



**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Trimble Local School District
Athens County
One Tomcat Drive
Glouster, Ohio 45732

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Trimble Local School District, Athens County, Ohio (the School District), as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Trimble Local School District, Athens County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund type and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2000, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

November 30, 2000

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**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$33,253	\$240,148	\$274,581	\$4,432,814
Cash and Cash Equivalents with Fiscal and Escrow Agents	0	0	34,463	0
Investments	0	0	0	0
Receivables:				
Property Taxes	563,337	95	201,319	0
Accounts	10,427	372	0	0
Intergovernmental	14,318	0	0	0
Interfund	54,694	0	0	0
Prepaid Items	9,946	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	4,015	0	0	0
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	109,462	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund for Retirement of General Obligation Bonds Payable	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u>\$799,452</u>	<u>\$240,615</u>	<u>\$510,363</u>	<u>\$4,432,814</u>

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		Trust and Agency	General Fixed Assets	
Enterprise				
\$17,527	\$11,396	\$0	\$0	\$5,009,719
0	0	0	0	34,463
0	13,971	0	0	13,971
0	0	0	0	764,751
0	0	0	0	10,799
0	0	0	0	14,318
0	0	0	0	54,694
0	0	0	0	9,946
8,064	0	0	0	8,064
899	0	0	0	4,914
0	0	0	0	109,462
168,038	0	12,336,293	0	12,504,331
0	0	0	279,102	279,102
0	0	0	1,768,939	1,768,939
\$194,528	\$25,367	\$12,336,293	\$2,048,041	\$20,587,473

(continued)

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$37,402	\$25,660	\$0	\$5,365
Contracts Payable	0	0	0	710,552
Accrued Wages and Benefits Payable	600,305	111,127	0	0
Compensated Absences Payable	28,737	0	0	0
Retainage Payable	0	0	0	31,021
Interfund Payable	0	233	0	54,461
Intergovernmental Payable	151,714	24,507	0	0
Deferred Revenue	543,439	0	196,798	0
Due to Students	0	0	0	0
Matured Bonds Payable	0	0	30,000	0
Matured Interest Payable	0	0	4,463	0
Early Retirement Incentive Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Total Liabilities	1,361,597	161,527	231,261	801,399
Fund Equity and Other Credits:				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	3,673	6,697	0	103,073
Reserved for Contributions	0	0	0	0
Reserved for Inventory	4,015	0	0	0
Reserved for Property Taxes	14,701	0	3,600	0
Reserved for Bus Purchase	4,015	0	0	0
Reserved for Textbooks	38,899	0	0	0
Reserved for Budget Stabilization	66,548	0	0	0
Unreserved:				
Undesignated (Deficit)	(693,996)	72,391	275,502	3,528,342
Total Fund Equity (Deficit) and Other Credits	(562,145)	79,088	279,102	3,631,415
Total Liabilities, Fund Equity and Other Credits	<u>\$799,452</u>	<u>\$240,615</u>	<u>\$510,363</u>	<u>\$4,432,814</u>

See accompanying notes to the general purpose financial statements.

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Obligations	
Enterprise	Trust and Agency			
\$254	\$0	\$0	\$0	\$68,681
0	0	0	0	710,552
26,647	0	0	0	738,079
10,294	0	0	544,126	583,157
0	0	0	0	31,021
0	0	0	0	54,694
11,549	0	0	52,605	240,375
5,980	0	0	0	746,217
0	11,396	0	0	11,396
0	0	0	0	30,000
0	0	0	0	4,463
0	0	0	48,310	48,310
0	0	0	1,403,000	1,403,000
<u>54,724</u>	<u>11,396</u>	<u>0</u>	<u>2,048,041</u>	<u>4,669,945</u>
0	0	12,336,293	0	12,336,293
235,127	0	0	0	235,127
(95,323)	0	0	0	(95,323)
0	0	0	0	113,443
0	7,890	0	0	7,890
0	0	0	0	4,015
0	0	0	0	18,301
0	0	0	0	4,015
0	0	0	0	38,899
0	0	0	0	66,548
0	6,081	0	0	3,188,320
<u>139,804</u>	<u>13,971</u>	<u>12,336,293</u>	<u>0</u>	<u>15,917,528</u>
<u>\$194,528</u>	<u>\$25,367</u>	<u>\$12,336,293</u>	<u>\$2,048,041</u>	<u>\$20,587,473</u>

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Revenues:					
Property Taxes	\$479,789	\$10,755	\$92,568	\$0	\$583,112
Intergovernmental	4,978,505	1,165,810	15,743	3,891,522	10,051,580
Interest	52,101	0	2,505	53,509	108,115
Tuition and Fees	22,308	0	0	0	22,308
Extracurricular Activities	0	52,717	0	0	52,717
Miscellaneous	133,547	40,161	0	1,345	175,053
Total Revenues	5,666,250	1,269,443	110,816	3,946,376	10,992,885
Expenditures:					
Current:					
Instruction:					
Regular	2,612,258	545,030	0	0	3,157,288
Special	746,969	334,569	0	0	1,081,538
Vocational	155,894	0	0	0	155,894
Other	267,419	0	0	0	267,419
Support Services:					
Pupils	249,810	128,935	0	0	378,745
Instructional Staff	258,259	125,940	0	0	384,199
Board of Education	20,603	690	0	0	21,293
Administration	453,146	22,496	0	0	475,642
Fiscal	163,814	2,696	3,126	0	169,636
Operation and Maintenance of Plant	542,988	33,266	0	0	576,254
Pupil Transportation	436,778	6,244	0	0	443,022
Central	6,884	0	0	0	6,884
Extracurricular Activities	21,067	126,482	0	0	147,549
Capital Outlay	0	0	0	1,409,750	1,409,750
Debt Service:					
Principal Retirement	34,306	0	94,000	0	128,306
Interest and Fiscal Charges	0	0	69,535	0	69,535
Total Expenditures	5,970,195	1,326,348	166,661	1,409,750	8,872,954
Excess of Revenues Over (Under) Expenditures	(303,945)	(56,905)	(55,845)	2,536,626	2,119,931
Other Financing Sources (Uses):					
Proceeds from Sale of Bonds	0	0	965,000	3,000	968,000
Operating Transfers In	12,431	64,500	57,219	965,000	1,099,150
Operating Transfers Out	(121,719)	(11,000)	(966,431)	0	(1,099,150)
Total Other Financing Sources (Uses)	(109,288)	53,500	55,788	968,000	968,000
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(413,233)	(3,405)	(57)	3,504,626	3,087,931
Fund Balances (Deficit) at Beginning of Year	(147,209)	82,493	279,159	126,789	341,232
Decrease in Reserve for Inventory	(1,703)	0	0	0	(1,703)
Fund Balances (Deficit) at End of Year	(\$562,145)	\$79,088	\$279,102	\$3,631,415	\$3,427,460

