



OHIO AUDITOR OF STATE  
**KEITH FABER**





**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY  
JUNE 30, 2021**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor’s Report .....	1
Prepared by Management:	
Management’s Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet	
Governmental Funds .....	21
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities .....	22
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds .....	23
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities .....	24
Statement of Revenues, Expenditures and Changes In Fund Balance – Budget and Actual (Budget Basis)	
General Fund.....	25
ESSER Fund .....	26
Statement of Fiduciary Net Position	
Fiduciary Funds .....	27
Statement of Changes in Fiduciary Net Position	
Fiduciary Fund .....	28
Notes to the Basic Financial Statements .....	29
Required Supplementary Information	
Schedule of the District’s Proportionate Share of Net Pension Liability .....	68
Schedule of the District’s Proportionate Share of Net OPEB Liability (Asset).....	70
Schedule of the District’s Contributions	
School Employees Retirement Systems of Ohio .....	72
Schedule of the District’s Contributions	
State Teachers Retirement System of Ohio.....	74
Notes to Required Supplementary Information .....	76

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY  
JUNE 30, 2021**

**TABLE OF CONTENTS  
(Continued)**

<b>TITLE</b>	<b>PAGE</b>
Schedule of Expenditures of Federal Awards .....	79
Notes to the Schedule of Expenditures of Federal Awards .....	80
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	81
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	83
Schedule of Findings and Questioned Costs .....	87
Prepared by Management:	
Summary Schedule of Prior Audit Findings .....	91
Corrective Action Plan .....	93

# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

### ***Report on the Financial Statements***

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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

**Opinion**

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, 2021, and the respective changes in financial position thereof and the respective budgetary comparisons for the General and ESSER funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 24 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinion regarding this matter.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, and Schedules of Net Pension and Other Post-employment Benefit Liabilities/Assets and Pension and Other Post-employment Benefit Contributions listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

*Supplementary and Other Information*

Our audit was conducted to opine on the District's basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2022, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 21, 2022

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**TRIMBLE LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

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The management discussion and analysis of the Trimble Local School District's (the District) financial performance provides an overview and analysis of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review our notes to the basic financial statements and the financial statements themselves to enhance their understanding of the District's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

**Financial Highlights**

- < The assets and deferred outflows of Trimble Local School District exceeded its liabilities and deferred inflows at June 30, 2021 by \$5,084,845. Of this amount, \$11,797,939 represents net investment in capital assets and net position amounts restricted for specific purposes. The remaining deficit of \$6,713,094 represents unrestricted net position.
- < In total, net position of governmental activities decreased by \$670,505 which represents a 11.65 percent decrease from 2020.
- < General revenues accounted for \$10,938,280, or 72.58 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$4,131,339 or 27.42 percent of total revenues of \$15,069,619.
- < The District had \$15,740,124 in expenses related to governmental activities; only \$4,131,339 of these expenses were offset by program specific charges for services and sales, grants or contributions. General revenues (primarily taxes and grants and entitlements) of \$10,938,280 were not sufficient to provide for the remainder of these programs.
- < The District recognizes two major governmental funds: the General Fund and ESSER Fund. In terms of dollars received and spent, the General Fund is significantly larger than all the other funds of the District combined. The General Fund had \$12,353,099 in revenues and \$11,577,943 in expenditures in fiscal year 2021.

**Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are presented following the requirements of GASB Statement No. 34, and are organized so the reader can understand Trimble Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: the government-wide financial statements, fund financial statements and notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

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**Reporting the District as a Whole**

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. The Statement of Net Position 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. These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting, which is 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.

The Statement of Net Position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position are important because they serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. The cause of this change may be the result of several factors, some financial and some not. Nonfinancial factors include the District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required but unfunded educational programs, and other factors. Ultimately, the District's goal is to provide services to our students, not to generate profits as commercial entities do.

The Statement of Activities presents information showing how the District's net position changed during the recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In both of the government-wide financial statements, the District activities are shown as governmental activities. All of the District's programs and services are reported here including instructional services, support services and operation of non-instructional services. These services are funded primarily by taxes, tuition and fees, and intergovernmental revenues including federal and state grants and other shared revenues.

