials and Supplies	168,651	168,651	0
Other Expenditures	4,506	4,506	0
Capital Outlay	2,511	2,511	0
<b><i>Total Expenditures</i></b>	<b>741,795</b>	<b>741,795</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	(154,245)	(154,245)	0
<b><i>Other Financing Sources (Uses):</i></b>			
Interest Income	322	322	0
Federal and State Subsidies	273,428	273,428	0
Advances In	2,997	2,997	0
<b><i>Total Other Financing Sources (Uses)</i></b>	<b>276,747</b>	<b>276,747</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	122,502	122,502	0
Fund Equity at Beginning of Year	223,528	223,528	0
Prior Year Encumbrances Appropriated	2,447	2,447	0
<b>Fund Equity at End of Year</b>	<b>\$348,477</b>	<b>\$348,477</b>	<b>\$0</b>

See accompanying notes to the general purpose financial statements.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Combined Statement of Cash Flows**  
**Proprietary Fund Type**  
**For the Fiscal Year Ended June 30, 1999**

	Enterprise
<b><i>Increases (Decreases) in Cash and Cash Equivalents:</i></b>	
<b><i>Cash Flows from Operating Activities:</i></b>	
Cash Received from Customers	\$169,527
Cash Received from Tuition	183,279
Cash Received from Fee Payments	157,865
Cash Received from Other Operating Revenues	76,879
Cash Payments to Suppliers for Goods and Services	(202,956)
Cash Payments to Employees for Services	(404,857)
Cash Payments for Employee Benefits	(120,298)
Cash Payments for Other Operating Expenses	(4,506)
<i>Net Cash from Operating Activities</i>	<i>(145,067)</i>
<b><i>Cash Flows from Noncapital Financing Activities:</i></b>	
Cash Received from Operating Grants	273,428
Cash Received from Advances	2,997
<i>Net Cash from Noncapital Financing Activities</i>	<i>276,425</i>
<b><i>Cash Flows from Capital and Related Financing Activities:</i></b>	
Cash Payments for Capital Acquisitions	(2,251)
<i>Net Cash from Capital and Related Financing Activities</i>	<i>(2,251)</i>
<b><i>Cash Flows from Investing Activities:</i></b>	
Interest Received on Investments	322
<i>Net Cash from Investing Activities</i>	<i>322</i>
Net Increase (Decrease) in Cash and Cash Equivalents	129,429
Cash and Cash Equivalents at Beginning of Year	225,975
Cash and Cash Equivalents at End of Year	\$355,404
<b><i>Reconciliation of Operating Income (Loss)</i></b>	
<b><i>to Net Cash from Operating Activities:</i></b>	
Operating Income (Loss)	(\$160,897)
<b><i>Adjustments to Reconcile Operating Income (Loss)</i></b>	
<b><i>to Net Cash from Operating Activities:</i></b>	
Depreciation	9,897
Donated Commodities Used During Year	4,580
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	1,876
(Increase) Decrease in Interfund Receivable	16,279
(Increase) Decrease in Inventory Held for Resale	2,659
(Increase) Decrease in Materials and Supplies Inventory	(248)
(Increase) Decrease in Prepaid Items	120
Increase (Decrease) in Accounts Payable	1,859
Increase (Decrease) in Accrued Wages and Benefits Payable	(17,940)
Increase (Decrease) in Compensated Absences Payable	1,207
Increase (Decrease) in Intergovernmental Payable	(4,306)
Increase (Decrease) in Deferred Revenue	(153)
Total Adjustments	15,830
Net Cash from Operating Activities	(\$145,067)

See accompanying notes to the general purpose financial statements.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

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

The Gallia-Jackson-Vinton Joint Vocational School District operates under a nine-member Board of Education and is responsible for the provision of public education to residents of the District. The Board of Education of the District is not directly elected. The Board is made up from members of the elected boards of the participating school districts. The Board consists of five members from the three city school districts and four members from the three local school districts. The District has an enrollment of 767 students and is staffed by 21 classified, 58 certified, and 10 administrative employees.

***Reporting Entity***

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

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

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

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

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

**Basis of Presentation - Fund Accounting**

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

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

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

**Governmental Fund Types:**

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

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

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

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

**Proprietary Fund Type:**

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

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

**Fiduciary Fund Type:**

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

**Account Groups:**

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

**General Fixed Assets Account Group** - This account group is established to account for all fixed assets of the District, other than those accounted for in the proprietary funds.