See accompanying notes to the general purpose financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$4,519	\$4,519	\$0
Property Taxes	475,000	483,486	8,486
Intergovernmental	5,492,826	4,978,283	(514,543)
Interest	55,930	52,101	(3,829)
Tuition and Fees	29,528	22,406	(7,122)
Extracurricular Activities	0	0	0
Miscellaneous	141,902	118,861	(23,041)
Total Revenues	6,199,705	5,659,656	(540,049)
Expenditures:			
Current:			
Instruction:			
Regular	2,909,892	2,602,707	307,185
Special	782,888	749,234	33,654
Vocational	157,265	152,378	4,887
Other	241,800	234,718	7,082
Support Services:			
Pupils	277,833	226,102	51,731
Instructional Staff	262,655	255,930	6,725
Board of Education	27,426	22,329	5,097
Administration	486,285	459,536	26,749
Fiscal	172,576	162,429	10,147
Operation and Maintenance of Plant	586,288	543,103	43,185
Pupil Transportation	443,208	411,739	31,469
Central	6,900	6,884	16
Operation of Non-Instructional Services	60	0	60
Extracurricular Activities	22,354	20,554	1,800
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	6,377,430	5,847,643	529,787
Excess of Revenues Over (Under) Expenditures	(177,725)	(187,987)	(10,262)
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	2,000	1,876	(124)
Proceeds from Sale of Bonds	0	0	0
Proceeds from Sale of Notes	0	0	0
Advances In	738	738	0
Advances Out	(54,495)	(54,461)	34
Operating Transfers In	18,946	12,431	(6,515)
Operating Transfers Out	(130,723)	(121,719)	9,004
Total Other Financing Sources (Uses)	(163,534)	(161,135)	2,399
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(341,259)	(349,122)	(7,863)
Fund Balances at Beginning of Year	463,154	463,154	0
Prior Year Encumbrances Appropriated	23,707	23,707	0
Fund Balances at End of Year	\$145,602	\$137,739	(\$7,863)

See accompanying notes to the general purpose financial statements.

(continued)

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$0	\$0	\$0
Property Taxes	11,200	10,761	(439)
Intergovernmental	1,323,797	1,169,862	(153,935)
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	59,710	53,223	(6,487)
Miscellaneous	33,120	40,306	7,186
	1,427,827	1,274,152	(153,675)
Total Revenues			
Expenditures:			
Current:			
Instruction:			
Regular	588,540	523,778	64,762
Special	452,030	337,921	114,109
Vocational	0	0	0
Other	0	0	0
Support Services:			
Pupils	189,978	117,963	72,015
Instructional Staff	187,840	119,926	67,914
Board of Education	1,050	680	370
Administration	28,437	22,473	5,964
Fiscal	3,520	2,680	840
Operation and Maintenance of Plant	45,493	29,235	16,258
Pupil Transportation	6,782	6,244	538
Central	0	0	0
Operation of Non-Instructional Services	0	0	0
Extracurricular Activities	128,319	126,897	1,422
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
	1,631,989	1,287,797	344,192
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(204,162)	(13,645)	190,517
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	10,251	10,886	635
Proceeds from Sale of Bonds	0	0	0
Proceeds from Sale of Notes	0	0	0
Advances In	0	0	0
Advances Out	(738)	(738)	0
Operating Transfers In	65,000	64,500	(500)
Operating Transfers Out	(11,000)	(11,000)	0
	63,513	63,648	135
Total Other Financing Sources (Uses)			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(140,649)	50,003	190,652
Fund Balances at Beginning of Year	166,520	166,520	0
Prior Year Encumbrances Appropriated	13,536	13,536	0
	\$39,407	\$230,059	\$190,652
Fund Balances at End of Year			

See accompanying notes to the general purpose financial statements.

Debt Service Fund			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$0	\$0	\$0
121,800	91,296	(30,504)	0	0	0
12,780	15,743	2,963	2,018,397	3,976,915	1,958,518
2,500	2,505	5	37,500	53,509	16,009
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	1,345	1,345
<u>137,080</u>	<u>109,544</u>	<u>(27,536)</u>	<u>2,055,897</u>	<u>4,031,769</u>	<u>1,975,872</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
3,886	3,126	760	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	2,351,234	823,178	1,528,056
1,059,000	1,059,000	0	0	0	0
69,535	69,535	0	0	0	0
<u>1,132,421</u>	<u>1,131,661</u>	<u>760</u>	<u>2,351,234</u>	<u>823,178</u>	<u>1,528,056</u>
<u>(995,341)</u>	<u>(1,022,117)</u>	<u>(26,776)</u>	<u>(295,337)</u>	<u>3,208,591</u>	<u>3,503,928</u>
0	0	0	0	0	0
965,000	965,000	0	3,000	3,000	0
0	0	0	965,000	965,000	0
0	0	0	54,461	54,461	0
0	0	0	0	0	0
0	57,219	57,219	0	0	0
(1,431)	(1,431)	0	0	0	0
<u>963,569</u>	<u>1,020,788</u>	<u>57,219</u>	<u>1,022,461</u>	<u>1,022,461</u>	<u>0</u>
(31,772)	(1,329)	30,443	727,124	4,231,052	3,503,928
275,810	275,810	0	98,680	98,680	0
100	100	0	9	9	0
<u>\$244,138</u>	<u>\$274,581</u>	<u>\$30,443</u>	<u>\$825,813</u>	<u>\$4,329,741</u>	<u>\$3,503,928</u>

