



Mary Taylor, CPA  
Auditor of State



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Statement of Net Assets .....	11
Statement of Activities.....	12
Balance Sheet – Governmental Funds .....	13
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Basis) – General Fund .....	17
Statement of Fiduciary Net Assets – Fiduciary Funds.....	18
Statement of Changes in Fiduciary Net Assets – Fiduciary Fund .....	19
Notes to the Basic Financial Statements .....	21
Schedule of Federal Awards Receipts and Expenditures.....	45
Notes to the Schedule of Federal Awards Receipts and Expenditures .....	46
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	47
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	49
Schedule of Findings – OMB Circular A-133 § .505.....	51
Schedule of Prior Audit Findings – OMB Circular A-133 § .315(b).....	52

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Education:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Trimble Local School District, Athens County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Trimble Local School District, Athens County, Ohio, as of June 30, 2008, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2009, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

March 16, 2009

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
Unaudited**

The discussion and analysis of the financial performance of the Trimble Local School District (the District) provides an overall review of the District's financial activities for the fiscal year ended June 30, 2008. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

**Financial Highlights**

Key financial highlights for fiscal year 2008 are as follows:

- Net assets of governmental activities decreased \$92,469.
- General revenues accounted for \$6,508,166 in revenue or 63 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$3,758,959 or 37 percent of total revenues of \$10,267,125.
- The District had \$10,359,594 in expenses related to governmental activities; only \$3,758,959 of these expenses was offset by program specific charges for services, grants, contributions, and interest. General revenues of \$6,508,166 were not adequate to provide for these programs.
- Program expenses totaled \$10,359,594. Instructional expenses made up \$5,846,829 or 57 percent of this total while support services accounted for \$3,435,636, or 33 percent. Other expenses of \$1,077,129 rounded out the remaining 10 percent.
- The District's has two major funds: the General Fund and the Bond Retirement Debt Service Fund. The General Fund had \$7,417,312 in revenues and other financing sources and \$7,262,900 in expenditures and other financing uses. The General Fund's balance increased \$154,412. The Bond Retirement Debt Service Fund had \$175,000 in revenues and \$131,642 in expenditures. The Bond Retirement Debt Service Fund's balance increased by \$43,358.

**Using the Basic Financial Statements**

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

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

**Reporting the District as a Whole**

**Statement of Net Assets and Statement of Activities**

While this document contains information about the large number of funds used by the District to provide programs and activities for students, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2008?" The statement of net assets and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
Unaudited  
(Continued)**

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

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

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

Fund Financial Statements

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

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



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
Unaudited  
(Continued)**

**The District as a Whole**

Recall that the statement of net assets provides the perspective of the District as a whole. Table 1 provides a summary of the District's net assets for 2008 compared to 2007.

**Table 1  
Net Assets  
Governmental Activities**

	<b>2008</b>	<b>2007</b>
<b><u>Assets</u></b>		
Current and Other Assets	\$2,389,530	\$2,152,704
Capital Assets, Net	15,219,682	15,700,132
Total Assets	17,609,212	17,852,836
<b><u>Liabilities</u></b>		
Other Liabilities	2,263,267	2,280,600
Long-Term Liabilities	1,518,275	1,652,097
Total Liabilities	3,781,542	3,932,697
<b><u>Net Assets</u></b>		
Invested in Capital Assets, Net of Related Debt	14,344,690	14,710,210
Restricted	398,049	354,470
Unrestricted	(915,069)	(1,144,541)
Total	\$13,827,670	\$13,920,139

Over time, net assets can serve as a useful indicator of a government's financial position. At June 30, 2008, the District's assets exceeded liabilities by \$13,827,670. By comparing assets and liabilities, one can see the overall position of the District as evidenced by the decrease in net assets of \$92,469.

A portion of the District's net assets, \$398,049, represents resources that are subject to external restrictions on how they may be used. There remains a negative balance of unrestricted net assets of \$915,069, which is not sufficient to provide for the District's ongoing obligations to the students and creditors.

At fiscal year-end, capital assets represented 86 percent of total assets. Capital assets include land, land improvements, buildings and improvements, furniture, fixtures, equipment, and vehicles. Capital assets, net of related debt to acquire the assets at June 30, 2008 were \$14,344,690. These capital assets are used to provide services to the students and are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets are not liquidated to reduce these liabilities.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
Unaudited  
(Continued)**

Table 2 shows the changes in net assets for the fiscal year ended June 30, 2008. Comparisons to 2007 have been included, as follows:

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

	<b>2008</b>	<b>2007</b>
<b><u>Revenues</u></b>		
Program Revenues:		
Charges for Services and Sales	\$721,785	\$683,554
Operating Grants, Contributions and Interest	3,037,174	3,179,056
Total Program Revenues	3,758,959	3,862,610
General Revenues:		
Property Taxes	939,633	895,254
Income Taxes	96	987
Grants and Entitlements	5,490,795	5,315,921
Gifts and Donations	2,798	21,888
Investment Earnings	11,829	14,100
Miscellaneous	56,195	75,041
Insurance Recoveries	6,320	
Proceeds for Sale of Capital Assets	500	3,000
Total General Revenues	6,508,166	6,326,191
Total Revenues	10,267,125	10,188,801
<b><u>Expenses</u></b>		
Instruction:		
Regular	3,598,837	3,542,162
Special	1,404,171	1,398,273
Vocational	61,821	50,443
Other	782,000	678,824
Support Services:		
Pupils	497,626	428,812
Instructional Staff	419,579	634,288
Board of Education	107,878	127,095
Administration	757,060	794,840
Fiscal	174,412	411,902
Operation and Maintenance of Plant	849,827	981,938
Pupil Transportation	626,254	577,541
Central	3,000	8,983
Non-Instructional	435,461	475,730
Extracurricular Activities	149,903	149,953
Capital Outlay	447,833	448,520
Interest and Fiscal Charges	43,932	80,959
Total Expenses	10,359,594	10,790,263
Decrease in Net Assets	(\$92,469)	(\$601,462)

Net assets of the District's governmental activities decreased by \$92,469 in fiscal year 2008. Program revenues of \$3,758,959 and general revenue of \$6,508,166 did not offset total governmental expenses of \$10,359,594. Program revenues supported 37 percent of total governmental expenses.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
Unaudited  
(Continued)**

The primary sources of revenue for governmental activities are derived from property taxes and grants and entitlements. These two revenue sources represent 99 percent of total general revenue. Grants and entitlements, alone, represent 84 percent of revenues. Income taxes, interest income, and miscellaneous revenue account for the remaining 1 percent.