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

**Measurement Focus and Basis of Accounting**

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

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

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

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

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

The District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 1999, whose availability is undeterminable and which are intended to finance fiscal year 2000 operations, have been recorded as deferred revenue.

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

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

***Budgetary Data***

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

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

***Estimated Resources:*** Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's Certificate of Estimated Resources which states the projected revenue of each fund. Prior to June 30, the District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the Certificate of Estimated Resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the Certificate is amended to include any unencumbered cash balances from the preceding year. The Certificate may be further amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported in the budgetary statement reflect the amounts in the final Amended Certificate requested during fiscal year 1999. Prior to the year-end, the District requested an Amended Certificate that matched estimated revenue with actual revenue for the year.

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

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

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

**Cash and Cash Equivalents**

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

During fiscal year 1999, investments were limited to a certificate of deposit. All investments of the District had a maturity of less than two years. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

The District credits interest to the General and Enterprise (Food Service) Funds. Interest revenue earned for these funds during fiscal year 1999 totaled \$72,878 and \$322, respectively.

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

**Inventory**

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

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 1999 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

**Restricted Assets**

Restricted assets in the General Fund represent cash and cash equivalents set aside to establish a budget stabilization reserve. This reserve is required by State statute and can be used only after receiving approval from the State Superintendent of Public Instruction. A fund balance reserve has also been established.

**Fixed Assets and Depreciation**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

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

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

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

**Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as grants awarded on a non-reimbursement basis and entitlements, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

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

**Entitlements:**

**General Fund**

State Foundation Program

**Special Revenue Funds**

Miscellaneous Grant - ABLE JOBS Expansion

**Enterprise Funds**

State Foundation Program

**Non-Reimbursable Grants:**

**Special Revenue Funds**

Teacher Development

Wellness Block Grants

Educational Management Information System

Eisenhower - Education for Economic Security Act/Title II

Title VI/Chapter II

State School-to-Work

Telecommunications Act Grant

**Reimbursable Grants:**

**Special Revenue Funds**

Economic Education - Consumer Education Projects

Career Development

Adult Full Service Center - Post Secondary Vocation Education

Adult Basic Literacy Education

P.E.T.E.

Vocational Education: Carl D. Perkins

Basic Education Opportunity Grant Program - PELL

Federal School-to-Work

**Enterprise Funds**

National School Lunch Program

Government Donated Commodities

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

Grants and entitlements accounted for sixty percent of the District's operating revenue during the 1999 fiscal year.

**Interfund Assets/Liabilities**

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

**Compensated Absences**

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

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

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

**Accrued Liabilities and Long-Term Obligations**

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

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

**Interfund Transactions**

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

**Fund Balance Reserves**

The District reserves fund balance for amounts that are legally segregated for specific purpose or which are not available for appropriation. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, property taxes, statutory set asides and inventory.

**Contributed Capital**

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

**Estimates**

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

**Total Columns on General Purpose Financial Statements**

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

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING**

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

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

**NOTE 3 - BUDGETARY BASIS OF ACCOUNTING - (Continued)**

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

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

	General	Special Revenue	Capital Projects
GAAP Basis	(\$106,252)	\$47,177	(\$195,486)
Net Adjustment for Revenue Accruals	125,306	(41,888)	(149,999)
Net Adjustment for Expenditure Accruals and Encumbrances	(205,856)	(132,083)	(48,879)
Net Adjustment for Other Financing Sources (Uses)	(38,871)	(205,174)	233,705
Budget Basis	<u>(\$225,673)</u>	<u>(\$331,968)</u>	<u>(\$160,659)</u>

Net Income (Loss)/Excess of Revenues and Other Financing Sources  
Over (Under) Expenditures and Other Financing Uses  
Proprietary Fund Type

	Enterprise
GAAP Basis	\$104,452
Net Adjustment for Revenue Accruals	18,155
Net Adjustment for Expense Accruals and Encumbrances	(18,889)
Capital Outlay	(2,511)
Depreciation Expense	9,897
Other Financing Sources (Uses)	11,398
Budget Basis	<u>\$122,502</u>

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

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**NOTE 4 - CHANGE IN ACCOUNTING PRINCIPLE**

For fiscal year 1999, the District has implemented *GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."* This statement establishes accounting and reporting guidelines for eligible deferred compensation plans that are now required to be held in trust for the exclusive benefit of plan participants and their beneficiaries. The implementation of this statement required no change in prior period balances of the District's financial statements. However, it did require the removal of \$150,339 in plan assets during the current period, from both the funds on deposit with the deferred compensation boards and the deferred compensation payable in the Agency Funds.

