

Trimble Local School District
Athens County, Ohio

Single Audit

July 1, 2008 through June 30, 2009
Fiscal Years Audited Under GAGAS: 2009



Balestra, Harr & Scherer, CPAs, Inc.

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Mary Taylor, CPA
Auditor of State

Board of Education
Trimble Local School District
One Tomcat Drive
Glouster, Ohio 45732

We have reviewed the *Independent Auditor's Report* of the Trimble Local School District, Athens County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period July 1, 2008 through June 30, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Trimble Local School District is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

March 9, 2010

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Trimble Local School District
Basic Financial Statements
For the Fiscal Year Ended June 30, 2009

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Independent Auditor's Report

Members of the Board
Trimble Local School District
One Tomcat Drive
Glouster, Ohio 45732

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trimble Local School District (the School District), Athens County, as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

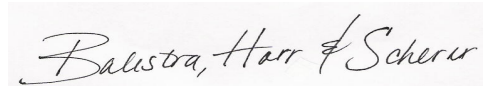
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2009, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2009 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Balestra, Harr & Scherer, CPAs, Inc.
December 18, 2009

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

The discussion and analysis of the financial performance of Trimble Local School District (the District) provides an overall review of the District's financial activities for the fiscal year ended June 30, 2009. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2009 are as follows:

- Net assets of governmental activities decreased \$177,813.
- General revenues accounted for \$6,623,619 in revenue or 63 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$3,809,995 or 37 percent of total revenues of \$10,433,614.
- The District had \$10,611,427 in expenses related to governmental activities; only \$3,809,995 of these expenses was offset by program specific charges for services, grants, contributions, and interest. General revenues of \$6,623,619 were not adequate to provide for these programs.
- Program expenses totaled \$10,611,427. Instructional expenses made up \$5,939,479 or 56 percent of this total while support services accounted for \$3,605,654, or 34 percent. Other expenses of \$1,066,294 rounded out the remaining 10 percent.
- The District's has two major funds: the General Fund and the Bond Retirement Debt Service Fund. The General Fund had \$7,667,608 in revenues and other financing sources and \$7,508,180 in expenditures and other financing uses. The General Fund's balance increased \$159,428. The Bond Retirement Debt Service Fund had \$98,760 in revenues and \$123,357 in expenditures. The Bond Retirement Debt Service Fund's balance decreased by \$24,597.

Using the Basic Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the District as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The statement of net assets and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's most significant funds with all other non-major funds presented in total in one column.

Reporting the District as a Whole

Statement of Net Assets and Statement of Activities

While this document contains information about the large number of funds used by the District to provide programs and activities for students, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2009?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

These two statements report the District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the statement of net assets and the statement of activities, all of the District's programs and services are reported as governmental activities including instruction, support services, operation of non-instructional services, bond service operations, and extracurricular activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund and the Bond Retirement Debt Service Fund.

Governmental Funds - Most of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is reconciled in the financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

The District as a Whole

Recall that the statement of net assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2009 compared to 2008.

**Table 1
Net Assets
Governmental Activities**

	2009	2008
<u>Assets</u>		
Current and Other Assets	\$2,649,896	\$2,389,530
Capital Assets, Net	14,691,045	15,219,682
Total Assets	17,340,941	17,609,212
<u>Liabilities</u>		
Other Liabilities	2,210,405	2,263,267
Long-Term Liabilities	1,480,679	1,518,275
Total Liabilities	3,691,084	3,781,542
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	13,890,990	14,344,690
Restricted	378,223	398,049
Unrestricted	(619,356)	(915,069)
Total	\$13,649,857	\$13,827,670

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2009, the District's assets exceeded liabilities by \$13,649,857. By comparing assets and liabilities, one can see the overall position of the District as evidenced by the decrease in net assets of \$177,813.

A portion of the District's net assets, \$378,223, represents resources that are subject to external restrictions on how they may be used. There remains a negative balance of unrestricted net assets of \$619,356, which is not sufficient to provide for the District's ongoing obligations to the students and creditors.

At fiscal year-end, capital assets represented 85 percent of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2009 were \$13,890,990. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets are not liquidated to reduce these liabilities.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2009. Comparisons to 2008 have been included, as follows:

**Table 2
Change in Net Assets
Governmental Activities**

	2009	2008
<u>Revenues</u>		
Program Revenues:		
Charges for Services and Sales	\$665,875	\$721,785
Operating Grants, Contributions and Interest	3,144,120	3,037,174
Total Program Revenues	3,809,995	3,758,959
General Revenues:		
Property Taxes	881,256	939,633
Income Taxes	5	96
Grants and Entitlements	5,650,039	5,490,795
Gifts and Donations	1,000	2,798
Investment Earnings	5,825	11,829
Miscellaneous	78,819	56,195
Insurance Recoveries		6,320
Gain on Sale of Capital Assets	6,675	500
Total General Revenues	6,623,619	6,508,166
Total Revenues	10,433,614	10,267,125
<u>Expenses</u>		
Instruction:		
Regular	3,479,640	3,598,837
Special	1,548,129	1,404,171
Vocational	76,593	61,821
Student Intervention Services	250,431	
Other	584,686	782,000
Support Services:		
Pupils	627,311	497,626
Instructional Staff	464,487	419,579
Board of Education	95,100	107,878
Administration	699,086	757,060
Fiscal	284,946	174,412
Operation and Maintenance of Plant	904,972	849,827
Pupil Transportation	514,860	626,254
Central	14,892	3,000
Non-Instructional	420,676	435,461
Extracurricular Activities	158,970	149,903
Unallocated Depreciation	447,145	447,833
Interest and Fiscal Charges	39,503	43,932
Total Expenses	10,611,427	10,359,594
Decrease in Net Assets	(\$177,813)	(\$92,469)

Net assets of the District's governmental activities decreased by \$177,813 in fiscal year 2009. Program revenues of \$3,809,995 and general revenue of \$6,623,619 did not offset total governmental expenses of \$10,611,427. Program revenues supported 37 percent of total governmental expenses.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 93 percent of total general revenue. Grants and entitlements, alone, represent 84 percent of revenues. Income taxes, interest income, and miscellaneous revenue account for the remaining 1 percent.

Instruction comprises approximately 56 percent of governmental program expenses. Additional supporting services for pupils, staff and business operations encompassed an additional 34 percent. The remaining 10 percent of program expenses is used for other obligations of the District such as non-instructional, extracurricular activities, capital outlay and interest and fiscal charges.