(continued)

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Income Taxes	\$4,519	\$4,519	\$0
Property Taxes	608,000	585,543	(22,457)
Intergovernmental	8,847,800	10,140,803	1,293,003
Interest	95,930	108,115	12,185
Tuition and Fees	29,528	22,406	(7,122)
Extracurricular Activities	59,710	53,223	(6,487)
Miscellaneous	175,022	160,512	(14,510)
Total Revenues	9,820,509	11,075,121	1,254,612
Expenditures:			
Current:			
Instruction:			
Regular	3,498,432	3,126,485	371,947
Special	1,234,918	1,087,155	147,763
Vocational	157,265	152,378	4,887
Other	241,800	234,718	7,082
Support Services:			
Pupils	467,811	344,065	123,746
Instructional Staff	450,495	375,856	74,639
Board of Education	28,476	23,009	5,467
Administration	514,722	482,009	32,713
Fiscal	179,982	168,235	11,747
Operation and Maintenance of Plant	631,781	572,338	59,443
Pupil Transportation	449,990	417,983	32,007
Central	6,900	6,884	16
Operation of Non-Instructional Services	60	0	60
Extracurricular Activities	150,673	147,451	3,222
Capital Outlay	2,351,234	823,178	1,528,056
Debt Service:			
Principal Retirement	1,059,000	1,059,000	0
Interest and Fiscal Charges	69,535	69,535	0
Total Expenditures	11,493,074	9,090,279	2,402,795
Excess of Revenues Over (Under) Expenditures	(1,672,565)	1,984,842	3,657,407
Other Financing Sources (Uses):			
Refund of Prior Year Expenditures	12,251	12,762	511
Proceeds from Sale of Bonds	968,000	968,000	0
Proceeds from Sale of Notes	965,000	965,000	0
Advances In	55,199	55,199	0
Advances Out	(55,233)	(55,199)	34
Operating Transfers In	83,946	134,150	50,204
Operating Transfers Out	(143,154)	(134,150)	9,004
Total Other Financing Sources (Uses)	1,886,009	1,945,762	59,753
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	213,444	3,930,604	3,717,160
Fund Balances at Beginning of Year	1,004,164	1,004,164	0
Prior Year Encumbrances Appropriated	37,352	37,352	0
Fund Balances at End of Year	\$1,254,960	\$4,972,120	\$3,717,160

See accompanying notes to the general purpose financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**COMBINED STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN FUND EQUITY
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Non- Expendable Trust	
Operating Revenues:			
Sales	\$111,233	\$0	\$111,233
Interest	0	718	718
Other Revenues	2,956	1,000	3,956
Total Operating Revenues	114,189	1,718	115,907
Operating Expenses:			
Salaries	118,709	0	118,709
Fringe Benefits	73,939	0	73,939
Purchased Services	5,239	0	5,239
Materials and Supplies	42,852	0	42,852
Cost of Sales	101,785	0	101,785
Other	440	1,500	1,940
Depreciation	6,623	0	6,623
Total Operating Expenses	349,587	1,500	351,087
Operating Income (Loss)	(235,398)	218	(235,180)
Non-Operating Revenues:			
Federal Donated Commodities	18,303	0	18,303
Operating Grants	209,533	0	209,533
Total Non-Operating Revenues	227,836	0	227,836
Net Income (Loss)	(7,562)	218	(7,344)
Retained Earnings (Deficit)/Fund Balance at Beginning of Year	(87,761)	13,753	(74,008)
Retained Earnings (Deficit)/Fund Balance at End of Year	(95,323)	13,971	(81,352)
Contributed Capital at Beginning and End of	235,127	0	235,127
Total Fund Equity at End of Year	\$139,804	\$13,971	\$153,775

See accompanying notes to the general purpose financial statements.

TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Enterprise Funds		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
Revenues:			
Sales	\$114,195	\$111,478	(\$2,717)
Interest	0	0	0
Other Revenues	1,000	2,956	1,956
Operating Grants	<u>208,250</u>	<u>210,795</u>	<u>2,545</u>
Total Revenues	<u>323,445</u>	<u>325,229</u>	<u>1,784</u>
Expenses:			
Salaries	114,623	114,293	330
Fringe Benefits	69,585	69,535	50
Purchased Services	5,250	5,110	140
Materials and Supplies	133,082	126,333	6,749
Other	<u>440</u>	<u>440</u>	<u>0</u>
Total Expenses	<u>322,980</u>	<u>315,711</u>	<u>7,269</u>
Excess of Revenues Over Expenses	465	9,518	9,053
Fund Equity at Beginning of Year	7,657	7,657	0
Prior Year Encumbrances Appropriated	<u>0</u>	<u>0</u>	<u>0</u>
Fund Equity at End of Year	<u>\$8,122</u>	<u>\$17,175</u>	<u>\$9,053</u>

See accompanying notes to the general purpose financial statements.

Non-Expendable Trust Funds			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$114,195	\$111,478	(\$2,717)
825	718	(107)	825	718	(107)
950	1,000	50	1,950	3,956	2,006
0	0	0	208,250	210,795	2,545
<u>1,775</u>	<u>1,718</u>	<u>(57)</u>	<u>325,220</u>	<u>326,947</u>	<u>1,727</u>
0	0	0	114,623	114,293	330
0	0	0	69,585	69,535	50
0	0	0	5,250	5,110	140
0	0	0	133,082	126,333	6,749
<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>1,940</u>	<u>1,940</u>	<u>0</u>
<u>1,500</u>	<u>1,500</u>	<u>0</u>	<u>324,480</u>	<u>317,211</u>	<u>7,269</u>
275	218	(57)	740	9,736	8,996
13,753	13,753	0	21,410	21,410	0
0	0	0	0	0	0
<u>\$14,028</u>	<u>\$13,971</u>	<u>(\$57)</u>	<u>\$22,150</u>	<u>\$31,146</u>	<u>\$8,996</u>

