

Trimble Local School District
Athens County, Ohio

Single Audit

July 1, 2009 through June 30, 2010
Fiscal Years Audited Under GAGAS: 2010



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639
9076 Ohio River Road, Wheelersburg, Ohio 45694 Phone: 740.876.9121 Fax: 800.210.2573



Dave Yost • 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, 2009 through June 30, 2010. 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.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

April 13, 2011

This Page is Intentionally Left Blank.

Trimble Local School District
Basic Financial Statements
For the Fiscal Year Ended June 30, 2010

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities.....	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of Total Governmental Funds Balances To Net Assets of Governmental Activities	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	15
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual – General Fund	16
Statement of Revenues, Expenditures and Changes in Fund Balance Budget (Non-GAAP Basis) and Actual Title I Fund.....	17
Statement of Fiduciary Net Assets – Fiduciary Funds	18
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund	19
Notes to the Basic Financial Statements	20
Schedule of Federal Awards Receipts and Expenditures.....	45
Notes to the Schedule of Federal Awards Receipts and Expenditures.....	46
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i>	47
Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133	49
Schedule of Findings – OMB Circular A-133, § .505.....	51



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 Trimble Local School District, Athens County, Ohio, (the School District), as of and for the year ended June 30, 2010, 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.

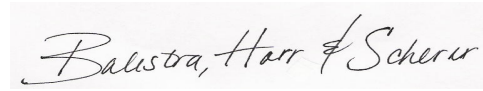
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform 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 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 Trimble Local School District, Athens County, Ohio, as of June 30, 2010, and the respective changes in financial position thereof, and the respective budgetary comparisons for the General Fund and Title I 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 March 11, 2011, 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.

We conducted our audit to opine on the financial statements that collectively comprise the School District's basic financial statements taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Receipts and 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.
March 11, 2011

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
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, 2010. 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 2010 are as follows:

- Net assets of governmental activities increased \$623,769.
- General revenues accounted for \$7,413,915 or 61 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$4,686,663 or 39 percent of total revenues of \$12,100,578.
- The District had \$11,476,809 in expenses related to governmental activities; only \$4,686,663 of these expenses was offset by program specific charges for services, grants, contributions, and interest. General revenues of \$7,413,915 were not adequate to provide for these programs.
- Program expenses totaled \$11,476,809. Instructional expenses made up \$6,383,917 or 56 percent of this total while support services accounted for \$3,973,903, or 35 percent. Other expenses of \$1,118,989 rounded out the remaining 9 percent.
- The District's has three major funds: the General Fund, the Building Construction Fund and the Title I Fund. The General Fund had \$7,799,077 in revenues and \$7,821,046 in expenditures and other financing uses. The General Fund's balance decreased \$21,969. The Building Construction Fund had \$663,566 in revenues and \$8,040 in expenditures. The Building Construction Fund balance increased by \$655,526. The Title I Fund had \$765,191 in revenues and \$972,330 in expenditures. The Title I Fund Balance decreased by \$207,139.

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 2010?" 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, 2010
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 the Building Construction Fund and the Title I 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, 2010
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 2010 compared to 2009.

**Table 1
Net Assets
Governmental Activities**

	2010	2009
<u>Assets</u>		
Current and Other Assets	\$3,658,904	\$2,649,896
Capital Assets, Net	14,214,971	14,691,045
Total Assets	17,873,875	17,340,941
<u>Liabilities</u>		
Other Liabilities	2,208,729	2,210,405
Long-Term Liabilities	1,391,520	1,480,679
Total Liabilities	3,600,249	3,691,084
<u>Net Assets</u>		
Invested in Capital Assets, Net of Related Debt	13,530,118	13,890,990
Restricted	999,603	378,223
Unrestricted	(256,095)	(619,356)
Total	\$14,273,626	\$13,649,857

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2010, the District's assets exceeded liabilities by \$14,273,626. By comparing assets and liabilities, one can see the overall position of the District as evidenced by the increase in net assets of \$623,769.

A portion of the District's net assets, \$999,603, represents resources that are subject to external restrictions on how they may be used. There remains a negative balance of unrestricted net assets of \$256,095, which is not sufficient to provide for the District's ongoing obligations to the students and creditors.

At fiscal year-end, capital assets represented 80 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, 2010 were \$13,530,118. 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, 2010
Unaudited
(Continued)**

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2010. Comparisons to 2009 have been included, as follows:

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

	2010	2009
<u>Revenues</u>		
Program Revenues:		
Charges for Services and Sales	\$725,797	\$665,875
Operating Grants, Contributions and Interest	3,297,357	3,144,120
Capital Grants and Contributions	663,509	
Total Program Revenues	4,686,663	3,809,995
General Revenues:		
Property Taxes	839,616	881,256
Income Taxes		5
Grants and Entitlements	6,483,157	5,650,039
Gifts and Donations	600	1,000
Investment Earnings	3,549	5,825
Miscellaneous	86,993	78,819
Proceeds for Sale of Capital Assets		6,675
Total General Revenues	7,413,915	6,623,619
Total Revenues	12,100,578	10,433,614
<u>Expenses</u>		
Instruction:		
Regular	3,615,572	3,479,640
Special	1,932,940	1,548,129
Vocational	71,781	76,593
Student Intervention Services	36,670	250,431
Other	726,954	584,686
Support Services:		
Pupils	692,052	627,311
Instructional Staff	568,387	464,487
Board of Education	79,398	95,100
Administration	782,479	699,086
Fiscal	279,082	284,946
Operation and Maintenance of Plant	984,869	904,972
Pupil Transportation	569,652	514,860
Central	17,984	14,892
Non-Instructional	471,617	420,676
Extracurricular Activities	157,619	158,970
Capital Outlay	454,550	447,145
Interest and Fiscal Charges	35,203	39,503
Total Expenses	11,476,809	10,611,427
Increase/(Decrease) in Net Assets	\$623,769	(\$177,813)

