



**Auditor of State
Betty Montgomery**

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

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio (the District), as of and for the year ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, based on our audit and the report of another auditor, 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, 2003, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general purpose financial statements. In our opinion, it is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 10, 2003

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GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2003

	GOVERNMENTAL FUND TYPES		
	General	Special Revenue	Capital Projects
<u>Assets and Other Debits:</u>			
<u>Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	\$1,343,290	\$370,380	\$3,270,948
Cash and Cash Equivalents in Segregated Accounts	100,000	0	0
<u>Receivables:</u>			
Taxes	1,914,052	0	0
Accounts	125	103	0
Intergovernmental	0	273,131	0
Accrued Interest	157	0	0
Interfund	242,911	0	0
Prepaid Items	3,278	238	0
Inventory Held for Resale	0	0	0
Materials and Supplies Inventory	10,319	0	0
<u>Restricted Assets:</u>			
Equity in Pooled Cash and Cash Equivalents	32,757	0	0
Fixed Assets (Net of Accumulated Depreciation)	0	0	0
<u>Other Debits:</u>			
Amount to be Provided from			
General Government Resources	0	0	0
Total Assets and Other Debits	\$3,646,889	\$643,852	\$3,270,948
<u>Liabilities, Fund Equity and Other Credits:</u>			
<u>Liabilities:</u>			
Accounts Payable	\$68,052	\$22,183	\$164,861
Contracts Payable	0	0	0
Accrued Wages and Benefits Payable	381,837	95,301	0
Compensated Absences Payable	17,558	0	0
Interfund Payable	0	242,065	0
Intergovernmental Payable	100,977	90,056	0
Deferred Revenue	1,856,361	270,562	0
Property Tax Refund Payable	0	0	0
Total Liabilities	2,424,785	720,167	164,861
<u>Fund Equity and Other Credits:</u>			
Investment in General Fixed Assets	0	0	0
Contributed Capital	0	0	0
<u>Retained Earnings:</u>			
Unreserved	0	0	0
<u>Fund Balance:</u>			
Reserved for Encumbrances	172,241	106,289	316,732
Reserved for Property Taxes	57,691	0	0
Reserved for Statutory Set Asides	32,757	0	0
Reserved for Inventory	10,319	0	0
<u>Unreserved:</u>			
Undesignated	949,096	(182,604)	2,789,355
Total Fund Equity and Other Credits	1,222,104	(76,315)	3,106,087
Total Liabilities, Fund Equity and Other Credits	\$3,646,889	\$643,852	\$3,270,948

See accompanying notes to the general purpose financial statements.

<i>PROPRIETARY FUND TYPE</i>	<i>ACCOUNT GROUPS</i>		Totals (Memorandum Only)
	General Fixed Assets	General Long-Term Obligations	
Enterprise			
\$1,249,170	\$0	\$0	\$6,233,788
0	0	0	100,000
0	0	0	1,914,052
59,171	0	0	59,399
1,722	0	0	274,853
0	0	0	157
1,201	0	0	244,112
5,966	0	0	9,482
5,882	0	0	5,882
712	0	0	11,031
0	0	0	32,757
194,866	8,624,428	0	8,819,294
0	0	418,245	418,245
<u>\$1,518,690</u>	<u>\$8,624,428</u>	<u>\$418,245</u>	<u>\$18,123,052</u>
\$88,010	\$0	\$0	\$343,106
0	0	0	0
80,221	0	0	557,359
42,986	0	387,882	448,426
2,047	0	0	244,112
24,229	0	30,363	245,625
729	0	0	2,127,652
0	0	0	0
<u>238,222</u>	<u>0</u>	<u>418,245</u>	<u>3,966,280</u>
0	8,624,428	0	8,624,428
163,045	0	0	163,045
1,117,423	0	0	1,117,423
0	0	0	595,262
0	0	0	57,691
0	0	0	32,757
0	0	0	10,319
0	0	0	3,555,847
<u>1,280,468</u>	<u>8,624,428</u>	<u>0</u>	<u>14,156,772</u>
<u>\$1,518,690</u>	<u>\$8,624,428</u>	<u>\$418,245</u>	<u>\$18,123,052</u>

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GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2003

