



**GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Gallia County Local School District
Gallia County
230 Shawnee Lane
Gallipolis, Ohio 45631

To the Board of Education:

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

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

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

As described in Note 22 to the general purpose financial statements, during the year ended June 30, 2001, the School District adopted Governmental Accounting Statement No. 33 and No. 36.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2001, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

December 21, 2001

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GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY, OHIO

Combined Balance Sheet
All Fund Types and Account Groups
June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$493,147	\$967,478	\$678,218	\$677,850
Receivables:				
Property and Other Local Taxes	7,338,461	0	1,708,253	398,766
Intergovernmental	0	297,847	0	0
Interfund Receivable	15,223	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	28,354	0	0	0
Prepaid Items	11,444	904	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	194,236	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets	<u>\$8,080,865</u>	<u>\$1,266,229</u>	<u>\$2,386,471</u>	<u>\$1,076,616</u>
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$42,821	\$28,089	\$0	\$1,150
Contracts Payable	0	0	0	11,098
Accrued Wages and Benefits	1,185,018	192,140	0	0
Compensated Absences Payable	21,020	0	0	0
Interfund Payable	0	15,223	0	0
Intergovernmental Payable	244,172	47,347	0	0
Deferred Revenue	7,257,871	262,615	1,700,703	398,766
Due to Students	0	0	0	0
Undistributed Monies	0	0	0	0
Early Retirement Incentive Payable	34,068	0	0	0
Energy Conservation Notes Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	<u>8,784,970</u>	<u>545,414</u>	<u>1,700,703</u>	<u>411,014</u>
<u>Fund Equity and Other Credits:</u>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	201,126	85,535	1,000	2,312
Reserved for Inventory	28,354	0	0	0
Reserved for Endowment	0	0	0	0
Reserved for Textbooks & Materials	194,236	0	0	0
Reserved for Property Taxes	80,590	0	7,550	0
Unreserved, Undesignated (Deficit)	(1,208,411)	635,280	677,218	663,290
Total Fund Equity (Deficit) and Other Credits	<u>(704,105)</u>	<u>720,815</u>	<u>685,768</u>	<u>665,602</u>
Total Liabilities, Fund Equity and Other Credits	<u>\$8,080,865</u>	<u>\$1,266,229</u>	<u>\$2,386,471</u>	<u>\$1,076,616</u>

See accompanying notes to the general purpose financial statements

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals Reporting Entity (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$103,449	\$200,097	\$0	\$0	\$3,120,239
0	0	0	0	9,445,480
0	0	0	0	297,847
0	0	0	0	15,223
12,733	0	0	0	12,733
0	0	0	0	28,354
0	0	0	0	12,348
0	0	0	0	194,236
81,621	0	26,035,010	0	26,116,631
0	0	0	685,768	685,768
0	0	0	3,164,727	3,164,727
<u>\$197,803</u>	<u>\$200,097</u>	<u>\$26,035,010</u>	<u>\$3,850,495</u>	<u>\$43,093,586</u>
\$25,553	\$4,963	\$0	\$0	\$102,576
0	0	0	0	11,098
45,926	0	0	0	1,423,084
33,186	0	0	1,069,931	1,124,137
0	0	0	0	15,223
22,429	0	0	110,564	424,512
10,590	0	0	0	9,630,545
0	91,067	0	0	91,067
0	1,547	0	0	1,547
0	0	0	0	34,068
0	0	0	390,000	390,000
0	0	0	2,280,000	2,280,000
<u>137,684</u>	<u>97,577</u>	<u>0</u>	<u>3,850,495</u>	<u>15,527,857</u>
0	0	26,035,010	0	26,035,010
489,489	0	0	0	489,489
(429,370)	0	0	0	(429,370)
0	0	0	0	289,973
0	0	0	0	28,354
0	102,520	0	0	102,520
0	0	0	0	194,236
0	0	0	0	88,140
0	0	0	0	767,377
<u>60,119</u>	<u>102,520</u>	<u>26,035,010</u>	<u>0</u>	<u>27,565,729</u>
<u>\$197,803</u>	<u>\$200,097</u>	<u>\$26,035,010</u>	<u>\$3,850,495</u>	<u>\$43,093,586</u>

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GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY, OHIO

Combined Statement of Revenues, Expenditures
and Changes in Fund Balances
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<u>Revenues:</u>					
Property and Other Local Taxes	\$8,358,881	\$0	\$1,059,610	\$80,018	\$9,498,509
Intergovernmental	5,633,162	2,944,030	47,931	119,305	8,744,428
Interest	301,039	0	0	0	301,039
Tuition and Fees	21,716	0	0	0	21,716
Extracurricular Activities	0	238,001	0	0	238,001
Contributions and Donations	0	1,990	0	0	1,990
Customer Services	97,972	0	0	0	97,972
Miscellaneous	42,363	336	0	7,500	50,199
Total Revenues	14,455,133	3,184,357	1,107,541	206,823	18,953,854
<u>Expenditures:</u>					
<u>Current:</u>					
<u>Instruction</u>					
Regular	6,108,896	1,014,250	0	2,810	7,125,956
Special	1,537,583	965,552	0	0	2,503,135
Vocational	446,301	0	0	14,104	460,405
Other	510,889	14,155	0	0	525,044
<u>Support Services</u>					
Pupils	455,033	68,035	0	450	523,518
Instructional Staff	467,699	605,658	0	39,361	1,112,718
Board of Education	65,130	0	0	0	65,130
Administration	1,115,931	50,135	0	7,249	1,173,315
Fiscal	392,752	39,474	25,285	11,984	469,495
Business	98,443	0	0	0	98,443
Operation and Maintenance of Plant	1,331,147	28,875	0	1,276	1,361,298
Pupil Transportation	1,729,477	15,765	0	0	1,745,242
Central	95,134	14,147	0	30,512	139,793
Non-Instructional Services	0	4,416	0	0	4,416
Extracurricular Activities	212,940	259,921	0	0	472,861
Capital Outlay	0	164,891	0	100,744	265,635
<u>Debt Service</u>					
Principal Retirement	0	0	665,000	29,227	694,227
Interest and Fiscal Charges	0	0	285,279	944	286,223
Total Expenditures	14,567,355	3,245,274	975,564	238,661	19,026,854
Excess of Revenues Over (Under) Expenditures	(112,222)	(60,917)	131,977	(31,838)	(73,000)
<u>Other Financing Sources (Uses):</u>					
Operating Transfers In	0	5	70,119	9,119	79,243
Proceeds from the Sale of Fixed Assets	4,500	0	0	5,100	9,600
Operating Transfers Out	(79,238)	0	0	0	(79,238)
Total Other Financing Sources (Uses)	(74,738)	5	70,119	14,219	9,605
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(186,960)	(60,912)	202,096	(17,619)	(63,395)
Fund Balances (Deficit) at Beginning of Year (as Reinstated in Note 22)	(523,766)	781,727	483,672	683,221	1,424,854
Increase (Decrease) in Reserve for Inventory	6,621	0	0	0	6,621
Fund Balances (Deficit) at End of Year	(\$704,105)	\$720,815	\$685,768	\$665,602	\$1,368,080