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND NON-EXPENDABLE TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Non- Expendable Trust	
Increase (Decrease) in			
Cash and Cash Equivalents:			
Cash Flows from Operating Activities:			
Cash Received from Customers	\$111,478	\$0	\$111,478
Other Operating Revenue	2,956	1,000	3,956
Cash Payments to Suppliers for Goods and Services	(131,091)	0	(131,091)
Cash Payments for Scholarships	0	(1,500)	(1,500)
Cash Payments for Employee Services	(114,293)	0	(114,293)
Cash Payments for Employee Benefits	(69,535)	0	(69,535)
Other Operating Expenses	(440)	0	(440)
	<u>(200,925)</u>	<u>(500)</u>	<u>(201,425)</u>
Net Cash Used for Operating Activities			
Cash Flows from Noncapital Financing Activities:			
Operating Grants Received	210,795	0	210,795
	<u>210,795</u>	<u>0</u>	<u>210,795</u>
Cash Flows from Investing Activities:			
Proceeds from Sale of Investments	0	12,253	12,253
Purchase of Investments	0	(13,971)	(13,971)
Interest	0	718	718
	<u>0</u>	<u>(1,000)</u>	<u>(1,000)</u>
Net Cash Used for Investing Activities			
Net Increase (Decrease) in Cash and Cash Equivalents	9,870	(1,500)	8,370
Cash and Cash Equivalents at Beginning of Year	7,657	1,500	9,157
	<u>7,657</u>	<u>1,500</u>	<u>9,157</u>
Cash and Cash Equivalents at End of Year			
	<u>\$17,527</u>	<u>\$0</u>	<u>\$17,527</u>
Reconciliation of Operating Income (Loss) to Net			
Cash Used for Operating Activities:			
Operating Loss	(\$235,398)	\$218	(\$235,180)
	<u>(\$235,398)</u>	<u>\$218</u>	<u>(\$235,180)</u>
Adjustments to Reconcile Operating Income (Loss)			
To Net Cash Used for Operating Activities:			
Depreciation	6,623	0	6,623
Donated Commodities Used During the Year	18,303	0	18,303
Interest Income	0	(718)	(718)
	<u>6,623</u>	<u>(718)</u>	<u>5,905</u>
Changes in Assets and Liabilities:			
Decrease in Due from Other Funds	245	0	245
Decrease in Inventory Held for Resale	235	0	235
Decrease in Materials and Supplies Inventory	583	0	583
Decrease in Accounts Payable	(336)	0	(336)
Increase in Accrued Wages and Benefits Payable	4,109	0	4,109
Increase in Compensated Absences Payable	3,121	0	3,121
Increase in Intergovernmental Payable	1,590	0	1,590
	<u>34,473</u>	<u>(718)</u>	<u>33,755</u>
Total Adjustments			
Net Cash Used for Operating Activities	<u>(\$200,925)</u>	<u>(\$500)</u>	<u>(\$201,425)</u>
Reconciliation:			
Cash and Cash Equivalents - All Fiduciary Funds			\$11,396
Cash and Cash Equivalents - All Agency Funds			(11,396)
Cash and Cash Equivalents - All Non-Expendable Trust Funds			<u>\$0</u>

See accompanying notes to the general purpose financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

Trimble Local School District (the School 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 School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. This Board of Education controls the School District's three instructional/support facilities staffed by 50 classified employees, 86 certified teaching personnel, and 4 administrators, who provide services to 1,106 students and other community members.

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

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

The School District is associated with the Southeastern Ohio Voluntary Education Cooperative, the Tri-County Joint Vocational School District, the Athens County School Employees Health and Welfare Benefit Association and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations, and the Ohio School Boards Association Workers' Compensation Group Rating Plan, an insurance purchasing pool. These organizations are presented in Notes 20 and 21.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting (Continued)

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities not recorded in the funds because they do not directly affect net available expendable resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary) are accounted for through governmental funds. The following are the School District's governmental fund types:

General Fund - The General Fund is the operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the School District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

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

Capital Projects Funds - The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

Proprietary Fund Type:

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

Enterprise Funds - Enterprise funds are used to account for School District activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Basis Of Presentation - Fund Accounting (Continued)

Fiduciary Fund Types:

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

Account Groups:

To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary or trust funds.

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

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after fiscal year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: taxpayer-assessed income taxes, interest, tuition, grants, and student fees.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Measurement Focus and Basis of Accounting (Continued)

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes, whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund type and non-expendable trust funds. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported on the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the fiscal year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each fund. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget:

Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Athens County Budget Commission for rate determination.

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Budgetary Data (Continued)

Estimated Resources: (Continued)

The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding fiscal year. The certificate may be further amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

Appropriations:

Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund, function, and object level of expenditures, which are the legal levels of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriation, or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the fiscal year for all funds other than agency funds, consistent with statutory provisions.

Encumbrances:

As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent fiscal year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations:

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

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the balance sheet.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents (Continued)

During fiscal year 2000, investments were limited to certificates of deposit, which are reported at cost, and STAROhio (State Treasury Asset Reserve of Ohio). STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "Cash and Cash Equivalents with Fiscal and Escrow Agents" and represents deposits.

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 2000 amounted to \$52,101, which includes \$37,031 assigned from other School District funds.

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

E. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses and amounts required by statute to be set-aside by the School District for the purchase of textbooks and other instruction materials and the creation of a reserve for budget stabilization. See Note 18 for additional information regarding set-asides.

F. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available expendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expensed when used.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, 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 is reported in the fiscal year in which services are consumed.

TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not have any infrastructure. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

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

I. Intergovernmental Revenues

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

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

Entitlements

General Fund

State Foundation Program
State Property Tax Relief
Community Preschool Grant
School Bus Purchase

Non-Reimbursable Grants

Special Revenue Funds

Community Education
Venture Capital
Education Management Information Systems
Professional Development Block Grant
PRAXIS III
Wellness Block Grant
Conflict Management Grant
Learn and Serve America
Instructional Material Subsidy
Disadvantaged Pupil Impact Aid

TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Intergovernmental Revenues (Continued)

Non-Reimbursable Grants (Continued)

Special Revenue Funds (Continued)

Title I
Title VI
Title VI-B
Eisenhower
Drug Free Schools
Ohio Reads
Handicapped Preschool
Systems Change Project
Goals 2000 Intervention
Goals 2000 Venture Partner
Nutrition Education and Training

Capital Projects Funds

Technology Equity
School Net
School Net Plus

Reimbursable Grants

General Fund

Driver Education

Special Revenue Funds

School to Work

Proprietary Funds

National School Lunch Program
National School Breakfast Program
Government Donated Commodities

Grants and entitlements received in governmental funds amounted to approximately 91 percent of governmental fund revenue during the 2000 fiscal year.

J. Interfund Assets/Liabilities

Short-term interfund loans are classified as "interfund receivables" and "interfund payables".

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 School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Compensated Absences (Continued)

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

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

L. Accrued Liabilities and Long-Term Obligations

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

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

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

N. 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.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Fund Balance Reserves

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, property taxes, budget stabilization, textbooks, bus purchases, and contributions.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures. The reserve for contributions signifies the legal restrictions on the use of principal.

P. Contributed Capital

Contributed capital represents resources from other funds provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at fiscal year end. The amount of contributed capital did not change during fiscal year 2000.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1996, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

Q. Total Columns on General Purpose Financial Statements

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

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Deficits

At June 30, 2000, the General Fund and the Disadvantaged Pupil Impact Aid, Title I, Athletic and Music, and Drug Free Schools Special Revenue Funds had deficit fund balances of \$562,145, \$63,210, \$40,409, \$1,890, and \$471, respectively. The Emergency Building Repair and Classroom Facilities Capital Projects Funds also had deficit fund balances of \$55,875 and \$745,523, respectively. All fund deficits were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances in the special revenue funds; however, this is done when cash is needed rather than when accruals occur.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 3 - ACCOUNTABILITY AND COMPLIANCE (Continued)

A. Fund Deficits (Continued)

The Food Service Enterprise Fund had deficit retained earnings of \$95,628 due to expenses exceeding revenues. The School District is analyzing fund operations to determine appropriate steps to alleviate the deficit.

B. Legal Compliance

Contrary to Section 5705.41, Ohio Revised Code, the General Fund's Support Services - Fiscal - Salaries and Support Services - Operation and Maintenance of Plant - Salaries accounts had expenditures plus encumbrances in excess of appropriations in the amount of \$14,255 and \$4,830, respectively.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While the School District is reporting financial position, results of operations, and changes in fund balances/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) - All Governmental Fund Types and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - Proprietary Fund Type and Non-Expendable Trust Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosure in the proprietary fund type (GAAP basis).
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 and budgetary basis statements by fund type.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING (Continued)

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

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$413,233)	(\$3,405)	(\$57)	\$3,504,626
Revenue Accruals	(4,718)	15,595	(1,272)	85,393
Transfers In	0	0	0	(965,000)
Note Proceeds	0	0	0	965,000
Advances In	738	0	0	54,461
Prepaid Items	(833)	0	0	0
Expenditure Accruals	128,361	48,640	0	689,645
Debt Service Principal	0	0	(965,000)	0
Transfers Out	0	0	965,000	0
Advances Out	(54,461)	(738)	0	0
Encumbrances	(4,976)	(10,089)	0	(103,073)
Budget Basis	(\$349,122)	\$50,003	(\$1,329)	\$4,231,052

Net Income (Loss)/Excess of Revenues Over Expenses
Proprietary Fund Type and Non-Expendable Trust Funds

	Enterprise	Non- Expendable Trust
GAAP Basis	(\$7,562)	\$218
Revenue Accruals	1,507	0
Expense Accruals	9,302	0
Depreciation Expense	6,623	0
Encumbrances	(352)	0
Budget Basis	\$9,518	\$218

NOTE 5 - DEPOSITS AND INVESTMENTS

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 the Board of Education has identified as not required for use within the current two year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

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

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

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

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 5 - DEPOSITS AND INVESTMENTS (Continued)

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

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

Deposits: At fiscal year end, the carrying amount of the School District's deposits was \$238,671 and the bank balance was \$272,298. Of the bank balance, \$134,523 was covered by federal depository insurance and \$137,775 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name.

Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is not classified since it is not evidenced by securities that exist in physical or book entry form. The fair value of the investment in STAROhio at June 30, 2000, was \$4,928,944.

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	<u>Cash and Cash Equivalents/Deposits</u>	<u>Investments</u>
GASB Statement 9	\$5,153,644	\$13,971
Investments:		
Certificates of Deposit	13,971	(13,971)
STAROhio	(4,928,944)	4,928,944
GASB Statement 3	\$238,671	\$4,928,944

NOTE 6 - PROPERTY TAXES

Property taxes are levied and assessed on a calendar year basis while the School District fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 6 - PROPERTY TAXES (Continued)

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

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. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

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

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

The assessed values upon which the fiscal year 2000 taxes were collected are:

	<u>1999 Second- Half Collections</u>		<u>2000 First- Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential and Other Real Estate	\$19,814,530	82.55%	\$21,253,859	76.20%
Public Utility	3,514,540	14.64%	3,514,540	12.60%
Tangible Personal Property	<u>673,682</u>	<u>2.81%</u>	<u>3,123,230</u>	<u>11.20%</u>
Total Assessed Value	<u>\$24,002,752</u>	<u>100%</u>	<u>\$27,891,629</u>	<u>100%</u>
Tax Rate per \$1,000 of Assessed Valuation	\$30.90		\$32.92	

The School District receives property taxes from Athens and Morgan Counties. The Athens County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current fiscal year operations.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 6 - PROPERTY TAXES (Continued)

The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. Also intended to finance current fiscal year operations is the June personal property tax settlement that was not received until July, 2000, in the amount of \$5,197 in the General Fund, \$95 in the Classroom Facilities Special Revenue Fund, and \$921 in the Bond Retirement Fund. The amount available as an advance at June 30, 2000, was \$14,701 in the General Fund and \$3,600 in the Debt Service Fund. These amounts are recognized as revenue.