Instruction comprises approximately 57 percent of governmental program expenses. Additional supporting services for pupils, staff and business operations encompassed an additional 33 percent. The remaining 10 percent of program expenses is used for other obligations of the District such as non-instructional, extracurricular activities, capital outlay and interest and fiscal charges.

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

**Table 3  
Governmental Activities**

	<u>Total Cost of Services</u> <u>2008</u>	<u>Net Cost of Services</u> <u>2008</u>	<u>Total Cost of Services</u> <u>2007</u>	<u>Net Cost of Services</u> <u>2007</u>
Instruction:				
Regular	\$3,598,837	\$2,245,774	\$3,542,162	\$2,770,183
Special	1,404,171	419,616	1,398,273	348,273
Vocational	61,821	45,240	50,443	33,040
Other	782,000	782,000	678,824	678,824
Support Services:				
Pupils	497,626	104,842	428,812	377,438
Instructional Staff	419,579	(28,111)	634,288	(164,547)
Board of Education	107,878	107,878	127,095	127,095
Administration	757,060	757,060	794,840	794,840
Fiscal	174,412	174,412	411,902	411,902
Operation and Maintenance of Plant	849,827	803,975	981,938	936,086
Pupil Transportation	626,254	594,862	577,541	528,317
Central	3,000	3,000	8,983	8,983
Non-Instructional	435,461	10,542	475,730	40,259
Extracurricular Activities	149,903	87,780	149,953	(492,519)
Capital Outlay	447,833	447,833	448,520	448,520
Interest and Fiscal Charges	43,932	43,932	80,959	80,959
Total Expenses	<u>\$10,359,594</u>	<u>\$6,600,635</u>	<u>\$10,790,263</u>	<u>\$6,927,653</u>

The dependence upon tax and other general revenues for governmental activities is apparent. Ohio law requires County Auditors to reappraise all real property every six years. In Athens County, the last reappraisal was completed in 2002. As a result of the latest update, the District's valuation increased approximately \$7,000,000. The next comprehensive reappraisal of property values will occur in 2008. Slow valuation appeals from existing property owners seeking to reduce their taxes usually by claiming market value decreases resulting from area economic factors. Local economic conditions, in fact, are the major reason that the District has not sought additional operating millage.

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
Unaudited  
(Continued)**

**The District's Funds**

The District's major funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$10,265,722 and expenditures of \$10,027,298.

**General Fund Budgeting Highlights**

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

During the course of fiscal 2008, the District amended its General Fund budget, but not significantly. The District uses a modified site-based budgeting technique that is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final budget basis revenue was \$7,484,147, above original estimates of \$7,413,686. The \$70,461 difference was due to inflated intergovernmental estimates, based on the State's budget reduction.

The District's ending unobligated General Fund balance was \$301,479.

**Capital Assets and Debt Administration**

Capital Assets

At the end of fiscal year 2008, the District had \$15,219,682 invested in land, buildings, furniture and equipment, and vehicles. Table 4 shows fiscal year 2008 balances compared to 2007.

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

	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
Land and Land Improvements	\$55,370	\$55,370
Buildings and Improvements	14,588,362	15,023,407
Furniture and Equipment	437,481	497,296
Vehicles	138,469	124,059
<b>Totals</b>	<b>\$15,219,682</b>	<b>\$15,700,132</b>

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

Debt

At June 30, 2008, the District had general obligation bonds outstanding of \$825,000 and \$49,992 in capital leases. The leases are for copiers. For additional information on debt, see the notes to the basic financial statements.

**Current Issues**

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2008  
Unaudited  
(Continued)**

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

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

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

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

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

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

**Contacting the District's Financial Management**

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

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**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Net Assets  
June 30, 2008**

	<b>Governmental Activities</b>
<b>Assets:</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 825,344
Cash and Cash Equivalents in Segregated Accounts	339
Materials and Supplies Inventory	16,353
Accrued Interest Receivable	16
Accounts Receivable	1,161
Intergovernmental Receivable	262,835
Taxes Receivable	1,283,482
Non-Depreciable Capital Assets	55,370
Depreciable Capital Assets, net	<u>15,164,312</u>
Total Assets	<u>17,609,212</u>
 <b>LIABILITIES:</b>	
Accounts Payable	9,395
Accrued Wages and Benefits	983,483
Intergovernmental Payable	237,533
Accrued Interest Payable	2,945
Deferred Revenue	1,029,911
Long-Term Liabilities:	
Due Within One Year	143,483
Due in More Than One Year	<u>1,374,792</u>
Total Liabilities	<u>3,781,542</u>
 <b>NET ASSETS:</b>	
Invested in Capital Assets, Net of Related Debt	14,344,690
Restricted for Debt Service	397,242
Restricted for Capital Outlay	748
Restricted for Other Purposes	59
Unrestricted	<u>(915,069)</u>
Total Net Assets	<u>\$ 13,827,670</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Activities  
For the Fiscal Year Ended June 30, 2008**