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

**Fund Financial Statements**

The analysis of the District's major funds begins on page 13. 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 ESSER Fund.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

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A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objective. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into one of two categories: governmental and fiduciary funds.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements. 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.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Fiduciary Funds**

The District's fiduciary funds consist of a private purpose trust fund. The District's fiduciary funds are reported in separate financial statements. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. Private purpose trust funds are held in a trustee capacity for individuals, private organizations, or other governments. Fiduciary funds use the accrual basis of accounting.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)

**Government-Wide Financial Analysis**

Recall that the Statement of Net Position provides the perspective of the District as a whole, showing assets, deferred outflows of resources, liabilities and deferred inflows of resources, and the difference between them (net position). Table 1 provides a summary of the District's net position for fiscal year 2021 compared to fiscal year 2020:

Table 1  
**Net Position at Year End**

	Governmental Activities		
	2021	2020	Change
<b><i>Assets:</i></b>			
Current and Other Assets	\$9,843,915	\$9,505,150	\$338,765
Net OPEB Asset	704,467	650,582	53,885
Capital Assets, Net	11,460,543	11,821,462	(360,919)
<i>Total Assets</i>	<u>22,008,925</u>	<u>21,977,194</u>	<u>31,731</u>
<b><i>Deferred Outflows of Resources:</i></b>			
Pension	2,730,955	2,708,807	22,148
OPEB	502,062	409,702	92,360
<i>Total Deferred Outflows of Resources</i>	<u>3,233,017</u>	<u>3,118,509</u>	<u>114,508</u>
<b><i>Liabilities:</i></b>			
Current and Other Liabilities	1,387,741	1,454,714	(66,973)
<b><i>Long-Term Liabilities:</i></b>			
Due Within One Year	350,039	326,742	23,297
Due in More than One Year:			
Net Pension Liability	13,486,063	12,168,944	1,317,119
Net OPEB Liability	1,253,219	1,494,389	(241,170)
Other Amounts	903,996	1,142,852	(238,856)
<i>Total Liabilities</i>	<u>17,381,058</u>	<u>16,587,641</u>	<u>793,417</u>
<b><i>Deferred Inflows of Resources:</i></b>			
Property Taxes	1,131,332	946,603	184,729
Pension	103,576	583,868	(480,292)
OPEB	1,541,131	1,222,241	318,890
<i>Total Deferred Inflows of Resources</i>	<u>2,776,039</u>	<u>2,752,712</u>	<u>23,327</u>
<b><i>Net Position:</i></b>			
Net Investment in Capital Assets	10,863,055	11,033,573	(170,518)
Restricted	934,884	756,209	178,675
Unrestricted	(6,713,094)	(6,034,432)	(678,662)
<i>Total Net Position</i>	<u>\$5,084,845</u>	<u>\$5,755,350</u>	<u>(\$670,505)</u>

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

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The net pension liability (NPL) and other postemployment benefits liability (OPEB) are the largest liabilities reported by the District at June 30, 2021 and is reported pursuant to GASB Statement 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27" and GASB Statement 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." For reasons discussed below, many end users of this financial statement will gain a clearer understanding of the District's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

Governmental Accounting Standards Board standards are national and apply to all government financial reports prepared in accordance with generally accepted accounting principles. When accounting for pension costs, GASB Statement No. 27 focused on a funding approach. This approach limited pension and OPEB costs to contributions annually required by law, which may or may not be sufficient to fully fund each plan's *net pension liability and net OPEB liability*. GASB Statements No. 68 and 75 takes an earnings approach to pension and OPEB accounting; however, the nature of Ohio's statewide pension systems and state law governing those systems requires additional explanation in order to properly understand the information presented in these statements.

GASB 68 and GASB 75 require the net pension liability and the net OPEB liability to equal the District's proportionate share of each plan's collective:

1. Present value of estimated future pension benefits attributable to active and inactive employees' past service
2. Minus plan assets available to pay these benefits

GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the "employment exchange" – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

The employee enters the employment exchange with the knowledge that the employer's promise is limited not by contract but by law. The employer enters the exchange also knowing that there is a specific, legal limit to its contribution to the retirement system. In Ohio, there is no legal means to enforce the unfunded liability of the pension/OPEB plan *as against the public employer*. State law operates to mitigate/lessen the moral obligation of the public employer to the employee, because all parties enter the employment exchange with notice as to the law. The retirement system is responsible for the administration of the pension and OPEB plans.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

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Most long-term liabilities have set repayment schedules or, in the case of compensated absences (i.e. sick and vacation leave), are satisfied through paid time-off or termination payments. There is no repayment schedule for the net pension liability or the net OPEB liability. As explained above, changes in benefits, contribution rates, and return on investments affect the balance of these liabilities, but are outside the control of the local government. In the event that contributions, investment returns, and other changes are insufficient to keep up with required payments, State statute does not assign/identify the responsible party for the unfunded portion. Due to the unique nature of how the net pension liability and the net OPEB liability are satisfied, these liabilities are separately identified within the long-term liability section of the Statement of Net Position.