See accompanying notes to the general purpose financial statements

GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY, OHIO

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Property and Other Local Taxes	\$6,953,338	\$6,953,338	\$0
Intergovernmental	5,633,162	5,633,162	0
Interest	316,327	316,327	0
Tuition and Fees	21,716	21,716	0
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Customer Services	97,973	97,973	0
Miscellaneous	42,179	42,179	0
Total Revenues	13,064,695	13,064,695	0
Expenditures:			
Current:			
Instruction			
Regular	6,178,714	6,178,714	0
Special	1,513,959	1,513,959	0
Vocational	454,873	454,873	0
Other	548,425	548,425	0
Support Services:			
Pupils	467,087	467,087	0
Instructional Staff	487,988	484,553	3,435
Board of Education	65,960	65,960	0
Administration	1,117,361	1,117,361	0
Fiscal	394,037	394,037	0
Business	97,752	97,752	0
Operation and Maintenance of Plant	1,371,251	1,371,251	0
Pupil Transportation	1,899,546	1,896,788	2,758
Central	92,304	92,304	0
Non-Instructional Services	0	0	0
Extracurricular Activities	220,499	220,499	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest	0	0	0
Total Expenditures	14,909,756	14,903,563	6,193
Excess of Revenues Over (Under) Expenditures	(1,845,061)	(1,838,868)	6,193
Other Financing Sources (Uses):			
Operating Transfers In	111,301	111,301	0
Proceeds from the Sale of Short-Term Notes	1,390,000	1,390,000	0
Other Financing Uses	(356,228)	0	356,228
Advances In	68,820	68,820	0
Advances Out	(82,444)	(82,444)	0
Proceeds from Sale of Fixed Assets	4,500	4,500	0
Refund of Prior Year Expenditures	184	184	0
Operating Transfers Out	(120,419)	(120,419)	0
Refund of Prior Year Receipts	(15,000)	(15,000)	0
Total Other Financing Sources (Uses)	1,000,714	1,356,942	356,228
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(844,347)	(481,926)	362,421
Fund Balances at Beginning of Year	862,165	862,165	0
Prior Year Encumbrances Appropriated	93,483	93,483	0
Fund Balances at End of Year	\$111,301	\$473,722	\$362,421

See accompanying notes to the general purpose financial statements

Special Revenue Funds			Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$2,512,179	\$2,512,179	\$0
3,407,817	3,125,194	(282,623)	47,931	47,931	0
0	0	0	0	0	0
0	0	0	0	0	0
238,001	238,001	0	0	0	0
1,990	1,990	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>3,647,808</u>	<u>3,365,185</u>	<u>(282,623)</u>	<u>2,560,110</u>	<u>2,560,110</u>	<u>0</u>
1,238,970	997,455	241,515	0	0	0
1,483,004	999,445	483,559	0	0	0
0	0	0	0	0	0
14,000	14,000	0	0	0	0
304,296	77,340	226,956	0	0	0
723,708	647,961	75,747	0	0	0
0	0	0	0	0	0
118,643	102,396	16,247	0	0	0
41,785	39,474	2,311	25,285	25,285	0
0	0	0	0	0	0
28,875	28,875	0	0	0	0
22,716	13,716	9,000	0	0	0
27,463	14,216	13,247	0	0	0
4,416	4,416	0	0	0	0
266,880	264,847	2,033	0	0	0
178,401	178,401	0	0	0	0
0	0	0	2,055,000	2,055,000	0
0	0	0	286,279	286,279	0
<u>4,453,157</u>	<u>3,382,542</u>	<u>1,070,615</u>	<u>2,366,564</u>	<u>2,366,564</u>	<u>0</u>
<u>(805,349)</u>	<u>(17,357)</u>	<u>787,992</u>	<u>193,546</u>	<u>193,546</u>	<u>0</u>
341	341	0	0	0	0
0	0	0	0	0	0
(61,720)	0	61,720	(677,216)	0	677,216
82,444	82,444	0	0	0	0
(68,820)	(68,820)	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
(6,668)	(518)	6,150	0	0	0
0	0	0	0	0	0
<u>(54,423)</u>	<u>13,447</u>	<u>67,870</u>	<u>(677,216)</u>	<u>0</u>	<u>677,216</u>
(859,772)	(3,910)	855,862	(483,670)	193,546	677,216
533,335	533,335	0	483,670	483,670	0
326,437	326,437	0	0	0	0
<u>\$0</u>	<u>\$855,862</u>	<u>\$855,862</u>	<u>\$0</u>	<u>\$677,216</u>	<u>\$677,216</u>

(Continued)

GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY, OHIO

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Budget Basis)
All Governmental Fund Types
For the Fiscal Year Ended June 30, 2001