**NOTE 5 - ACCOUNTABILITY**

**Fund Deficits**

Fund balances at June 30, 1999, included the following individual fund deficits:

*Special Revenue Funds:*

Economic Education Grant	\$1,833
Career Development Grant	7,402
Wellness Grant	182
Miscellaneous State Grants	13,311

*Capital Project Funds:*

Appalachian Regional Commission Grant	84,465
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The deficit in each of these funds is the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. These deficits will be eliminated as future expected revenues are received. These deficits do not exist on the cash basis. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur.

**NOTE 6 - DEPOSITS AND INVESTMENTS**

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

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

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

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above, provided that the fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily, and that the term of agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAR Ohio); and,
7. Certain bankers' acceptances and commercial paper notes, for a period not to exceed one hundred and eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim moneys available for investment at any one time.

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

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

**Deposits:** At fiscal year-end, the carrying amount of the District's deposits was \$1,481,339 and the bank balance was \$1,653,620. \$200,000 of the bank balance was covered by federal depository insurance. \$1,453,620 was collateralized with securities held by the District or by its agency in the District's name. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

**NOTE 7 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real, public utility, and tangible personal (used in business) property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31 of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. All property is required to be revalued every six years. Public utility property taxes are assessed on tangible personal property at eighty-eight percent of true value (with certain exceptions) and on real property at thirty-five percent of true value. Tangible personal property taxes are levied after April 1 on the value listed as of December 31 of the current year. Tangible personal property assessments are twenty-five percent of true value. The assessed values upon which the fiscal year 1999 taxes were collected are:

	1998 Second - Half Collections		1999 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$553,551,930	56.3%	\$568,091,741	56.5%
Public Utility Personal	340,412,120	34.6%	348,171,310	34.6%
Tangible Personal Property	89,448,241	9.1%	90,020,617	8.9%
<b>Total Assessed Value</b>	<b>\$983,412,291</b>	<b>100.0%</b>	<b>\$1,006,283,668</b>	<b>100.0%</b>
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, 1999 is available to finance fiscal year 1999 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, 1999. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30 is recognized as revenue. Gallia-Jackson-Vinton Joint Vocational School District had \$27,635 available for advance at June 30, 1999.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

**NOTE 8 - RECEIVABLES**

Receivables at June 30, 1999 consisted of taxes, accounts (tuition and fees), and intergovernmental grants and entitlements. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follow:

	Amounts
<i>General Fund:</i>	
Reimbursement - Gallia-Vinton ESC	\$904
Tuition - Gallia County Probate Court	300
	1,204
<i>Total General Fund</i>	
 <i>Special Revenue Funds:</i>	
Career Development Grant	7,134
Adult Vocational - Full Service Center	3,000
Wellness Grant	12,238
P.E.T.E.	9,428
Vocational Education	51,741
Eisenhower Grant	25,000
	108,541
<i>Total Special Revenue Funds</i>	
 <i>Capital Projects Fund:</i>	
Appalachian Regional Commission Grant	150,000
	150,000
<i>Total Capital Projects Fund</i>	
	\$259,745

**NOTE 9 - FIXED ASSETS**

A summary of the Enterprise Funds' fixed assets at June 30, 1999 follows:

Furniture and Equipment	\$215,366
Less: Accumulated Depreciation	(111,145)
	\$104,221
Net Fixed Assets	\$104,221

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

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

A summary of the changes in general fixed assets during fiscal year 1999 follows:

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$59,973	\$0	\$0	\$59,973
Building and Improvements	5,721,189	164,927	0	5,886,116
Furniture, Fixtures, and Equipment	2,955,032	413,411	171,726	3,196,717
Vehicles	175,495	18,770	26,950	167,315
Textbooks	106,722	0	0	106,722
<b>Total</b>	<b>\$9,018,411</b>	<b>\$597,108</b>	<b>\$198,676</b>	<b>\$9,416,843</b>

There was no significant construction in progress at June 30, 1999.

