



# **Balestra, Harr & Scherer, CPAs, Inc.**

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Accounting, Auditing and Consulting Services for Federal, State and Local Governments

[www.bhscpas.com](http://www.bhscpas.com)

TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY

SINGLE AUDIT

For the Year Ended June 30, 2011  
Fiscal Year Audited Under GAGAS: 2011





# Dave Yost • Auditor of State

Members of the 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, 2010 through June 30, 2011. 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 black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

February 13, 2012

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**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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 Fund Balances To Net Assets of Governmental Activities .....	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	14
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities .....	15
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual – General Fund.....	16
Statement of Fiduciary Net Assets - Fiduciary Funds .....	17
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund .....	18
Notes to the Basic Financial Statements .....	19
Schedule of Federal Awards Receipts and Expenditures .....	47
Notes to the Schedule of Federal Awards Receipts and Expenditures .....	48
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i> .....	49
Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by OMB Circular A-133.....	51
Schedule of Findings OMB Circular A-133 Section §.505.....	53
Independent Auditor’s Report on Applying Agreed Upon Procedures .....	55

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# Balestra, Harr & Scherer, CPAs, Inc.

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## Independent Auditor's Report

Members of the Board of Education  
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, (the District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 Trimble Local School District, Athens County, Ohio, as of June 30, 2011, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2011 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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.

Accounting principles generally accepted in the United States of America require this presentation to include Management's discussion and analysis, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the District's basic financial statements taken as a whole. The Schedule of Federal Awards Receipts and Expenditures provides additional information 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. The Schedule of Federal Awards Receipts and Expenditures is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note 21 to the financial statements, the District has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.



Balestra, Harr & Scherer, CPAs, Inc.  
December 21, 2011



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
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, 2011. 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 2011 are as follows:

- Net assets of governmental activities increased \$397,763.
- General revenues accounted for \$7,470,275 in revenue or 65 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$3,941,186 or 35 percent of total revenues of \$11,411,461.
- The District had \$11,013,698 in expenses related to governmental activities; only \$3,941,186 of these expenses was offset by program specific charges for services, grants, contributions, and interest. General revenues of \$7,470,275 were not adequate to provide for these programs.
- Program expenses totaled \$11,013,698. Instructional expenses made up \$6,073,642 or 55 percent of this total while support services accounted for \$3,749,751, or 34 percent. Other expenses of \$1,190,305 rounded out the remaining 11 percent.
- The District has two major funds: the General Fund and the Bond Retirement Fund. The General Fund had \$8,055,839 in revenues and \$7,438,453 in expenditures and other financing uses. The General Fund's balance increased \$617,386. The Bond Retirement Fund had \$65,901 in revenues and \$71,065 in expenditures. The Bond Retirement Fund balance decreased by \$5,164.

**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 2011?" 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, 2011  
Unaudited  
(Continued)**

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

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

**Reporting the District's Most Significant Funds**

Fund Financial Statements

Fund financial reports provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the District's most significant funds. The District's major governmental funds are the General Fund and the Bond Retirement 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, 2011  
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 2011 compared to 2010.

**Table 1  
Net Assets  
Governmental Activities**

	2011	2010
<b><u>Assets</u></b>		
Current and Other Assets	\$3,347,400	\$3,658,904
Capital Assets, Net	14,432,993	14,214,971
Total Assets	17,780,393	17,873,875
<b><u>Liabilities</u></b>		
Other Liabilities	1,851,422	2,208,729
Long-Term Liabilities	1,257,582	1,391,520
Total Liabilities	3,109,004	3,600,249
<b><u>Net Assets</u></b>		
Invested in Capital Assets, Net of Related Debt	13,820,706	13,530,118
Restricted	932,551	999,603
Unrestricted	(81,868)	(256,095)
Total	\$14,671,389	\$14,273,626

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2011, the District's assets exceeded liabilities by \$14,671,389. By comparing assets and liabilities, one can see the overall position of the District as evidenced by the increase in net assets of \$397,763.

A portion of the District's net assets, \$932,551, represents resources that are subject to external restrictions on how they may be used. There remains a negative balance of unrestricted net assets of \$81,868, which is not sufficient to provide for the District's ongoing obligations to the students and creditors.

At fiscal year-end, capital assets represented 81 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, 2011 were \$13,820,706. 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, 2011  
Unaudited  
(Continued)**

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2011. Comparisons to 2010 have been included, as follows:

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

	2011	2010
<b><u>Revenues</u></b>		
Program Revenues:		
Charges for Services and Sales	\$838,946	\$725,797
Operating Grants, Contributions and Interest	3,102,240	3,297,357
Capital Grants and Contributions	-	663,509
Total Program Revenues	3,941,186	4,686,663
General Revenues:		
Property Taxes	798,397	839,616
Grants and Entitlements	6,541,320	6,483,157
Gifts and Donations	23,078	600
Investment Earnings	3,473	3,549
Miscellaneous	104,007	86,993
Total General Revenues	7,470,275	7,413,915
Total Revenues	11,411,461	12,100,578
<b><u>Expenses</u></b>		
Instruction:		
Regular	3,443,325	3,615,572
Special	1,967,939	1,932,940
Vocational	2,027	71,781
Student Intervention Services	34,950	36,670
Other	625,401	726,954
Support Services:		
Pupils	515,100	692,052
Instructional Staff	495,153	568,387
Board of Education	123,385	79,398
Administration	807,222	782,479
Fiscal	296,352	279,082
Operation and Maintenance of Plant	912,181	984,869
Pupil Transportation	577,681	569,652
Central	22,677	17,984
Non-Instructional	492,587	471,617
Extracurricular Activities	182,841	157,619
Capital Outlay	491,134	454,550
Interest and Fiscal Charges	23,743	35,203
Total Expenses	11,013,698	11,476,809
Increase/(Decrease) in Net Assets	\$397,763	\$623,769

Net assets of the District's governmental activities increased by \$397,763 in fiscal year 2011. Program revenues of \$3,941,186 and general revenue of \$7,470,275 did offset total governmental expenses of \$11,013,698. Program revenues supported 35 percent of total governmental expenses.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2011  
Unaudited  
(Continued)**

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 98 percent of total general revenue. Grants and entitlements, alone, represent 88 percent of revenues. Interest income and miscellaneous revenue account for the remaining 2 percent.