	Capital Projects Funds			Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Property and Other Local Taxes	\$80,018	\$80,018	\$0	\$9,545,535	\$9,545,535	\$0
Intergovernmental	119,305	119,305	0	9,208,215	8,925,592	(282,623)
Interest	0	0	0	316,327	316,327	0
Tuition and Fees	0	0	0	21,716	21,716	0
Extracurricular Activities	0	0	0	238,001	238,001	0
Gifts and Donations	0	0	0	1,990	1,990	0
Customer Services	0	0	0	97,973	97,973	0
Miscellaneous	7,500	7,500	0	49,679	49,679	0
Total Revenues	206,823	206,823	0	19,479,436	19,196,813	(282,623)
Expenditures:						
Current:						
Instruction						
Regular	2,810	2,810	0	7,420,494	7,178,979	241,515
Special	0	0	0	2,996,963	2,513,404	483,559
Vocational	14,550	14,154	396	469,423	469,027	396
Other	0	0	0	562,425	562,425	0
Support Services						
Pupils	3,450	3,450	0	774,833	547,877	226,956
Instructional Staff	45,104	39,361	5,743	1,256,800	1,171,875	84,925
Board of Education	0	0	0	65,960	65,960	0
Administration	12,733	7,249	5,485	1,248,738	1,227,006	21,732
Fiscal	11,984	11,984	0	473,091	470,780	2,311
Business	0	0	0	97,752	97,752	0
Operation and Maintenance of Plant	1,276	1,276	0	1,401,402	1,401,402	0
Pupil Transportation	0	0	0	1,922,262	1,910,504	11,758
Central	30,511	30,511	0	150,278	137,031	13,247
Non-Instructional Services	0	0	0	4,416	4,416	0
Extracurricular Activities	0	0	0	487,379	485,346	2,033
Capital Outlay	502,841	130,177	372,664	681,242	308,578	372,664
Debt Service:						
Principal Retirement	0	0	0	2,055,000	2,055,000	0
Interest	0	0	0	286,279	286,279	0
Total Expenditures	625,260	240,972	384,288	22,354,737	20,893,641	1,461,096
Excess of Revenues Over (Under) Expenditures	(418,437)	(34,149)	384,288	(2,875,301)	(1,696,828)	1,178,473
Other Financing Sources (Uses):						
Operating Transfers In	9,119	9,119	0	120,761	120,761	0
Proceeds from the Sale of Short-Term Notes	0	0	0	1,390,000	1,390,000	0
Other Financing Sources	(258,004)	0	258,004	(258,004)	0	258,004
Other Financing Uses	0	0	0	(1,095,164)	0	1,095,164
Advances In	0	0	0	151,264	151,264	0
Advances Out	0	0	0	(151,264)	(151,264)	0
Proceeds from Sale of Fixed Assets	5,100	5,100	0	9,600	9,600	0
Refund of Prior Year Expenditures	0	0	0	184	184	0
Operating Transfers Out	0	0	0	(127,087)	(120,937)	6,150
Refund of Prior Year Receipts	0	0	0	(15,000)	(15,000)	0
Total Other Financing Sources (Uses)	(243,785)	14,219	258,004	25,290	1,384,608	1,359,318
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(662,222)	(19,930)	642,292	(2,850,011)	(312,220)	2,537,791
Fund Balances at Beginning of Year	650,447	650,447	0	2,529,617	2,529,617	0
Prior Year Encumbrances Appropriated	11,775	11,775	0	431,695	431,695	0
Fund Balances at End of Year	\$0	\$642,292	\$642,292	\$111,301	2,649,092	\$2,537,791

See accompanying notes to the general purpose financial statements

GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY, OHIO

Combined Statement of Revenues
Expenses, and Changes in Fund Equity
Proprietary Fund Type and Non-Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Non-Expendable Trust	
<u>Operating Revenues:</u>			
Sales	\$253,388	\$0	\$253,388
Interest	0	5,710	5,710
Contributions and Donations	0	2,200	2,200
Total Operating Revenues	253,388	7,910	261,298
<u>Operating Expenses:</u>			
Salaries	321,379	0	321,379
Fringe Benefits	140,954	0	140,954
Purchased Services	36,313	1,777	38,090
Materials and Supplies	19,048	1,969	21,017
Cost of Sales	352,988	0	352,988
Other	0	3,200	3,200
Depreciation	16,215	0	16,215
Total Operating Expenses	886,897	6,946	893,843
Operating Income (Loss)	(633,509)	964	(632,545)
<u>Non-Operating Revenues:</u>			
Federal Donated Commodities	64,245	0	64,245
Interest	1,385	0	1,385
Federal and State Subsidies	470,279	0	470,279
Total Non-Operating Revenues	535,909	0	535,909
Income (Loss) Before Operating Transfers	(97,600)	964	(96,636)
Operating Transfers-Out	(5)	0	(5)
Net Income (Loss)	(97,605)	964	(96,641)
Retained Earnings/Fund Balance (Deficit) at Beginning of Year (As Reinstated in Note 22)	(331,765)	101,556	(230,209)
Retained Earnings/Fund Balance at End of Year	(429,370)	102,520	(326,850)
Contributed Capital at End of Year	489,489	0	489,489
Total Fund Equity at End of Year	\$60,119	\$102,520	\$162,639

See accompanying notes to the general purpose financial statements

GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY, OHIO

Combined Statement of Revenues, Expenses, and
Changes in Fund Equity - Budget and Actual (Budget Basis)
Proprietary Fund Type and Non-Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

	Enterprise Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<u>Revenues:</u>			
Sales	\$253,388	\$253,388	\$0
Interest	0	0	0
Contributions and Donations	0	0	0
Total Revenues	253,388	253,388	0
<u>Expenses</u>			
Salaries	336,172	336,172	0
Fringe Benefits	140,637	140,637	0
Purchased Services	10,601	10,601	0
Materials and Supplies	343,119	343,119	0
Capital Outlay	159	159	0
Other Expenses	0	0	0
Total Expenditures	830,688	830,688	0
Operating Income (Loss)	(577,300)	(577,300)	0
<u>Non-Operating Revenues and Expenses:</u>			
Federal and State Subsidies	470,279	470,279	0
Interest	2,033	2,033	0
Total Non-Operating Revenues (Expenses)	472,312	472,312	0
Excess of Revenues Over (Under) Expenses	(104,988)	(104,988)	0
Operating Transfers-Out	(67,671)	(5)	67,666
Excess of Rev Over (Under) Exp, Adv & Transfers	(172,659)	(104,993)	67,666
Fund Equity at Beginning of Year	169,659	169,659	0
Prior Year Encumbrances Appropriated	3,000	3,000	0
Fund Equity at End of Year	\$0	\$67,666	\$67,666