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<u>Revenues:</u>				
Intergovernmental	\$4,011,992	\$1,475,461	\$461,196	\$5,948,649
Interest	188,514	0	0	188,514
Tuition and Fees	9,645	5,219	0	14,864
Extracurricular Activities	924	0	0	924
Property & Other Local Taxes	1,943,463	0	0	1,943,463
Miscellaneous	53,220	3,299	12,355	68,874
<i>Total Revenues</i>	<u>6,207,758</u>	<u>1,483,979</u>	<u>473,551</u>	<u>8,165,288</u>
<u>Expenditures:</u>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	52,349	0	0	52,349
Special	121,477	640,447	0	761,924
Vocational	2,815,404	67,248	146,352	3,029,004
Adult/Continuing	0	340,751	0	340,751
<i>Support Services:</i>				
Pupils	112,410	219,701	0	332,111
Instructional Staff	228,301	335,025	0	563,326
Board of Education	61,107	0	0	61,107
Administration	325,701	21,859	0	347,560
Fiscal	275,988	830	0	276,818
Business	42,460	0	0	42,460
Operation and Maintenance of Plant	809,941	2,817	255,268	1,068,026
Pupil Transportation	25,138	0	0	25,138
Central	104,568	12,570	0	117,138
Capital Outlay	0	0	9,012	9,012
<i>Total Expenditures</i>	<u>4,974,844</u>	<u>1,641,248</u>	<u>410,632</u>	<u>7,026,724</u>
Excess of Revenues Over (Under) Expenditures	1,232,914	(157,269)	62,919	1,138,564
<u>Other Financing Sources (Uses):</u>				
Proceeds from Sale of Fixed Assets	2,606	0	0	2,606
Operating Transfers In	0	26,880	1,200,000	1,226,880
Operating Transfers Out	(1,229,370)	0	0	(1,229,370)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,226,764)</u>	<u>26,880</u>	<u>1,200,000</u>	<u>116</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	6,150	(130,389)	1,262,919	1,138,680
Fund Balance (Deficit) at Beginning of Year	1,219,014	54,074	1,843,168	3,116,256
Increase (Decrease) in Reserve for Inventory	(3,060)	0	0	(3,060)
Fund Balance (Deficit) at End of Year	<u>\$1,222,104</u>	<u>(\$76,315)</u>	<u>\$3,106,087</u>	<u>\$4,251,876</u>

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, 2003

	GENERAL FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$4,011,992	\$4,011,992	\$0
Interest	191,000	191,000	0
Tuition and Fees	9,620	9,620	0
Extracurricular Activities	924	924	0
Property & Other Local Taxes	1,914,054	1,914,054	0
Miscellaneous	266,495	266,495	0
Total Revenues	6,394,085	6,394,085	0
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	48,264	48,264	0
Special	107,171	107,171	0
Vocational	2,934,422	2,934,422	0
Adult/Continuing	0	0	0
<i>Support Services:</i>			
Pupils	202,265	202,265	0
Instructional Staff	276,989	276,989	0
Board of Education	62,566	62,566	0
Administration	345,147	345,147	0
Fiscal	285,996	285,996	0
Business	42,458	42,458	0
Operation and Maintenance of Plant	905,590	905,590	0
Pupil Transportation	27,792	27,792	0
Central	121,678	121,678	0
Capital Outlay	0	0	0
Total Expenditures	5,360,338	5,360,338	0
Excess of Revenues Over (Under) Expenditures	1,033,747	1,033,747	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	2,606	2,606	0
Advances In	373,114	373,114	0
Advances Out	(240,864)	(240,864)	0
Operating Transfers In	0	0	0
Operating Transfers Out	(1,229,370)	(1,229,370)	0
Total Other Financing Sources (Uses)	(1,094,514)	(1,094,514)	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(60,767)	(60,767)	0
Fund Balance at Beginning of Year	1,066,840	1,066,840	0
Prior Year Encumbrances Appropriated	217,469	217,469	0
Fund Balance at End of Year	\$1,223,542	\$1,223,542	\$0

See accompanying notes to the general purpose financial statements.

<i>SPECIAL REVENUE FUNDS</i>			<i>CAPITAL PROJECTS FUNDS</i>		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,826,987	\$1,826,987	\$0	\$461,196	\$461,196	\$0
0	0	0	0	0	0
5,219	5,219	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,306	3,306	0	12,355	12,355	0
1,835,512	1,835,512	0	473,551	473,551	0
0	0	0	0	0	0
709,096	709,096	0	0	0	0
85,569	85,569	0	0	0	0
339,383	339,383	0	0	0	0
210,510	210,510	0	0	0	0
380,172	380,172	0	0	0	0
0	0	0	0	0	0
22,086	22,086	0	0	0	0
8,963	8,963	0	0	0	0
0	0	0	0	0	0
7,658	7,658	0	413,067	413,067	0
0	0	0	0	0	0
13,737	13,737	0	0	0	0
0	0	0	378,491	378,491	0
1,777,174	1,777,174	0	791,558	791,558	0
58,338	58,338	0	(318,007)	(318,007)	0
0	0	0	0	0	0
240,864	240,864	0	0	0	0
(373,114)	(373,114)	0	0	0	0
26,880	26,880	0	1,200,000	1,200,000	0
0	0	0	0	0	0
(105,370)	(105,370)	0	1,200,000	1,200,000	0
(47,032)	(47,032)	0	881,993	881,993	0
37,581	37,581	0	1,825,934	1,825,934	0
187,794	187,794	0	81,427	81,427	0
\$178,343	\$178,343	\$0	\$2,789,354	\$2,789,354	\$0