Instruction comprises approximately 55 percent of governmental program expenses. Additional supporting services for pupils, staff and business operations encompassed an additional 34 percent. The remaining 11 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>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
	<u>2011</u>	<u>2011</u>	<u>2010</u>	<u>2010</u>
Instruction:				
Regular	\$3,443,325	1,993,859	\$3,615,572	\$2,828,606
Special	1,967,939	1,040,181	1,932,940	160,436
Vocational	2,027	(11,922)	71,781	57,936
Student Intervention Services	34,950	34,950	36,670	36,670
Other	625,401	620,788	726,954	726,954
Support Services:				
Pupils	515,100	374,348	692,052	249,563
Instructional Staff	495,153	178,135	568,387	480,716
Board of Education	123,385	99,070	79,398	79,398
Administration	807,222	304,013	782,479	365,668
Fiscal	296,352	296,352	279,082	279,082
Operation and Maintenance of Plant	912,181	912,181	984,869	984,869
Pupil Transportation	577,681	542,300	569,652	554,983
Central	22,677	22,677	17,984	17,984
Non-Instructional	492,587	26,528	471,617	35,575
Extracurricular Activities	182,841	124,175	157,619	105,462
Capital Outlay	491,134	491,134	454,550	(208,959)
Interest and Fiscal Charges	23,743	23,743	35,203	35,203
<b>Total Expenses</b>	<b><u>\$11,013,698</u></b>	<b><u>\$7,072,512</u></b>	<b><u>\$11,476,809</u></b>	<b><u>\$6,790,146</u></b>

The dependence upon tax and other general revenues for governmental activities is apparent. Ohio law requires County Auditors to reappraise all real property every six years. In Athens County, the last reappraisal was completed in 2002. As a result of the latest update, the District's valuation increased approximately \$7,000,000. The next comprehensive reappraisal of property values 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, 2011  
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 \$11,871,343 and expenditures of \$11,368,223.

**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 2011, 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 \$7,748,454, above original estimates of \$7,732,000. The \$16,454 difference was due to intergovernmental estimates, based on the State's budget.

The District's ending unobligated General Fund balance was \$981,301.

**Capital Assets and Debt Administration**

Capital Assets

At the end of fiscal year 2011, the District had \$14,432,993 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2011 balances compared to 2010.

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

	<b>Governmental Activities</b>	
	<b>2011</b>	<b>2010</b>
Land and Land Improvements	\$119,641	\$55,370
Buildings and Improvements	13,576,790	13,726,294
Furniture and Equipment	595,355	350,535
Vehicles	141,207	82,772
<b>Totals</b>	<b>\$14,432,993</b>	<b>\$14,214,971</b>

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

Debt

At June 30, 2011, the District had general obligation bonds outstanding of \$605,000 and \$7,287 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, 2011  
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, 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, 2011**

		<b>Governmental Activities</b>
<b>Assets:</b>		
Equity in Pooled Cash and Cash Equivalents	\$	1,850,193
Cash and Cash Equivalents in Segregated Accounts		462
Materials and Supplies Inventory		28,712
Accrued Interest Receivable		151
Accounts Receivable		29,422
Intergovernmental Receivable		424,552
Taxes Receivable		1,013,908
Non-Depreciable Capital Assets		55,370
Depreciable Capital Assets, net		<u>14,377,623</u>
Total Assets		<u>17,780,393</u>
 <b>LIABILITIES:</b>		
Accrued Wages and Benefits		961,396
Intergovernmental Payable		228,500
Accrued Interest Payable		1,858
Deferred Revenue		659,668
Long-Term Liabilities:		
Due Within One Year		61,271
Due in More Than One Year		<u>1,196,311</u>
Total Liabilities		<u>3,109,004</u>
 <b>NET ASSETS:</b>		
Invested in Capital Assets, Net of Related Debt		13,820,706
Restricted for Debt Service		306,091
Restricted for Capital Outlay		262,135
Restricted for Other Purposes		364,325
Unrestricted		<u>(81,868)</u>
Total Net Assets	\$	<u><u>14,671,389</u></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, 2011**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net(Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Instruction:				
Regular	\$ 3,443,325	\$ 706,682	\$ 742,784	\$ (1,993,859)
Special	1,967,939	-	927,758	(1,040,181)
Vocational	2,027	-	13,949	11,922
Student Intervention Services	34,950	-	-	(34,950)
Other	625,401	-	4,613	(620,788)
Support Services:				
Pupils	515,100	-	140,752	(374,348)
Instructional Staff	495,153	-	317,018	(178,135)
Board of Education	123,385	-	24,315	(99,070)
Administration	807,222	-	503,209	(304,013)
Fiscal	296,352	-	-	(296,352)
Operation and Maintenance of Plant	912,181	-	-	(912,181)
Pupil Transportation	577,681	-	35,381	(542,300)
Central	22,677	-	-	(22,677)
Operation of Non-Instructional Services	492,587	73,598	392,461	(26,528)
Extracurricular Activities	182,841	58,666	-	(124,175)
Capital Outlay	491,134	-	-	(491,134)
Interest and Fiscal Charges	23,743	-	-	(23,743)
<b>Totals</b>	<b>\$ <u>11,013,698</u></b>	<b>\$ <u>838,946</u></b>	<b>\$ <u>3,102,240</u></b>	<b>\$ <u>(7,072,512)</u></b>