See accompanying notes to the general purpose financial statements

Non-Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$253,388	\$253,388	\$0
5,710	5,710	0	5,710	5,710	0
2,200	2,200	0	2,200	2,200	0
7,910	7,910	0	261,298	261,298	0
0	0	0	336,172	336,172	0
0	0	0	140,637	140,637	0
0	0	0	10,601	10,601	0
4,805	1,969	2,836	347,924	345,088	2,836
3,210	1,775	1,435	3,369	1,934	1,435
8,551	6,350	2,201	8,551	6,350	2,201
16,566	10,094	6,472	847,254	840,782	6,472
(8,656)	(2,184)	6,472	(585,956)	(579,484)	6,472
0	0	0	470,279	470,279	0
0	0	0	2,033	2,033	0
0	0	0	472,312	472,312	0
(8,656)	(2,184)	6,472	(113,644)	(107,172)	6,472
(92,900)	0	92,900	(160,571)	(5)	160,566
(101,556)	(2,184)	99,372	(274,215)	(107,177)	167,038
100,056	100,056	0	269,715	269,715	0
1,500	1,500	0	4,500	4,500	0
\$0	\$99,372	\$99,372	\$0	\$167,038	\$167,038

GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY, OHIO

Combined Statement of Cash Flows
Proprietary Fund Type and Non-Expendable Trust Fund
For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Non-Expendable Trust	(Memorandum Only)
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>			
<u>Cash Flows from Operating Activities:</u>			
Cash Received from Customers	\$253,388	\$0	\$253,388
Cash Received from Contributions & Donations	0	2,200	2,200
Cash Received from Interest	0	5,710	5,710
Cash Payments to Suppliers for Goods and Services	(318,096)	(6,946)	(325,042)
Cash Payments to Employees for Services	(336,172)	0	(336,172)
Cash Payments for Employee Benefits	(140,637)	0	(140,637)
Net Cash Provided by (Used for) Operating Activities	<u>(541,517)</u>	<u>964</u>	<u>(540,553)</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Operating Transfers-Out	(5)	0	(5)
Interest	2,032	0	2,032
Net Cash Provided by Noncapital Financing Activities	<u>2,027</u>	<u>0</u>	<u>2,027</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Receipts from Capital Grants	470,279	0	470,279
Net Cash Used for Capital and Related Financing Activities	<u>470,279</u>	<u>0</u>	<u>470,279</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(69,211)	964	(68,247)
Cash and Cash Equivalents at Beginning of Year	<u>172,660</u>	<u>101,556</u>	<u>274,216</u>
Cash and Cash Equivalents at End of Year	<u>\$103,449</u>	<u>\$102,520</u>	<u>\$205,969</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>			
Operating Income (Loss)	<u>(\$633,509)</u>	<u>\$964</u>	<u>(\$632,545)</u>
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>			
Depreciation	16,215	0	16,215
Donated Commodities Used During Year	64,245	0	64,245
<u>Changes in Assets and Liabilities:</u>			
Decrease in Inventory Held for Resale	455	0	455
Increase in Accounts Payable	25,553	0	25,553
Decrease in Accrued Wages	(9,171)	0	(9,171)
Decrease in Compensated Absences Payable	(5,622)	0	(5,622)
Increase in Intergovernmental Payable	317	0	317
Total Adjustments	<u>91,992</u>	<u>0</u>	<u>91,992</u>
Net Cash Provided by (Used for) Operating Activities	<u>(\$541,517)</u>	<u>\$964</u>	<u>(\$540,553)</u>
Cash and Cash Equivalents - All Fiduciary Funds		\$200,097	
Cash and Cash Equivalents - Agency Funds		<u>97,577</u>	
Cash and Cash Equivalents - Non-Expendable Trust Fund		<u>\$102,520</u>	

See accompanying notes to the general purpose financial statements

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 1 - DESCRIPTION OF THE EDUCATIONAL SERVICE CENTER AND REPORTING ENTITY

Description of the School District

Gallia County Local School District (the "School District") is organized under Article VI, Section 2 and 3 of the Constitution of the State of Ohio. The School District provides educational services as authorized by State statute and/or federal guidelines. The School District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The Board controls the School District's eight (8) instructional support facilities staffed by 119 non-certificated, 191 teaching personnel, and 11 administrative employees providing education to approximately 2,673 students.

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles (GAAP) for local governmental units prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources.

Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For Gallia County Local School District, this includes general operations, food service and student related activities of the School District.

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

The following entities which perform activities within the School District's boundaries for the benefit of its residents are excluded from the accompanying financial statements because the School District is not financially accountable for these entities nor are they fiscally dependent on the School District.

- C Parent Teacher Organization
- C Booster Club

The School District is associated with four organizations, three of which are defined as jointly governed organizations, and one is a group purchasing pool. These organizations are the Southeastern Ohio Voluntary Education Cooperative, the Gallia-Jackson-Vinton Joint Vocational School District, the Gallia-Vinton Educational Service Center and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Notes 16 and 17 to the general purpose financial statements.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gallia County Local 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 School 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 School District's accounting policies are described below.

A. Basis of Presentation - Fund Accounting

The School 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 School 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 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 available expendable resources.

For financial statement presentation purposes, the various funds of the School 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 Local School District are financed. The acquisition, use and balances of the Board'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 School District's governmental fund types:

General Fund - The general fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund.

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.

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term obligation principal, interest, and related costs.

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 COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis of Presentation - Fund Accounting (continued)

PROPRIETARY FUND TYPE

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

Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include a non-expendable trust fund and agency funds. Non-expendable trust funds are accounted for in essentially the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

To distinguish fixed assets related to specific funds from 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 School District, other than those accounted for in the proprietary or trust funds.

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

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types and expendable trust funds 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 and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Revenues-Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. 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 School District, available means expected to be received within sixty days of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which taxes are levied. (See Note 6.) Revenue from grants is recognized 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 School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange 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 fiscal year end: property taxes available as an advance, interest, tuition, grants, student fee and rentals.

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

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue.

Under the modified accrual basis of accounting, 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. 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 and the non-expendable trust fund. Revenues are recognized in the accounting period which they are earned, and expenses are recognized at the time 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 COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process

The budgetary process for the School District is as follows:

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

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board 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 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 Board 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. The amounts reported in the budgetary statement reflect the amounts in the final amended certificate issued during fiscal year 2001.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Process (continued)

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 at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet ordinary expenses. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board.