Net assets of the District's governmental activities increased by \$623,769 in fiscal year 2010. Program revenues of \$4,686,663 and general revenue of \$7,413,915 did offset total governmental expenses of \$11,476,809. Program revenues supported 39 percent of total governmental expenses.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2010
Unaudited
(Continued)**

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 99 percent of total general revenue. Grants and entitlements, alone, represent 87 percent of revenues. 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 35 percent. The remaining 9 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>2010</u>	<u>Net Cost of Services</u> <u>2010</u>	<u>Total Cost of Services</u> <u>2009</u>	<u>Net Cost of Services</u> <u>2009</u>
Instruction:				
Regular	\$3,615,572	\$2,828,606	\$3,479,640	\$2,198,120
Special	1,932,940	160,436	1,548,129	461,484
Vocational	71,781	57,936	76,593	62,851
Student Intervention Services	36,670	36,670	250,431	250,431
Other	726,954	726,954	584,686	584,686
Support Services:				
Pupils	692,052	249,563	627,311	150,029
Instructional Staff	568,387	480,716	464,487	44,925
Board of Education	79,398	79,398	95,100	95,100
Administration	782,479	365,668	699,086	699,086
Fiscal	279,082	279,082	284,946	284,946
Operation and Maintenance of Plant	984,869	984,869	904,972	859,120
Pupil Transportation	569,652	554,983	514,860	496,748
Central	17,984	17,984	14,892	14,892
Non-Instructional	471,617	35,575	420,676	22,248
Extracurricular Activities	157,619	105,462	158,970	90,118
Capital Outlay	454,550	(208,959)	447,145	447,145
Interest and Fiscal Charges	35,203	35,203	39,503	39,503
Total Expenses	<u>\$11,476,809</u>	<u>\$6,790,146</u>	<u>\$10,611,427</u>	<u>\$6,801,432</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 last comprehensive reappraisal of property values occurred 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, 2010
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 \$11,627,910 and expenditures of \$11,100,303.

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 2010, 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 \$7,864,570, above original estimates of \$7,581,334. The \$283,236 difference was due to intergovernmental estimates, based on the State's budget.

The District's ending unobligated General Fund balance was \$553,121.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2010, the District had \$14,214,971 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2010 balances compared to 2009.

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

	Governmental Activities	
	2010	2009
Land and Land Improvements	\$55,370	\$55,370
Buildings and Improvements	13,726,294	14,164,381
Furniture and Equipment	350,535	377,189
Vehicles	82,772	94,105
Totals	\$14,214,971	\$14,691,045

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

Debt

At June 30, 2010, the District had general obligation bonds outstanding of \$650,000 and \$34,853 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, 2010
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 87 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.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Statement of Net Assets
June 30, 2010**

		Governmental Activities
ASSETS:		
Equity in Pooled Cash and Cash Equivalents	\$	1,814,769
Cash and Cash Equivalents in Segregated Accounts		462
Materials and Supplies Inventory		39,084
Accrued Interest Receivable		109
Accounts Receivable		3,345
Intergovernmental Receivable		678,854
Taxes Receivable		1,122,281
Non-Depreciable Capital Assets		55,370
Depreciable Capital Assets, net		14,159,601
Total Assets		<u>17,873,875</u>
LIABILITIES:		
Accrued Wages and Benefits		1,186,604
Intergovernmental Payable		240,551
Accrued Interest Payable		4,423
Deferred Revenue		777,151
Long-Term Liabilities:		
Due Within One Year		105,729
Due in More Than One Year		1,285,791
Total Liabilities		<u>3,600,249</u>
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt		13,530,118
Restricted for Debt Service		308,204
Restricted for Capital Outlay		656,274
Restricted for Other Purposes		35,125
Unrestricted		(256,095)
Total Net Assets	\$	<u>14,273,626</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, 2010**

	Program Revenues			Net(Expense) Revenue and Changes in Net Assets
Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:				
Instruction:				
Regular	\$ 3,615,572	\$ 592,433	\$ 194,533	\$ (2,828,606)
Special	1,932,940		1,772,504	(160,436)
Vocational	71,781		13,845	(57,936)
Student Intervention Services	36,670			(36,670)
Other	726,954			(726,954)
Support Services:				
Pupils	692,052		442,489	(249,563)
Instructional Staff	568,387		87,671	(480,716)
Board of Education	79,398			(79,398)
Administration	782,479		416,811	(365,668)
Fiscal	279,082			(279,082)
Operation and Maintenance of Plant	984,869			(984,869)
Pupil Transportation	569,652		14,669	(554,983)
Central	17,984			(17,984)
Operation of Non-Instructional Services	471,617	81,207	354,835	(35,575)
Extracurricular Activities	157,619	52,157		(105,462)
Unallocated Depreciation	454,550			208,959
Interest and Fiscal Charges	35,203		663,509	(35,203)
Totals	\$ 11,476,809	\$ 725,797	\$ 3,297,357	\$ 663,509
				(6,790,146)
General Revenues:				
Taxes:				
Property Taxes, Levied for General Purposes				784,771
Property Taxes, Levied for Debt Service				42,100
Property Taxes, Levied for Other				12,745
Grants and Entitlements not Restricted to Specific Programs				6,483,157
Gifts and Donations				600
Investment Earnings				3,549
Miscellaneous				86,993
Total General Revenues				7,413,915
Change in Net Assets				623,769
Net Assets Beginning of Year				13,649,857
Net Assets End of Year				\$ 14,273,626