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes	731,192
Property Taxes, Levied for Debt Service	55,045
Property Taxes, Levied for Other	12,160
Grants and Entitlements not Restricted to Specific Programs	6,541,320
Gifts and Donations	23,078
Investment Earnings	3,473
Miscellaneous	104,007
<b>Total General Revenues</b>	<b><u>7,470,275</u></b>
Change in Net Assets	397,763
Net Assets Beginning of Year	14,273,626
<b>Net Assets End of Year</b>	<b>\$ <u>14,671,389</u></b>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Balance Sheet  
Governmental Funds  
June 30, 2011**

	<b>General Fund</b>	<b>Bond Retirement Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,047,878	\$ 284,066	\$ 518,249	\$ 1,850,193
Cash and Cash Equivalents in Segregated Accounts	-	-	462	462
Materials and Supplies Inventory	14,251	-	14,461	28,712
Accrued Interest Receivable	151	-	-	151
Accounts Receivable	29,422	-	-	29,422
Interfund Receivable	7,069	-	-	7,069
Intergovernmental Receivable	-	-	424,552	424,552
Taxes Receivable	930,262	66,973	16,673	1,013,908
<b>Total Assets</b>	<b>\$ 2,029,033</b>	<b>\$ 351,039</b>	<b>\$ 974,397</b>	<b>\$ 3,354,469</b>
<b>Liabilities</b>				
Current Liabilities:				
Accrued Wages and Benefits	\$ 692,263	\$ -	\$ 269,133	\$ 961,396
Interfund Payable	-	-	7,069	7,069
Intergovernmental Payable	180,257	-	48,243	228,500
Deferred Revenue	830,126	59,422	120,710	1,010,258
<b>Total Liabilities</b>	<b>1,702,646</b>	<b>59,422</b>	<b>445,155</b>	<b>2,207,223</b>
<b>Fund Balances</b>				
Nonspendable	14,251	-	14,461	28,712
Restricted	-	291,617	576,943	868,560
Assigned	73,645	-	-	73,645
Unassigned	238,491	-	(62,162)	176,329
<b>Total Fund Balances</b>	<b>326,387</b>	<b>291,617</b>	<b>529,242</b>	<b>1,147,246</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,029,033</b>	<b>\$ 351,039</b>	<b>\$ 974,397</b>	<b>\$ 3,354,469</b>

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, 2011**

Total Governmental Fund Balances	\$	1,147,246
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.		14,432,993
Taxes and Grants Receivable that do not provide financial resources are not reported as revenues in governmental funds.		350,590
Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:		
Accrued Interest Payable	(1,858)	
General Obligation Bonds Payable	(605,000)	
Leases Payable	(7,287)	
Compensated Absences Payable	(645,295)	
		<u>(1,259,440)</u>
Net Assets of Governmental Activities	\$	<u><u>14,671,389</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, 2011**

	<b>General Fund</b>	<b>Bond Retirement Fund</b>	<b>All Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 730,654	\$ 54,559	\$ 11,751	\$ 796,964
Intergovernmental	6,497,507	11,342	3,596,026	10,104,875
Interest	2,938	-	535	3,473
Tuition and Fees	706,102	-	-	706,102
Rent	580	-	-	580
Extracurricular Activities	828	-	57,838	58,666
Gifts and Donations	23,078	-	-	23,078
Customer Sales and Services	-	-	73,598	73,598
Miscellaneous	94,152	-	9,855	104,007
Total Revenues	8,055,839	65,901	3,749,603	11,871,343
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular	3,087,057	-	633,697	3,720,754
Special	902,966	-	1,078,819	1,981,785
Vocational	875	-	-	875
Student Intervention Services	34,950	-	-	34,950
Other	620,788	-	4,613	625,401
Support Services:				
Pupils	372,538	-	139,542	512,080
Instructional Staff	80,594	-	410,922	491,516
Board of Education	99,070	-	24,315	123,385
Administration	324,507	-	491,486	815,993
Fiscal	283,568	1,775	375	285,718
Operation and Maintenance of Plant	869,050	-	69,391	938,441
Pupil Transportation	581,830	-	44,637	626,467
Central	22,677	-	-	22,677
Operation of Non-Instructional Services	(212)	-	494,962	494,750
Extracurricular Activities	114,059	-	83,736	197,795
Capital Outlay	2,000	-	394,762	396,762
Debt Service:				
Principal	27,566	45,000	-	72,566
Interest	2,018	24,290	-	26,308
Total Expenditures	7,425,901	71,065	3,871,257	11,368,223
Excess of Revenues Over (Under) Expenditures	629,938	(5,164)	(121,654)	503,120
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In	-	-	12,552	12,552
Transfers Out	(12,552)	-	-	(12,552)
Total Other Financing Sources and Uses	(12,552)	-	12,552	-
Net Change in Fund Balances	617,386	(5,164)	(109,102)	503,120
Fund Balance (Deficit) at Beginning of Year, Restated (See Note 21)	(290,999)	296,781	638,344	644,126
Fund Balance (Deficit) at End of Year	\$ 326,387	\$ 291,617	\$ 529,242	\$ 1,147,246