	<b>Program Revenues</b>		<b>Net(Expense) Revenue and Changes in Net Assets</b>
<b>Expenses</b>	<b>Charges for Services and Sales</b>	<b>Operating Grants and Contributions</b>	<b>Governmental Activities</b>
<b>Governmental Activities:</b>			
<b>Instruction:</b>			
Regular	\$ 3,598,837	\$ 573,993	\$ 779,070
Special	1,404,171		984,555
Vocational	61,821		16,581
Other	782,000		
<b>Support Services:</b>			
Pupils	497,626		392,784
Instructional Staff	419,579		447,690
Board of Education	107,878		
Administration	757,060		
Fiscal	174,412		
Operation and Maintenance of Plant	849,827		45,852
Pupil Transportation	626,254		31,392
Central	3,000		
Operation of Non-Instructional Services	435,461	85,669	339,250
Extracurricular Activities	149,903	62,123	
Capital Outlay	447,833		
Interest and Fiscal Charges	43,932		
<b>Totals</b>	<b>\$ 10,359,594</b>	<b>\$ 721,785</b>	<b>\$ 3,037,174</b>
<b>General Revenues:</b>			
<b>Taxes:</b>			
Property Taxes, Levied for General Purposes			776,260
Property Taxes, Levied for Debt Service			150,200
Property Taxes, Levied for Other			13,173
Income Taxes			96
Grants and Entitlements not Restricted to Specific Programs			5,490,795
Gifts and Donations			2,798
Investment Earnings			11,829
Miscellaneous			56,195
Proceeds from Sale of Capital Assets			500
Insurance Recoveries			6,320
<b>Total General Revenues</b>			<b>6,508,166</b>
<b>Change in Net Assets</b>			<b>(92,469)</b>
<b>Net Assets Beginning of Year</b>			<b>13,920,139</b>
<b>Net Assets End of Year</b>			<b>\$ 13,827,670</b>

See Accompanying Notes to the Basic Financial Statements



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Balance Sheet  
Governmental Funds  
June 30, 2008**

	<b>General Fund</b>	<b>Bond Retirement Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 320,654	\$ 362,639	\$ 142,051	\$ 825,344
Cash and Cash Equivalents in Segregated Accounts			339	339
Materials and Supplies Inventory	12,610		3,743	16,353
Accrued Interest Receivable	16			16
Accounts Receivable	203		958	1,161
Interfund Receivable	233			233
Intergovernmental Receivable			262,835	262,835
Taxes Receivable	1,071,486	194,826	17,170	1,283,482
<b>Total Assets</b>	<b>\$ 1,405,202</b>	<b>\$ 557,465</b>	<b>\$ 427,096</b>	<b>\$ 2,389,763</b>
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	\$ 836	\$	\$ 8,559	\$ 9,395
Accrued Wages and Benefits	708,593		274,890	983,483
Interfund Payable			233	233
Intergovernmental Payable	184,370		53,163	237,533
Deferred Revenue	1,003,790	183,604	136,058	1,323,452
<b>Total Liabilities</b>	<b>1,897,589</b>	<b>183,604</b>	<b>472,903</b>	<b>2,554,096</b>
<b>Fund Balances</b>				
Reserved:				
Reserved for Encumbrances	18,334		19,388	37,722
Reserved for Property Taxes	31,812	6,154	567	38,533
Reserved for Textbooks and Instructional Materials	14,026			14,026
Reserved for Unclaimed Monies	1,476			1,476
Unreserved, Designated for:	1,959			1,959
Unreserved, Undesignated, Reported in:				
General Fund	(559,994)			(559,994)
Special Revenue Funds			(66,618)	(66,618)
Debt Service Funds		367,707		367,707
Capital Projects Funds			856	856
<b>Total Fund Balances</b>	<b>(492,387)</b>	<b>373,861</b>	<b>(45,807)</b>	<b>(164,333)</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,405,202</b>	<b>\$ 557,465</b>	<b>\$ 427,096</b>	<b>\$ 2,389,763</b>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Reconciliation of Total Governmental Fund Balances  
to Net Assets of Governmental Activities  
June 30, 2008**

Total Governmental Fund Balances		\$ (164,333)
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds.		15,219,682
Taxes and Grants Receivable that do not provide financial resources are not reported as revenues in governmental fund.		293,541
Some liabilities are not due and payable in the current period and, therefore, not reported in the funds:		
Accrued Interest Payable	(2,945)	
General Obligation Bonds Payable	(825,000)	
Leases Payable	(49,992)	
Compensated Absences Payable	(643,283)	
	<u>                    </u>	(1,521,220)
Net Assets of Governmental Activities		<u><u>\$ 13,827,670</u></u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Fiscal Year Ended June 30, 2008**

	<u>General Fund</u>	<u>Bond Retirement Fund</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 744,179	\$ 150,211	\$ 12,922	\$ 907,312
Income Tax	96			96
Intergovernmental	6,072,401	24,789	2,447,897	8,545,087
Interest	11,819		10	11,829
Tuition and Fees	573,593			573,593
Rent	400			400
Extracurricular Activities			62,123	62,123
Gifts and Donations	2,000		798	2,798
Customer Sales and Services			85,669	85,669
Miscellaneous	6,004		50,191	56,195
Total Revenues	<u>7,410,492</u>	<u>175,000</u>	<u>2,659,610</u>	<u>10,245,102</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular	3,057,635		528,428	3,586,063
Special	910,033		495,848	1,405,881
Vocational	63,643			63,643
Other	547,938		234,062	782,000
Support Services:				
Pupils	77,122		438,723	515,845
Instructional Staff	45,386		360,423	405,809
Board of Education	107,878			107,878
Administration	714,172		40,273	754,445
Fiscal	157,126	4,923	425	162,474
Operation and Maintenance of Plant	811,623		35,472	847,095
Pupil Transportation	638,976		2,464	641,440
Central	3,000			3,000
Operation of Non-Instructional Services			429,379	429,379
Extracurricular Activities	81,893		67,259	149,152
Debt Service:				
Principal	29,930	85,000		114,930
Interest	2,745	41,719		44,464
Total Expenditures	<u>7,249,100</u>	<u>131,642</u>	<u>2,632,756</u>	<u>10,013,498</u>
Excess of Revenues Over (Under) Expenditures	<u>161,392</u>	<u>43,358</u>	<u>26,854</u>	<u>231,604</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Transfers In			13,800	13,800
Proceeds from Sale of Capital Assets	500			500
Insurance Recoveries	6,320			6,320
Transfers Out	(13,800)			(13,800)
Total Other Financing Sources and Uses	<u>(6,980)</u>	<u>0</u>	<u>13,800</u>	<u>6,820</u>
Net Change in Fund Balances	154,412	43,358	40,654	238,424
Fund Balance (Deficit) at Beginning of Year	(646,799)	330,503	(86,461)	(402,757)
Fund Balance (Deficit) at End of Year	<u>\$ (492,387)</u>	<u>\$ 373,861</u>	<u>\$ (45,807)</u>	<u>\$ (164,333)</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to Statement Activities  
For the Fiscal Year Ended June 30, 2008**