The statement of activities shows the cost of program services and the charges for services, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

**Table 3
Governmental Activities**

	<u>Total Cost of Services</u> <u>2009</u>	<u>Net Cost of Services</u> <u>2009</u>	<u>Total Cost of Services</u> <u>2008</u>	<u>Net Cost of Services</u> <u>2008</u>
Instruction:				
Regular	\$3,479,640	\$2,198,120	\$3,598,837	\$2,245,774
Special	1,548,129	461,484	1,404,171	419,616
Vocational	76,593	62,851	61,821	45,240
Student Intervention Services	250,431	250,431		
Other	584,686	584,686	782,000	782,000
Support Services:				
Pupils	627,311	150,029	497,626	104,842
Instructional Staff	464,487	44,925	419,579	(28,111)
Board of Education	95,100	95,100	107,878	107,878
Administration	699,086	699,086	757,060	757,060
Fiscal	284,946	284,946	174,412	174,412
Operation and Maintenance of Plant	904,972	859,120	849,827	803,975
Pupil Transportation	514,860	496,748	626,254	594,862
Central	14,892	14,892	3,000	3,000
Non-Instructional	420,676	22,248	435,461	10,542
Extracurricular Activities	158,970	90,118	149,903	87,780
Unallocated Depreciation	447,145	447,145	447,833	447,833
Interest and Fiscal Charges	39,503	39,503	43,932	43,932
Total Expenses	<u>\$10,611,427</u>	<u>\$6,801,432</u>	<u>\$10,359,594</u>	<u>\$6,600,635</u>

The dependence upon tax and other general revenues for governmental activities is apparent. Ohio law requires County Auditors to reappraise all real property every six years. In Athens County, the last reappraisal was completed in 2002. As a result of the latest update, the District's valuation increased approximately \$7,000,000. The next comprehensive reappraisal of property values will occur in 2009. Slow valuation appeals from existing property owners seeking to reduce their taxes usually by claiming market value decreases resulting from area economic factors. Local economic conditions, in fact, are the major reason that the District has not sought additional operating millage.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

The unique nature of property taxes in Ohio does not allow for revenue increases caused by inflationary growth of real property. Increases in valuation prompt corresponding annual reductions in the "effective millage," the tax rate applied to real property.

The District's Funds

The District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$10,503,189 and expenditures of \$10,222,460.

General Fund Budgeting Highlights

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

During the course of fiscal 2009, the District amended its General Fund budget, but not significantly. The District uses a modified site-based budgeting technique that is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final budget basis revenue was \$7,499,542, above original estimates of \$7,456,987. The \$42,555 difference was due to inflated intergovernmental estimates, based on the State's budget reduction.

The District's ending unobligated General Fund balance was \$409,435.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2009, the District had \$14,691,045 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2009 balances compared to 2008.

**Table 4
Capital Assets
(Net of Depreciation)**

	Governmental Activities	
	2009	2008
Land and Land Improvements	\$55,370	\$55,370
Buildings and Improvements	14,164,381	14,588,362
Furniture and Equipment	377,189	437,481
Vehicles	94,105	138,469
Totals	\$14,691,045	\$15,219,682

For additional information on capital assets, see the notes to the basic financial statements.

Debt

At June 30, 2009, the District had general obligation bonds outstanding of \$740,000 and \$60,055 in capital leases. The leases are for copiers. For additional information on debt, see the notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

Current Issues

The goal of the District continues to be to maintain the highest standards of service to our students, parents, and community. In keeping with its mission statement, the Board of Education has adopted a Comprehensive Continuous School Improvement Plan. The goal is ultimately to narrow the gap between the highest and lowest achieving students leading to total academic success.

The mission of the District is to ensure that all students reach their fullest potential by using the best physical and human resources in partnership with family and community. In order to meet the goals and mission stated above, it is imperative that the District's management and staff continue to carefully and prudently plan in order to provide the resources and education required to meet student needs over the next several years.

The financial future of the District is not without its challenges. These challenges are external and internal in nature. The internal challenges will continue to exist, as the District must rely heavily on local property taxes and State subsidies to fund its operations. Due to slow economic growth, the District does not foresee any sustainable growth in revenue from property taxes or State subsidies. Thus management must diligently plan expenses from the modest growth attained, staying carefully within its five-year forecast. Additional revenues from what was estimated must not be treated as a windfall to expand programs but as an opportunity to extend the time horizon of the five-year forecast.

Externally, the District is largely dependent on State funding sources (nearly 80 percent of the District's operating funds come from State foundation payments and other entitlements). State foundation revenue is fundamentally a function of student enrollment and a district's property tax wealth. The District has seen a slight decline in student enrollment in recent years and while State revenue growth has shifted toward school districts with low property tax wealth, declining enrollment has served to somewhat offset any increase in State funding.

Although higher per-pupil funding has helped the District lessen the impact of required budget cuts, much of the positive impact has been offset by other negative financial factors that occurred in the past year (decreasing enrollment, lower interest earnings, higher insurance costs, and State budget cuts in education). In the long run, the fact is that as long as the State avoids the complete systematic overhaul the Supreme Court ordered in its initial ruling, all schools in Ohio will be faced with the same problem in the future-either increasing its revenues (passing levies) or decreasing its expenditures (making budget cuts).

On the upside, the District has improved its financial position over the past several years, and has increased its cash balance carry-over in each of the last five years.

As the preceding information shows, the District depends upon its taxpayers. Although the District has tightened spending to better bring expenditures in line with revenues, and carefully watched financial planning, this must continue if the District hopes to remain on firm financial footing.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Cindy Rhonemus, Treasurer at Trimble Local School District, One Tomcat Drive, Glouster, Ohio 45732.
Tomcat Drive, Glouster, Ohio 45732.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Statement of Net Assets
June 30, 2009**

	Governmental Activities
Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 971,324
Cash and Cash Equivalents in Segregated Accounts	339
Materials and Supplies Inventory	40,216
Accounts Receivable	1,272
Intergovernmental Receivable	325,432
Taxes Receivable	1,311,313
Non-Depreciable Capital Assets	55,370
Depreciable Capital Assets, net	<u>14,635,675</u>
Total Assets	<u>17,340,941</u>
 LIABILITIES:	
Accounts Payable	1,007
Accrued Wages and Benefits	959,955
Intergovernmental Payable	234,938
Accrued Interest Payable	2,399
Deferred Revenue	1,012,106
Long-Term Liabilities:	
Due Within One Year	125,406
Due in More Than One Year	<u>1,355,273</u>
Total Liabilities	<u>3,691,084</u>
 NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	13,890,990
Restricted for Debt Service	377,416
Restricted for Capital Outlay	748
Restricted for Other Purposes	132,629
Unrestricted	<u>(751,926)</u>
Total Net Assets	<u>\$ 13,649,857</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Statement of Activities
For the Fiscal Year Ended June 30, 2009**