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to Statement Activities  
For the Fiscal Year Ended June 30, 2011**

Net Change in Fund Balances - Total Governmental Funds \$ 503,120

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	813,137	
Depreciation	(594,981)	
	218,156	218,156

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		(134)
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Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:

Intergovernmental	(461,315)	
Delinquent Property Taxes	1,433	
	(459,882)	(459,882)

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

72,566

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

2,565

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		61,372
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Change in Net Assets of Governmental Activities		\$ <u><u>397,763</u></u>
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See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 724,000	\$ 724,000	\$ 723,136	\$ (864)
Intergovernmental	6,399,000	6,399,000	6,459,453	60,453
Interest	3,000	3,000	2,751	(249)
Tuition and Fees	559,000	559,000	705,181	146,181
Rent	500	500	580	80
Extracurricular Activities	-	-	828	828
Gifts and Donations	1,500	17,954	21,578	3,624
Miscellaneous	45,000	45,000	57,923	12,923
Total Revenues	<u>7,732,000</u>	<u>7,748,454</u>	<u>7,971,430</u>	<u>222,976</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular	3,254,117	3,271,877	3,238,835	33,042
Special	905,021	914,521	913,730	791
Vocational	10,979	15,979	12,179	3,800
Student Intervention Services	38,550	43,550	34,950	8,600
Other	681,000	681,000	620,488	60,512
Support Services:				
Pupils	279,724	339,547	332,661	6,886
Instructional Staff	71,440	92,906	85,126	7,780
Board of Education	123,700	127,406	103,930	23,476
Administration	455,742	419,006	342,623	76,383
Fiscal	309,599	310,399	281,056	29,343
Operation and Maintenance of Plant	980,410	1,015,710	845,144	170,566
Pupil Transportation	530,905	620,905	583,901	37,004
Central	25,000	25,677	22,677	3,000
Operation of Non-Instructional Services	9,462	9,462	6,762	2,700
Extracurricular Activities	113,890	123,511	114,513	8,998
Capital Outlay	90,000	2,000	2,000	0
Total Expenditures	<u>7,879,539</u>	<u>8,013,456</u>	<u>7,540,575</u>	<u>472,881</u>
Excess of Revenues Over (Under) Expenditures	<u>(147,539)</u>	<u>(265,002)</u>	<u>430,855</u>	<u>695,857</u>
Other Financing Sources and Uses:				
Refund of Prior Year Expenditures	-	-	5,405	5,405
Transfers Out	(25,000)	(18,100)	(12,552)	5,548
Advances Out	-	(6,900)	(6,836)	64
Total Other Financing Sources and Uses	<u>(25,000)</u>	<u>(25,000)</u>	<u>(13,983)</u>	<u>11,017</u>
Net Change in Fund Balances	(172,539)	(290,002)	416,872	706,874
Fund Balance (Deficit) at Beginning of Year	553,121	553,121	553,121	-
Prior Year Encumbrances Appropriated	11,308	11,308	11,308	-
Fund Balance (Deficit) at End of Year	<u>\$ 391,890</u>	<u>\$ 274,427</u>	<u>\$ 981,301</u>	<u>\$ 706,874</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2011**

	<u>Private Purpose Trust</u>	<u>Agency Fund</u>
<b>Assets:</b>		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 20,796	\$ 5,013
Investments	<u>17,778</u>	<u>-</u>
Total Assets	<u>38,574</u>	<u>5,013</u>
<b>Liabilities:</b>		
Current Liabilities:		
Undistributed Monies	<u>-</u>	<u>5,013</u>
Total Liabilities	<u>-</u>	<u>5,013</u>
<b>Net Assets:</b>		
Held in Trust for Scholarships	<u>38,574</u>	<u>-</u>
Total Net Assets	<u>\$ 38,574</u>	<u>\$ -</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2011**

	<u>Private Purpose Trust</u>
<b>Additions:</b>	
Gifts and Contributions	\$ 1,050
Interest	<u>904</u>
Total Additions	<u>1,954</u>
<b>Deductions:</b>	
Payments in Accordance with Trust Agreements	<u>1,000</u>
Total Deductions	<u>1,000</u>
Change in Net Assets	954
Net Assets Beginning of Year	<u>37,620</u>
Net Assets End of Year	<u>\$ 38,574</u>

See Accompanying Notes to the Basic Financial Statements



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011**

**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 47 classified employees, 68 certificated teaching personnel, and 5 administrators, who provide services to 817 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, the Metropolitan Education Council, and the Athens County School Employee Health and Welfare Benefit Association which are defined as insurance purchasing pools. These organizations are discussed in Notes 14 and 15.

**2. Summary of Significant Accounting Policies**

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

**A. Basis of Presentation**

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**2. Summary of Significant Accounting Policies (Continued)**

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

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

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

**B. Fund Accounting**

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

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

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

**Bond Retirement Fund** - The Bond Retirement Fund is used to account for property tax revenues to pay the principal and related interest on the school improvement bonds.

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, 2011  
(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, 2011  
(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, 2011, but which were levied to finance fiscal year 2012 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, 2011  
(Continued)**

**2. Summary of Significant Accounting Policies (Continued)**

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

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 2011 amounted to \$2,938, which includes \$2,174 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 governments, or imposed by enabling legislation.