NOTE 7 - INCOME TAX

The School District levied a voted tax of 1.25 percent for general operations on the income of residents and of estates which expired on December 30, 1997. Employers of residents are required to withhold income tax on compensation and remit the tax to the State. Taxpayers are required to file an annual return. The State makes quarterly distributions to the School District after withholding amounts for administrative fees and estimated refunds. Income tax revenue is credited to the General Fund.

NOTE 8 - RECEIVABLES

Receivables at June 30, 2000, consisted of property taxes, accounts (billings for user charged services, and student fees), 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. A summary of the principal items of intergovernmental receivables follows:

	<u>Amounts</u>
General Fund:	
Department Human Services Reimbursement	\$13,718
Drivers' Education	<u>600</u>
Total	<u>\$14,318</u>

NOTE 9 - FIXED ASSETS

A summary of the enterprise fund's fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$253,420
Less: Accumulated depreciation	<u>(85,382)</u>
Net Fixed Assets	<u>\$168,038</u>

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 9 - FIXED ASSETS (Continued)

A summary of the changes in general fixed assets during fiscal year 2000 follows:

	<u>Balance at 06/30/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at 06/30/00</u>
Land	\$514,777	\$1,100	\$0	\$515,877
Buildings	7,690,253	181,116	0	7,871,369
Furniture, Fixtures and Equipment	1,897,426	40,654	0	1,938,080
Vehicles	811,032	0	0	811,032
Construction in Progress	<u>0</u>	<u>1,199,935</u>	<u>0</u>	<u>1,199,935</u>
Total	<u>\$10,913,488</u>	<u>\$1,422,805</u>	<u>\$0</u>	<u>\$12,336,293</u>

NOTE 10 - RISK MANAGEMENT

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2000, the School District had coverages as follows:

Property Insurance - Reed & Baur, Inc.:	
Building and Contents - replacement cost (\$500 deductible)	\$12,455,003 limit
Inland Marine (\$500 deductible)	3,972 limit
Boiler and Machinery (\$500 deductible)	2,000,000 limit
Crime Insurance	5,000 limit
 Fleet Insurance - Nationwide Insurance Company:	
Automobile Liability - Bodily Injury	1,000,000 each person 1,000,000 each accident
Property Damage	1,000,000 each accident
Uninsured Motorists	100,000 each person 300,000 each accident
 Liability Insurance - Nationwide Insurance Company:	
	\$1,000,000 each occurrence 5,000,000 aggregate

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

B. Workers' Compensation

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 21). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 10 - RISK MANAGEMENT (Continued)

B. Workers' Compensation (Continued)

The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code.

STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$240,946, \$164,482 and \$357,791, respectively; 83.51 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$39,739 represents the unpaid contribution for fiscal year 2000 and is recorded as a liability within the respective funds.

B. School Employees Retirement System

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

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 11 - DEFINED BENEFIT PENSION PLANS (Continued)

B. School Employees Retirement System (Continued)

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 1999, 7.7 percent was used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$39,748, \$68,061 and \$81,134, respectively; 26.70 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$29,135 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, one member of the Board of Education has elected Social Security. The Board's liability is 6.2 percent of wages paid.

NOTE 12 - POSTEMPLOYMENT BENEFITS

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$321,261 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the fiscal year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 12 - POSTEMPLOYMENT BENEFITS (Continued)

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$70,622.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

NOTE 13 - EMPLOYEE BENEFITS

A. Compensated Absences

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

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

B. Insurance Benefits

The School District provides health and major medical insurance for all eligible employees. The School District pays the full monthly premiums for family coverage and for individual coverage. Premiums are paid from the same funds that pay the employees' salaries. The School District also provides prescription drug insurance to its employees through Community Mutual Insurance Company. This plan utilizes a \$2 per prescription deductible.

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

Dental coverage is provided through CoreSource. Monthly premiums for family and single coverage are \$13.48 for classified employees and \$33.72 for certified employees.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 13 - EMPLOYEE BENEFITS (Continued)

C. Early Retirement Incentive

The School District Board of Education approved an Early Retirement Incentive program for certificated staff. Participation was open to employees who were at least fifty years old and qualified for retirement with the years purchased by the Board. The Board agreed to purchase two years of credit. The Board limited the number of employees participating in the plan in any one year to ten certificated employees. The Board had the option of paying the liability in its entirety or in installments. Early retirement incentive payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements for governmental funds. These expenditures are reflected as program/function expenditures on a budgetary basis.

NOTE 14 - CONTRACTUAL COMMITMENTS

As of June 30, 2000, the School District had contractual commitments for school building renovations and construction with various vendors in the amount of \$7,784,186. As of June 30, 2000, the School District paid \$1,199,935 on the project and the remaining balance on the contracts is \$6,584,251.

NOTE 15 - LONG-TERM OBLIGATIONS

The changes in the School District's long-term obligations during fiscal year 2000 were as follows:

	<u>Outstanding 06/30/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 06/30/00</u>
General Obligation Bonds:				
Classroom Facilities - 6.322%	\$0	\$968,000	\$0	\$968,000
School Facilities - 9.75%	475,000	0	40,000	435,000
Bus Purchase - 5.3%	<u>54,000</u>	<u>0</u>	<u>54,000</u>	<u>0</u>
 Total General Obligation Bonds	 <u>529,000</u>	 <u>968,000</u>	 <u>94,000</u>	 <u>1,403,000</u>
 Early Retirement Incentive	 0	 82,616	 34,306	 48,310
Compensated Absences	528,491	85,955	70,320	544,126
Pension Obligation	<u>54,176</u>	<u>52,605</u>	<u>54,176</u>	<u>52,605</u>
 Total Long-Term Obligations	 <u>\$1,111,667</u>	 <u>\$1,189,176</u>	 <u>\$ 252,802</u>	 <u>\$2,048,041</u>

Classroom Facilities General Obligation Bonds - On May 15, 2000, Trimble Local School District issued \$968,000 in voted general obligation bonds for the purpose of constructing, acquiring, reconstructing, and making additions to classroom facilities. The bonds were issued for a 23 year period with final maturity at December 1, 2022. The bonds will be retired from the Debt Service Fund.