	Program Revenues		Net(Expense) Revenue and Changes in Net Assets	
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Governmental Activities	
Governmental Activities:				
Instruction:				
Regular	\$ 3,479,640	\$ 513,782	\$ 767,738	(2,198,120)
Special	1,548,129		1,086,645	(461,484)
Vocational	76,593		13,742	(62,851)
Student Intervention Services	250,431			(250,431)
Other	584,686			(584,686)
Support Services:				
Pupils	627,311		477,282	(150,029)
Instructional Staff	464,487		419,562	(44,925)
Board of Education	95,100			(95,100)
Administration	699,086			(699,086)
Fiscal	284,946			(284,946)
Operation and Maintenance of Plant	904,972		45,852	(859,120)
Pupil Transportation	514,860		18,112	(496,748)
Central	14,892			(14,892)
Operation of Non-Instructional Services	420,676	83,241	315,187	(22,248)
Extracurricular Activities	158,970	68,852		(90,118)
Unallocated Depreciation	447,145			(447,145)
Interest and Fiscal Charges	39,503			(39,503)
Totals	\$ 10,611,427	\$ 665,875	\$ 3,144,120	(6,801,432)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				783,462
Property Taxes, Levied for Debt Service				84,849
Property Taxes, Levied for Other				12,945
Income Taxes				5
Grants and Entitlements not Restricted to Specific Programs				5,650,039
Gifts and Donations				1,000
Investment Earnings				5,825
Miscellaneous				78,819
Gain on Sale of Capital Assets				6,675
Total General Revenues				6,623,619
Change in Net Assets				(177,813)
Net Assets Beginning of Year				13,827,670
Net Assets End of Year				\$ 13,649,857

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Balance Sheet
Governmental Funds
June 30, 2009**

	General Fund	Bond Retirement Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 414,122	\$ 342,238	\$ 214,964	\$ 971,324
Cash and Cash Equivalents in Segregated Accounts			339	339
Materials and Supplies Inventory	20,358		19,858	40,216
Accounts Receivable	189		1,083	1,272
Interfund Receivable	233			233
Intergovernmental Receivable			325,432	325,432
Taxes Receivable	1,094,720	199,051	17,542	1,311,313
Total Assets	\$ 1,529,622	\$ 541,289	\$ 579,218	\$ 2,650,129
Liabilities				
Current Liabilities:				
Accounts Payable	\$ 1,007		\$	\$ 1,007
Accrued Wages and Benefits	677,311		282,644	959,955
Interfund Payable			233	233
Intergovernmental Payable	179,040		55,898	234,938
Deferred Revenue	1,005,223	192,025	140,352	1,337,600
Total Liabilities	1,862,581	192,025	479,127	2,533,733
Fund Balances				
Reserved:				
Reserved for Encumbrances	3,675		6,092	9,767
Reserved for Property Taxes	89,497	7,026	1,421	97,944
Reserved for Unclaimed Monies	1,476			1,476
Unreserved, Designated for:	1,959			1,959
Unreserved, Undesignated, Reported in:				
General Fund	(429,566)			(429,566)
Special Revenue Funds			91,722	91,722
Debt Service Funds		342,238		342,238
Capital Projects Funds			856	856
Total Fund Balances	(332,959)	349,264	100,091	116,396
Total Liabilities and Fund Balances	\$ 1,529,622	\$ 541,289	\$ 579,218	\$ 2,650,129

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
June 30, 2009**

Total Governmental Fund Balances	\$	116,396
<p>Amounts reported for governmental activities on the statement of net assets are different because of the following:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.		14,691,045
Taxes and Grants Receivable that do not provide financial resources are not reported as revenues in governmental fund.		325,494
<p>Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:</p>		
Accrued Interest Payable	(2,399)	
General Obligation Bonds Payable	(740,000)	
Leases Payable	(60,055)	
Compensated Absences Payable	(680,624)	
	(1,483,078)	
Net Assets of Governmental Activities	\$	13,649,857

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

	<u>General Fund</u>	<u>Bond Retirement Fund</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Property and Other Local Taxes	\$ 760,227	\$ 80,624	\$ 12,573	\$ 853,424
Income Tax	5			5
Intergovernmental	6,268,336	18,136	2,503,566	8,790,038
Interest	5,825			5,825
Tuition and Fees	513,259			513,259
Rent	523			523
Extracurricular Activities			68,852	68,852
Gifts and Donations	1,000			1,000
Customer Sales and Services			83,241	83,241
Miscellaneous	34,230		44,589	78,819
Total Revenues	<u>7,583,405</u>	<u>98,760</u>	<u>2,712,821</u>	<u>10,394,986</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	2,972,823		474,219	3,447,042
Special	997,138		503,215	1,500,353
Vocational	78,239			78,239
Student Intervention Services	29,847		220,584	250,431
Other	613,881		(29,195)	584,686
Support Services:				
Pupils	162,924		465,758	628,682
Instructional Staff	55,505		396,795	452,300
Board of Education	95,100			95,100
Administration	666,847		38,560	705,407
Fiscal	288,991	3,023	429	292,443
Operation and Maintenance of Plant	864,949		45,883	910,832
Pupil Transportation	480,142		2,463	482,605
Central	14,892			14,892
Operation of Non-Instructional Services	123		404,593	404,716
Extracurricular Activities	90,599		67,619	158,218
Debt Service:				
Principal	67,465	85,000		152,465
Interest	4,715	35,334		40,049
Total Expenditures	<u>7,484,180</u>	<u>123,357</u>	<u>2,590,923</u>	<u>10,198,460</u>
Excess of Revenues Over (Under) Expenditures	<u>99,225</u>	<u>(24,597)</u>	<u>121,898</u>	<u>196,526</u>
OTHER FINANCING SOURCES AND USES:				
Transfers In			24,000	24,000
Proceeds from Sale of Capital Assets	6,675			6,675
Inception of Capital Lease	77,528			77,528
Transfers Out	(24,000)			(24,000)
Total Other Financing Sources and Uses	<u>60,203</u>	<u>0</u>	<u>24,000</u>	<u>84,203</u>
Net Change in Fund Balances	159,428	(24,597)	145,898	280,729
Fund Balance (Deficit) at Beginning of Year	(492,387)	373,861	(45,807)	(164,333)
Fund Balance (Deficit) at End of Year	<u>\$ (332,959)</u>	<u>\$ 349,264</u>	<u>\$ 100,091</u>	<u>\$ 116,396</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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

Net Change in Fund Balances - Total Governmental Funds \$ 280,729

Amounts reported for governmental activities on the statement of activities are different because of the following:

Governmental funds report capital outlay as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current year.