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Balance Sheet
Governmental Funds
June 30, 2010**

	General Fund	Building Construction Fund	Title I Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 561,394	\$ 655,526	\$ 4,215	\$ 593,634	\$ 1,814,769
Cash and Cash Equivalents in Segregated Accounts				462	462
Materials and Supplies Inventory	17,519			21,565	39,084
Accrued Interest Receivable	109				109
Accounts Receivable	154			3,191	3,345
Interfund Receivable	233				233
Intergovernmental Receivable			425,023	253,831	678,854
Taxes Receivable	1,034,196			88,085	1,122,281
Total Assets	\$ 1,613,605	\$ 655,526	\$ 429,238	\$ 960,768	\$ 3,659,137
Liabilities					
Current Liabilities:					
Accrued Wages and Benefits	867,518		147,640	171,446	1,186,604
Interfund Payable				233	233
Intergovernmental Payable	159,437		24,168	56,946	240,551
Deferred Revenue	941,578		425,023	221,022	1,587,623
Total Liabilities	1,968,533	0	596,831	449,647	3,015,011
Fund Balances					
Reserved:					
Reserved for Encumbrances	8,268	103,562		98,201	210,031
Reserved for Property Taxes	92,618			8,957	101,575
Reserved for Unclaimed Monies	3,489				3,489
Unreserved, Undesignated, Reported in:					
General Fund	(459,303)				(459,303)
Special Revenue Funds			(167,593)	113,812	(53,781)
Debt Service Funds				289,295	289,295
Capital Projects Funds		551,964		856	552,820
Total Fund Balances	(354,928)	655,526	(167,593)	511,121	644,126
Total Liabilities and Fund Balances	\$ 1,613,605	\$ 655,526	\$ 429,238	\$ 960,768	\$ 3,659,137

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, 2010**

Total Governmental Fund Balances	\$	644,126
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.		14,214,971
Taxes and Grants Receivable that do not provide financial resources are not reported as revenues in governmental fund.		810,472
Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:		
Accrued Interest Payable	(4,423)	
General Obligation Bonds Payable	(650,000)	
Leases Payable	(34,853)	
Compensated Absences Payable	(706,667)	
	<u> </u>	(1,395,943)
Net Assets of Governmental Activities	\$	<u><u>14,273,626</u></u>

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, 2010**

	General Fund	Building Construction Fund	Title I Fund	All Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property and Other Local Taxes	\$ 728,637			\$ 68,687	\$ 797,324
Intergovernmental	6,450,928	663,509	765,191	2,121,709	10,001,337
Interest	3,488	57		4	3,549
Tuition and Fees	591,992				591,992
Rent	441				441
Extracurricular Activities				52,157	52,157
Gifts and Donations	600				600
Customer Sales and Services				81,207	81,207
Miscellaneous	22,991			64,002	86,993
Total Revenues	7,799,077	663,566	765,191	2,387,766	11,615,600
EXPENDITURES:					
Current:					
Instruction:					
Regular	3,413,431			220,563	3,633,994
Special	880,396		781,250	252,917	1,914,563
Vocational	71,393				71,393
Student Intervention Services	33,998			2,672	36,670
Other	609,331			117,623	726,954
Support Services:					
Pupils	266,569			419,705	686,274
Instructional Staff	85,801		177,011	286,234	549,046
Board of Education	55,083			24,315	79,398
Administration	436,319		9,438	325,837	771,594
Fiscal	273,764			2,188	275,952
Operation and Maintenance of Plant	942,792			38,879	981,671
Pupil Transportation	536,278			26,630	562,908
Central	17,984				17,984
Operation of Non-Instructional Services	64,000		4,624	394,171	462,795
Extracurricular Activities	92,012		7	68,234	160,253
Capital Outlay		8,040			8,040
Debt Service:					
Principal	25,202			90,000	115,202
Interest	4,383			28,796	33,179
Total Expenditures	7,808,736	8,040	972,330	2,298,764	11,087,870
Excess of Revenues Over (Under) Expenditures	<u>(9,659)</u>	<u>655,526</u>	<u>(207,139)</u>	<u>89,002</u>	<u>527,730</u>
OTHER FINANCING SOURCES AND USES:					
Transfers In				12,310	12,310
Transfers Out	(12,310)				(12,310)
Total Other Financing Sources and Uses	(12,310)	0	0	12,310	0
Net Change in Fund Balances	<u>(21,969)</u>	<u>655,526</u>	<u>(207,139)</u>	<u>101,312</u>	<u>527,730</u>
Fund Balance (Deficit) at Beginning of Year	(332,959)		39,546	409,809	116,396
Fund Balance (Deficit) at End of Year	<u>\$ (354,928)</u>	<u>\$ 655,526</u>	<u>\$ (167,593)</u>	<u>\$ 511,121</u>	<u>\$ 644,126</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement Activities
For the Fiscal Year Ended June 30, 2010**

Net Change in Fund Balances - Total Governmental Funds \$ 527,730

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	87,927	
Depreciation	<u>(563,301)</u>	
		(475,374)

The proceeds from the sale of capital assets are reported as other financing sources in the governmental funds. However, the cost of the capital assets is removed from the capital asset account on the statement of net assets and is offset against the proceeds from the sale of capital assets resulting in a gain (loss) on disposal of capital assets on the statement of activities.