School Facilities General Obligation Bonds - On October 1, 1985, Trimble Local School District issued \$955,000 in voted general obligation bonds for the purpose of construction of school buildings. The bonds were issued for a 25 year period with final maturity at December 1, 2009. The bonds will be retired from the Debt Service Fund.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 15 - LONG-TERM OBLIGATIONS (Continued)

Bus Purchase General Obligation Bonds - On September 1, 1995, Trimble Local School District issued \$135,000 in unvoted general obligation bonds for the purpose of purchasing school buses. The bonds were issued for a 5 year period with final maturity at September 1, 2000. The bonds will be retired from the Debt Service Fund.

School Facilities Loans - On May 13, 1985, the School District received \$4,327,815 for construction of a new high school and improvements to its facilities under the State's "Classroom Facilities Program." Also, the School District was awarded, on May 2, 2000, \$12,601,001 for a new addition to and reconstruction of the elementary/middle school and reconstruction of the high school building. Under this program, the School District entered into an agreement with the State of Ohio in which the State initially paid for a portion of the estimated project costs. Generally, the School District repays the State for its contributions by levying an additional property tax of one-half mill for a twenty-three period. The School District was notified by the Ohio School Facilities Commission that they would not be responsible for repaying the State because the School District's adjusted valuation per pupil was less than the state-wide median adjusted valuation per pupil. In lieu of the repayment, the School District must set-aside the funds that would have been used for repayment to the State for facilities maintenance. As part of the process, the School District must submit a maintenance plan to the Ohio School Facilities Commission every five years until the twenty-three year period expires. If the School District's adjusted valuation per pupil increases above the state-wide median adjusted valuation during the twenty-three year period, the School District may become responsible for repayment of a portion of the State's contribution. Based on the School District's adjusted valuation relative to the state-wide median adjusted valuation, this possibility appears remote.

Compensated absences and the pension obligation will be paid from the fund from which the employees' salaries are paid. The School District's overall legal debt margin was \$1,912,847 with an unvoted debt margin of \$21,254 at June 30, 2000.

Principal and interest requirements to retire the General Obligation Bonds outstanding at June 30, 2000, are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2001	\$83,000	\$102,227	\$185,227
2002	60,000	94,123	154,123
2003	65,000	89,086	154,086
2004	70,000	83,666	153,666
2005	70,000	77,992	147,992
2006 - 2010	375,000	301,905	676,905
2011 - 2016	195,000	197,502	392,502
2017 - 2021	340,000	131,288	471,288
2022 - 2023	<u>145,000</u>	<u>9,956</u>	<u>154,956</u>
Total	<u>\$1,403,000</u>	<u>\$1,087,745</u>	<u>\$2,490,745</u>

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 16 - NOTE ACTIVITY

The changes in the School District's short-term obligations during fiscal year 2000 were as follows:

	<u>Outstanding 06/30/99</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding 06/30/00</u>
Classroom Facilities Bond Anticipation Note - 4.55%	\$0	\$965,000	\$965,000	\$0

The note was issued to finance the School District's portion of the Classroom Facilities Program until bonds were issued. The Classroom Facilities General Obligation Bonds, issued on May 15, 2000, retired the note.

NOTE 17 - INTERFUND ACTIVITY

As of June 30, 2000, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	<u>\$54,694</u>	<u>\$0</u>
Athletic and Music Special Revenue Fund	<u>0</u>	<u>233</u>
Emergency School Repair Capital Projects Fund	<u>0</u>	<u>54,461</u>
Total	<u><u>\$54,694</u></u>	<u><u>\$54,694</u></u>

NOTE 18 - SET-ASIDE CALCULATIONS

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the purchase of textbooks and other instructional materials and an equal amount for the acquisition 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 School District is also required to set aside money for budget stabilization.

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

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 18 - SET-ASIDE CALCULATIONS (Continued)

	<u>Budget Stabilization Reserve</u>	<u>Capital Improvements Reserve</u>	<u>Textbooks/ Instructional Materials Reserve</u>
Set-aside Reserve Balance as of June 30, 1999	\$66,548	\$6,496	\$0
Current Fiscal Year Set-Aside Requirement	0	93,699	93,699
Current Fiscal Year Offsets	0	(980,705)	0
Qualifying Disbursements	<u>0</u>	<u>(55,625)</u>	<u>(54,800)</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$66,548</u>	<u>(\$936,135)</u>	<u>\$38,899</u>
Cash Balance Carried Forward to Fiscal Year 2000	<u>\$66,548</u>	<u>\$0</u>	<u>\$38,899</u>

The School District had offsets and qualifying disbursements during the fiscal year that reduced the capital improvements set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$105,447.

NOTE 19 - SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Trimble Local School District as of and for the fiscal year ended June 30, 2000.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
Operating Revenues	\$113,253	\$936	\$114,189
Depreciation Expense	6,623	0	6,623
Operating Loss	(235,398)	0	(235,398)
Donated Commodities	18,303	0	18,303
Operating Grants	209,533	0	209,533
Net Loss	(7,562)	0	(7,562)
Net Working Capital	(18,245)	305	(17,940)
Total Assets	194,223	305	194,528
Long-Term Compensated Absences	10,294	0	10,294
Total Equity	139,499	305	139,804
Cash Encumbrances	352	0	352

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

Southeastern Ohio Voluntary Education Cooperative(SEOVEC) - 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 38 participants consisting of 30 school districts and 8 educational service centers. SEOVEC is governed by a governing board which is selected by the member districts. SEOVEC possesses its own budgeting and taxing authority. To obtain financial information write to the Southeastern Ohio Voluntary Education Cooperative, Bobbi Weidner, Treasurer, at 221 North Columbus Road, Athens, Ohio 45701.

Tri-County Joint Vocational School District - The Tri-County Joint Vocational School District is a distinct 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 Joint Vocational School, Laura F. Carney, CPA, Treasurer, at 15676 State Route 691, Nelsonville, Ohio 45764.