Net Change in Fund Balances - Total Governmental Funds \$ 238,424

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

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

Capital Outlay - Depreciable Capital Assets	129,555	
Depreciation	<u>(610,005)</u>	
		(480,450)

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

Intergovernmental	(17,118)	
Delinquent Property Taxes	<u>32,321</u>	
		15,203

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statements of activities. 114,930

In the statement of activities interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is expended when due. 532

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

Compensated Absences Payable		18,892
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Change in Net Assets of Governmental Activities		<u><u>\$ (92,469)</u></u>
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See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (Non-GAAP Basis) and Actual  
General Fund  
For the Fiscal Year Ended June 30, 2008**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Property and Other Local Taxes	\$ 701,974	\$ 703,356	\$ 703,356	\$ 0
Income Tax	411	672	672	0
Intergovernmental	6,142,369	6,175,399	6,175,399	0
Interest	13,250	10,997	11,822	825
Tuition and Fees	542,182	573,400	573,400	0
Rent	200	400	400	0
Gifts and Donations	1,000	2,000	2,000	0
Miscellaneous	11,000	5,964	5,967	3
Total Revenues	<u>7,412,386</u>	<u>7,472,188</u>	<u>7,473,016</u>	<u>828</u>
<b>EXPENDITURES:</b>				
Current:				
Instruction:				
Regular	2,963,846	2,967,822	3,012,924	(45,102)
Special	929,691	896,221	894,293	1,928
Vocational	52,200	71,272	59,545	11,727
Other	616,050	552,150	547,433	4,717
Support Services:				
Pupils	77,610	79,775	76,014	3,761
Instructional Staff	59,995	46,800	53,415	(6,615)
Board of Education	99,359	125,434	108,219	17,215
Administration	750,931	749,244	733,893	15,351
Fiscal	289,230	303,280	292,654	10,626
Operation and Maintenance of Plant	904,974	907,558	876,475	31,083
Pupil Transportation	645,611	647,200	631,810	15,390
Central	3,000	3,000	3,000	0
Extracurricular Activities	89,142	90,592	81,082	9,510
Total Expenditures	<u>7,481,639</u>	<u>7,440,348</u>	<u>7,370,757</u>	<u>69,591</u>
Excess of Revenues Over (Under) Expenditures	<u>(69,253)</u>	<u>31,840</u>	<u>102,259</u>	<u>70,419</u>
Other Financing Sources and Uses:				
Proceeds from Sale of Capital Assets		500	500	0
Insurance Recoveries		6,320	6,320	0
Refund of Prior Year Expenditures	300	37	37	0
Advances In	1,000	5,102	5,102	0
Transfers Out	(25,000)	(15,000)	(13,800)	1,200
Total Other Financing Sources and Uses	<u>(23,700)</u>	<u>(3,041)</u>	<u>(1,841)</u>	<u>1,200</u>
Net Change in Fund Balances	(92,953)	28,799	100,418	71,619
Fund Balance (Deficit) at Beginning of Year	197,886	197,886	197,886	0
Prior Year Encumbrances Appropriated	3,175	3,175	3,175	0
Fund Balance (Deficit) at End of Year	<u>\$ 108,108</u>	<u>\$ 229,860</u>	<u>\$ 301,479</u>	<u>\$ 71,619</u>

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2008**

	<b>Private Purpose Trust</b>	<b>Agency Fund</b>
<b>Assets:</b>		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$ 19,502	\$ 6,175
Investments	17,778	
Total Assets	37,280	\$ 6,175
<b>Liabilities:</b>		
Current Liabilities:		
Undistributed Monies		\$ 6,175
Total Liabilities	0	\$ 6,175
<b>Net Assets:</b>		
Held in Trust for Scholarships	37,280	
Total Net Assets	\$ 37,280	

See Accompanying Notes to the Basic Financial Statements

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**Statement of Changes in Fiduciary Net Assets  
Fiduciary Fund  
For the Fiscal Year Ended June 30, 2008**

	<u>Private Purpose Trust</u>
<b>Additions:</b>	
Gifts and Contributions	\$ 695
Interest	<u>1,770</u>
Total Additions	<u>2,465</u>
<b>Deductions:</b>	
Payments in Accordance with Trust Agreements	<u>1,984</u>
Total Deductions	<u>1,984</u>
Change in Net Assets	481
Net Assets Beginning of Year	<u>36,799</u>
Net Assets End of Year	<u><u>\$ 37,280</u></u>

See Accompanying Notes to the Basic Financial Statements

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**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008**

**1. Description of the District and Reporting Entity**

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

The District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. This Board of Education controls the District's three instructional/support facilities staffed by 49 classified employees, 81 certificated teaching personnel, and 5 administrators, who provide services to 833 students and other community members.