Gain (Loss) on Disposal of Capital Assets		(700)
---	--	-------

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

Intergovernmental	442,686	
Delinquent Property Taxes	<u>42,292</u>	
		484,978

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statements of activities.		115,202
--	--	---------

In the statement of activities interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is expended when due.		(2,024)
--	--	---------

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		(26,043)
------------------------------	--	----------

Change in Net Assets of Governmental Activities		\$ <u><u>623,769</u></u>
---	--	--------------------------

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, 2010**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Property and Other Local Taxes	\$ 753,000	\$ 753,000	\$ 725,516	\$ (27,484)
Intergovernmental	6,278,000	6,511,236	6,450,928	(60,308)
Interest	5,300	5,300	3,379	(1,921)
Tuition and Fees	538,500	588,500	592,027	3,527
Rent	500	500	441	(59)
Gifts and Donations	1,034	1,034	600	(434)
Miscellaneous	5,000	5,000	22,736	17,736
Total Revenues	<u>7,581,334</u>	<u>7,864,570</u>	<u>7,795,627</u>	<u>(68,943)</u>
EXPENDITURES:				
Current:				
Instruction:				
Regular	3,313,304	3,329,052	3,302,907	26,145
Special	892,000	896,580	887,673	8,907
Vocational	72,842	72,993	70,190	2,803
Student Intervention Services	24,100	34,698	33,998	700
Other	595,500	645,862	610,108	35,754
Support Services:				
Pupils	261,778	262,828	236,655	26,173
Instructional Staff	71,102	95,499	76,757	18,742
Board of Education	81,300	83,800	47,466	36,334
Administration	610,253	613,753	464,583	149,170
Fiscal	272,100	283,959	277,078	6,881
Operation and Maintenance of Plant	910,520	952,204	940,442	11,762
Pupil Transportation	508,256	540,949	525,619	15,330
Central	15,000	18,950	17,984	966
Operation of Non-Instructional Services	82,620	82,546	54,933	27,613
Extracurricular Activities	94,480	101,206	98,175	3,031
Total Expenditures	<u>7,805,155</u>	<u>8,014,879</u>	<u>7,644,568</u>	<u>370,311</u>
Excess of Revenues Over (Under) Expenditures	<u>(223,821)</u>	<u>(150,309)</u>	<u>151,059</u>	<u>301,368</u>
Other Financing Sources and Uses:				
Proceeds from Sale of Capital Assets	500	500		(500)
Refund of Prior Year Expenditures			255	255
Transfers Out	(25,000)	(25,000)	(12,310)	12,690
Total Other Financing Sources and Uses	<u>(24,500)</u>	<u>(24,500)</u>	<u>(12,055)</u>	<u>12,445</u>
Net Change in Fund Balances	(248,321)	(174,809)	139,004	313,813
Fund Balance (Deficit) at Beginning of Year	409,435	409,435	409,435	0
Prior Year Encumbrances Appropriated	4,682	4,682	4,682	0
Fund Balance (Deficit) at End of Year	<u>\$ 165,796</u>	<u>\$ 239,308</u>	<u>\$ 553,121</u>	<u>\$ 313,813</u>

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
Title I Fund
For the Fiscal Year Ended June 30, 2010**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 1,364,119	\$ 1,397,958	\$ 901,203	\$ (496,755)
Total Revenues	1,364,119	1,397,958	901,203	(496,755)
EXPENDITURES:				
Current:				
Instruction:				
Special	748,389	917,253	715,616	201,637
Support Services:				
Instructional Staff	416,500	455,643	168,691	286,952
Administration	10,004	10,059	9,357	702
Operation of Non-Instructional Services	15,964	16,303	4,624	11,679
Total Expenditures	1,190,857	1,399,258	898,288	500,970
Excess of Revenues Over (Under) Expenditures	173,262	(1,300)	2,915	4,215
Net Change in Fund Balances	173,262	(1,300)	2,915	4,215
Fund Balance (Deficit) at Beginning of Year	273	273	273	0
Prior Year Encumbrances Appropriated	1,027	1,027	1,027	0
Fund Balance (Deficit) at End of Year	\$ 174,562	\$ 0	\$ 4,215	\$ 4,215

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010**

	Private Purpose Trust	Agency Fund
Assets:		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 19,842	\$ 7,566
Investments	17,778	
Total Assets	37,620	7,566
Liabilities:		
Current Liabilities:		
Undistributed Monies		7,566
Total Liabilities	0	7,566
Net Assets:		
Held in Trust for Scholarships	37,620	
Total Net Assets	\$ 37,620	\$ 0

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, 2010**

	<u>Private Purpose Trust</u>
Additions:	
Gifts and Contributions	\$ 702
Interest	<u>1,433</u>
Total Additions	<u>2,135</u>
Deductions:	
Payments in Accordance with Trust Agreements	<u>2,551</u>
Total Deductions	<u>2,551</u>
Change in Net Assets	(416)
Net Assets Beginning of Year	<u>38,036</u>
Net Assets End of Year	<u>\$ 37,620</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010**

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 46 classified employees, 80 certificated teaching personnel, and 5 administrators, who provide services to 838 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.

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.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

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.

Building Construction Fund - The Building Construction Fund is used to account for monies received and expended in connection with contracts entered into by the District for building and equipping facilities.

Title I Fund - The Title I Fund is used to account for monies received and expended in connection with the Title I federal program to meet the special needs of educationally deprived children.

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, 2010
(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, 2010
(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, 2010, but which were levied to finance fiscal year 2011 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, 2010
(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 2010. 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, 2010.