In accordance with GASB 68 and GASB 75, the District's statements prepared on an accrual basis of accounting include an annual pension expense and an annual OPEB expense for their proportionate share of each plan's *change* in net pension liability and net OPEB liability, respectively, not accounted for as deferred inflows/outflows.

Current and other assets increased \$338,765 from fiscal year 2021 due to increases in intergovernmental receivable equivalents and property taxes receivable. Capital assets decreased by \$360,919, due to current year capital asset depreciation exceeding additions.

Current (other) liabilities decreased by \$66,973 or 4.6 percent, due to a decrease in accounts payable.

Long-term liabilities increased by \$860,390 or 5.69 percent, due primarily to the increase in net pension liabilities due to actuarial measurements done by the retirement systems. Additional information can be found in Note 11.

The District's largest portion of net position is related to amounts net investment in capital assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities.

The District's smallest portion of net position is unrestricted, and carries a deficit balance of \$6,713,094. Unrestricted net position represents resources that may be used to meet the District's ongoing obligations to its students and creditors.

The remaining balance of \$934,884 is restricted net position. The restricted net position is subject to external restrictions on how they may be used.

Table 2 shows the changes in net position for fiscal year 2021 and provides a comparison to fiscal year 2020.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

Table 2  
**Changes in Net Position**

	<b>Governmental Activities</b>		
	<u>2021</u>	<u>2020</u>	<u>Change</u>
<b><u>Revenues:</u></b>			
<i>Program Revenues:</i>			
Charges for Services and Sales	\$671,398	\$758,287	(\$86,889)
Operating Grants and Contributions	3,459,941	3,240,275	219,666
<i>General Revenues:</i>			
Property Taxes	1,124,329	948,542	175,787
Unrestricted Grants and Entitlements	9,414,143	9,057,184	356,959
Payments in Lieu of Taxes	2,820	3,194	(374)
Investment Earnings	156,444	(18)	156,462
Miscellaneous	240,544	161,658	78,886
<i>Total Revenues</i>	<u>15,069,619</u>	<u>14,169,122</u>	<u>900,497</u>
<b><u>Expenses:</u></b>			
<i>Instruction:</i>			
Regular	\$6,250,373	\$6,702,142	(\$451,769)
Special	2,793,189	2,955,548	(162,359)
Student Intervention Services	0	819	(819)
Other	132,014	130,599	1,415
<i>Support Services:</i>			
Pupils	730,440	672,913	57,527
Instructional Staff	761,121	681,975	79,146
Board of Education	221,155	208,337	12,818
Administration	1,273,716	1,264,882	8,834
Fiscal	294,127	294,107	20
Operation and Maintenance of Plant	1,374,817	1,142,825	231,992
Pupil Transportation	771,664	797,253	(25,589)
Central	13,469	8,225	5,244
<i>Operation of Non-Instructional Services:</i>			
Food Services	743,003	808,836	(65,833)
Community Services	94,515	2,879	91,636
Extracurricular Activities	241,474	340,985	(99,511)
Interest and Fiscal Charges	45,047	56,865	(11,818)
<i>Total Expenses</i>	<u>15,740,124</u>	<u>16,069,190</u>	<u>(329,066)</u>
<i>Change in Net Position</i>	<u>(670,505)</u>	<u>(1,900,068)</u>	<u>1,229,563</u>
Net Position at Beginning of Year	<u>5,755,350</u>	<u>7,655,418</u>	<u>(1,900,068)</u>
Net Position at End of Year	<u>\$5,084,845</u>	<u>\$5,755,350</u>	<u>(\$670,505)</u>

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

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The most significant program expenses for the District are Regular Instruction, Special Instruction, Operation and Maintenance of Plant, Administration, and Operation of Non-Instructional Services. These programs account for 79.60 percent of the total governmental activities. Regular Instruction, which accounts for 39.71 percent of the total, represents costs associated with providing general educational services. Special Instruction, which represents 17.75 percent of the total, represents costs associated with providing educational services for handicapped, disadvantaged and other special needs students. Operation and Maintenance of Plant, which represents 8.73 percent of the total, represent costs associated with operating and maintaining the District's facilities. Administration, which represents 8.09 percent of the total, represents costs associated with the overall administrative responsibility for each building and the District as a whole. Operation of Non-Instructional Services, which represents 5.32 percent of the total, represents costs associated with activities concerned with providing non-instructional services to students, staff or the community.