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2011, 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, 2011  
(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 and compensated absences 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. Contractually required pension liabilities are fully recognized in the fund statements.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**2. Summary of Significant Accounting Policies (Continued)**

**M. Fund Balance**

Fund Balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon use of the resources in governmental funds. The classifications are as follows:

**Nonspendable** - The nonspendable classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash.

**Restricted** - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or is imposed by law through constitutional provisions.

**Committed** - The committed classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board of Education. The committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**Assigned** - Amounts in the assigned classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Education.

**Unassigned** - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District first applies restricted resources when an expenditure is incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used.

**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.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**2. Summary of Significant Accounting Policies (Continued)**

**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. 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.

**Q. 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.



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**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).

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

<b>Net Change in Fund Balance Major Governmental Funds</b>	
	<b>General</b>
GAAP Basis	\$617,386
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2010, Received In Cash FY 2011	92,909
Accrued FY 2011, Not Yet Received in Cash	(177,318)
Expenditure Accruals:	
Accrued FY 2010, Paid in Cash FY 2011	(1,009,508)
Accrued FY 2011, Not Yet Paid in Cash	901,304
Advances Net	(6,836)
Encumbrances Outstanding at Year End (Budget Basis)	(1,065)
Budget Basis	\$416,872

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**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;
3. Written repurchase agreements in the securities listed above, provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. Interim deposits in the eligible institutions applying for interim money as provided in section 135.08 of the Revised Code;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days and commercial paper notes for a period not to exceed one hundred eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time;

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**4. Deposits and Investments (Continued)**

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 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 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.

**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, 2011, the School District's bank balance of \$1,804,860 was either covered by the FDIC or collateralized by the financial institutions' public entity deposit pools in the manner described above.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**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 2011 represents collections of calendar year 2010 taxes. Real property taxes received in calendar year 2011 were levied after April 1, 2010, on the assessed value listed as of January 1, 2010, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value. First half 2011 real property taxes are collected in and intended to finance fiscal year 2012.

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. 2011 public utility property taxes became lien December 31, 2010, are levied after April 1, 2011 and are collected in 2012 with real property taxes. 2011 tangible personal property taxes are levied after April 1, 2011, on the value as of December 31, 2010. Collections are made in calendar year 2012. 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.

The assessed values upon which the fiscal year 2011 taxes were collected are:

	<b>2010 Second Half Collections</b>		<b>2011 First Half Collections</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Real Property	\$38,263,410	93%	\$35,647,810	92%
Public Utility Tangible Personal Property	2,722,800	7%	2,910,400	8%
Tangible Personal Property	129,498	0%	66,933	0%
<b>Total</b>	<b>\$41,115,708</b>	<b>100%</b>	<b>\$38,625,143</b>	<b>100%</b>
Tax Rate per \$1,000 of Assessed Valuation	\$31.77		\$31.77	

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**5. Property Taxes (Continued)**

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, 2011, are available to finance fiscal year 2011 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, 2011 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, 2011, was \$100,136 in the General Fund, \$7,551 in the Bond Retirement Fund, and \$1,565 in the Special Revenue Fund.

**6. Receivables**

Receivables at June 30, 2011, consisted of property taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Title VI-B Idea	\$33,881
Title IID	9,229
SIG	32,196
Title I	153,361
Handicapped Preschool	1,136
Title II-A	13,534
Miscellaneous Federal Grants	181,215
Total	<u>\$424,552</u>

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**7. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

	<b>Balance at 6/30/10 *</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at 6/30/11</b>
Capital Assets:				
Nondepreciable Capital Assets:				
Land	\$55,370	\$-	\$-	\$55,370
Depreciable Capital Assets:				
Land Improvements	638,185	66,487	-	704,672
Buildings and Improvements	20,812,256	295,845	-	21,108,101
Furniture, Fixtures, and Equipment	1,691,949	361,962	19,977	2,033,934
Vehicles	871,424	88,843	-	960,267
<b>Total Depreciable Capital Assets</b>	<b>24,013,814</b>	<b>813,137</b>	<b>19,977</b>	<b>24,806,974</b>
Less Accumulated Depreciation:				
Land Improvements	638,185	2,216	-	640,401
Buildings and Improvements	7,085,962	445,349	-	7,531,311
Furniture and Equipment	1,341,414	117,008	19,843	1,438,579
Vehicles	788,652	30,408	-	819,060
<b>Total Accumulated Depreciation</b>	<b>9,854,213</b>	<b>594,981</b>	<b>19,843</b>	<b>10,429,351</b>
<b>Depreciable Capital Assets, Net</b>	<b>14,159,601</b>	<b>218,156</b>	<b>134</b>	<b>14,377,623</b>
<b>Capital Assets, Net</b>	<b>\$14,214,971</b>	<b>\$218,156</b>	<b>\$134</b>	<b>\$14,432,993</b>

\* Reclassifications were made

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$52,400
Special	4,903
Vocational	1,152
Support Services:	
Pupil	5,980
Instructional Staff	20,761
Administration	2,349
Fiscal	324
Operation and Maintenance of Plant	6,125
Pupil Transportation	32,256
Operation of Non-Instructional Services	12,262
Extracurricular Activities	2,514
Capital Outlay	453,955
<b>Total Depreciation Expense</b>	<b>\$594,981</b>

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(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 2011.