The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant.

The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at 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 the proprietary fund type and non-expendable trust fund.

Lapsing of Appropriations:

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

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

To improve cash management, all cash received by the School District is pooled. Monies for all funds, including proprietary funds are maintained in this pool 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 "Cash and Cash Equivalents" on the combined balance sheet.

During fiscal year 2001, investments were limited to a NOW interest bearing account and certificates of deposit.

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

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

E. Inventory

Inventories of governmental funds are stated at cost while inventories of the proprietary fund type 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. 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 expendable resources even though it is a component of net current assets. Inventories of the proprietary fund type consist of donated food, purchased food, school supplies held for resale, and materials and supplies held for consumption and are expensed when used.

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and 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 market values as of the date received. The School District maintains a capitalization threshold of \$500.

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. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the useful lives of the related fixed assets.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Fixed Assets and Depreciation (continued)

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment in the proprietary fund type is computed using the straight-line method over an estimated useful life of twenty years. All depreciation is closed to retained earnings.

H. Intergovernmental Revenues

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

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief

Special Revenue Funds

Educational Technology Services of Southeastern Ohio Grant

Non-Reimbursable Grants:

Special Revenue Funds

Title VI-B
Professional Development - Eisenhower
Disadvantaged Pupil Impact Aid
Disadvantaged Pupil Program Fund
Title I
Title II
Drug Free Schools
Educational Management Information System
Early Childhood Pre-school Handicapped Grant
Parent Mentor Project Grant
Teaching Ohio Parents Grant
Math Professional Development Grant
Conflict Management Initiative Grant
Dwight Eisenhower Math and Science Grant
Early Intervention Grant

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Intergovernmental Revenues (continued)

Non-Reimbursable Grants (continued)

Capital Projects Funds

School Net
School Net Plus
Technology Equity

Reimbursable Grants:

General Fund

Community Alternative Funding System

Proprietary Fund

National School Breakfast Program
National School Lunch Program
Government Donated Commodities

Grants and entitlements amounted to 46 percent of the School District's revenue during the 2001 fiscal year for its governmental funds.

I. 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 a fund balance reserve account which indicates that they do not constitute available expendable resources since they are not a component of net current assets.

J. 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 School District will compensate the employees for the benefits through paid time off or some other means. The School 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 School 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 School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees after 10 years of current service with the School District

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Compensated Absences (continued)

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

K. 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 judgements, 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 available expendable financial resources. Payments made more than two months after fiscal year-end are considered not to have used current available financial resources. Bonds, capital leases, and long-term loans are reported as a liability of the general long-term obligations account group until due

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

Under Ohio Law, a debt service fund must be created and used for the payment of all debt principal and interest. Generally accepted accounting principles require that short-term debt liabilities be presented and paid for in the fund receiving the debt proceeds. Long-term liabilities are presented in the general long-term obligation account group, with principal and interest payments on matured general obligation bonds payable being reported in the debt service fund.

L. 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.

M. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventories of supplies and materials, contributions to the nonexpendable trust fund that must be kept intact and property taxes. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriations under State statute.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Contributed Capital

Contributed capital represents resources from other funds provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. There were no changes in contributed capital in the 2001 fiscal year.

O. 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.

P. Total Columns on General Purpose Financial Statements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A deficit fund balance in the School District General Fund of \$704,105 was created by the application of generally accepted accounting principles.

Appropriations exceeded total estimated resources during the year and at June 30, 2001 by \$86,700 in the General Fund.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget 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 and Non-Expendable Trust Funds 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 type (GAAP basis).

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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).
5. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than on the balance sheet (GAAP basis).
6. Principal and interest payments on notes and the corresponding revenues are reported in a debt service fund (budget basis) rather than in the fund that received the proceeds (GAAP basis).

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

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$(186,960)	(\$60,912)	\$202,096	(\$17,619)
Net Adjustments for Revenue Accruals	179,867	263,608	1,382,450	0
Net Adjustments for Expenditure Accruals	(240,173)	(94,987)	(1,390,000)	(8,750)
Adjustment for Encumbrances	(234,660)	(111,619)	(1,000)	6,439
Budget Basis	(\$481,926)	(\$3,910)	\$193,546	(\$19,930)

Net Income (Loss)/Excess of Revenues and
Operating Transfers Over (Under) Expenses
All Proprietary Fund Types

	Enterprise	Non- Expendable Trust
GAAP Basis	(\$97,605)	\$964
Net Adjustment for Revenue Accruals	(63,597)	0
Net Adjustments for Expense Accruals	91,991	(3,148)
Adjustment for Encumbrances	(35,782)	0
Budget Basis	(\$104,993)	(\$2,184)

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify 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.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Inactive deposits are public deposits that the Board has identified as not required for use within the two year period of designation of depositories. Inactive deposits must be either 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 moneys. Interim moneys are those moneys 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 or deposit accounts including passbook accounts.

Protection of the School District's deposits is provided by the Federal Deposit Insurance Corporation, 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 moneys deposited with the institution.

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

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
- (3) Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio;
- (5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasurer's investment pool (STAROhio); and
- (7) Certain banker's acceptances and commercial paper notes for a period not to exceed one hundred eighty days from the date of purchase in an amount not to exceed twenty-five percent of interim monies available for investment at any 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 School 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.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

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

Deposits: At year-end, the carrying amount of the School District's deposits was \$3,314,475, and the bank balance was \$3,445,958. Of the bank balance:

- (1) \$192,000 was covered by federal depository insurance.
- (2) \$3,253,958 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the FDIC.