Capital Outlay - Depreciable Capital Assets	55,083	
Depreciation	<u>(583,720)</u>	
		(528,637)

Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Intergovernmental	4,121	
Income Taxes	-	
Delinquent Property Taxes	<u>27,832</u>	
		31,953

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statements of activities. 152,465

In the statement of activities interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is expended when due. 546

Some expenses reported on the statement of activities, such as compensated absences do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds:

Compensated Absences Payable		(37,341)
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Other financing sources in the governmental funds increase long-term liabilities in the statement of net assets.

Inception of Capital Lease		(77,528)
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Change in Net Assets of Governmental Activities		\$ <u><u>(177,813)</u></u>
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See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Fiscal Year Ended June 30, 2009**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 734,000	\$ 734,963	\$ 738,426	\$ 3,463
Income Tax		5	5	0
Intergovernmental	6,220,000	6,233,874	6,268,336	34,462
Interest	8,000	6,967	5,841	(1,126)
Tuition and Fees	488,453	489,026	513,273	24,247
Rent	500	500	523	23
Gifts and Donations	1,034	1,034	1,000	(34)
Miscellaneous	5,000	10,692	10,724	32
Total Revenues	<u>7,456,987</u>	<u>7,477,061</u>	<u>7,538,128</u>	<u>61,067</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	2,992,274	2,978,434	2,938,275	40,159
Special	978,006	992,767	975,186	17,581
Vocational	79,498	79,535	77,972	1,563
Student Intervention Services	31,810	37,410	29,847	7,563
Other	506,200	642,700	614,375	28,325
Support Services:				
Pupils	73,953	163,537	161,262	2,275
Instructional Staff	49,995	68,436	53,875	14,561
Board of Education	116,300	117,300	94,874	22,426
Administration	719,674	729,474	717,801	11,673
Fiscal	286,476	299,976	289,274	10,702
Operation and Maintenance of Plant	885,975	891,475	892,304	(829)
Pupil Transportation	545,975	539,675	504,115	35,560
Central	12,000	31,712	14,892	16,820
Operation of Non-Instructional Services:				
Community Services		0	123	(123)
Extracurricular Activities	95,450	95,450	91,348	4,102
Total Expenditures	<u>7,373,586</u>	<u>7,667,881</u>	<u>7,455,523</u>	<u>212,358</u>
Excess of Revenues Over (Under) Expenditures	<u>83,401</u>	<u>(190,820)</u>	<u>82,605</u>	<u>273,425</u>
Other Financing Sources and Uses:				
Proceeds from Sale of Capital Assets		250	6,675	6,425
Refund of Prior Year Expenditures		22,231	23,506	1,275
Transfers Out	(5,000)	(25,000)	(24,000)	1,000
Total Other Financing Sources and Uses	<u>(5,000)</u>	<u>(2,519)</u>	<u>6,181</u>	<u>8,700</u>
Net Change in Fund Balances	78,401	(193,339)	88,786	282,125
Fund Balance (Deficit) at Beginning of Year	301,479	301,479	301,479	0
Prior Year Encumbrances Appropriated	19,170	19,170	19,170	0
Fund Balance (Deficit) at End of Year	<u>\$ 399,050</u>	<u>\$ 127,310</u>	<u>\$ 409,435</u>	<u>\$ 282,125</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009**

	<u>Private Purpose Trust</u>	<u>Agency Fund</u>
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 20,258	\$ 5,952
Investments	<u>17,778</u>	<u>5,952</u>
Total Assets	<u>38,036</u>	<u>5,952</u>
Liabilities:		
Current Liabilities:		
Undistributed Monies	<u>0</u>	<u>5,952</u>
Total Liabilities	<u>0</u>	<u>5,952</u>
Net Assets:		
Held in Trust for Scholarships	<u>38,036</u>	<u>0</u>
Total Net Assets	<u>\$ 38,036</u>	<u>\$ 0</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
For the Fiscal Year Ended June 30, 2009**

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Contributions	\$ 895
Interest	<u>1,611</u>
Total Additions	<u>2,506</u>
Deductions:	
Payments in Accordance with Trust Agreements	<u>1,750</u>
Total Deductions	<u>1,750</u>
Change in Net Assets	756
Net Assets Beginning of Year	<u>37,280</u>
Net Assets End of Year	<u>\$ 38,036</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009**

1. Description of the District and Reporting Entity

Trimble Local School District (the District) is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. This Board of Education controls the District's three instructional/support facilities staffed by 48 classified employees, 76 certificated teaching personnel, and 5 administrators, who provide services to 804 students and other community members.

Reporting Entity

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

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

The District participates in the Southeast Ohio Voluntary Education Consortium, the Tri-County Career Center, and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations, and the Sheakley Uniservice Workers' Compensation Group Rating Program, the Ohio School Plan, and the Athens County School Employee Health and Welfare Benefit Association which are defined as insurance purchasing pools. These organizations are discussed in Notes 14 and 15.

2. Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements - The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds.

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

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

B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds used by the District can be classified using two categories, governmental and fiduciary.

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

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

Bond Retirement Debt Service Fund - The Bond Retirement Debt Service Fund accounts for the accumulation of resources and the payment of, principal and interest on long-term debt and related costs.

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

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

Fiduciary Funds - Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District's trust funds are private purpose trust funds which account for college scholarship programs for students. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency fund accounts for student activities.

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

Fund Financial Statements

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

The private-purpose trust funds are reported using the economic resources measurement focus.

D. Basis of Accounting

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

Revenues - Exchange and 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 District, available means expected to be received within sixty days of fiscal year end.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from 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 fees, 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, 2009, but which were levied to finance fiscal year 2010 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

Expenses/Expenditures

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

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

E. Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents."

The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The District has a segregated bank account for athletic monies held separate from the District's central bank account. This non-interest bearing depository account is presented as cash and cash equivalents in segregated accounts since it is not deposited in the District Treasury.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

Except for nonparticipating investment contracts, investments are reported as 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.

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAR Ohio) during fiscal year 2009. STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2009.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2009 amounted to \$5,825, which includes \$4,310 assigned from other District funds.

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

F. Restricted Assets

Assets are reported as restricted when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other government, or imposed by enabling legislation. Restricted assets include amounts required by State Statute to be set-aside by the District for textbooks.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

H. Inventory

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used. Inventories consist of expendable supplies held for consumption and donated commodities held for resale.