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 2010 amounted to \$3,488, which includes \$2,581 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, 2010, 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, 2010
(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, 2010
(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, 2010
(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, 2010
(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 Funds		
	General	Title I
GAAP Basis	(\$21,969)	(\$207,139)
<u>Increase (Decrease) Due To:</u>		
Revenue Accruals:		
Accrued FY 2009, Received In Cash FY 2010	89,686	136,012
Accrued FY 2010, Not Yet Received in Cash	(93,136)	
Expenditure Accruals:		
Accrued FY 2009, Paid in Cash FY 2010	(837,000)	(97,766)
Accrued FY 2010, Not Yet Paid in Cash	1,009,691	171,808
Advances Net		
Encumbrances Outstanding at Year End (Budget Basis)	(8,268)	
Budget Basis	\$139,004	\$2,915

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 bills, bonds, notes, or any other obligation or security 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 any other obligation or security 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, 2010
(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 in 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, 2010
(Continued)**

4. Deposits and Investments (Continued)

Deposits Custodial credit risk for deposits is the risk that in the event of 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, 2010, the School District's bank balance of \$1,766,396 was either covered by the FDIC or collateralized by the financial institutions' public entity deposit pools in the manner described above.

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 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 (used in business) located in the District. Real property tax revenue received in calendar 2010 represents collections of calendar year 2009 taxes. Real property taxes received in calendar year 2010 were levied after April 1, 2009, on the assessed value listed as of January 1, 2009, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. First half 2010 real property taxes are collected in and intended to finance fiscal year 2011.

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. 2010 public utility property taxes became a lien December 31, 2009, are levied after April 1, 2010 and are collected in 2011 with real property taxes. 2010 tangible personal property taxes are levied after April 1, 2010, on the value as of December 31, 2009. Collections are made in calendar year 2011. Tangible personal property assessments are six and one-quarter percent of true value.

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

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or 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.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

5. Property Taxes (Continued)

The assessed values upon which the fiscal year 2010 taxes were collected are:

	2009 Second Half Collections		2010 First Half Collections	
	Amount	Percent	Amount	Percent
Real Property	\$38,486,860	92%	\$38,263,410	93%
Public Utility Tangible Personal Property	2,722,800	7%	2,722,800	7%
Tangible Personal Property	431,660	1%	129,498	0%
Total	\$41,641,320	100%	\$41,115,708	100%
Tax Rate per \$1,000 of Assessed Valuation	\$31.77		\$31.77	

The District receives property taxes from Athens and Morgan Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2010, are available to finance fiscal year 2010 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 are measurable as of June 30, 2010 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 was 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.

The amount available as an advance at June 30, 2010, was \$92,618 in the General Fund, \$7,486 in the Bond Retirement Fund, and \$1,471 in the Special Revenue Fund.

6. Receivables

Receivables at June 30, 2010, 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:

Governmental Activities	Amount
Title VI-B Idea	\$108,782
SIG Sub A	25,037
Title I	425,023
Handicapped Preschool	2,177
Title II-A	6,031
Miscellaneous Federal Grants	111,804
Total	\$678,854

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

7. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2010, was as follows:

	Balance at 6/30/09	Additions	Deductions	Balance at 6/30/10
Capital Assets:				
Nondepreciable Capital Assets:				
Land	\$55,370			\$55,370
Depreciable Capital Assets:				
Land Improvements	638,185			638,185
Buildings and Improvements	20,812,256			20,812,256
Furniture, Fixtures, and Equipment	1,681,668	65,973	55,692	1,691,949
Vehicles	849,470	21,954		871,424
Total Depreciable Capital Assets	23,981,579	87,927	55,692	24,013,814
Less Accumulated Depreciation:				
Land Improvements	638,185	115,486		753,671
Buildings and Improvements	6,647,875	322,601		6,970,476
Furniture and Equipment	1,304,479	91,927	54,992	1,341,414
Vehicles	755,365	33,287		788,652
Total Accumulated Depreciation	9,345,904	563,301	54,992	9,854,213
Depreciable Capital Assets, Net	14,635,675	(475,374)	700	14,159,601
Capital Assets, Net	\$14,691,045	(\$475,374)	\$700	\$14,214,971

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$21,774
Special	6,700
Vocational	1,138
Support Services:	
Pupil	5,663
Instructional Staff	22,222
Administration	2,790
Fiscal	429
Operation and Maintenance of Plant	9,226
Pupil Transportation	31,198
Operation of Non-Instructional Services	14,565
Extracurricular Activities	1,086
Unallocated depreciation	446,510
Total Depreciation Expense	<u>\$563,301</u>

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

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.

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 it 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

The School District contributes to the School Employees Retirement System (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement, disability, and survivor 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 or by calling toll free (800) 878-5853. It is also posted on SERS' website, www.ohsers.org, under *Employers/Audit Resources*.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

9. Defined Benefit Pension Plans (Continued)

Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended, up to statutory maximum amounts, by the SERS' Retirement Board. The Retirement Board acting with the advice of the actuary, allocates the employer contribution rate among four of the funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund) of the System. For fiscal year 2010, the allocation to pension and death benefits is 12.78 percent. The remaining 1.22 percent of the 14 percent employer contribution rate is allocated to the Health Care and Medicare B Funds. The School District's contributions to SERS which were allocated for pension and death benefits for the fiscal years ended June 30, 2010, 2009 and 2008 were \$143,864, \$150,556 and \$142,587, respectively; 49 percent of the required contribution has been made for fiscal year 2010 and 100 percent of the required contribution has been made for fiscal years 2009 and 2008. \$113,532 represents the unpaid contribution for fiscal year 2010 and is recorded as a liability within the respective funds.

B. State Teachers Retirement System

The School District participates in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system.

STRS Ohio is a statewide retirement plan for licensed teachers and other faculty members employed in the public schools of Ohio or any school, community school, college, university, institution or other agency controlled, managed and supported, in whole or in part, by the state or any political subdivision thereof.