The classification of cash and cash equivalent on the combined balance sheet is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

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 local school 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. Tangible personal property assessments are twenty-five percent of true value. The assessed values upon which the fiscal year 2001 taxes were collected for Gallia County are:

	<u>2000 Second-Half Collections</u>		<u>2001 First-Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$140,049,210	33.01%	\$152,842,950	36.28%
Public Utility	266,838,200	62.90%	258,204,170	61.28%
Tangible Personal Property	<u>17,341,025</u>	<u>4.09%</u>	<u>10,279,393</u>	<u>2.44%</u>
Total Assessed Value	<u><u>\$424,228,435</u></u>	<u><u>100.00%</u></u>	<u><u>\$421,326,513</u></u>	<u><u>100.00%</u></u>
Tax rate per \$1,000 of	\$25.35		\$25.35	

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

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

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 6 - PROPERTY TAXES (Continued)

The School District receives property taxes from Gallia and Jackson Counties. The Gallia County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the county by June 30, 2001, are available to finance fiscal year 2002 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represent delinquent taxes outstanding and real property, personal property and public utility taxes which became measurable as of June 30, 2001. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2001 was \$80,590 in the General Fund and \$7,550 in the Debt Service Fund and is recognized as revenue.

NOTE 7 - RECEIVABLES

Receivables at June 30, 2001 consisted of taxes, accounts, 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 items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amounts</u>
Special Revenue Funds:	
Title I	\$196,731
Title VI-B	23,084
Title VI	358
Early Intervention	35,232
Continuous Improvement	28,482
Title VI-R	<u>13,960</u>
 Total Intergovernmental Receivables	 <u>\$297,847</u>

NOTE 8 - FIXED ASSETS

A summary of the enterprise funds' fixed assets at June 30, 2001, follows:

Furniture and Equipment	\$444,461
Less Accumulated Depreciation	<u>(362,840)</u>
Net Fixed Assets	<u><u>\$81,621</u></u>

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 8 - FIXED ASSETS (Continued)

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

Asset Category	Balance at 06/30/00	Additions	Deletions	Balance at 06/30/01
Land and Improvements	\$1,622,843	\$0	\$0	\$1,622,843
Buildings and Improvements	15,652,112	0	0	15,652,112
Machinery, Fixtures and Equip.	3,843,759	405,044	0	4,248,803
Books	1,076,574	0	0	1,076,574
Infrastructure	197,171	0	0	197,171
Vehicles	3,139,828	222,179	124,500	3,237,507
Total General Fixed Assets	\$25,532,287	\$627,223	\$124,500	\$26,035,010

NOTE 9 - RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year 2001, the School District contracted with Nationwide Insurance Company for property insurance and boiler and machinery coverage. The policies include a \$1,000 deductible.

Professional and general liability is protected by the Nationwide Insurance Company with a \$1,000,000 single occurrence limit with a \$5,000,000 aggregate and no deductible. Vehicles are covered by Nationwide Insurance Company and hold a \$500 deductible for comprehensive and collision. Automobile liability has a \$3,000,000 combined total limit of liability. Property damage is on a replacement cost basis for a blanket amount of \$39,801,316 on buildings, contents, and vehicles. Settled claims have not exceeded this commercial coverage in any of the past fifteen years. There has been no significant reduction in coverage from the prior year.

For fiscal year 2001, the School 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 School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience if the participating school districts and educational service centers is calculated as one experience and a common premium rate is applied to all school districts and educational service centers in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage 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 and educational service centers 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 COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 10 - DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

The School District participates in the School Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2001, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999, were \$844,014, \$1,078,356 and \$1,381,665, respectively; 84 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$133,978 represents the unpaid contribution for fiscal year 2001 and is recorded as a liability within the respective funds.

B. School Employees Retirement System

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund the pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999, were \$96,181, \$303,942 and \$293,068, respectively; 26 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$70,852 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

B. Social Security System

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

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 11 - POST-EMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$375,015 for fiscal year 2001.

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

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to 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 the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$211,833.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000, (the latest information available), were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants receiving health care benefits.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 12 - OTHER EMPLOYEE BENEFITS

A. 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 days per year earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who work less than 260 days per year do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Upon retirement, certificated employees receive payment for one-fourth of accumulated sick days with maximum payments as follows: 39 days maximum for one to nine years of service; 44 days maximum for 10 to 19 years of service; and 49 days maximum for 20 or more years of service. Classified employees, upon retirement, receive payment for one-fourth of accumulated sick days with maximum payments as follows: 37 days maximum for one to nine years of service; 42 days maximum for 10 to 19 years of service; and 47 days maximum for 20 or more years of service.

B. Insurance

The School District provides health and major medical insurance for all eligible employees. The School District pays monthly premiums of up to \$705.03 for family coverage and up to \$261.13 for individual coverage. Premiums are paid from the same funds that pay the employees' salaries.

The School District provides life insurance and accidental death and dismemberment insurance to most employees through Medical Life Insurance Group in the amount of \$25,000 for classified employees, \$20,000 for certified employees, and twice the salary amount for each administrator.

Prescription drug insurance and dental coverage is provided through Medical Mutual of Ohio. Premiums for the dental coverage are \$42.46 monthly for family and \$15.73 for single coverage.

NOTE 13 - SHORT TERM OBLIGATIONS

As of June 30, 2001, the School District had no outstanding short term obligations. During fiscal year 2001, the School District issued and retired cash flow borrowing notes of \$1,390,000 issued under Ohio Revised Code 133.10(C). The proceeds and the payoff were reported in the School District's Bond Retirement Debt Service Fund on the budgetary statements. The note activity was reallocated into the School District General Fund for the GAAP statements.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 14 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2001 were as follows:

	Principal Outstanding 6/30/00	Additions	Deductions	Principal Outstanding 6/30/01
General Obligation Bonds 7.375%	\$2,850,000	\$0	\$570,000	\$2,280,000
Energy Conservation Notes				
6.25%	150,000	0	45,000	105,000
5.00%	160,000	0	25,000	135,000
5.80%	175,000	0	25,000	150,000
Total Long-Term Bonds and Notes	3,335,000	0	665,000	2,670,000
Pension Obligation	115,023	110,564	115,023	110,564
Early Retirement Incentive	5,236	0	5,236	0
Capital Leases	32,057	0	32,057	0
Compensated Absences	1,020,144	49,787	0	1,069,931
Total General Long-Term Obligations	<u>\$4,507,460</u>	<u>\$160,351</u>	<u>\$817,316</u>	<u>\$3,850,495</u>

General obligation bonds are paid from property tax receipts of the debt service fund. Energy Conservation Notes will be retired through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements. Compensated absences reported in the "compensated absences payable" account, and the pension obligation, which represents required pension contributions, paid outside the available period, will be paid from the fund which the employee's salaries are paid.