I. Capital Assets

All of the District's only capital assets are general capital assets resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of five hundred dollars. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	50 years
Furniture and Equipment	5 - 20 years
Vehicles	8 years

J. Interfund Transactions

Transfers within governmental activities are eliminated on the government-wide financial statements.

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

K. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means.

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

L. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds are recognized as a liability on the governmental fund financial statements when due.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

M. Fund Balance Reserves

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

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute.

N. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated on the statement of net assets.

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. Designated Fund Balance

Designations represent tentative plans for future use of financial resources. The District has a designation of fund balance on the balance sheet for money set aside for capital maintenance in excess of statutory requirements.

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include activities for food service operations and federal and state grants restricted to expenditure for specified purposes. None of the District's restricted net assets were restricted by enabling legislation.

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

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

S. Budgetary Process

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

The certificate of estimated resources may be amended during the fiscal year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate in effect when final appropriations for the fiscal year were passed.

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

3. Budgetary Basis of Accounting

While the District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis) presented for the General Fund 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 (modified accrual) basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).
4. Advances-In and Advances-Out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

3. Budgetary Basis of Accounting (Continued)

The following tables summarize the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements.

Net Change in Fund Balance Major Governmental Fund	
	<u>General</u>
GAAP Basis	\$159,428
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2008, Received In Cash FY 2009	67,915
Accrued FY 2009, Not Yet Received in Cash	(190,720)
Expenditure Accruals:	
Accrued FY 2008, Paid in Cash FY 2009	(881,189)
Accrued FY 2009, Not Yet Paid in Cash	938,034
Encumbrances Outstanding at Year End (Budget Basis)	(4,682)
Budget Basis	\$88,786

4. 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 School District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

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

1. United States treasury notes, bills, bonds, or other obligations of or securities issued by the United States treasury or any other obligation guaranteed as to the payment of principal and interest by the United States;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

4. Deposits and Investments (Continued)

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. Interim deposits in the eligible institutions applying for interim money as provided in section 135.08 of the Revised Code;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;
9. Linked deposits as authorized by ordinance adopted pursuant to section 135.80 of the Revised Code;
10. Commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars, and to which notes are rated at the time of purchase in the highest classification established by at least two standard rating services; the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation; the notes mature no later than one hundred eighty days after purchase; and
11. Bankers' acceptances of banks that are members of the federal deposit insurance corporation to which obligations both the following apply: obligations are eligible for purchase by the federal reserve system and the obligations mature no later than one hundred eighty days after purchase.

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

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.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

4. Deposits and Investments (Continued)

Deposits Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The School District's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateral of public funds.

As of June 30, 2009, the School District's bank balance of \$822,993 was either covered by the FDIC or collateralized by the financial institutions' public entity deposit pools in the manner described above.

Investments As of June 30, 2009, the District had \$244,653 invested in STAR Ohio.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates and according to state law, the District's investment policy limits investment portfolio maturities to five years or less.

Credit Risk - STAR Ohio carries a rating of AAAM by Standard and Poor's. The District has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The District's investment policy allows the eligible securities as described in the Ohio Revised Code.

Custodial Credit Risk - For investments, custodial credit risk is the risk that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities in the possession of an outside party. District policy provides that investment collateral is held by the counter party as trust department or agent, and may be held in the name of the District or not.

5. Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year. Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar year 2009 for real and public utility property taxes represents collections of calendar year 2008 taxes. Property tax payments received during calendar year 2009 for tangible personal property (other than public utility property) are for calendar year 2008 taxes. 2009 real property taxes are levied after April 1, 2009, on the assessed value as of January 1, 2009, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2009 real property taxes are collected in and intended to finance fiscal year 2010.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

5. Property Taxes (Continued)

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2009 public utility property taxes became a lien December 31, 2008, are levied after April 1, 2009 and are collected in 2010 with real property taxes. 2009 tangible personal property taxes are levied after April 1, 2009, on the value as of December 31, 2008. Collections are made in calendar year 2010. Tangible personal property assessments are six and one-quarter percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, 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 semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

Ohio House Bill No. 66 was signed into law on June 30, 2005. House Bill No. 66 phases out the tax on tangible personal property of general businesses, telephone and telecommunications companies, and railroads. The tax on general business and railroad property will be eliminated by calendar year 2009, and the tax on telephone and telecommunications property will be eliminated by calendar year 2011. The tax is phased out by reducing the assessment rate on the property each year. The bill replaces revenue lost by the School District due to the phasing out of the tax. In calendar years 2006 through 2010, the School District will be fully reimbursed at the level of calendar year 2004 assessed values for the lost revenue. In calendar years 2011 through 2017, the reimbursements will be phased out.

The assessed values upon which the fiscal year 2009 taxes were collected are:

	2008 Second Half Collections		2009 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property	\$34,704,690	91%	\$38,486,860	92%
Public Utility Tangible Personal Property	2,843,190	8%	2,722,800	7%
Tangible Personal Property	446,555	1%	431,660	1%
Total	\$37,994,435	100%	\$41,641,320	100%
Tax Rate per \$1,000 of Assessed Valuation	\$31.77		\$31.77	

The School District receives property taxes from Athens and Morgan Counties. The 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, 2009, are available to finance fiscal year 2009 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2009 and for which there is an enforceable legal claim.

Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The amount available as an advance is recognized as revenue.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

5. Property Taxes (Continued)

The amount available as an advance at June 30, 2009, was \$89,497 in the General Fund, \$7,026 in the Bond Retirement Fund, and \$1,421 in the Special Revenue Fund.

6. Receivables

Receivables at June 30, 2009, consisted of property taxes, accounts, interfund, and intergovernmental grants. 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 fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Ohio Reads	\$7,559
Title VI-B Idea	26,085
Title I	148,867
Title V	2,075
Drug Free Schools	396
Handicapped Preschool	3,121
Miscellaneous Federal Grants	137,329
Total	<u>\$325,432</u>

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

7. Capital Assets

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

	<u>Balance at 6/30/08</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at 6/30/09</u>
Capital Assets:				
Nondepreciable Capital Assets:				
Land	\$55,370			\$55,370
Depreciable Capital Assets:				
Land Improvements	638,185			638,185
Buildings and Improvements	20,797,756	14,500		20,812,256
Furniture, Fixtures, and Equipment	1,643,385	40,583	2,300	1,681,668
Vehicles	849,470			849,470
Total Depreciable Capital Assets	<u>23,928,796</u>	<u>55,083</u>	<u>2,300</u>	<u>23,981,579</u>
Less Accumulated Depreciation:				
Land Improvements	638,185			638,185
Buildings and Improvements	6,209,394	438,481		6,647,875
Furniture and Equipment	1,205,904	100,875	2,300	1,304,479
Vehicles	711,001	44,364		755,365
Total Accumulated Depreciation	<u>8,764,484</u>	<u>583,720</u>	<u>2,300</u>	<u>9,345,904</u>
Depreciable Capital Assets, Net	<u>15,164,312</u>	<u>(528,637)</u>	<u>0</u>	<u>14,635,675</u>
Capital Assets, Net	<u>\$15,219,682</u>	<u>(\$528,637)</u>	<u>\$0</u>	<u>\$14,691,045</u>