**Reporting Entity**

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

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

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

**2. Summary of Significant Accounting Policies**

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

**A. Basis of Presentation**

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

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

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

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

**B. Fund Accounting**

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

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

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

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

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

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

**C. Measurement Focus and Basis of Accounting**

**Government-Wide Financial Statements**

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

**Fund Financial Statements**

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

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

**D. Basis of Accounting**

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

**Revenues - Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year end.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, interest, tuition, grants, student fees, and rentals.

**Deferred Revenue**

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

Property taxes for which there is an enforceable legal claim as of June 30, 2008, but which were levied to finance fiscal year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

**Expenses/Expenditures**

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

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

**E. Cash and Cash Equivalents**

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

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

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

The District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2008. 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, 2008.

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 2008 amounted to \$11,819, which includes \$8,723 assigned from other District funds.

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

**F. Restricted Assets**

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

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2008, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

**H. Inventory**

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

**I. Capital Assets**

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

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

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

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

**J. Interfund Transactions**

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

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

**K. Compensated Absences**

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

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

**L. Accrued Liabilities and Long-Term Obligations**

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

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

**M. Fund Balance Reserves**

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

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

**N. Interfund Balances**

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

**O. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**P. Designated Fund Balance**

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

**Q. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include activities for food service operations and federal and state grants restricted to expenditure for specified purposes.

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

**R. Extraordinary and Special Items**

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

**S. Budgetary Process**

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

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

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

**3. Budgetary Basis of Accounting**

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

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



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**3. Budgetary Basis of Accounting (Continued)**

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

<b>Net Change in Fund Balance Major Governmental Fund</b>	
	<b><u>General</u></b>
GAAP Basis	\$154,412
<u>Increase (Decrease) Due To:</u>	
Revenue Accruals:	
Accrued FY 2007, Received In Cash FY 2008	130,476
Accrued FY 2008, Not Yet Received in Cash	(67,952)
Expenditure Accruals:	
Accrued FY 2007, Paid in Cash FY 2008	(983,676)
Accrued FY 2008, Not Yet Paid in Cash	881,226
Advances Net	5,102
Encumbrances Outstanding at Year End (Budget Basis)	(19,170)
Budget Basis	\$100,418

**4. Deposits and Investments**

Monies held by the District are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the District Treasury. Active monies must be maintained either as cash in the District Treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

Interim 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.

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the agreement be at least two percent and to 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 or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations provided that investments in securities described in this division are made through eligible institutions;
7. The State Treasurer's investment pool (STAROhio); and
8. Commercial paper and bankers acceptances if trading requirements have been met.

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$505,033 of the District's bank balance of \$642,699 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name.

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the District or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of June 30, 2008, the District had \$241,572 invested in STAROhio.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

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

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

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

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

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

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

	<b>Cash and Cash Equivalents/ Deposits</b>	<b>Investments</b>
GASB Statement No. 9	\$868,399	
Investments:		
STAROhio	(241,572)	\$241,572
GASB Statement No. 3	\$626,827	\$241,572

**5. Property Taxes**

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

Property taxes include amounts levied against all real, public utility and tangible personal property (used in business) located in the District. Real property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Real property taxes received in calendar year 2008 were levied after April 1, 2007, on the assessed value listed as of January 1, 2007, the lien date. Assessed values for real property taxes are established by State law at thirty-five percent of appraised market value.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**5. Property Taxes (Continued)**

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

Public utility property tax revenue received in calendar 2008 represents collections of calendar year 2007 taxes. Public utility real and tangible personal property taxes received in calendar year 2008 became a lien December 31, 2006, were levied after April 1, 2007 and are collected in 2008 with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

Tangible personal property tax revenue received during calendar 2008 (other than public utility property) represents the collection of 2008 taxes. Tangible personal property taxes received in calendar year 2007 were levied after April 1, 2007, on the value as of December 31, 2007. Tangible personal property is currently assessed at twenty-five percent of true value for capital assets and twenty-four percent of true value for inventory. Payments by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20. Tangible personal property taxes paid by April 30 are usually received by the District prior to June 30.

The District receives property taxes from Athens and Morgan Counties. The County Auditors periodically advance to the District its portion of the taxes collected. Second-half real property tax payments collected by the Counties by June 30, 2007, are available to finance fiscal year 2008 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real, personal property, and public utility taxes which are measurable as of June 30, 2008 and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the delayed settlements of manufactured home and personal property tax and the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not levied to finance current year operations. The late settlements and the amount available as an advance at June 30 are recognized as revenue.

The amount available as an advance at June 30, 2008, was \$31,812 in the General Fund, \$6,154 in the Bond Retirement Fund, and \$567 in the Special Revenue Fund. The amount available as an advance at June 30, 2007, was \$26,873 in the General Fund, \$6,745 in the Bond Retirement Fund, and \$474 in the Special Revenue Fund.

On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been deferred.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**5. Property Taxes (Continued)**

The assessed values upon which the fiscal year 2008 taxes were collected are:

	<b>2007 Second Half Collections</b>		<b>2008 First Half Collections</b>	
	<b>Amount</b>	<b>Percent</b>	<b>Amount</b>	<b>Percent</b>
Real Property	\$33,757,713	87%	\$34,704,690	91%
Public Utility Tangible Personal Property	3,288,030	9%	2,843,190	8%
Tangible Personal Property	1,725,005	4%	446,555	1%
<b>Total</b>	<b>\$38,770,748</b>	<b>100%</b>	<b>\$37,994,435</b>	<b>100%</b>
Tax Rate per \$1,000 of Assessed Valuation	\$31.77		\$31.77	

**6. Receivables**

Receivables at June 30, 2008, consisted of property taxes, accounts, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables are expected to be collected within one year.