Plan Options - New members have a choice of three retirement plan options. In addition to the Defined Benefit (DB) Plan, new members are offered a Defined Contribution (DC) Plan and a Combined Plan. The DC Plan allows members to allocate all their member contributions and employer contributions equal to 10.5 percent of earned compensation among various investment choices. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are allocated to investment choices by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the regular DB Plan. Contributions into the DC Plan and the Combined Plan are credited to member accounts as employers submit their payroll information to STRS Ohio, generally on a biweekly basis. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan.

DB Plan Benefits – Plan benefits are established under Chapter 3307 of the Revised Code. Any member may retire who has (i) five years of service credit and attained age 60; (ii) 25 years of service credit and attained age 55; or (iii) 30 years of service credit regardless of age. The annual retirement allowance, payable for life, is the greater of the "formula benefit" or the "money-purchase benefit" calculation. Under the "formula benefit," the retirement allowance is based on years of credited service and final average salary, which is the average of the member's three highest salary years. The annual allowance is calculated by using a base percentage of 2.2% multiplied by the total number of years of service credit (including Ohio-valued purchased credit) times the final average salary. The 31st year of earned Ohio service credit is calculated at 2.5%. An additional one-tenth of a percent is added to the calculation of every year of earned Ohio service over 31 years (2.6% for 32 years, 2.7% for 33 years and so on) until 100% of final average salary is reached. For members with 35 or more years of Ohio contributing service, the first 30 years will be calculated at 2.5% instead of 2.2%. Under the "money-purchase benefit" calculation, a member's lifetime contributions plus interest at specified rates are matched by an equal amount from other STRS Ohio funds. This total is

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

9. Defined Benefit Pension Plans (Continued)

then divided by an actuarially determined annuity factor to determine the maximum annual retirement allowance.

DC Plan Benefits – Benefits are established under Sections 3307.80 to 3307.89 of the Revised Code. For members who select the DC Plan, all member contributions and employer contributions at a rate of 10.5% are placed in an investment account. The member determines how to allocate the member and employer money among various investment choices. 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. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service. Members in the DC Plan who become disabled are entitled only to their account balance. If a member dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Combined Plan Benefits – Member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment. A member's defined benefit is determined by multiplying 1% of the member's final average salary by the member's years of service credit. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60. The defined contribution portion of the account may be taken as a lump sum or converted to a lifetime monthly annuity at age 50.

A retiree of STRS Ohio or another Ohio public retirement system is eligible for reemployment as a teacher following the elapse of two months from the date of retirement. Contributions are made by the reemployed member and employer during the reemployment. Upon termination of reemployment or age 65, whichever comes later, the retiree is eligible for an annuity benefit or equivalent lump-sum payment in addition to the original retirement allowance. A reemployed retiree may alternatively receive a refund of only member contributions with interest before age 65, once employment is terminated.

Benefits are increased annually by 3% of the original base amount for Defined Benefit Plan participants.

The Defined Benefit and Combined Plans offer access to health care coverage to eligible retirees who participated in the plans and their eligible dependents. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. By Ohio law, health care benefits are not guaranteed.

A Defined Benefit 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. A death benefit of \$1,000 is payable to the beneficiary of each deceased retired member who participated in the Defined Benefit Plan. Death benefit coverage up to \$2,000 can be purchased by participants in the DB, DC or Combined Plans. Various other benefits are available to members' beneficiaries.

Chapter 3307 of the Revised Code provides statutory authority for member and employer contributions. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

9. Defined Benefit Pension Plans (Continued)

For the fiscal years ended June 30, 2010, 2009, and 2008, plan members were required to contribute 10 percent of their annual covered salaries. The School District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations.

The School District's contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2010, 2009, and 2008 were \$565,405, \$587,683, and \$568,457, respectively; 83 percent of the required contribution has been made for fiscal year 2010 and 100 percent of the required contribution has been made for fiscal years 2009 and 2008. \$105,324 represents the unpaid contribution for fiscal year 2010 and is recorded as a liability within the respective funds.

STRS Ohio issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3771 or by calling (888) 227-7877, or by visiting the STRS Ohio website at www.strsoh.org.

10. Postemployment Benefits

A. State Teachers Retirement System

STRS Ohio administers a pension plan that is comprised of: a defined benefit plan; a self-directed defined contribution plan; and a combined plan which is a hybrid of the defined benefit and defined contribution plan.

Ohio law authorizes STRS Ohio to offer a cost-sharing, multiple-employer health care plan. STRS Ohio provides access to health care coverage to eligible retirees who participated in the defined benefit or combined plans. Coverage under the current program includes hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare Part B premiums. Pursuant to Section 3307 of the Ohio Revised Code, the Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients, for the most recent year, pay a portion of the health care costs in the form of a monthly premium.

STRS Ohio issues a stand-alone financial report. Interested parties can view the most recent Comprehensive Annual Financial Report by visiting www.strsoh.org or by requesting a copy by calling toll-free 1-888-227-7877.

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, 2010, 2009, and 2008. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$43,493, \$45,206, and \$43,727 for fiscal years 2010, 2009, and 2008, respectively, which is equal to the contributions for each year.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

10. Postemployment Benefits (Continued)

B. School Employee Retirement System

In addition to a cost-sharing, multiple-employer defined benefit pension plan, the School Employees Retirement System (SERS) administers two post employment benefit plans.

Medicare Part B Plan

The Medicare B plan reimburses Medicare Part B premiums paid by eligible retirees and beneficiaries as set forth in Ohio Revised Code 3309.69. Qualified benefit recipients who pay Medicare Part B premiums may apply for and receive a monthly reimbursement from SERS. The reimbursement amount is limited by statute to the lesser of the January 1, 1999 Medicare Part B premium or the current premium. The Medicare Part B premium for calendar year 2010 was \$96.40 for most participants, but could be as high as \$353.60 per month depending on their income. SERS' reimbursement to retirees was \$45.50.