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$21,755
Special	10,238
Vocational	1,144
Support Services:	
Pupil	5,291
Instructional Staff	26,860
Administration	3,649
Fiscal	576
Operation and Maintenance of Plant	8,340
Pupil Transportation	42,154
Operation of Non-Instructional Services	15,816
Extracurricular Activities	752
Unallocated Depreciation	447,145
Total Depreciation Expense	<u>\$583,720</u>

8. Risk Management

The 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. The District joined together with other school districts in Ohio to participate in the Metropolitan Education Council Liability, Fleet, and Property Program, a public entity insurance purchasing pool.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

8. Risk Management (Continued)

Each individual school district enters into an agreement with the Metropolitan Education Council and its premium is based on types of coverage, limits of coverage, and deductibles that is selects. The District pays this annual premium to the Ohio School Plan (Note 15).

The types and amounts of coverage provided by the Ohio School Plan are as follows:

<u>Property</u>	<u>Deductible</u>	<u>Limits of Coverage</u>
General Liability:		
Each Occurrence	Nil	\$1,000,000
Aggregate Limit		3,000,000
Educator's Legal Liability	\$2,500	1,000,000
Employment Practices	2,500	1,000,000
Fiduciary Liability Employment Benefits Liability	2,500	1,000,000
Employers Liability	Nil	1,000,000
Excess Over All Liability Lines		3,000,000
Property District Values by Statement	1,000	27,866,669
Boiler and Machinery	1,000	27,866,669
Crime – Money and Securities	1,000	25,000
Crime – Employee Theft	1,000	50,000
Fleet		4,000,000
Physical Damage	1,000	

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from fiscal year 2009.

9. Defined Benefit Pension Plans

A. School Employee Retirement System

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2009, 9.09 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

9. Defined Benefit Pension Plans (Continued)

Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2009, 2008 and 2007 were \$150,556, \$142,587 and \$159,955 respectively; 51 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

B. State Teachers Retirement System

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

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

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

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

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2009, 2008, and 2007 were \$587,683, \$568,457, and \$538,476 respectively; 85 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007. Contributions to the DC and Combined Plans for fiscal year 2009 were \$7,712 made by the District and \$3,617 made by the plan members.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

9. Defined Benefit Pension Plans (Continued)

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2009, all members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

10. Postemployment Benefits

A. School Employee Retirement System

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

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

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

The District's contributions for health care for the fiscal years ended June 30, 2009, 2008, and 2007 were \$68,704, \$65,067, and \$62,604 respectively; 51 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2009, this actuarially required allocation was 0.75 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2009, 2008, and 2007 were \$10,848, \$10,274, and \$9,885, respectively; 51 percent has been contributed for fiscal year 2009 and 100 percent for fiscal years 2008 and 2007.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

10. Postemployment Benefits (Continued)

B. State Teachers Retirement System

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. Of the 14 percent employer contribution rate, 1 percent of covered payroll was allocated to post-employment health care for the years ended June 30, 2009, 2008 and 2007. The 14 percent employer contribution rate is the maximum rate established under Ohio Law. For the School District, these amounts equaled \$45,206, \$43,727, and \$41,421 for fiscal years 2009, 2008, and 2007, respectively.

11. Employee Benefits

A. Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty days of vacation per year, depending upon length of service. Accumulated, unused vacation time is paid to classified employees and administrators upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. There is no limit to sick leave accrual. Upon retirement, payment is made for one-fourth of accrued, but unused sick leave credit to a maximum of 50 days for certified employees and 45 days for classified employees.

B. Insurance Benefits

The District provides health and major medical insurance for all eligible employees. The District pays 88 percent of the total monthly premiums of \$1,429 for family coverage and 93.5 percent of \$535 for single coverage for certified employees. The District pays 91.25 percent of the total monthly premiums of \$1,429 for family coverage and 96.75 percent of \$535 for single coverage for classified employees. Premiums are paid from the same funds that pay the employees' salaries. The District also provides prescription drug insurance to its employees through Anthem Blue Cross/Blue Shield. This plan utilizes a \$5 per generic prescription and \$12 per brand name prescription deductible.

The District provides life insurance to employees through Fort Dearborn in the amount of \$10,000 for all employees.

Dental coverage is provided through CoreSource. Monthly premiums are \$47.41 for all employees.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

12. Capitalized Leases

During 2009 and in previous fiscal years, the District has entered into lease agreements for copiers. These lease obligations meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the fund financial statements. Principal payments in fiscal year 2009 totaled \$17,473 in the governmental funds. The capital leases payable have been recorded on the government-wide statements. The agreements provide for minimum annual rental payments as follows:

Fiscal Year	Amount
2010	\$29,585
2011	29,585
2012	7,396
Total	66,566
Less: Amount Representing Interest	(6,511)
Present Value of Net Minimum Lease Payments	\$60,055

The equipment has been capitalized in the amount of \$77,528, the present value of the minimum lease payments at the inception of the lease. The accumulated depreciation as of June 30, 2009, was \$5,538, leaving a remaining book value of \$71,990.

13. Long-Term Obligations

Changes in long-term obligations during fiscal year 2009 were as follows:

	Principal Outstanding 6/30/08	Additions	Deductions	Balance at 6/30/09	Due Within One Year
Governmental Activities:					
2006 4.09 % Bond Refinancing Issue	\$635,000		\$10,000	\$625,000	\$10,000
2000 6.322% Classroom Facilities Bonds	100,000		30,000	70,000	35,000
1985 9.75% School Facilities Bonds	90,000		45,000	45,000	45,000
Total General Obligation Bonds	825,000		85,000	740,000	90,000
Capital Leases	49,992	\$77,528	67,465	60,055	25,202
Compensated Absences	643,283	680,624	643,283	680,624	10,204
Total Governmental Activities Long-Term Obligations	\$1,518,275	\$758,152	\$795,748	\$1,480,679	\$125,406

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

13. Long-Term Obligations (Continued)

Classroom Facilities General Obligation Bonds – The District issued obligation bonds for \$968,000 as a result of the District being approved for a \$12,601,001 school facilities grant through the Ohio School Facilities Commission for a new addition to and reconstruction of the elementary/middle school and reconstruction of the high school. The District issued the bonds on May 15, 2000, to provide the required local match for the school facilities loan. As a requirement of the loans, the District was required to pass a 3.02 mill levy. 2.52 mills will be used to repay the debt issue, which provided the matching funds required of the District. The remaining .5 mills are used for facilities maintenance.