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GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types (Continued)
For the Fiscal Year Ended June 30, 2003

	TOTALS (MEMORANDUM ONLY)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Intergovernmental	\$6,300,175	\$6,300,175	\$0
Interest	191,000	191,000	0
Tuition and Fees	14,839	14,839	0
Extracurricular Activities	924	924	0
Property & Other Local Taxes	1,914,054	1,914,054	0
Miscellaneous	282,156	282,156	0
Total Revenues	8,703,148	8,703,148	0
<u>Expenditures:</u>			
<i>Current:</i>			
<i>Instruction:</i>			
Regular	48,264	48,264	0
Special	816,267	816,267	0
Vocational	3,019,991	3,019,991	0
Adult/Continuing	339,383	339,383	0
<i>Support Services:</i>			
Pupils	412,775	412,775	0
Instructional Staff	657,161	657,161	0
Board of Education	62,566	62,566	0
Administration	367,233	367,233	0
Fiscal	294,959	294,959	0
Business	42,458	42,458	0
Operation and Maintenance of Plant	1,326,315	1,326,315	0
Pupil Transportation	27,792	27,792	0
Central	135,415	135,415	0
Capital Outlay	378,491	378,491	0
Total Expenditures	7,929,070	7,929,070	0
Excess of Revenues Over (Under) Expenditures	774,078	774,078	0
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Fixed Assets	2,606	2,606	0
Advances In	613,978	613,978	0
Advances Out	(613,978)	(613,978)	0
Operating Transfers In	1,226,880	1,226,880	0
Operating Transfers Out	(1,229,370)	(1,229,370)	0
Total Other Financing Sources (Uses)	116	116	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	774,194	774,194	0
Fund Balance at Beginning of Year	2,930,355	2,930,355	0
Prior Year Encumbrances Appropriated	486,690	486,690	0
Fund Balance at End of Year	\$4,191,239	\$4,191,239	\$0

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, 2003

	Enterprise
<u>Operating Revenues:</u>	
Tuition and Fees	\$622,234
Sales	123,969
Charges for Services	89,818
Other Operating Revenues	22,889
<i>Total Operating Revenues</i>	858,910
<u>Operating Expenses:</u>	
Salaries	684,111
Fringe Benefits	145,133
Purchased Services	114,161
Material and Supplies	329,524
Cost of Sales	65,372
Depreciation	9,510
Other Operating Expenses	11,793
<i>Total Operating Expenses</i>	1,359,604
Operating Income (Loss)	(500,694)
<u>Nonoperating Revenues (Expenses):</u>	
Federal Donated Commodities	5,035
Interest Income	1,744
Federal and State Subsidies	536,429
Loss on Sale of Fixed Assets	(23,959)
<i>Total Nonoperating Revenues (Expenses)</i>	519,249
Income (Loss) Before Operating Transfers	18,555
Operating Transfers In	2,490
Net Income (Loss)	21,045
Retained Earnings at Beginning of Year	1,096,378
Retained Earnings at End of Year	1,117,423
Contributed Capital at End of Year	163,045
Fund Equity at End of Year	\$1,280,468

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, 2003

	ENTERPRISE FUND		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Tuition and Fees	\$584,778	\$584,778	\$0
Sales	120,696	120,696	0
Charges for Services	89,550	89,550	0
Other Revenues	22,889	22,889	0
<i>Total Revenues</i>	<u>817,913</u>	<u>817,913</u>	<u>0</u>
<u>Expenses:</u>			
Salaries	638,853	638,853	0
Fringe Benefits	139,539	139,539	0
Purchased Services	139,534	139,534	0
Materials and Supplies	463,449	463,449	0
Other Expenditures	8,972	8,972	0
Capital Outlay	48,916	48,916	0
<i>Total Expenses</i>	<u>1,439,263</u>	<u>1,439,263</u>	<u>0</u>
Excess of Revenues Over (Under) Expenses	(621,350)	(621,350)	0
<u>Other Financing Sources (Uses):</u>			
Interest Income	1,744	1,744	0
Federal and State Subsidies	538,387	538,387	0
Operating Transfers In	2,490	2,490	0
<i>Total Other Financing Sources (Uses)</i>	<u>542,621</u>	<u>542,621</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses	(78,729)	(78,729)	0
Fund Equity at Beginning of Year	1,119,961	1,119,961	0
Prior Year Encumbrances Appropriated	32,382	32,382	0
Fund Equity at End of Year	<u>\$1,073,614</u>	<u>\$1,073,614</u>	<u>\$0</u>