The Retirement Board, acting with the advice of the actuary, allocates a portion of the current employer contribution rate to the Medicare B Fund. For fiscal years 2010, 2009, and 2008, the actuarially required allocation was 0.76 percent, 0.75 percent, and 0.66 percent. For the School District, contributions for the years ended June 30, 2010, 2009, and 2008, were \$11,870, \$10,848, and \$10,274 which equaled the required contributions for those years.

Health Care Plan

Ohio Revised Code 3309.375 and 3309.69 permit SERS to offer health care benefits to eligible retirees and beneficiaries. SERS' Retirement Board reserves the right to change or discontinue any health plan or program. SERS offers several types of health plans from various vendors, including HMO's, PPO's, Medicare Advantage, and traditional indemnity plans. A prescription drug program is also available to those who elect health coverage. SERS employs two third-party administrators and a pharmacy benefit manager to manage the self-insurance and prescription drug plans, respectively.

The Ohio Revised Code provides the statutory authority to fund SERS' post-employment benefits through employer contributions. Active members do not make contributions to the post-employment benefit plans.

The Health Care Fund was established under, and is administered in accordance with, Internal Revenue Code 105(e). Each year after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer 14 percent contribution to the Health Care Fund. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated according to service credit earned. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS covered payroll for the health care surcharge. For fiscal year 2010, the minimum compensation level was established at \$35,800. The surcharge, added to the unallocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. At June 30, 2010, 2009, and 2008, the health care allocations were 0.46 percent, 4.16 percent, and 4.18 percent, respectively. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2010, 2009, and 2008 fiscal years equaled \$65,839, \$68,704, and \$65,067, respectively, which is equal to the required amounts for those years.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

10. Postemployment Benefits (Continued)

The SERS Retirement Board establishes the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending upon the plan selected, qualified years of service, Medicare eligibility, and retirement status.

The financial reports of SERS' Health Care and Medicare B plans are included in its *Comprehensive Annual Financial Report*. The report can be obtained by contacting SERS, 300 East Broad Street, Suite 100, Columbus, Ohio 43215-3746 or by calling toll free (800) 878-5853. It is also posted on SERS' website at www.ohsers.org under *Employers/Audit Resources*.

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 \$1,629 for family coverage and 93.5 percent of \$610 for single coverage for certified employees. The District pays 91.25 percent of the total monthly premiums of \$1,629 for family coverage and 96.75 percent of \$610 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, 2010
(Continued)**

12. Capitalized Leases

In previous fiscal years, the School District has entered into lease agreements for copiers. The School District did not enter into any new leases in fiscal year 2010. These lease obligations meet 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 2010 totaled \$25,202 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
2011	\$29,585
2012	7,396
Total	36,981
Less: Amount Representing Interest	(2,128)
Present Value of Net Minimum Lease Payments	\$34,853

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, 2010, was \$11,076, leaving a remaining book value of \$66,452.

13. Long-Term Obligations

Changes in long-term obligations during fiscal year 2010 were as follows:

	Principal Outstanding 6/30/09	Additions	Deductions	Balance at 6/30/10	Due Within One Year
Governmental Activities:					
2006 4.09 % Bond Refinancing Issue	\$625,000	-	\$10,000	\$615,000	\$10,000
2000 6.322% Classroom Facilities Bonds	70,000	-	35,000	35,000	35,000
1985 9.75% School Facilities Bonds	45,000	-	45,000	-	-
Total General Obligation Bonds	740,000	-	90,000	650,000	45,000
Capital Leases	60,055		25,202	34,853	27,566
Compensated Absences	680,624	\$706,667	680,624	706,667	33,163
Total Governmental Activities Long-Term Obligations	\$1,480,679	\$706,667	\$795,826	\$1,391,520	\$105,729

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(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, 2010, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	55,000	16,742	71,742
2016-2020	210,000	147,682	357,682
2021-2024	195,000	12,856	207,856
Total	<u>\$650,000</u>	<u>\$263,083</u>	<u>\$913,083</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 \$2,810,558, with an unvoted debt margin of \$384,506 at June 30, 2010.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)**

14. Jointly Governed Organizations

A. 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 \$24,871 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.

B. 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.

C. 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, 2010
(Continued)**

15. Insurance Purchasing Pool

A. Sheakley Uniservice Workers' Compensation Group Rating Program

The District is a member of the Sheakley Uniservice 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, 2009 and 2008 (the latest information available):

	<u>2009</u>	<u>2008</u>
Assets	\$3,662,470	\$3,273,989
Liabilities	1,729,914	1,873,157
Members' Equity	1,932,556	1,400,832

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, 2010
(Continued)**

16. Interfund Activity and Balances

A. Transfers

Transfers made during fiscal year 2010 were as follows:

Transfer from	Transfer to Other Nonmajor Governmental
General Fund	\$12,310

B. Interfund Balances

Interfund Balances at June 30, 2010, 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, 2010.

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, 2010
(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, 2009	\$0	\$0
Current Year Set-aside Requirement	113,353	\$113,353
Current Year Offsets	-	(61,313)
Qualifying Disbursements	(124,878)	(52,040)
Excess qualified expenditures from prior years	(6,756)	-
Totals	(\$18,281)	\$0
Set-Aside Balance Carried Forward to Future Fiscal Years	(\$18,281)	\$0
Set-aside Reserve Balance as of June 30, 2010	\$0	\$0

The District had qualifying expenditures during the fiscal year that reduced the Textbooks set-aside amount below zero. This extra amount may be used to reduce the set-aside requirements of future fiscal years.