The School District's voted legal debt margin was \$37,919,386 with an unvoted debt margin of \$421,327 at June 30, 2001. Principal and interest requirements to retire general obligation debt, including notes outstanding at June 30, 2001, are as follows:

Fiscal year Ending June 30	Principal	Interest	Total
2002	670,000	167,501	837,501
2003	680,000	119,534	799,534
2004	625,000	72,816	697,816
2005-2006	695,000	31,318	726,318
Total	<u>\$2,670,000</u>	<u>\$391,169</u>	<u>\$3,061,169</u>

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 15 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The District maintains two enterprise funds to account for the operations of food service, and Spirit Unlimited. The Spirit Unlimited Fund is used to account for the sale of school logos such as t-shirts, pens, buttons, and various other school spirit items. The table below reflects in a summarized format the more significant financial data relating to the enterprise funds of the School District as of and for the fiscal year ended June 30, 2001.

	<u>Food Service</u>	<u>Spirit Unlimited</u>	<u>Total Enterprise Funds</u>
Operating Revenues	\$253,388	\$0	\$253,388
Operating Expenses less Depreciation	870,682	0	870,682
Depreciation Expense	16,215	0	16,215
Operating Income (Loss)	(633,509)	0	(633,509)
Donated Commodities	64,245	0	64,245
Operating Grants	470,279	0	470,279
Net Income (Loss)	(97,595)	(5)	(97,600)
Net Working Capital	(21,497)	(5)	(21,502)
Total Assets	197,802	1	197,803
Total Equity	60,118	1	60,119
Encumbrances Outstanding at June 30, 2001	35,782	0	35,782

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS

A. SOUTHEAST OHIO VOLUNTARY EDUCATIONAL CONSORTIUM

The Southeast Ohio Voluntary Educational Consortium (SEOVEC) is a jointly governed organization created as a regional council of governments pursuant to State statutes. SEOVEC provides financial accounting services, educational management information, and cooperative purchasing services to its members. Each member pays a fee annually for services provided by SEOVEC.

SEOVEC is governed by a governing board which is selected by the members. Each member has one vote in all matters, and each member's control over budgeting and financing of SEOVEC is limited to its voting authority and any representation it may have on the governing board. SEOVEC operates with its own Treasurer. The continued existence of SEOVEC is not dependent on the School District's continued participation and no equity interest exists. SEOVEC has no outstanding debt. During fiscal year 2001, the Gallia County Local School District paid \$66,862 to SEOVEC.

B. GALLIA, JACKSON, VINTON JOINT VOCATIONAL SCHOOL DISTRICT

Gallia, Jackson, Vinton Joint Vocational School is a distinct political subdivision of the State of Ohio operated under the direction of a Board comprised of eleven members appointed by the participating schools, which possesses its own budgeting and taxing authority. To obtain financial information write to the Gallia, Jackson, Vinton Joint Vocational School, Donalyn Smith, who serves as Treasurer, at 351 Buckeye Hills Road, Rio Grande, Ohio 45674.

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS (Continued)

C. GALLIA-VINTON EDUCATIONAL SERVICE CENTER

Gallia-Vinton Educational Service Center is a jointly governed organization providing educational services to its two participating school districts. The educational Service Center is governed by a board of education comprised of eight members appointed by the participating schools. The board controls the financial activity of the Educational Service Center and reports to the Ohio Department of Education and the Auditor of State of Ohio. The continued existence of the Educational Service Center is not dependent on the District's continued participation and no equity interest exists. During fiscal year 2001, the School District made no contributions to the Educational Service Center. To obtain financial information write to the Gallia-Vinton Educational Service Center, Debbie Ratliff, who serves as Treasurer, at P.O. Box 178 Rio Grande, Ohio 45674.

NOTE 17 - INSURANCE PURCHASING POOL

Ohio School Boards Association Workers' Compensation Group Rating Plan - The School 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 OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the program. Each year, the participating school districts and educational service centers pay an enrollment fee to the GRP to cover the costs of administering the program.

NOTE 18 - STATE SCHOOL FUNDING DECISION

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

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

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

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 21, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts further, the State of Ohio, in a motion filed September 27, 2001 asked the Court to reconsider and clarify the parts of the decision changing the school district that are used as the basis for determining the base cost support amount and that requirement that changes be made retroactive to July 1, 2001.

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

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

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 19 - CONTINGENCIES

A. Grants

The School 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 School District at June 30, 2001.

B. Litigation

The School District is party to legal proceedings. The School District is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the School District.

NOTE 20 - DEFERRED COMPENSATION

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

NOTE 21 - STATUTORY RESERVES

The School 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 or construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. Effective April 10, 2001, Senate Bill 345 eliminated the Statutory requirement for a budget reserve; however, the amount of the budget reserve funded with workers' compensation refunds or rebates may only be used to offset a budget deficit or certain other expenditures as directed by the Board of Education.

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

	<u>Textbooks</u>	<u>Capital Acquisition</u>	<u>Budget Stabilization</u>	<u>Totals</u>
Set-aside Reserve Balance as of June 30, 2000	\$119,478	\$(662,094)	\$198,000	\$(344,596)
Current year set-aside requirement	271,308	271,308	0	542,616
Current year offsets	0	0	0	0
Qualifying disbursements	<u>(196,570)</u>	<u>(78,473)</u>	<u>(198,000)</u>	<u>(473,043)</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>194,236</u>	<u>(469,259)</u>	<u>0</u>	<u>(275,023)</u>
Elimination of Carry Forward	<u>0</u>	<u>469,259</u>	<u>0</u>	<u>469,259</u>
Set-aside Reserve Balance as of June 30, 2001	<u><u>\$194,236</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$194,236</u></u>

GALLIA COUNTY LOCAL SCHOOL DISTRICT
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

NOTE 21 - STATUTORY RESERVES (Continued)

Senate Bill 345 eliminated the Budget Stabilization Reserve. The Bill requires the Board of Education to designate its intended use of the Reserve. During the fiscal year, the Board resolved to utilize the balance of the budget stabilization set-aside, which includes that portion attributable to Bureau of Workers' Compensation Refunds received prior to April 10, 2001, for school facility renovations and repair and for the purchase of school buses as per Auditor of State Bulletin 2001-006.