**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 1999, the District contracted with Nationwide Agribusiness Insurance Company for property and fleet insurance, liability insurance, and inland marine coverage. Coverages provided are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$17,032,300
Inland Marine Coverage (\$100 deductible)	5,000
Automobile Liability (\$50 deductible for comprehensive and \$250 for collision)	2,000,000
Uninsured Motorists (\$50 deductible for comprehensive and \$250 for collision)	1,000,000
Professional and General Liability	5,000,000
Public Official Bonds:	
Treasurer	50,000
Superintendent	50,000
Board President	20,000

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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

**Workers' Compensation**

For fiscal year 1999, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating school district is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control, and actuarial services to the GRP.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

**School Employees Retirement System**

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

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate is 14 percent of annual covered payroll. For fiscal year 1999, 7.7 percent was the portion used to fund pension obligations. Prior to July 1, 1998, the portion used to fund pension obligations was 9.02 percent. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$92,834, \$91,124, and \$87,356 respectively; 44.1 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$51,871 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds and the general long-term obligations account group.

**State Teachers Retirement System**

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Prior to July 1, 1998, the portion used to fund pension obligations was 10.5 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 1999, 1998, and 1997 were \$435,490, \$365,813, and \$407,430 respectively; 87.7 percent has been contributed for fiscal year 1999 and 100 percent for fiscal years 1998 and 1997. \$53,586 representing the unpaid contribution for fiscal year 1999, is recorded as a liability within the respective funds.

**Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 1999, four members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**NOTE 12 - POST-EMPLOYMENT BENEFITS**

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

For STRS, all benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. Through June 30, 1998, the Board allocated employer contributions equal to 3.5 percent of covered payroll to the Health Care Reserve Fund. Beginning July 1, 1998 this allocation was increased to 8 percent. For the District, this amount equaled \$248,851 during fiscal year 1999.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$2,156 million at June 30, 1998. For the year ended June 30, 1998, net health care costs paid by STRS were \$219,224,000 and STRS had 91,999 eligible benefit recipients.

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

For this fiscal year, employer contributions to fund health care benefits were 6.3 percent of covered payroll, an increase from 4.98 percent for fiscal year 1998. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 1999, the minimum pay has been established at \$12,400. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

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**NOTE 12 - POST-EMPLOYMENT BENEFITS** - (Continued)

The target level for health care reserve is 125 percent of annual health care expenses. Expenses for health care at June 30, 1998 were \$111,900,575 and the target level was \$139.9 million. At June 30, 1998, SERS had net assets available for payment of health care benefits of \$160.3 million. SERS has approximately 50,000 participants currently receiving health care benefits. For the District, the amount to fund health care benefits, including the surcharge, equaled \$33,022 during the 1999 fiscal year.

**NOTE 13 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees, and administrators who are contracted to work 260/261 days per year, earn five to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 125 percent of total contract days for administrators, 230 days for teachers, and 225 days for classified employees. Upon retirement, certificated employees receive one-fourth of the total sick leave accumulation up to a maximum of fifty-five (55) 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 fifty-five (55) days.

**Insurance Benefits**

The District provides life insurance and accidental death and dismemberment insurance to all full-time employees through Medical Life Insurance Company, in the amount of \$20,000.

The District contracts with United Health Care of Ohio for hospitalization and major medical insurance for all full-time employees. The District pays monthly premiums of \$558.07 for family coverage and \$222.12 for individual coverage. This coverage includes prescription drug insurance for the employees, utilizing a \$5 per prescription deductible.

**Deferred Compensation**

District employees may participate in the Ohio Public Employees Deferred Compensation Program in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

Under the Ohio Public Employees Deferred Compensation Program, all assets are now being held in a trust arrangement for the exclusive benefit of participants and their beneficiaries, as required by the Small Business Protection Act of 1996. Under this Act, all existing deferred compensation plans were required to implement such a trust arrangement by January 1, 1999. As a result, the assets of this plan are no longer reflected in the combined financial statements of the District.