**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](http://www.ohsers.org), under *Employers/Audit Resources*.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(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 2011, the allocation to pension and death benefits is 11.81 percent. The remaining 2.19 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, 2011, 2010 and 2009 were \$218,945, \$143,864 and \$150,556 , respectively; 52 percent of the required contribution has been made for fiscal year 2011 and 100 percent of the required contribution has been made for fiscal years 2010 and 2009. \$115,104 represents the unpaid contribution for fiscal year 2011 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.



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**9. Defined Benefit Pension Plans (Continued)**

**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 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.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**9. Defined Benefit Pension Plans (Continued)**

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.

For the fiscal years ended June 30, 2011, 2010, and 2009, 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, 2011, 2010, and 2009 were \$610,570, \$565,405, and \$587,683, respectively; 83 percent of the required contribution has been made for fiscal year 2011 and 100 percent of the required contribution has been made for fiscal years 2010 and 2009. \$111,064 represents the unpaid contribution for fiscal year 2011 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](http://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](http://www.strsoh.org) or by requesting a copy by calling toll-free 1-888-227-7877.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**10. Postemployment Benefits (Continued)**

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, 2011, 2010, and 2009. The 14 percent employer contribution rate is the maximum rate established under Ohio law. For the School District, these amounts equaled \$46,967, \$43,493, and \$45,206 for fiscal years 2011, 2010, and 2009, respectively, which is equal to the contributions for each year.

**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 2011 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 2011, 2010, and 2009, 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, 2011, 2010, and 2009, were \$13,020, \$11,870, and \$10,848 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.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**10. Postemployment Benefits (Continued)**

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 2011, 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, 2011, 2010, and 2009, the health care allocations were 0.46 percent, 0.46 percent, and 4.16 percent, respectively. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2011, 2010, and 2009 fiscal years equaled \$7,881, \$65,839, and \$68,704, respectively, which is equal to the required amounts for those years.

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](http://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.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**B. Insurance Benefits**

The District provides health and major medical insurance for all eligible employees through the Athens County School Employee Health and Welfare Benefit Association. There are two plan to choose from, the PPO and the Optional PPO. The District pays 88 percent of the total monthly premiums of \$1,631 for family coverage and 93.5 percent of \$610 for single coverage for the Alternate PPO for certified employees; The District pays 79 percent of \$1,808 for family coverage and 84 percent of \$677 for single coverage for the PPO for certified employees. The District pays 91.25 percent of the total monthly premiums of \$1,631 for family coverage and 96.75 percent of \$610 for single coverage for the Alternate PPO for classified employees. The District pays 83 percent of \$1,808 for family coverage and 87 percent of \$677 for single coverage for the PPO 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 for PPO and \$10 tier 1/ \$30 tier 2/ \$50 tier 3 prescription deductible for Alternate PPO.

The District provides life insurance to employees through American United Life in the amount of \$20,000 for all employees.

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

**12. Capitalized Leases**

During 2011 and in previous fiscal years, the District has entered into lease agreements for copiers. These lease obligations meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the fund financial statements. Principal payments in fiscal year 2011 totaled \$27,566 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:

<b>Fiscal Year</b>	<b>Amount</b>
2012	<u>\$7,396</u>
Total	<u>7,396</u>
Less: Amount Representing Interest	<u>(109)</u>
Present Value of Net Minimum Lease Payments	<u><u>\$7,287</u></u>

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, 2011, was \$16,614, leaving a remaining book value of \$60,914.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**13. Long-Term Obligations**

Changes in long-term obligations during fiscal year 2011 were as follows:

	<b>Principal Outstanding 6/30/10</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at 6/30/11</b>	<b>Due Within One Year</b>
<b>Governmental Activities:</b>					
2006 4.09 % Bond Refinancing Issue	\$615,000	\$-	\$10,000	\$605,000	\$45,000
2000 6.322% Classroom Facilities Bonds	35,000	-	35,000	-	-
Total General Obligation Bonds	<u>650,000</u>	<u>-</u>	<u>45,000</u>	<u>605,000</u>	<u>45,000</u>
Capital Leases	34,853		27,566	7,287	7,287
Compensated Absences	706,667	33,163	94,535	645,295	8,984
Total Governmental Activities Long-Term Obligations	<u>\$1,391,520</u>	<u>\$33,163</u>	<u>\$167,101</u>	<u>\$1,257,582</u>	<u>\$61,271</u>

**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.

**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, 2011, are as follows:

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	19,363	56,362	75,725
2017-2021	250,637	98,332	348,969
2022-2024	135,000	5,844	140,844
Total	<u>\$605,000</u>	<u>\$238,793</u>	<u>\$843,793</u>

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**13. Long-Term Obligations (Continued)**

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 \$2,871,263, with an unvoted debt margin of \$386,251 at June 30, 2011.

**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 \$25,701 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 \$325 for services provided during the year.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**15. Insurance Purchasing Pool**

**A. Sheakley Workers' Compensation Group Rating Program**

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

**B. Ohio School Plan**

The District belongs to the Ohio School Plan (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to approximately 300 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 financial 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, 2010 and 2009 (the latest information available):

	2010	2009
Assets	\$3,859,753	\$3,662,470
Liabilities	1,732,921	1,729,914
Members' Equity	2,126,832	1,932,556

You can read the complete audited financial statements for The Ohio School Plan at the Plan's website, [www.ohioschoolplan.org](http://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, 2011  
(Continued)**

**16. Interfund Activity and Balances**

**A. Transfers**

Transfers made during fiscal year 2011 were as follows:

<b>Transfer from</b>	<b>Transfer to Other Nonmajor Governmental</b>
General Fund	\$12,552