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, 2003

	Enterprise
<u>Increases (Decreases) in Cash and Cash Equivalents:</u>	
<u>Cash Flows from Operating Activities:</u>	
Cash Received from Customers	\$210,246
Cash Received from Tuition and Fee Payments	584,778
Cash Received from Other Operating Revenues	22,889
Cash Payments to Suppliers for Goods and Services	(429,964)
Cash Payments to Employees for Services	(638,853)
Cash Payments for Employee Benefits	(138,543)
Cash Payments for Other Operating Expenses	(7,433)
<i>Net Cash from Operating Activities</i>	(396,880)
<u>Cash Flows from Noncapital Financing Activities:</u>	
Cash Received from Operating Grants	538,387
Operating Transfers In	2,490
<i>Net Cash from Noncapital Financing Activities</i>	540,877
<u>Cash Flows from Capital and Related Financing Activities:</u>	
Cash Payments for Capital Acquisitions	(48,916)
<i>Net Cash from Capital and Related Financing Activities</i>	(48,916)
<u>Cash Flows from Investing Activities:</u>	
Interest Received on Investments	1,744
<i>Net Cash from Investing Activities</i>	1,744
Net Increase (Decrease) in Cash and Cash Equivalents	96,825
Cash and Cash Equivalents at Beginning of Year	1,152,345
Cash and Cash Equivalents at End of Year	\$1,249,170

(continued)

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Combined Statement of Cash Flows
Proprietary Fund Type
For the Fiscal Year Ended June 30, 2003

	Enterprise
<i>Reconciliation of Operating Income (Loss)</i>	
<u>to Net Cash from Operating Activities:</u>	
Operating Income (Loss)	(\$500,694)
<i>Adjustments to Reconcile Operating Income (Loss)</i>	
<u>to Net Cash from Operating Activities:</u>	
Depreciation	9,510
Donated Commodities Used During Year	5,035
<i>Changes in Assets and Liabilities:</i>	
(Increase) Decrease in Accounts Receivable	(40,322)
(Increase) Decrease in Interfund Receivable	(676)
(Increase) Decrease in Inventory Held for Resale	2,567
(Increase) Decrease in Materials and Supplies Inventory	417
(Increase) Decrease in Prepaid Items	(5,966)
Increase (Decrease) in Accounts Payable	81,655
Increase (Decrease) in Contracts Payable	(1,425)
Increase (Decrease) in Accrued Wages and Benefits Payable	34,284
Increase (Decrease) in Compensated Absences Payable	10,974
Increase (Decrease) in Intergovernmental Payable	7,372
Increase (Decrease) in Deferred Revenue	389
Total Adjustments	103,814
Net Cash from Operating Activities	(\$396,880)

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, 2003

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 1,005 students and is staffed by 21 classified, 56 certified, and 13 administrative employees.

Reporting Entity

The financial reporting entity consists of the stand-alone government, component units, and other governmental organizations that are included to ensure the financial statements of the District are not misleading or incomplete. The stand-alone government consists of all funds, departments, boards, and agencies that are not legally separate from the District. For the 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) and the Southeastern Ohio Special Education Regional Resource Center (SERRC), which are defined as jointly governed organizations. The District is also associated with the Ohio School Boards Association Workers' Compensation Group Rating Program which is defined as a public entity risk pool.

Additional information concerning the jointly governed organization and public entity risk pool is presented in Note 17.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

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, 2003

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, 2003

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. The full accrual basis of accounting is followed for the proprietary funds.

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

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

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

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

Property taxes for which there is an enforceable legal claim as of June 30, 2003, but which were levied to finance fiscal year 2004 operations, have been recorded as deferred revenue. Grants and entitlements received before eligibility requirements are met are also recorded as deferred revenue. On the modified accrual basis, receivables that will not be collected within the available period have also been reported 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 a 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.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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 fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

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 2003. 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 level of expenditures, which is the legal level 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 the legal level of control. Any revisions that alter the total of any fund appropriation 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.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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.

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 2003, investments were limited to a certificate of deposit. This investment had a maturity of less than two years. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as nonnegotiable certificates of deposit are reported at cost.