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

**NOTE 14 - LONG-TERM OBLIGATIONS**

Changes in the long-term obligations of the District during fiscal year 1999, were as follows:

	Principal Outstanding June 30, 1998	Additions	Deletions	Principal Outstanding June 30, 1999
Compensated Absences Payable	\$362,101	\$10,956	\$0	\$373,057
Intergovernmental Payable	23,562	2,330	0	25,892
Property Tax Refund Payable	0	25,298	12,475	12,823
<b>Totals</b>	<b>\$385,663</b>	<b>\$38,584</b>	<b>\$12,475</b>	<b>\$411,772</b>

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

**NOTE 15 - INTERFUND RECEIVABLES/PAYABLES**

Interfund balances at June 30, 1999 were comprised of the following interfund receivable and interfund payables:

General Fund	\$339,769	Interfund Receivable
<i>Total Interfund Receivables</i>	<u>\$339,769</u>	
<i>Special Revenue Funds:</i>		
Economic Education Grant	\$1,800	Interfund Payable
Career Development Grant	14,268	Interfund Payable
Adult Vocational-Full Service Center	2,500	Interfund Payable
Professional Development	243	Interfund Payable
Wellness Grant	12,419	Interfund Payable
Miscellaneous State Grants	22,428	Interfund Payable
Adult Basic Literacy Education	16,741	Interfund Payable
Eisenhower Grant	11,033	Interfund Payable
Vocational Education	18,340	Interfund Payable
Miscellaneous Federal Grants	287	Interfund Payable
<i>Total Special Revenue Funds</i>	100,059	
<i>Capital Projects Fund:</i>		
Appalachian Regional Commission Grant	233,705	Interfund Payable
<i>Enterprise Fund:</i>		
Uniform School Supply	6,005	Interfund Payable
<i>Total Interfund Payables</i>	<u>\$339,769</u>	

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
**Notes to the General Purpose Financial Statements**  
**For the Fiscal Year Ended June 30, 1999**

**NOTE 16 - STATUTORY SET ASIDES**

The following changes occurred in the District's set aside reserve accounts during fiscal year 1999:

Account	Balance June 30, 1998	Additions	Reductions	Balance June 30, 1999
Budget Stabilization	\$32,757	\$36,313	\$0	\$69,070
Capital Maintenance	0	72,628	72,628	0
Textbooks	0	72,628	72,628	0
<b>Totals</b>	<b>\$32,757</b>	<b>\$181,569</b>	<b>\$145,256</b>	<b>\$69,070</b>

**NOTE 17 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The District maintains four Enterprise Funds to account for the operations of food service, uniform school supplies, rotary and adult education. The table below reflects, in a summarized format, the more significant financial data relating to the Enterprise Funds of the Gallia-Jackson-Vinton Joint Vocational School District as of and for the fiscal year ended June 30, 1999.

	Food Service	Uniform School Supply	Rotary	Adult Education	Total Enterprise Funds
Operating Revenues	\$112,982	\$23,224	\$56,541	\$376,648	\$569,395
Operating Expenses Before Depreciation	127,909	28,926	35,900	527,660	720,395
Depreciation	2,580	0	0	7,317	9,897
Operating Income (Loss)	(17,507)	(5,701)	20,640	(158,329)	(160,897)
Donated Commodities	4,580	0	0	0	4,580
Operating Grants	25,437	0	0	240,536	265,973
Net Income (Loss)	8,995	(5,701)	20,640	80,518	104,452
Fixed Asset Additions	991	0	0	1,260	2,251
Fixed Asset Disposals	8,359	0	0	3,482	11,841
Net Working Capital	20,936	7,898	116,313	191,545	336,692
Total Assets	96,140	13,903	116,313	257,836	484,192
Long-Term Compensated Absences Payable	4,299	0	0	27,439	31,738
Total Equity	83,484	7,897	116,314	201,480	409,175
Encumbrances at June 30, 1999	245	0	20	6,661	6,926

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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**NOTE 18 - JOINTLY GOVERNED ORGANIZATION AND PUBLIC ENTITY RISK POOL**

**Jointly Governed Organization**

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

Each district has one vote in all matters; and each member district's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the board of directors. The continued existence of SEOVEC is not dependent on the District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. During fiscal year 1999, the Gallia-Jackson-Vinton Joint Vocational School District paid SEOVEC \$3,842 in fees.