In addition, the Board of Education has decided no to carry forward the Capital Acquisition set-aside amount to reduce the set-aside requirements in future fiscal years.

NOTE 22 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES

Changes in Accounting Principles For fiscal year 2001, the School District has implemented GASB Statement Number 33, "Accounting and Financial Reporting for Nonexchange Transactions", and GASB Statement No. 36, "Recipient Reporting for Certain Shared Nonexchange Revenues". The implementation of GASB Statements 33 and 36 had the following effect on fund balance at June 30, 2000:

	Special Revenue
Fund Balance at June 30, 2000	\$661,229
Implementation of GASB 33	120,498
Adjusted Fund Balance at July 1, 2000	\$781,727

Restatement of Fund Balances In the prior year, fixed assets and inventory were misstated in the Enterprise Funds and the General Fixed Asset Account Group. This had the following effect on retained earnings as it was previously reported as of June 30, 2000.

	Enterprise Fund	General Fixed Assets
Fund Balance at June 30, 2000	(\$356,930)	\$24,570,582
Restatement Amount	25,165	961,705
Adjusted Fund Balance at July 1, 2001	(\$331,765)	\$25,532,287

**GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY**

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

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	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 Distribution	10.550	N/A	\$	\$ 61,226	\$	\$ 61,550
School Breakfast Program	10.553	05-PU-00 05-PU-01	17,299 106,821		17,299 106,821	
Total School Breakfast Program			124,120	0	124,120	0
National School Lunch Program	10.555	LL-P1-00 LL-P4-00 LL-P1-01 LL-P4-01	34,479 6,754 225,309 44,329		34,479 6,754 225,309 44,329	
Total National School Lunch Program			310,871	0	310,871	0
Total Nutrition Cluster			434,991	61,226	434,991	61,550
Total United States Department of Agriculture			434,991	61,226	434,991	61,550
UNITED STATES DEPARTMENT OF LABOR						
<i>Passed through the Ohio Department of Education</i>						
Employment Services and Job Training						
Pilot and Demonstration Program	17.249	WE-BE-99			1,402	
Total United States Department of Labor			0	0	1,402	0
UNITED STATES DEPARTMENT OF EDUCATION						
<i>Passed through the Ohio Department of Education</i>						
Goals 2000						
	84.276	G2-S1-00 G2-S1-01 G2-S2-00 G2-S2-01			31,078 12,206 27,000 18,000	
Total Goals 2000			57,206	0	32,593	0
Title I Grants to Local Educational Agencies	84.010	C1-SD-99 C1-S1-00 C1-S1-01			28,791 448,068 740,073	
Total Title I Grants to Local Educational Agencies			930,474	0	911,908	0
Special Education Cluster:						
Special Education - Grants to States	84.027	6B-SF-99P 6B-SF-00P	9,097 230,869		44,941 196,159	
Total Special Education - Grants to States			239,966	0	241,100	0
Title VI-B - Handicapped Pre-School	84.173	PG-S1-00	17,579		12,866	
Total Special Education Cluster			257,545	0	253,966	0
Safe and Drug-Free Schools and Communities - State Grants	84.186	DR-S1-01	28,241		28,433	
Eisenhower Professional Development State Grants	84.281	MS-S1-99 MS-S1-00 MS-S1-01			21,930 20,501 1,524	
Total Eisenhower Professional Development State Grants			23,558	0	43,955	0
Innovative Education Program Strategies	84.298	C2-S1-01	17,640		17,749	
Tech Literacy Challenge Fund Program	84.318	TF-S3-00 TF-41-00 TF-42-00 TF-43-00			25,000 75,000 50,000 25,000	
			150,000	0	153,891	0
Class Size Reduction	84.340	CR-S1-00 CR-S1-01	13,024 139,609		33,342 116,676	
Total Class Size Reduction			152,633	0	150,018	0
<i>Passed through the Ohio Department of Alcohol and Drug Addiction Services:</i>						
Guiding Children to Live Successfully	84.186 A	DFS-P-01	94,444		95,246	
Early Intervention Collaboration	84.181	N/A	83,061		83,430	
Total United States Department of Education			1,794,802	0	1,771,189	0
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
<i>Passed through the Ohio Department of Mental Retardation and Developmental Disabilities</i>						
Medical Assistance Program (CAFS)	93.778	N/A	47,074		47,074	
Total U. S. Department of Health and Human Services			47,074	0	47,074	0
Total Federal Awards Receipts and Expenditures			\$ 2,276,867	\$ 61,226	\$ 2,254,656	\$ 61,550

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

**GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY**

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

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



**STATE OF OHIO
OFFICE OF THE AUDITOR**

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

Gallia County Local School District
Gallia County
230 Shawnee Lane
Gallipolis, Ohio 45631

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Gallia County Local School District, Gallia County, Ohio (the School District), as of and for the year ended June 30, 2001, and have issued our report thereon dated January 12, 2002, wherein we noted the School District adopted Governmental Accounting Standards Board Statements 33 and 36. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2001-10727-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated January 12, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. 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 January 12, 2002.

Gallia County Local School District
Gallia County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

December 21, 2001



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

Gallia County Local School District
Gallia County
230 Shawnee Lane
Gallipolis, Ohio 45631

To the Board of Education:

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

December 21, 2001

**GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY**

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

1. SUMMARY OF AUDITOR'S RESULTS
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<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Were there any material internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under §.510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Title I, CFDA #84.010
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

**GALLIA COUNTY LOCAL SCHOOL DISTRICT
GALLIA COUNTY**

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

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

FINDING NUMBER 2001-10727-001

Noncompliance Citation

Ohio Rev. Code Section 5705.39 states that total appropriations from each fund should not exceed the total estimated revenue. No appropriation measure is to become effective until the county auditor files a certificate that the total appropriations from each fund do not exceed the total official estimate or amended official estimate.

Appropriations exceeded the total estimated revenue during and at June 30, 2001 by \$86,700 in the General Fund which can result in deficit spending.

We recommend the School District monitor budgetary data to ensure that total appropriations from each fund do not exceed the total estimated revenue.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards.



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GALLIA COUNTY LOCAL 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
FEBRUARY 5, 2002**