A summary of the principal items of intergovernmental receivables follows:

<b>Governmental Activities</b>	<b>Amount</b>
Ohio Reads	\$2,276
Title VI-B Idea	48,564
Title I	90,687
Title V	2,297
Handicapped Preschool	3,885
Title II-A	7,721
Miscellaneous Federal Grants	107,405
<b>Total</b>	<b>\$262,835</b>

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**7. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2008, was as follows:

	<b>Balance at 6/30/07</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at 6/30/08</b>
Capital Assets:				
Nondepreciable Capital Assets:				
Land	\$55,370			\$55,370
Depreciable Capital Assets:				
Land Improvements	638,185			638,185
Buildings and Improvements	20,793,986	3,770		20,797,756
Furniture, Fixtures, and Equipment	1,607,185	53,800	17,600	1,643,385
Vehicles	816,556	71,985	39,071	849,470
Total Depreciable Capital Assets	23,855,912	129,555	56,671	23,928,796
Less Accumulated Depreciation:				
Land Improvements	638,185			638,185
Buildings and Improvements	5,770,579	438,815		6,209,394
Furniture and Equipment	1,109,889	113,615	17,600	1,205,904
Vehicles	692,497	57,575	39,071	711,001
Total Accumulated Depreciation	8,211,150	610,005	56,671	8,764,484
Depreciable Capital Assets, Net	15,644,762	(480,450)	0	15,164,312
Capital Assets, Net	\$15,700,132	(\$480,450)	\$0	\$15,219,682

Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$28,394
Special	15,587
Vocational	1,564
Support Services:	
Pupil	3,887
Instructional Staff	27,722
Administration	4,761
Fiscal	576
Operation and Maintenance of Plant	7,813
Pupil Transportation	55,174
Operation of Non-Instructional Services	15,943
Extracurricular Activities	751
Capital Outlay	447,833
Total Depreciation Expense	<u>\$610,005</u>

**8. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District joined together with other school districts in Ohio to participate in the Metropolitan Education Council Liability, Fleet, and Property Program, a public entity insurance purchasing pool.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**8. Risk Management (Continued)**

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

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

<u>Property</u>	<u>Deductible</u>	<u>Limits of Coverage</u>
General Liability:		
Each Occurrence	Nil	\$1,000,000
Aggregate Limit		3,000,000
Self-Insured Retention		100,000
Educator's Legal Liability	\$2,500	1,000,000
Employment Practices	2,500	1,000,000
Employment Benefits Liability	Nil	1,000,000
Employers Liability	Nil	1,000,000
Excess Over All Liability Lines		3,000,000
Property District Values by Statement	1,000	25,467,010
Boiler and Machinery	2,500	25,467,010
Crime	1,000	25,000
Fleet		4,000,000
Physical Damage	1,000	

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. There has been no significant reduction in insurance coverage from fiscal year 2008.

**9. Defined Benefit Pension Plans**

**A. School Employee Retirement System**

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

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute at an actuarially determined rate. The current District rate is 14 percent of annual covered payroll. A portion of the District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2008, 9.16 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to a statutory maximum amount of 10 percent for plan members and 14 percent for employers.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

Chapter 3309 of the Ohio Revised Code provides statutory authority for member and employer contributions. The District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2008, 2007 and 2006 were \$142,587, \$159,955 and \$155,459 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**B. State Teachers Retirement System**

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

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

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

Funding Policy - For the fiscal year ended June 30, 2008, plan members were required to contribute 10 percent of their annual covered salaries. The District was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2007, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The District's required contributions for pension obligations to STRS Ohio for the fiscal years ended June 30, 2008, 2007, and 2006 were \$568,457, \$538,476, and \$534,849 respectively; 82 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006. Contributions to the DC and Combined Plans for fiscal year 2008 were \$7,712 made by the District and \$3,617 made by the plan members.



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

**C. Social Security System**

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System of Ohio have an option to choose Social Security or the School Retirement System. As of June 30, 2008, all members of the Board of Education have elected Social Security. The contribution rate is 6.2 percent of wages.

**10. Postemployment Benefits**

**A. School Employee Retirement System**

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

Funding Policy – State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required benefits, the Retirement Board allocates the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 401h. For 2008, 4.18 percent of covered payroll was allocated to health care. In addition, employers pay a surcharge for employees earning less than an actuarially determined amount; for 2008, this amount was \$35,800.

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

The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$65,067, \$62,604, and \$61,478 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

The Retirement Board, acting with advice of the actuary, allocates a portion of the employer contribution to the Medicare B Fund. For 2008, this actuarially required allocation was 0.66 percent of covered payroll. The District's contributions for Medicare Part B for the fiscal years ended June 30, 2008, 2007, and 2006 were \$10,274, \$9,885, and \$9,707 respectively; 50 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**10. Postemployment Benefits (Continued)**

**B. State Teachers Retirement System**

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

Funding Policy – Ohio law authorizes STRS Ohio to offer the Plan and gives the Retirement Board authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Active employee members do not contribute to the Plan. All benefit recipients pay a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions. For 2008, STRS Ohio allocated employer contributions equal to 1 percent of covered payroll to the Health Care Stabilization Fund. The District's contributions for health care for the fiscal years ended June 30, 2008, 2007, and 2006 were \$43,727, \$41,421, and \$41,142 respectively; 82 percent has been contributed for fiscal year 2008 and 100 percent for fiscal years 2007 and 2006.

**11. Employee Benefits**

**A. Compensated Absences**

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

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

**B. Insurance Benefits**

The District provides health and major medical insurance for all eligible employees. The District pays 88 percent of the total monthly premiums of \$1,429 for family coverage and 94.75 percent of \$535 for single coverage for certified employees. The District pays 91.25 percent of the total monthly premiums of \$1,429 for family coverage and 96.75 percent of \$535 for single coverage for classified employees. Premiums are paid from the same funds that pay the employees' salaries. The District also provides prescription drug insurance to its employees through Anthem Blue Cross/Blue Shield. This plan utilizes a \$5 per generic prescription and \$12 per brand name prescription deductible.