**Public Entity Risk Pool**

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

**NOTE 19 - STATE SCHOOL FUNDING DECISION**

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program" which provides significant amounts of monetary support to the District. During the fiscal year ended June 30, 1999, the District received \$2,238,470 in school foundation support for its General Fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. As of December 13, 1999, the Ohio Supreme Court has not rendered an opinion on this issue. The decision of the Court of Common Pleas in Perry County has been stayed by the Ohio Supreme Court, and, as such, school districts are still operating under the laws that the Common Pleas Court declared unconstitutional.

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

**GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT**  
*Notes to the General Purpose Financial Statements*  
*For the Fiscal Year Ended June 30, 1999*

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**NOTE 20 - CONTINGENCIES**

**Grants:** The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 1999.

**Litigation:** The Gallia-Jackson-Vinton Joint Vocational School District is currently not party to any pending litigation.

**NOTE 21 - YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the government's operations as early as fiscal year 1999.

The District has completed an inventory of computer and other equipment necessary to conduct District operations and has identified such systems as being financial reporting, payroll and employee benefits, asset and equipment inventory, and educational statistics reporting (through the State's Education Management and Information System (EMIS)). The District has two school buildings with power, heating and air conditioning systems which have extensive efficiency utilization measures within the systems. The information described below is as of June 30, 1999.

The District uses the State of Ohio Uniform School Accounting System software for its financial reporting, the State of Ohio Uniform Staff Payroll System for its payroll and employee benefits, and the State of Ohio School Asset Account System/Equipment Inventory Subsystem for keeping its fixed asset records. The State has tested and validated these systems for year 2000 compliance.

The State of Ohio distributes a substantial sum of money to the District in the form of "Foundation" and federal and state grant payments. Further, the State processes a significant amount of financial and non-financial information about the District through EMIS. The State has also tested and validated these systems for year 2000 compliance.

The District made changes to the power, heating and air conditioning, clock and alarm systems. The District has tested and validated these systems for year 2000 compliance.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the Year 2000 and thereafter. Management cannot assure that the District will be Year 2000 ready, that the District's remediation efforts will be successful in whole or in part, or that parties with whom the District does business will be Year 2000 ready.