The District credits interest to the General and Enterprise (Food Service) Funds. Interest revenue credited to the General Fund during the fiscal year 2003 amounted to \$188,514 which includes \$144,030 assigned from other District funds. The Enterprise (Food Service) Funds earned interest revenue of \$1,744.

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, 2003 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.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

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

Restricted Assets

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

Fixed Assets and Depreciation

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

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

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

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

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 12 years of service.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Interfund Transactions

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

Fund Balance Reserves

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

Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to the proprietary funds that are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. Capital contributions are recorded as revenues and are reported as increases in retained earnings based in guidelines established by GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions". No capital contributions were received in 2003.

Estimates

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

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

Total Columns on General Purpose Financial Statements

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

NOTE 3 - 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, 2003

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	\$6,150	(\$130,389)	\$1,262,919
Net Adjustment for Revenue Accruals	186,326	351,533	0
Net Adjustment for Expenditure Accruals and Encumbrances	(385,493)	(135,926)	(380,926)
Net Adjustment for Other Financing Sources (Uses)	132,250	(132,250)	0
Budget Basis	(\$60,767)	(\$47,032)	\$881,993

Net Income (Loss)/Excess of Revenues and Other Financing Sources Over (Under) Expenses and Other Financing Uses Proprietary Fund Type	
	Enterprise
GAAP Basis	\$21,045
Net Adjustment for Revenue Accruals	(40,997)
Net Adjustment for Expense Accruals and Encumbrances	(40,253)
Capital Outlay	(48,916)
Depreciation Expense	9,510
Other Financing Sources (Uses)	20,882
Budget Basis	(\$78,729)

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 4 - ACCOUNTABILITY

Fund Deficits

Fund balances at June 30, 2003, included the following individual fund deficits:

Special Revenue Funds:

Career Development Grant	\$9,704
Adult Full Service Center	\$1,406
Adult Basic Education Grant	\$17,194
Carl D. Perkins Grant	\$215,232
PELL - Basic Education Opportunities Grant	\$5,277
Title VI Grant	\$2,800
Title IV-A Grant	\$1,165
Title II-A Grant	\$731

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 5 - 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, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

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

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

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

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

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 5 - DEPOSITS AND INVESTMENTS - (Continued)

Deposits: At fiscal year-end, the carrying amount of the District's deposits was \$6,366,545 and the bank balance was \$6,612,240. \$200,000 of the bank balance was covered by federal depository insurance. \$6,412,240 was collateralized with securities held by the District or by its agency in the District's name. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements would potentially subject the District to a successful claim by the FDIC.

NOTE 6 - 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 2003 taxes were collected are:

	2002 Second - Half Collections		2003 First - Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$708,200,180	69.9%	\$752,189,970	73.0%
Public Utility Personal	191,082,551	18.8%	175,591,180	17.0%
Tangible Personal Property	114,903,241	11.3%	102,698,912	10.0%
Total Assessed Value	<u>\$1,014,185,972</u>	<u>100.0%</u>	<u>\$1,030,480,062</u>	<u>100.0%</u>
Tax rate per \$1,000 of assessed valuation	\$2.00		\$2.00	

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

The District receives property taxes from Gallia, Jackson, Vinton, Hocking, and Lawrence Counties. The County Auditor periodically advances to the District its portion of the taxes collected. Second-half real property tax payments collected by each county by June 30, 2003 is available to finance fiscal year 2003 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 6 - PROPERTY TAXES - (Continued)

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property, and public utility taxes which became measurable as of June 30, 2003. 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 \$57,691 available for advance at June 30, 2003.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2003 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>Special Revenue Funds:</i>	
Local Special Education Consortium Grant	\$2,569
Career Development Grant	4,728
Adult Full Service Center	2,690
Adult Basic Education Grant	18,988
Carl D. Perkins Grant	220,880
Title VI Grant	3,228
Title VI-B Grant	4,000
Title IV-A Grant	1,165
Title II-A Grant	731
Miscellaneous Federal Grants	14,152
<i>Total Special Revenue Funds</i>	273,131
 <i>Enterprise Fund:</i>	
Adult Education - State Reimbursement	1,722
<i>Total Enterprise Fund</i>	1,722
 <i>Total Intergovernmental Receivables - All Funds</i>	\$274,853

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 8 - FIXED ASSETS

A summary of the Enterprise Funds' fixed assets at June 30, 2003 follows:

Furniture and Equipment	\$292,102
Less: Accumulated Depreciation	(97,236)
Net Fixed Assets	\$194,866

A summary of the changes in general fixed assets during fiscal year 2003 follows:

	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
Land	\$110,702	\$0	\$0	\$110,702
Building and Improvements	4,978,205	23,773	0	5,001,978
Furniture, Fixtures, and Equipment	3,833,596	347,570	1,047,710	3,133,456
Vehicles	259,947	26,843	15,220	271,570
Textbooks	106,722	0	0	106,722
Total	\$9,289,172	\$398,186	\$1,062,930	\$8,624,428

There was no significant construction in progress at June 30, 2003.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 9 - 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 2003, the District contracted with Harcum - Hyre Insurance Agency Inc. for property and fleet insurance, liability insurance, and inland marine coverage. Coverages provided are as follows:

Building and Contents-replacement cost (\$1,000 deductible)	\$23,385,535
Inland Marine Coverage (\$1,000 deductible)	\$210,000
Automobile Liability (\$250 deductible for comprehensive and \$500 for collision) Buses \$1,000 deductible for both	\$1,000,000
Uninsured Motorists (\$50 deductible for comprehensive and \$250 for collision)	\$1,000,000
Garage Keepers (\$250 deductible for comprehensive and \$500 for collision)	\$50,000
Professional and General Liability	\$5,000,000
Umbrella Liability	\$1,000,000
Public Official Bonds:	
Treasurer	\$50,000
Superintendent	\$50,000
Board President	\$20,000
Public Employee Dishonesty (\$1,000 deductible)	\$50,000

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.

Workers' Compensation

For fiscal year 2003, the District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the GRP. The workers compensation experience of the participating 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.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 10 - 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, 300 East Broad Street, Suite 100, Columbus, Ohio, 43215-3746 or by calling (614) 222-5853.

Plan members are required to contribute 9 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current rate for the District is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits. For fiscal year 2003, 8.17 percent of annual covered salary was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS Retirement Board. The District's contributions for pension obligations to SERS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$67,728, \$35,549, and \$43,924 respectively; 55.6 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$30,085 representing the unpaid contribution for fiscal year 2003, is recorded as a liability within the respective funds and the general long-term obligations account group.

State Teachers Retirement System

The District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by calling (614) 227-4090.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB Plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 10 - DEFINED BENEFIT PENSION PLANS - (Continued)

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

Plan members are required to contribute 9.3 percent of their annual covered salary and the District is required to contribute 14 percent. Of the District's contribution, 13 percent was used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The District's contributions for pension obligations to STRS for the fiscal years ended June 30, 2003, 2002, and 2001 were \$453,650, \$329,315, and \$298,266 respectively; 84.4 percent has been contributed for fiscal year 2003 and 100 percent for fiscal years 2002 and 2001. \$70,725 representing the unpaid contribution for fiscal year 2003, 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, 2003, all six members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 11 - POST-EMPLOYMENT BENEFITS

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

For STRS, all benefit recipients are required to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2003, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the District, this amount equaled \$34,896 during fiscal year 2003.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund was \$3.011 billion at June 30, 2002 (the latest information year available). For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and STRS had 105,300 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.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 11 - POST-EMPLOYMENT BENEFITS - (Continued)

After the allocation for basic benefits, the remainder of the employer's 14% contribution is allocated to providing health care benefits. For fiscal year 2003, employer contributions to fund health care benefits were 5.83 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2003, the minimum pay has been established at \$14,500. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund.

The target level for health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2002 were \$182,946,777 and the target level was \$274.4 million. At June 30, 2002, SERS had net assets available for payment of health care benefits of \$335.2 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 \$61,812 during the 2003 fiscal year.

NOTE 12 - OTHER EMPLOYEE BENEFITS

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees, and administrators who are contracted to work 260/261 days per year, earn five to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to 125 percent of total contract days for administrators, 240 days for teachers, and 240 days for classified employees. Upon retirement, certificated employees receive one-fourth of the total sick leave accumulation up to a maximum of sixty (60) days. One additional day is given for each five years of service from fifteen (15) to thirty-five (35) years.

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

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

Insurance Benefits

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

The District contracts with United Healthcare for hospitalization and major medical insurance for all full-time employees. The District pays monthly premiums of \$913.20 for family coverage and \$304.40 for individual coverage. This coverage includes prescription drug insurance for the employees, utilizing a prescription deductible of \$10 for formulary generic, \$15 for formulary brand, and \$30 for non-formulary.