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

Dental coverage is provided through CoreSource. Monthly premiums are \$43.90 for all employees.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**12. Capitalized Leases**

In previous fiscal years, the District has entered into lease agreements for copiers. These lease obligations meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the fund financial statements. Principal payments in fiscal year 2008 totaled \$29,930 in the governmental funds. The capital leases payable have been recorded on the government-wide statements. The agreements provide for minimum annual rental payments as follows:

Fiscal Year	Amount
2009	\$32,674
2010	19,060
Total	51,734
Less: Amount Representing Interest	(1,742)
Present Value of Net Minimum Lease Payments	\$49,992

The equipment has been capitalized in the amount of \$147,356, the present value of the minimum lease payments at the inception of the lease. The accumulated depreciation as of June 30, 2008, was \$103,608, leaving a remaining book value of \$43,748.

**13. Long-Term Obligations**

Changes in long-term obligations during fiscal year 2008 were as follows:

	Principal Outstanding 6/30/07	Additions	Deductions	Balance at 6/30/08	Due Within One Year
<b>Governmental Activities:</b>					
2006 4.09 % Bond Refinancing Issue	\$645,000		\$10,000	\$635,000	\$10,000
2000 6.322% Classroom Facilities Bonds	130,000		30,000	100,000	30,000
1985 9.75% School Facilities Bonds	135,000		45,000	90,000	45,000
Total General Obligation Bonds	910,000		85,000	825,000	85,000
Capital Leases	79,922		29,930	49,992	31,192
Compensated Absences	662,175	\$643,283	662,175	643,283	27,291
Total Governmental Activities Long-Term Obligations	\$1,652,097	\$643,283	\$777,105	\$1,518,275	\$143,483

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

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

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

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

Principal and interest requirements to retire the General Obligation Bonds outstanding at June 30, 2008, are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$85,000	\$35,334	\$120,334
2010	90,000	28,796	118,796
2011	45,000	24,290	69,290
2012	45,000	22,293	67,293
2013	50,000	20,535	70,535
2014-2018	195,000	161,434	356,434
2019-2023	315,000	34,531	349,531
Total	<u>\$825,000</u>	<u>\$327,213</u>	<u>\$1,152,213</u>

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

The District's overall legal debt margin was \$2,594,499, with an unvoted debt margin of \$379,944 at June 30, 2008.

**14. Jointly Governed Organizations**

**A. Southeast Ohio Voluntary Education Cooperative**

The Southeast Ohio Voluntary Education Cooperative (SEOVEC) was created as a regional council of governments pursuant to State statutes. SEOVEC is a computer consortium formed for the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. SEOVEC has 30 participants consisting of 26 school districts and 4 educational service centers. SEOVEC is governed by a board, which is selected by the member districts. SEOVEC possesses its own budgeting and taxing authority. The District paid SEOVEC \$20,938 for services provided during the fiscal year. To obtain financial information write to the Southeast Ohio Voluntary Educational Cooperative, Treasurer, at 221 North Columbus Road, Athens, Ohio 45701.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**14. Jointly Governed Organizations (Continued)**

**B. Tri-County Career Center**

The Tri-County Career Center 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 Career Center, Laura F. Dukes, CPA, Treasurer, at 15676 State Route 691, Nelsonville, Ohio 45764.

**C. Coalition of Rural and Appalachian Schools**

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

**15. Insurance Purchasing Pool**

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

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

**B. Ohio School Plan**

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

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

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**15. Insurance Purchasing Pool (Continued)**

The Plan's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available):

	2007	2006
Assets	\$2,646,185	\$1,730,236
Liabilities	1,621,941	941,026
Members' Equity	1,024,244	789,210

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

**C. Athens County School Employee Health and Welfare Benefit Association**

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

**16. Interfund Activity and Balances**

**A. Transfers**

Transfers made during fiscal year 2008 were as follows:

<b>Transfer from</b>	<b>Transfer to Other Nonmajor Governmental</b>
General Fund	\$13,800

**B. Interfund Balances**

Interfund Balances at June 30, 2008, consisted of the following for services provided by the General Fund:

	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
<b>General Fund</b>	\$233	
<b>Special Revenue Funds:</b>		
Athletics		\$233
Total All Funds	\$233	\$233

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**17. Contingencies**

**A. Grants**

The District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2008.

**B. Litigation**

The District is currently a party to legal proceedings.

**18. Set-Aside Calculations**

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

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

	<b>Textbooks</b>	<b>Capital Acquisition</b>
Set-aside Reserve Balance as of June 30, 2007	\$14,439	\$0
Current Year Set-aside Requirement	113,266	113,266
Current Year Offsets	0	(157,909)
Qualifying Disbursements	(113,679)	(89,137)
Totals	\$14,026	(\$133,780)
Set-Aside Balance Carried Forward to Future Fiscal Years	\$14,026	\$0
Set-Aside Reserve Balance as of June 30, 2009	\$14,026	\$0

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

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2008  
(Continued)**

**19. Fund Deficits**

The following funds had deficit fund balances at June 30, 2008:

	<u>Deficit</u>
<b>General Fund</b>	\$492,387
<b>Special Revenue Funds:</b>	
Food Service	46,830
Ohio Reads	15,704
Poverty Aid	92,936
Title I	1,072
Drug Free Schools	1,349
Handicapped Pre-K	9
Title II-A	8,058