Coalition of Rural and Appalachian Schools - The Coalition of Rural and Appalachian Schools 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 School District and the School District does not maintain an equity interest in or a financial responsibility for the Coalition.

Athens County School Employees Health and Welfare Benefit Association - The School District is a participant in a consortium of seven districts to operate the Athens County School Employees 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 of its dental benefits. The Association is governed by a Board of Directors consisting of one representative of each of the participating districts. Financial information for the Association can be obtained from the administrators at Combs & Associates, P.O. Box 735, Kenton, Ohio 43326.

NOTE 21 - INSURANCE PURCHASING POOL

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

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 22 - STATE SCHOOL FUNDING DECISION

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in the system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$4,782,776 of school foundation support for its General Fund.

In addition, the Court declared the classroom facilities program unconstitutional, because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the School District had been awarded a total of \$16.9 million under this program.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

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

NOTE 23 - CONTINGENCIES

A. Grants

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

B. Litigation

As of June 30, 2000, the School District was is currently not party to legal proceedings.

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 2000**

NOTE 25 - SUBSEQUENT EVENT

On August 21, 2000, the Board of Education passed a resolution requesting the Auditor of State to perform a deficit certification. Based on a financial forecast submitted to the Ohio Department of Education on December 21, 1999, the School District has forecasted a General Fund deficit at June 30, 2001, of \$603,698.

Legislation effective September 14, 2000, eliminates any possibility that money received by the School District under the State's School Facilities Program will need to be repaid.

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**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Federal CFDA Number	Pass-Through Entity Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
U.S. DEPARTMENT OF AGRICULTURE						
<i>Pass-Through Ohio Department of Education</i>						
Nutrition Cluster:						
Food Distribution Program	10.550	N/A	\$ 0	\$ 18,898	\$ 0	\$ 18,303
School Breakfast Program	10.553	05-PU-99 05-PU-00	8,114 <u>45,224</u>		8,114 <u>45,224</u>	
Total School Breakfast Program			53,338	0	53,338	0
National School Lunch Program	10.555	03-PU-99 04-PU-99 03-PU-00 04-PU-00	2,813 14,775 19,256 <u>106,456</u>		2,813 14,775 19,256 <u>106,456</u>	
Total National School Lunch Program			143,300	0	143,300	0
Total Nutrition Cluster			196,638	0	196,638	0
Total U.S. Department of Agriculture			196,638	18,898	196,638	18,303
U.S. DEPARTMENT OF LABOR						
<i>Pass-Through Washington County Joint Vocational School District</i>						
Employment Services and Job Training - Pilot and Demonstration (School-to-Work) Program	17.249	WK-BE-97 WK-BE-00	5,000 <u>6,000</u>		4,189 <u>3,672</u>	
<i>Passed through the Ohio Department of Education</i>						
Employment Services and Job Training Pilot and Demonstration Program	17.249	WK-BE-98 WK-BE-99			3,045 <u>8,393</u>	
Total Employment Services and Job Training Pilot and Demonstration Program			18,123	0	19,299	0
Total United States Department of Labor			18,123	0	19,299	0
U.S. DEPARTMENT OF EDUCATION						
<i>Pass-Through Ohio Department of Education</i>						
Title I Grants to Local Educational Agencies	84.010	C1-S1-99C C1-S1-99 C1-S1-00	28,788 70,000 <u>237,750</u>		45,433 79,774 <u>229,412</u>	
Total Title I Grants to Local Educational Agencies			336,538	0	354,619	0
Special Education Cluster:						
Special Education-Grants to States (IDEA Part B)	84.027	6B-SF-98 6B-SF-99	9,187 <u>80,438</u>		21,512 <u>66,269</u>	
Total Special Education-Grants to States			89,625	0	87,781	0
Special Education-Preschool Grants	84.173	PG-S1-98 PG-S1-99			595 <u>8,903</u>	
Total Special Education-Preschool Grants			9,407	0	9,498	0
Total Special Education Cluster			99,032	0	97,279	0
Safe and Drug-Free Schools and Communities- State Grants	84.186	DR-S1-99 DR-S1-00			3,435 <u>7,283</u>	
Total Safe and Drug-Free Schools and Communities-State Grants			7,326	0	10,718	0
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	G2-S1-97 G2-S1-99 G2-S1-00			24 32,064 <u>6,278</u>	
Total Goals 2000 Grants			28,598	0	38,366	0
Eisenhower Professional Development State Grants	84.281	MS-S1-98 MS-S1-99 MS-S1-00			2,608 (1,497) <u>1,872</u>	
Total Eisenhower Professional Development State Grants			2,434	0	2,983	0
Innovative Education Program Strategies	84.298	C2-S1-99 C2-S1-00	652 <u>5,170</u>		575 <u>4,928</u>	
Total Innovative Education Program Strategies			5,822		5,503	
Class Size Reduction Grant	84.340	CR-S1-00	45,142		28,647	
Total U.S. Department of Education			524,892	0	538,115	0
Total Federal Awards Receipts and Expenditures			\$ 739,653	\$ 18,898	\$ 754,052	\$ 18,303

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

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the School District had no significant food commodities in inventory.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Trimble Local School District
Athens County
One Tomcat Drive
Glouster, Ohio 45732

To the Board of Education:

We have audited the general purpose financial statements of the Trimble Local School District, Athens County, Ohio (the School District), as of and for the year ended June 30, 2000, and have issued our report thereon dated November 30, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of the School District in a separate letter dated November 30, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the School District in a separate letter dated November 30, 2000.

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

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

Jim Petro
Auditor of State

November 30, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

Trimble Local School District
Athens County
One Tomcat Drive
Glouster, Ohio 45732

To the Board of Education:

Compliance

We have audited the compliance of the Trimble Local School District, Athens County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

November 30, 2000

**TRIMBLE LOCAL SCHOOL DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS
--

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Nutrition Cluster: Food Distribution Program, CFDA #10.550 School Breakfast Program, CFDA #10.553 National School Lunch Program, CFDA #10.555
(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**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2000
(Continued)**

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

There were no findings related to the financial statements.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings related to federal awards.



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OFFICE OF THE AUDITOR

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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
JANUARY 09, 2001**