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 13 - INTERFUND RECEIVABLES/PAYABLES

Interfund balances at June 30, 2003 were comprised of the following interfund receivable and interfund payables:

	Interfund Receivables	Interfund Payables
General Fund	\$242,911	\$0
<i>Special Revenue Funds:</i>		
Career Development Grant	0	9,455
Adult Basic Literacy Education	0	2,744
Adult Full Service Center	0	2,811
Carl D. Perkins Grant	0	204,582
PELL - Basic Education Opportunities Grant	0	6,477
Title VI Grant	0	3,118
Title IV-A Grant	0	1,165
Title II-A Grant	0	731
Miscellaneous Federal Grants	0	10,982
<i>Total Special Revenue Funds</i>	0	242,065
<i>Enterprise Funds:</i>		
Uniform School Supply	0	2,047
Adult Education	1,201	0
<i>Total Enterprise Funds</i>	1,201	2,047
<i>Total</i>	\$244,112	\$244,112

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 14 - LONG-TERM OBLIGATIONS

Changes in the long-term obligations of the District during fiscal year 2003, were as follows:

	Principal Outstanding June 30, 2002	Additions	Deletions	Principal Outstanding June 30, 2003
Compensated Absences Payable	\$435,380	\$0	\$47,498	\$387,882
Intergovernmental Payable	30,718	30,363	30,718	30,363
Property Tax Refund Payable	1,831	0	1,831	0
Totals	<u>\$467,929</u>	<u>\$30,363</u>	<u>\$80,047</u>	<u>\$418,245</u>

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

NOTE 15 - STATUTORY SET ASIDES

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. Effective April 10, 2001, Senate Bill 345 eliminated the Statutory requirement for a budget reserve; however, the amount of the budget reserve funded with workers' compensation refunds or rebates may only be used to offset a budget deficit or certain other expenditures as directed by the Board of Education.

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

Account	Textbook	Capital Improvement	Budget Stabilization	Totals
Set Aside Balances Carried Forward as of June 30, 2002	\$0	\$0	\$32,757	\$32,757
FY 2003 Set Aside Required	89,577	89,577	0	179,153
FY 2003 Qualifying Disbursements	<u>89,577</u>	<u>89,577</u>	<u>0</u>	<u>179,153</u>
Set Aside Balances Carried Forward to FY 2004	<u>0</u>	<u>0</u>	<u>32,757</u>	<u>32,757</u>
Set Aside Reserve Balances at June 30, 2003	<u>\$0</u>	<u>\$0</u>	<u>\$32,757</u>	
Total Restricted Assets				<u>\$32,757</u>

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 15 - STATUTORY SET ASIDES - (Continued)

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

NOTE 16 - 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, 2003.

	Food Service	Uniform School Supply	Rotary	Adult Education	Total Enterprise Funds
Operating Revenues	\$97,583	\$29,177	\$43,476	\$688,674	\$858,910
Operating Expenses Before Depreciation	\$119,186	\$30,040	\$36,419	\$1,164,449	\$1,350,094
Depreciation	\$465	\$0	\$0	\$9,045	\$9,510
Operating Income (Loss)	(\$22,068)	(\$863)	\$7,057	(\$484,820)	(\$500,694)
Donated Commodities	\$5,035	\$0	\$0	\$0	\$5,035
Operating Grants	\$31,987	\$0	\$0	\$504,442	\$536,429
Operating Transfers In	\$0	\$2,490	\$0	\$0	\$2,490
Net Income (Loss)	\$8,019	\$1,628	\$7,057	\$4,341	\$21,045
Fixed Asset Additions	\$18,319	\$0	\$0	\$30,597	\$48,916
Fixed Asset Disposals	\$17,297	\$0	\$0	\$47,013	\$64,310
Net Working Capital	\$50,729	\$13,597	\$130,380	\$884,930	\$1,079,636
Total Assets	\$138,477	\$15,644	\$130,380	\$1,234,189	\$1,518,690
Long-Term Compensated Absences Payable	\$0	\$0	\$0	\$42,986	\$42,986
Total Equity	\$127,851	\$13,597	\$130,380	\$1,008,640	\$1,280,468
Encumbrances at June 30, 2003	\$0	\$831	\$0	\$174,723	\$175,554

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 17 - JOINTLY GOVERNED ORGANIZATIONS AND PUBLIC ENTITY RISK POOL

Southeast Ohio Voluntary Educational Consortium

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 2003, the Gallia-Jackson-Vinton Joint Vocational School District paid SEOVEC \$4,836 in fees.

Southeastern Ohio Special Education Regional Resource Center

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

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

Public Entity Risk Pool

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

NOTE 18 - SCHOOL FUNDING DECISION

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

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

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2003

NOTE 19 - 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, 2003.

NOTE 20 - NEW ACCOUNTING STANDARDS

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments," Statement No. 37, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus," and Statement No. 38, "Certain Financial Statement Disclosures." These statements revise accounting and reporting standards for general purpose external financial reporting by governmental units. These statements are effective for the District's year ending June 30, 2004. The District has not completed an analysis of the impact of these statements on its reported financial condition and results of operations.