School Facilities General Obligation Bonds – The District issued general obligation bonds for \$955,000 as a result of the District being approved for a \$4,327,815 school facilities grant through the Ohio School Facilities Commission for the construction of a new high school. The District issued the bonds on October 1, 1985, to provide the required local match for the school facilities loan. As a requirement of the loans, the District was required to pass a 2.5 mill levy. 2 mills will be used to repay the debt issue, which provided the matching funds required of the District. The remaining .5 mill is used for facilities maintenance.

Refinancing Bonds – The District issued general obligation bonds for \$645,000. The bond proceeds were used to retire a portion of the 2000 classroom facilities bonds. The bonds were issued on November 8, 2006 with an interest rate of 4.09 percent. The bonds included current interest bonds of \$610,000 and capital appreciation bonds of \$35,000.

Principal and interest requirements to retire the General Obligation Bonds outstanding at June 30, 2009, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$90,000	\$28,796	\$118,796
2011	45,000	24,290	69,290
2012	45,000	22,293	67,293
2013	50,000	20,535	70,535
2014	50,000	18,685	68,685
2015-2019	205,000	154,861	359,861
2020-2023	255,000	22,419	277,419
Total	<u>\$740,000</u>	<u>\$291,879</u>	<u>\$1,031,879</u>

Capital leases will be paid from the General Fund. Compensated absences will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund, Food Service, Disadvantaged Pupil Impact Aid, Title VI-B Idea, Title I, Handicapped Preschool, and the Title II-A Special Revenue Funds.

The District's overall legal debt margin was \$2,777,068, with an unvoted debt margin of \$390,785 at June 30, 2009.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

14. Jointly Governed Organizations

C. Southeast Ohio Voluntary Educational Consortium

The Southeast Ohio Voluntary Education Consortium (SEOVEC) was created as a regional council of governments pursuant to State statutes. SEOVEC is a computer consortium formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. SEOVEC has 30 participants consisting of 26 school districts and 4 educational service centers. SEOVEC is governed by a board, which is selected by the member districts. SEOVEC possesses its own budgeting and taxing authority. The District paid SEOVEC \$24,738 for services provided during the fiscal year. To obtain financial information write to the Southeast Ohio Voluntary Educational Consortium, Treasurer, at 221 North Columbus Road, Athens, Ohio 45701.

D. Tri-County Career Center

The Tri-County Career Center is a district political subdivision of the State of Ohio operated under the direction of a Board consisting of eleven appointed representatives from the eight participating school districts. The Board possesses its own budgeting and taxing authority. To obtain financial information write to the Tri-County Career Center, Laura F. Dukes, CPA, Treasurer, at 15676 State Route 691, Nelsonville, Ohio 45764.

E. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools (the Coalition) consists of over one hundred school districts in southeastern Ohio. The Coalition is operated by a fourteen member Board which consists of one superintendent from each County elected by the school districts within that County. The Council provides various services for school district administrative personnel; gathers data regarding conditions of education in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent upon the continued participation of the District and the District does not maintain an equity interest in or a financial responsibility for the Coalition. The District paid the Coalition \$300 for services provided during the year.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

15. Insurance Purchasing Pool

A. Sheakley Workers' Compensation Group Rating Program

The District is a member of the Sheakley Workers' Compensation Group Rating Program established in April 2004. The program was created by the Ohio Association of School Business Officials as a result of the Workers' Compensation group rating plan as defined in section 4123.29, of the Ohio Revised Code. The group-rating plan will allow school districts to group together to potentially achieve a lower premium rate than they may otherwise be able to acquire as individual employers.

B. Ohio School Plan

The District belongs to the Ohio School Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 400 Ohio schools ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, general liability, educator's legal liability, automobile, and violence coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's specific deductible.

The Plan issues its own policies and reinsures the Plan with reinsurance carriers. Only if the Plan's paid liability loss ratio exceeds 65 percent and is less than 80 percent does the Plan contribute to paid claims. (See the Plan's audited financials statements on the website for more details.) The individual members are responsible for their self-retention (deductible) amounts, which vary from member to member.

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2008 and 2007:

	2008	2007
Assets	\$3,273,989	\$2,646,185
Liabilities	1,873,157	1,621,941
Members' Equity	1,400,832	1,024,244

You can read the complete audited financial statements for The Ohio School Plan at the Plan's website, www.ohioschoolplan.org.

C. Athens County School Employee Health and Welfare Benefit Association

The District is a participant in a consortium of seven districts to operate the Athens County School Employee Health and Welfare Benefit Association. The Association was created to provide health care and dental benefits for the employees and eligible dependents of employees of participating districts. The Association has contracted with Anthem Insurance Company to be the health care provider for medical benefits as well as to provide aggregate and specific stop loss insurance coverage, and Coresource to provide administration for its dental benefits. The Association is governed by a board of directors consisting of one representative from each of the participating districts. Financial information for the Association can be obtained from the administrators at Combs & Associates, P.O. Box 98, Dola, Ohio 45835.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

16. Interfund Activity and Balances

A. Transfers

Transfers made during fiscal year 2009 were as follows:

Transfer from	Transfer to Other Nonmajor Governmental
General Fund	\$24,000

B. Interfund Balances

Interfund Balances at June 30, 2009, consisted of the following for services provided by the General Fund:

	Interfund Receivables	Interfund Payables
General Fund	\$233	
Special Revenue Funds:		
Athletics		\$233
Total All Funds	\$233	\$233

17. Contingencies

A. Grants

The District receives 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 are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2009.

B. Litigation

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

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2009
(Continued)**

18. Set-Aside Calculations

The District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

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

	Textbooks	Capital Acquisition
Set-aside Reserve Balance as of June 30, 2008	\$14,026	
Current Year Set-aside Requirement	116,032	\$116,032
Current Year Offsets		(61,365)
Qualifying Disbursements	(136,814)	(114,642)
Totals	(\$6,756)	(\$59,975)
Set-Aside Balance Carried Forward to Future Fiscal Years	(\$6,756)	0

The District had qualifying expenditures during the previous fiscal years that reduced the capital improvement set-aside amounts below zero. These extra amounts may be used to reduce the set-aside requirements of future fiscal years.