**B. Interfund Balances**

Interfund Balances at June 30, 2011, consisted of the following for services provided by the General Fund:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>General Fund</b>	\$7,069	
<b>Special Revenue Funds:</b>		
Athletics		\$233
School Improvement Grant		3,009
Title I		3,827
<b>Total All Funds</b>	\$7,069	\$7,069

**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, 2011.

**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, 2011  
(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.

	<b>Textbooks</b>	<b>Capital Acquisition</b>
Set-aside Reserve Balance as of June 30, 2010	\$0	\$0
Current Year Set-aside Requirement	121,166	121,166
Current Year Offsets	-	(15,198)
Qualifying Disbursements	(142,074)	(105,968)
Excess qualified expenditures from prior years	(18,281)	-
Totals	(\$39,189)	\$0
Set-Aside Balance Carried Forward to Future Fiscal Years	(\$39,189)	\$0
Set-aside Reserve Balance as of June 30, 2011	(\$39,189)	\$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, 2011.

**19. Fund Deficits**

The following funds had deficit fund balances at June 30, 2011:

	<b>Deficit</b>
<b>Special Revenue Funds:</b>	
Special Education	\$15,595
Title I	16,017
Early Childhood	918
Title II-A	8,433
Education Jobs	8,586

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**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**20. SUBSEQUENT EVENT**

On May 24, 2011, the Board approved a contract with Holland Roofing of Columbus, Inc. for roof replacement on the elementary/middle school. The amount of the contract is \$222,800. The contractor began working on the project in July 2011.

**21. CHANGE IN BASIS OF ACCOUNTING**

For fiscal year 2011, the District modified its financial statements to reflect the modifications outlined in GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". GASB Statement No. 54 provides fund balance classifications that can be more consistently applied and clarifies the existing governmental fund type definitions. The requirements of this statement classify fund balance as nonspendable, restricted, committed, assigned, and/or unassigned. The statement also, requires certain funds to be included with the General fund.

The fund balance restatements are as follows:

	<b>General Fund</b>	<b>Bond Retirement Fund</b>	<b>Other Governmental Funds</b>
Fund Balance, June 30, 2010	(\$354,928)	\$296,781	\$702,273
Reclassify Uniform School Supply Fund	305	-	(305)
Reclassify Principal Funds	63,624	-	(63,624)
Restated Fund Balance, June 30, 2010	(\$290,999)	\$296,781	\$638,344

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2011  
(Continued)**

**22. FUND BALANCE**

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in governmental funds.

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

<u>Fund Balance</u>	<u>General</u>	<u>Bond Retirement Fund</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
Nonspendable for:				
Materials and Supplies	\$14,251	\$-	\$14,461	\$28,712
Total Nonspendable	14,251		14,461	28,712
Restricted for:				
Regular Instruction	-	-	242,387	242,387
Athletics	-	-	279	279
Facilities Maintenance	-	-	72,142	72,142
Debt Retirement	-	291,617	-	291,617
Permanent Improvements	-	-	108	108
Building Project	-	-	748	748
Building Construction	-	-	261,279	261,279
Total Restricted	-	291,617	576,943	868,560
Assigned for:				
School Supplies	305	-	-	305
Principal Funds	68,305	-	-	68,305
Unclaimed Monies	3,611	-	-	3,611
Library Automation	359	-	-	359
Encumbrances	1,065	-	-	1,065
Total Assigned	73,645	-	-	73,645
Unassigned	238,491	-	(62,162)	176,329
Total Fund Balance	\$326,387	\$291,617	\$529,242	\$1,147,246

Trimble Local School District  
Athens County

Schedule of Federal Awards Receipts and Expenditures  
For the Fiscal Year Ended June 30, 2011

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Non-Cash Receipts	Disbursements	Non-Cash Disbursements
<b>United States Department of Agriculture</b>						
<i>Passed through Ohio Department of Education</i>						
<i>Nutrition Cluster:</i>						
School Breakfast Program	3L70	10.553	\$ 114,711	\$ -	\$ 114,711	\$ -
National School Lunch Program	3L60	10.555	206,440	49,321	206,440	49,321
<b>Total Nutrition Cluster</b>			<b>321,151</b>	<b>49,321</b>	<b>321,151</b>	<b>49,321</b>
Child Nutrition Discretionary Grants	3EF0	10.579	13,499	-	13,499	-
<b>Total United States Department of Agriculture</b>			<b>334,650</b>	<b>49,321</b>	<b>334,650</b>	<b>49,321</b>
<b>United States Department of Education</b>						
<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	779,443	-	778,083	-
Title I Grants to Local Educational Agencies, Recovery Act	3DK0	84.389	279,913	-	281,792	-
<b>Total Title I, Part A Cluster</b>			<b>1,059,356</b>	<b>-</b>	<b>1,059,875</b>	<b>-</b>
<i>Special Education Cluster:</i>						
Special Education Grants to States	3M20	84.027	249,612	-	250,068	-
Special Education Grants to States, Recovery Act	3DJ0	84.391	84,461	-	82,331	-
Special Education Preschool Grants	3C50	84.173	9,824	-	9,581	-
Special Education Preschool Grants, Recovery Act	3DL0	84.392	824	-	826	-
<b>Total Special Education Cluster</b>			<b>344,721</b>	<b>-</b>	<b>342,806</b>	<b>-</b>
<i>Education Technology State Grants Cluster</i>						
Education Technology State Grants	3S20	84.318	6,030	-	6,004	-
Education Technology State Grants, Recovery Act	3DM0	84.386	212,300	-	208,369	-
<b>Total Education Technology State Grants Cluster</b>			<b>218,330</b>	<b>-</b>	<b>214,373</b>	<b>-</b>
<i>School Improvement Grants Cluster</i>						
School Improvement Grants, Recovery Act	3DP0	84.388	294,918	-	294,918	-
<b>Total School Improvement Grants Cluster</b>			<b>294,918</b>	<b>-</b>	<b>294,918</b>	<b>-</b>
<i>State Fiscal Stabilization Fund Cluster</i>						
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	GRF	84.394	523,990	-	470,833	-
<b>Total State Fiscal Stabilization Fund Cluster</b>			<b>523,990</b>	<b>-</b>	<b>470,833</b>	<b>-</b>
Safe & Drug Free Schools and Communities - State Grants	3D10	84.186	2,349	-	2,349	-
Twenty-First Century Community Learning Centers	3Y20	84.287	209,824	-	209,824	-
Rural Education	3Y80	84.358	13,920	-	15,715	-
Improving Teacher Quality State Grants	3Y60	84.367	98,107	-	102,098	-
<b>Total passed through Ohio Department of Education</b>			<b>2,765,515</b>	<b>-</b>	<b>2,712,791</b>	<b>-</b>
<i>Direct Programs</i>						
Safe & Drug Free Schools and Communities - National Programs	NA	84.184	33,205	-	33,205	-
Fund for the Improvement of Education	NA	84.215	66,563	-	66,563	-
<b>Total United States Department of Education</b>			<b>2,865,283</b>	<b>-</b>	<b>2,812,559</b>	<b>-</b>
<b>Total Federal Financial Assistance</b>			<b>\$ 3,199,933</b>	<b>\$ 49,321</b>	<b>\$ 3,147,209</b>	<b>\$ 49,321</b>