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

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass Through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
UNITED STATES DEPARTMENT OF AGRICULTURE						
<i>Passed through the Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Donation	10.550	N/A	\$	\$ 5,429	\$	\$ 5,034
National School Lunch Program	10.555	LL-P4-02 LL-P4-03	3,807 <u>26,086</u>		3,807 <u>26,086</u>	
Total National School Lunch Program			<u>29,893</u>	-	<u>29,893</u>	-
Total Nutrition Cluster			<u>29,893</u>	<u>5,429</u>	<u>29,893</u>	<u>5,034</u>
Total United States Department of Agriculture			29,893	5,429	29,893	5,034
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed through the Ohio Department of Education:</i>						
Adult Education - State Grant Program						
	84.002	AB-S1-01C AB-S1-02C AB-S2-02C AB-S1-02 AB-S2-02 AB-S1-03 AB-S2-03	3,551 10,406 3,023 130,465 (3,023) 92,342 <u>32,886</u>		169 10,406 3,023 10,913 2,820 85,412 <u>24,933</u>	
Total Adult Education - State Grant Program			<u>269,650</u>	-	<u>137,676</u>	-
Special Education - Grants to States	84.027	6B-SD-03P	26,000		23,000	
Vocational Education - Basic Grants to States	84.048	20-A0-01 20-A0-02 20-C1-02 20-C1-03 20-C2-02 20-C2-03	21,760 3,700 190,211 88,654 61,516 <u>79,445</u>		21,760 909 10,877 277,278 3,541 <u>85,656</u>	
Total Vocational Education - Basic Grants to States			<u>445,286</u>	-	<u>400,021</u>	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	DR-S1-03	256		1,421	
Eisenhower Professional Development State Grants	84.281	MS-S1-02	199		61	
Innovative Education Program Strategies	84.298	C2-S1-01 C2-S1-02 C2-S1-03	1,299 1,400 684		2,084 1,147	
Total Innovative Education Program Strategies			<u>3,383</u>	-	<u>3,231</u>	-
Improving Teacher Quality State Grants	84.367	TR-S1-03	2,434		2,788	
Student Financial Assistance Cluster: Federal Pell Grant Program	84.063	N/A	162,523	-	166,599	-
<i>Passed through the Great Lakes Higher Education:</i>						
Federal Family Education Loans	84.032	N/A	<u>199,345</u>		<u>199,345</u>	
Total Student Financial Assistance Cluster			<u>361,868</u>	-	<u>365,944</u>	-
Total United States Department of Education			1,109,076	-	934,142	-
UNITED STATES DEPARTMENT OF LABOR						
<i>Passed through the United States Department of Health and Human Services:</i>						
School to Work	17.249	STW-UROG 00 STW-UROG 01 STW-UROG 02	395 28,453 <u>28,848</u>		395 9,590 <u>26,621</u>	
Total School to Work			<u>28,848</u>	-	<u>36,606</u>	-
Total United States Department of Labor			28,848	-	36,606	-
UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through the Ohio Department of Education:</i>						
Family Support Payments to States - Assistance Payments	93.560	JB-S1-01			6,172	
<i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance Program	93.778	N/A	<u>12,012</u>	-	<u>12,012</u>	-
Total United States Department of Health and Human Services			<u>12,012</u>	-	<u>18,184</u>	-
Total Federal Awards Receipts and Expenditures			<u>\$1,179,829</u>	<u>\$5,429</u>	<u>\$1,018,825</u>	<u>\$5,034</u>

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

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

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – FOOD DONATION

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. As of June 30, 2003, the School District had no significant food commodities in inventory.

NOTE C – NEGATIVE RECEIPTS

Negative receipts shown on the Schedule of Federal Awards Receipts and Expenditures resulted from carryover amounts transferred from one grant fiscal year to another due to ODE administrative action and do not represent a loss of funds due to noncompliance.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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

We have audited the financial statements of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio (the District), as of and for the year ended June 30, 2003, and have issued our report thereon dated December 10, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the 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 District in a separate letter dated December 10, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated December 10, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 10, 2003



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT 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

Compliance

We have audited the compliance of the Gallia-Jackson-Vinton Joint Vocational School District, Gallia County, Ohio (the District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2003. The 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 District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the 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, 2003.

Internal Control over Compliance

The management of the 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 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.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

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. However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report that we have reported to management of the District in a separate letter dated December 10, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 10, 2003

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

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were 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):	Vocational Education Basic Grants to States CFDA #84.048
(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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**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

GALLIA-JACKSON-VINTON JOINT VOCATIONAL SCHOOL DISTRICT

GALLIA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 27, 2004**