19. Fund Deficits

The following funds had deficit fund balances at June 30, 2009:

	Deficit
General Fund	\$332,959
Special Revenue Funds:	
Food Service	25,713
Ohio Reads	13,927
Poverty Aid	71,032
Title VI	20,403
Drug Free Schools	42
Title II-A	14,938

These deficits resulted from the recognition of deferred revenue on grants and payables in accordance with Generally Accepted Accounting Principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Trimble Local School District
Athens County
Schedule of Federal Awards Receipts and Expenditures
For the Year Ended June 30, 2009

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Disbursements
United States Department of Agriculture				
<i>Passed through Ohio Department of Education</i>				
<i>Nutrition Cluster:</i>				
National School Lunch	LLP4	10.555	\$ 184,922	\$ 184,922
National School Breakfast	N/A	10.553	<u>121,097</u>	<u>121,097</u>
Total Nutrition Cluster			<u>306,019</u>	<u>306,019</u>
Total United States Department of Agriculture			306,019	306,019
United States Department of Education				
<i>Passed through Ohio Department of Education</i>				
Title I Grants to Local Education Agencies	C1S1	84.010	542,962	553,096
<i>Special Education Cluster:</i>				
Special Education Grants to States	6BSF	84.027	269,243	263,497
Special Education Preschool Grants	PGS1	84.173	<u>10,102</u>	<u>11,244</u>
Total Special Education Cluster			<u>279,345</u>	<u>274,741</u>
Safe & Drug Free Schools and Communities - State Grants	DRS1	84.186	6,610	6,610
School Grants for Innovative Programs	C2S1	84.298	79	-
Education Technology Quality - State Grants	TJS1	84.318	5,228	5,728
Rural Education Grants	N/A	84.358	21,990	22,468
Improving Teacher Quality - State Grants	TRS1	84.367	<u>90,802</u>	<u>90,806</u>
Total Passed through Ohio Department of Education			<u>947,016</u>	<u>953,449</u>
<i>Direct Program</i>				
Safe and Drug Free Schools and Communities - National Programs Grants to Reduce Alcohol Abuse		84.184A	<u>305,354</u>	<u>305,354</u>
Total United States Department of Education			1,252,370	1,258,803
Total Federal Financial Assistance			<u>\$ 1,558,389</u>	<u>\$ 1,564,822</u>

N/A - Not Available

See accompanying notes to the Schedule of Federal Awards Expenditures

Trimble Local School District
Notes to Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2009

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of federal awards receipts and expenditures is a summary of the activity of the District's federal award programs. The schedule has been prepared on the cash basis of accounting.

NOTE B – CHILDNUTRITION CLUSTER

Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first.



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS Required by *GOVERNMENT AUDITING STANDARDS*

Members of the Board
Trimble Local School District
One Tomcat Drive
Glouster, Ohio 45732

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trimble Local School District, Athens County (the School District) as of and for the year ended June 30, 2009, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

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

We noted a certain matter that we reported to the School District's management in a separate letter dated December 18, 2009.

Members of the Board

Compliance and Other Matters

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

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



Balestra, Harr & Scherer, CPAs, Inc.

December 18, 2009



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

Members of the Board
Trimble Local School District
One Tomcat Drive
Glouster, Ohio 45732

Compliance

We have audited the compliance of the Trimble Local School District (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 apply to its major federal program for the year ended June 30, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the School District's major federal program. The School District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the 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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the 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 of 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 apply to its major federal program for the year ended June 30, 2009.

Internal Control Over Compliance

The School District's management 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 directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

Members of the Board

Trimble Local School District

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

Page 2

Internal Control Over Compliance (Continued)

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

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

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

We intend this report solely for the information and use of the management, Board of Education, federal awarding agencies, and pass-through entities. It is no intended for anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

December 18, 2009

TRIMBLE LOCAL SCHOOL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

1. SUMMARY OF AUDITOR' S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant internal control conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Program' s Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under section .510?	No
(d)(1)(vii)	Major Programs (list):	Title I Grants to Local Education Agencies- CFDA# 84.010
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

TRIMBLE LOCAL SCHOOL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
 (CONTINUED)

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

Finding Number	None
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3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding Number	None
CFDA Title and Number	
Federal Award Number/Year	
Federal Agency	
Pass-Through Agency	

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Independent Auditor’s Report on Applying Agreed-Upon Procedures

Trimble Local School District
One Tomcat Drive
Glouster, Ohio 45732

To the Board of Education:

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

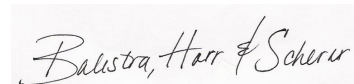
Accordingly, we have performed the procedures enumerated below, which were agreed to by the Board, solely to assist the Board in evaluating whether Trimble Local School District (the District) has adopted an anti-harassment policy in accordance with Ohio Rev. Code Section 3313.666. Management is responsible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

1. We noted the Board adopted an anti-harassment policy at its meeting on
2. We read the policy, noting it included the following requirements from the Ohio Rev. Code Section 3313.666(B)
 - 1) A statement prohibiting harassment, intimidation, or bullying of any student on school property or at school-sponsored events;
 - 2) A definition of harassment, intimidation, or bullying that includes the definition in division (A) of Ohio Rev. Code Section 3313.66;
 - 3) A procedure for reporting prohibited incidents;
 - 4) A requirement that school personnel report prohibited incidents of which they are aware to the school principal or other administrator designated by the principal;
 - 5) A requirement that parents or guardians of any student involved in a prohibited incident be notified and, to the extent permitted by section 3319.321 of the Revised Code and the “Family Educational Rights and Privacy Act of 1974,” 88 Stat. 571, 20 U.S.C. 1232q, as amended, have access to any written reports pertaining to the prohibited incident;

- 6) A procedure for documenting any prohibited incident that is reported;
- 7) A procedure for responding to and investigating any reported incident;
- 8) A strategy for protecting a victim from additional harassment, intimidation, or bullying, and from retaliation following a report;
- 9) A disciplinary procedure for any student's rights under the first amendment to the Constitution of the United State;
- 10) A requirement that the district administration semiannually provide the president of the district board a written summary of all reported incidents and post the summary on its web site, if the district has a web site, to the extent permitted by section 3319.321 of the Revised Code and the "Family Educational Rights and Privacy Act of 1974," 88 Stat. 571, 20 U.S.C. 1232q, as amended.

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

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



Balestra, Harr & Scherer, CPAs, Inc.

December 18, 2009



Mary Taylor, CPA
Auditor of State

TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 23, 2010