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



**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

<b>FEDERAL GRANTOR</b> <i>Pass-through Grantor</i> Program Title	Federal CFDA Number	Grant Year	Receipts	Disbursements
<b>UNITED STATES DEPARTMENT OF AGRICULTURE</b>				
<i>Passed through Ohio Department of Education:</i>				
Nutrition Cluster:				
School Breakfast Program	10.553	2007	\$ 11,933	\$ 11,933
		2008	101,977	101,977
Total School Breakfast Program			<u>113,910</u>	<u>113,910</u>
National School Lunch Program	10.555	2007	18,799	18,799
		2008	189,458	189,458
Total National School Lunch Program			<u>208,257</u>	<u>208,257</u>
Total Nutrition Cluster			322,167	322,167
Team Nutrition Grants	10.574	TWNT-2004	300	172
Fresh Fruit and Vegetable Program	10.582	2008	3,256	3,256
Total United States Department of Agriculture			325,723	325,595
<b>UNITED STATES DEPARTMENT OF EDUCATION</b>				
<i>Passed through Ohio Department of Education:</i>				
Title I Grants to Local Educational Agencies	84.010	2007		34,994
		2008	415,373	403,941
Total Title I Grants to Local Educational Agencies			<u>415,373</u>	<u>438,935</u>
Special Education Cluster:				
Special Education - Grants to States	84.027	2007	41,695	41,865
		2008	265,909	261,607
Total Special Education - Grants to States			<u>307,604</u>	<u>303,472</u>
Special Education - Preschool Grants	84.173	2007	784	1,195
		2008	8,110	7,497
Total Special Education - Preschool Grants			<u>8,894</u>	<u>8,692</u>
Total Special Education Cluster			316,498	312,164
<i>Direct Program:</i>				
Safe and Drug-Free Schools and Communities - National Programs - Grants to Reduce Alcohol Abuse	84.184A	Q184A070030	214,700	214,700
Safe and Drug-Free Schools and Communities - State Grants	84.186	2008	8,843	8,843
State Grants for Innovative Programs	84.298	2008	152	
Education Technology State Grants	84.318	2007	(237)	
		2008	6,387	5,887
Total Education Technology State Grants			<u>6,150</u>	<u>5,887</u>
Comprehensive School Reform Demonstration	84.332	2007	16,190	20,393
		2008	2,100	
Total Comprehensive School Reform Demonstration			<u>18,290</u>	<u>20,393</u>
Rural Education	84.358	2008	22,968	22,320
<i>Direct Program:</i>				
Literacy Through School Libraries	84.364	S364A060445	29,864	37,734
Improving Teacher Quality State Grants	84.367	2007		5,736
		2008	91,682	91,460
Total Improving Teacher Quality State Grants			<u>91,682</u>	<u>97,196</u>
Total United States Department of Education			<u>1,124,520</u>	<u>1,158,172</u>
<b>Total Federal Awards Receipts and Expenditures</b>			<u><b>\$ 1,450,243</b></u>	<u><b>\$ 1,483,767</b></u>

*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 THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

**NOTE A – SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B – CHILD NUTRITION CLUSTER**

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

**NOTE C – TRANSFERS AND REFUNDS**

During fiscal year 2008, the Ohio Department of Education (ODE) authorized the District to carryover monies from the prior fiscal year to the current fiscal year. Authorized carryover monies are shown as a reduction of federal revenues in the program that the transfer was made from and increased federal revenue in the program that received the transfer or carryover. Also during 2008, the District refunded to the Ohio Department of Education monies that were not expended during the period of availability. Refunds to the Ohio Department of Education are shown as a reduction of federal revenue in the accompanying Schedule. A detailed listing of the transfers/carryovers and refund is as follows:

CFDA Number	Program Title	Grant Year	Transfers Out	Transfers In	Refund
84.318	Education Technology State Grants	2007	\$ 237		
84.318	Education Technology State Grants	2008		\$ 237	
84.332	Comprehensive School Reform Demonstration	2008			\$ 2,100
		Totals	<u>\$ 237</u>	<u>\$ 237</u>	<u>\$ 2,100</u>



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS 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 financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Trimble Local School District, Athens County, Ohio (the District), as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 16, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

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

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

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

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

We noted a certain matter that we reported to the District's management in a separate letter dated March 16, 2009.

### **Compliance and Other Matters**

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

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

March 16, 2009



# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON 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 District), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended June 30, 2008. The Summary of Auditor's Results section of the accompanying Schedule of Findings identifies the District's major federal programs. The District's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended June 30, 2008.

#### Internal Control Over Compliance

The District's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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



**Mary Taylor, CPA**  
Auditor of State

March 16, 2009

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
JUNE 30, 2008**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under §.510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Special Education Cluster - CFDA #84.027 and #84.173 Safe and Drug Free Schools and Communities – National Program – CFDA #84.184A
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$300,000 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 § .315 (b)  
JUNE 30, 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	<p>A finding for recovery for overpayment of salary was issued pursuant to Ohio Rev. Code Section 117.28, for public monies illegally expended against Tom Downs in the amount of \$5,823.63; Kathy Shafer in the amount of \$4,322.46; Tom Hand in the amount of \$3,882.63; and Don Roback in the amount of \$5,672.34 in favor of the Trimble Local School District's General fund. Additionally, a finding for recovery was issued jointly and severally, against Supervisor, William Lowery, in the amount of \$9,495.13; Supervisor, Danny Lackey, in the amount of \$831.31; Treasurer, Cindy Rhonemus, in the amount of \$15,710.33 and her bonding company, Travelers Casualty and Surety Company of America, in the amount of \$13,846.42 and her bonding company, Nationwide Agribusiness Insurance Company, in the amount of \$1,863.91; Treasurer, Roberta Bunting and her bonding company, Nationwide Agribusiness Insurance Company, in the amount of \$485.16; and Treasurer, Sandi Hurd and her bonding company, Nationwide Agribusiness Insurance Company, in the amount of \$3,505.55, in favor of the Trimble Local School District's General Fund.</p>	No	<p>No payments have been made to the District as of the date of this report. Payment agreements were presented to the employees, but were not signed. The findings are currently being pursued by the Athens County Prosecuting Attorney.</p>





**Mary Taylor, CPA**  
Auditor of State

**TRIMBLE LOCAL SCHOOL DISTRICT**  
**ATHENS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED**  
**APRIL 14, 2009**