The District had qualifying expenditures and offsets during the year that reduced the set-aside amounts to zero in the Capital Acquisition Set-aside. The carryover amount in the Capital Acquisition Reserve is limited to the balance of the offsets attributed to bond and tax levy proceeds. The District is responsible for tracking the amount of the bond proceeds that may be used as an offset in future periods, which was \$59,975 at June 30, 2010.

19. Fund Deficits

The following funds had deficit fund balances at June 30, 2010:

	Deficit
General Fund	\$354,928
Special Revenue Funds:	
Special Education	89,215
Title I	167,593
Early Childhood	3,450
Title II-A	9,240
Title II-D	1,452
School Improvement Sub A	2,696
School Improvement Sub G	544

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 Fiscal Year Ended June 30, 2010

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
United States Department of Agriculture						
<i>Passed through Ohio Department of Education</i>						
<i>Nutrition Cluster:</i>						
School Breakfast Program	3L70	10.553	\$ 136,657	\$ -	\$ 136,657	\$ -
National School Lunch Program	3L60	10.555	210,073	58,791	210,073	58,791
Total Nutrition Cluster			<u>346,730</u>	<u>58,791</u>	<u>346,730</u>	<u>58,791</u>
Total United States Department of Agriculture			346,730	58,791	346,730	58,791
United States Department of Education						
<i>Passed through Ohio Department of Education</i>						
<i>Title I, Part A Cluster:</i>						
Title I Grants to Local Education Agencies	3M00	84.010	685,602	-	684,166	-
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	3DK0	84.389	245,580	-	243,701	-
Total Title I, Part A Cluster			<u>931,182</u>	<u>-</u>	<u>927,867</u>	<u>-</u>
<i>Special Education Cluster:</i>						
Special Education-Grants to States	3M20	84.027	260,017	-	267,838	-
ARRA - Special Education-Grants to States, Recovery Act	3DJ0	84.391	197,415	-	197,214	-
Special Education-Preschool Grants	3C50	84.173	9,911	-	9,880	-
ARRA - Special Education-Preschool Grants, Recovery Act	3DL0	84.392	6,965	-	6,963	-
Total Special Education Cluster			<u>474,308</u>	<u>-</u>	<u>481,895</u>	<u>-</u>
Safe & Drug Free Schools and Communities - State Grants	3D10	84.186	5,324	-	5,324	-
State Grants for Innovative Programs	C2S1	84.298	-	-	231	-
Education Technology State Grants	3S20	84.318	2,186	-	2,186	-
Rural Education	3Y80	84.358	23,438	-	21,709	-
Twenty-First Century Community Learning Centers	3Y20	84.287	112,404	-	112,404	-
School Improvement Grants	3AN0	84.377	60,000	-	60,000	-
Improving Teacher Quality State Grants	3Y60	84.367	116,335	-	111,914	-
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recover Act	GRF	84.394	416,811	-	368,971	-
Total passed through Ohio Department of Education			2,141,988	-	2,092,501	-
<i>Direct Program</i>						
Safe & Drug Free Schools and Communities - National Programs	N/A	84.184	284,462	-	284,462	-
Total United States Department of Education			2,426,450	-	2,376,963	-
United States Department of Health and Human Services						
<i>Passed through Ohio Department of Education</i>						
Maternal and Child Health Federal Consolidated Programs	3AX0	93.110	100	-	-	-
Total United States Department of Health and Human Services			<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Financial Assistance			<u>\$ 2,773,280</u>	<u>\$ 58,791</u>	<u>\$ 2,723,693</u>	<u>\$ 58,791</u>

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures
N/A = Pass through entity number was not available

Trimble Local School District
Notes to the Schedule of Federal Awards Receipts and Expenditures
For the Fiscal Year Ended June 30, 2010

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

Program regulations do not require the School District to maintain separate inventory records for purchased food and food received from the U.S. Department of Agriculture. This non-monetary assistance (expenditure) is reported in the Schedule at the fair value.

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 accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trimble Local School District, Athens County, Ohio, (the School District) as of and for the year ended June 30, 2010, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated March 11, 2011. 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 audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the School District's financial statements will not be prevented, or detected and timely corrected.

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

Compliance and Other Matters

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

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



Balestra, Harr & Scherer, CPAs, Inc.

March 11, 2011



Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control over Compliance Required by 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, Athens County, Ohio, (the School District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could directly affect each of Trimble Local School District's major federal programs for the year ended June 30, 2010. The summary of auditor's results section of the accompanying Schedule of Findings identifies the School District's major federal programs. 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 included in the Comptroller General of the United States' *Government Auditing Standards*; 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 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 other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School District's compliance with those requirements.

In our opinion, the Trimble Local School District, Athens County, complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2010.

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 the requirements that could directly and materially affect a major federal program to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

Internal Control Over Compliance (Continued)

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

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 over compliance that might be deficiencies, 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 Board of Education, audit committee, management, federal awarding agencies, pass-through entities and others within the School District. It is not intended for anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

March 11, 2011

Trimble LSD
Schedule of Findings
OMB Circular A-133 Section .505
June 30, 2010

SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under Section .510?	No
<i>(d)(1)(vii)</i>	Major Program(s) (list):	Nutrition Cluster: School Breakfast Program - CFDA #10.553 National School Lunch Program - CFDA #10.555 Title 1, Part A Cluster: Title 1 - CFDA # 84.010 Title 1 (ARRA) - CFDA # 84.389 Special Education Cluster: Title VI-B - CFDA #84.027 IDEA Preschool - CFDA #84.173 Title VI-B (ARRA) - CFDA #84.391 IDEA Preschool (ARRA) - CFDA #84.392 State Fiscal Stabilization Fund (ARRA) - CFDA #84.394
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	Yes

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.



Dave Yost • 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
MAY 5, 2011**