NA - Pass through entity number was not available or not applicable

See accompanying notes to the Schedule of Federal Awards Receipts and Expenditures

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – FOOD DONATION**

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 (expenditures) is reported in the Schedule at the fair market value of the commodities received.

**NOTE C – NATIONAL SCHOOL LUNCH AND BREAKFAST PROGRAMS**

Federal funds received from the National School Lunch and Breakfast Programs were commingled with state subsidy and local revenue from the sale of meals. It was assumed that federal dollars were expended first.



## Balestra, Harr & Scherer, CPAs, Inc.

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### **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trimble Local School District, Athens County, Ohio (the District), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 21, 2011 wherein we noted that the District implemented GASB Statements No. 54. 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 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 District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the 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 District's financial statements will not be prevented, or detected and timely corrected.

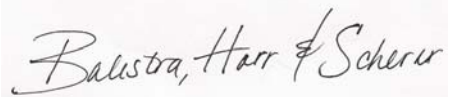
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Members of the Board of Education  
Trimble Local School District  
Report on Internal Control Over Financial Reporting and on Compliance  
and Other Matters Required by *Government Auditing Standards*  
Page 2

### **Compliance and Other Matters**

As part of reasonably assuring whether the 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 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 management, the Board of Education, federal awarding agencies and pass-through entities, and others within the District. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.  
December 21, 2011





# Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

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

### Compliance

We have audited the compliance of Trimble Local School District, Athens County, Ohio (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of Trimble Local School District's major federal programs for the year ended June 30, 2011. The summary of auditor's results section of the accompanying schedule of findings identifies the District's major federal programs. The 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 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 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 on the District's compliance with those requirements.

In our opinion, Trimble Local School District 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, 2011.

### Internal Control Over Compliance

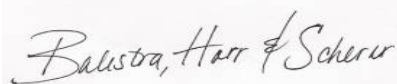
The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could 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 District's internal control over compliance.

Members of the Board of Education  
Trimble Local School District  
Report on Compliance with Requirements Applicable to each Major Federal Program and on  
Internal Control Over Compliance Required by OMB Circular A-133  
Page 2

*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 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 weaknesses, as defined above.

We intend this report solely for the information and use of management, the Board of Education, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.  
December 21, 2011

**Trimble Local School District**  
**Athens County, Ohio**

**Schedule of Findings**  
**OMB Circular A-133 Section §.505**  
**June 30, 2011**

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

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant control deficiencies reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant internal control deficiencies reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510(a)?	No
(d)(1)(vii)	Major Programs (list):	Title 1, Part A Cluster: Title 1 Grants to Local Educational Agencies; CFDA# 84.010 Title 1 Grants to Local Educational Agencies – ARRA; CFDA# 84.389 Special Education Cluster: Special Education Grants to States; CFDA# 84.027 Special Education Preschool Grants; CFDA# 84.173 Special Education Preschool Grants – ARRA; CFDA# 84.392 Special Education Grants to States – ARRA; CFDA# 84.391 State Fiscal Stabilization Fund (SFSF) – Education State Grants, ARRA; CFDA #84.394 School Improvement Grants Cluster: School Improvement Grants – ARRA; CFDA# 84.388
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**Trimble Local School District  
Athens County, Ohio**

**Schedule of Findings  
*OMB Circular A-133 Section §.505*  
June 30, 2011**

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

**None noted**

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**None noted**



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## Independent Auditor's Report on Applying Agreed Upon Procedures

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

To the Board of Education:

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

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

1. We noted the Board amended its anti-harassment policy at its meeting on November 22, 2011 to include violence within a dating relationship within its definition of harassment, intimidation or bullying.

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

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

Balestra, Harr & Scherer, CPAs, Inc.

December 21, 2011

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# 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  
MARCH 08, 2012**