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Noncash Receipts</u>	<u>Disbursements</u>	<u>Noncash Disbursements</u>
<b>U.S. Department of Agriculture</b>						
Pass Through Ohio Department of Education:						
Food Distribution Program (Commodities)	N/A	10.550	\$0	\$4,426	\$0	\$4,580
National School Lunch Program	03-PU-99	10.555	4,248	0	4,248	0
	04-PU-98		0	0	0	0
	04-PU-99		19,545	0	19,545	0
Total National School Lunch Program			<u>23,793</u>	<u>0</u>	<u>23,793</u>	<u>0</u>
Total U.S. Department of Agriculture			<u>23,793</u>	<u>4,426</u>	<u>23,793</u>	<u>4,580</u>
<b>Appalachian Regional Commission</b>						
Pass Through the Ohio Department of Education:						
ARC Grant	N/A	23.011	0	0	150,000	0
Total Appalachian Regional Commission			<u>0</u>	<u>0</u>	<u>150,000</u>	<u>0</u>
<b>U.S. Department of Education</b>						
Telecommunications Act Grant - FCC E-Rate	N/A	84.XXX	2,190	0	0	0
Pass Through the Ohio Department of Education:						
Student Financial Assistance Programs Cluster:						
Federal Family Education Loan Program Direct to Students						
	N/A	84.032	170,938	0	170,938	0
PELL Grant	N/A	84.063	127,521	0	127,521	0
Total Student Financial Assistance Programs Cluster			<u>298,459</u>	<u>0</u>	<u>298,459</u>	<u>0</u>
Adult Education State Administered Basic Grant						
Adult Education	AB-SI-98/99	84.002	100,951	0	86,820	0
Adult Education	AB-SD-98/99		11,700	0	12,113	0
Adult Education - Passed through Athens MHA	N/A		21,163	0	13,659	0
Adult Education - Passed through Gallia MHA	N/A		14,107	0	20,922	0
Total Adult Education State Administered Basic Grant			<u>147,921</u>	<u>0</u>	<u>133,514</u>	<u>0</u>
Vocational Education Basic Grants to States						
CSS/DH	20-A4-98/99	84.048	53,771	0	64,736	0
CDP - Title II Secondary	20-C1-98/99		298,973	0	298,581	0
CDP - Title II Post-Secondary	20-C2-98/99		38,957	0	45,761	0
Total Vocational Education Basic Grants to States			<u>391,701</u>	<u>0</u>	<u>409,078</u>	<u>0</u>
State Grants for Math and Science NDEA - Title III	MS-S1-98/99	84.281	2,602	0	15,461	0
Federal, State and Local Partnership for Education Improvement - Title VI	C2-S1-97-99	84.298	2,054	0	2,292	0
Total U.S. Department of Education			<u>844,927</u>	<u>0</u>	<u>858,804</u>	<u>0</u>
<b>U.S. Department of Labor</b>						
Pass Through the Ohio Department of Education:						
School-To-Work						
Vital Links	WK-BE-99	17.249	8,559	0	17,447	0
Pre-employment Certification	WK-BE-99		23,847	0	22,676	0
Real World Training	WK-BE-99		16,833	0	11,486	0
Special Needs	WK-BE-99		308	0	0	0
Pass Through the Gallia-Jackson Educational Service Center:						
School-To-Work		17.249				
Work Keys	N/A		0	0	14,734	0
Pass Through the U.S. Department of Health and Human Services:						
School-To-Work						
Urban Rural Opportunities Grant - FY 98	N/A	17.249	416,655	0	384,101	0
Urban Rural Opportunities Grant - FY 99	N/A		196,937	0	197,224	0
Total School-To-Work Grant			<u>663,139</u>	<u>0</u>	<u>647,668</u>	<u>0</u>
Total U.S. Department of Labor			<u>663,139</u>	<u>0</u>	<u>647,668</u>	<u>0</u>
<b>U.S. Department of Health and Human Services</b>						
Pass Through the Ohio Department of Education:						
Family Support Act / JOBS Grant	JB-S1-97	93.560	7,455	0	4,631	0
Total U.S. Department of Health and Human Services			<u>7,455</u>	<u>0</u>	<u>4,631</u>	<u>0</u>
<b>Total Federal Awards Receipts and Expenditures</b>			<u>\$1,539,314</u>	<u>\$4,426</u>	<u>\$1,684,896</u>	<u>\$4,580</u>

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

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures is a summary of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - FOOD DISTRIBUTION**

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 1999, the School District had no significant food commodities in inventory.

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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

743 East State Street  
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Education:

We have audited the general purpose financial statements of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio, (the School District) as of and for the year ended June 30, 1999, and have issued our report thereon dated December 13, 1999, in which we indicated that the School District had changed its method of accounting for deferred compensation. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

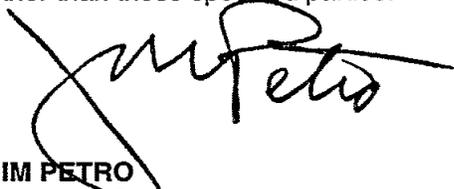
As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated December 13, 1999.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the School District in a separate letter dated December 13, 1999.

Gallia-Jackson-Vinton Joint Vocational School District  
Gallia County  
Report of Independent Accountants  
on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

A handwritten signature in black ink, appearing to read "Jim Petro", written over a large, stylized "X" mark.

**JIM PETRO**  
Auditor of State

December 13, 1999



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

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

To the Board of Education:

**Compliance**

We have audited the compliance of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio, (the School District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 1999. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

**Internal Control Over Compliance**

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

Gallia-Jackson-Vinton Joint Vocational School District  
Gallia County  
Report of Independent Accountants on Compliance with Requirements  
Applicable to Each Major Federal Program and Internal Control over  
Compliance in Accordance with OMB Circular A-133  
Page 2

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

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



**JIM PETRO**  
Auditor of State

December 13, 1999

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999**

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

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	School-To-Work, CFDA #17.249
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None



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GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT  
GALLIA COUNTY

CLERK'S CERTIFICATION

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

By: *Susan Babbitt*  
Clerk of the Bureau

Date: JAN 27 2000