As noted previously, the net position for the governmental activities decreased \$670,505 or 11.65 percent. This is a change from last year when net position decreased \$1,900,068 or 24.82 percent. Total revenues increased \$900,497, or 6.36 percent from last year and expenses decreased \$329,066 or 2.05 percent from last year.

The District had a program revenue increase of \$132,777 and an increase in general revenue of \$767,720. The increase in program revenue is due primarily to an increase in operating grants and contributions and the increase in general revenue is due mostly to increases in property taxes, investment earnings, and unrestricted grants and entitlements.

The total expenses for governmental activities decreased \$329,066 or 2.05 percent, primarily due to decreases in regular and special instruction. These decreases are the result of the District's attempts to control spending.

**Governmental Activities**

Over the past several fiscal years, the District has remained in stable financial condition. This has been accomplished through strong voter support and good fiscal management. The District is heavily dependent on property taxes and intergovernmental revenue and, like most Ohio schools, is hampered by a lack of revenue growth. Property taxes made up 7.46 percent and intergovernmental revenue made up 85.43 percent of the total revenue for the governmental activities in fiscal year 2021.

The Ohio Legislature passed H.B. 920 (1976) and changed the way property taxes function in the State. The overall revenue generated by a levy will not increase solely as a result of inflation. As an example, the District would receive from a home valued at \$100,000 and taxed at 1.0 mill, \$35.00 annually. If three years later the home were reappraised and the value increased to \$200,000 (and this increase in value is comparable to other property owners) the effective tax rate would become 0.5 mill and the District would still receive \$35.00 annually. Therefore, the District must regularly return to the voters to maintain a constant level of service.



**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

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The District's intergovernmental revenue consists primarily of school foundation basic allowance, homestead and rollback property tax allocation, and federal and state grants. During fiscal year 2021, the District received \$10,529,363 through the State's foundation program, which represents 69.87 percent of the total revenue for the governmental activities. The District relies heavily on this state funding to operate at the current levels of service.

Instruction accounts for 58.29 percent of governmental activities program expenses. Support services expenses make up 34.56 percent of governmental activities expenses. The Statement of Activities shows the cost of program services and charges for services and grants offsetting those services.

Table 3 shows, for governmental activities, the total cost of services and the net cost of services for fiscal year 2021 compared with fiscal year 2020. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

Table 3  
**Net Cost of Governmental Activities**

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2021	2021	2020	2020
<i>Program Expenses:</i>				
Instruction	\$9,175,576	\$6,345,703	\$9,789,108	\$7,390,216
Support Services	5,440,509	4,691,066	5,070,517	4,140,229
Operation of Non-Instructional Services	837,518	323,123	811,715	251,921
Extracurricular Activities	241,474	203,846	340,985	231,397
Interest and Fiscal Charges	45,047	45,047	56,865	56,865
Total Expenses	<u>\$15,740,124</u>	<u>\$11,608,785</u>	<u>\$16,069,190</u>	<u>\$12,070,628</u>

**The District's Funds**

The District's governmental funds are accounted for using the modified accrual basis of accounting (See Note 2 for discussion of significant accounting policies). All governmental funds had total revenues and other financing sources of \$15,507,909 and expenditures and other financing uses of \$15,564,710.

The fund balances of the total governmental funds decreased by \$56,801 or 0.88 percent. The fund balance for the year in the General Fund increased \$59,556 or 1.00 percent and was primarily the result of an increase in revenues and a decrease in expenditures during the current year. The fund balance in the ESSER Fund decreased \$271,131 or 100 percent, which was the result of expenditures exceeding revenues during the current year.

The District should remain stable in fiscal years 2022 and 2023. However, projections beyond fiscal year 2023 show the District may be unable to meet inflationary cost increases in the long-term without additional tax levies or a meaningful change in state funding of public schools as directed by the Ohio Supreme Court.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

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**Budget Highlights - General Fund**

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

During the course of fiscal year 2021, the District amended its General Fund budget one time. The District uses a modified site-based budget technique that is designed to control site budgets while providing building administrators and supervisors' flexibility for site management.

The District prepares and monitors a detailed cashflow plan for the General Fund. Actual cashflow is compared to monthly and year-to-date estimates, and a monthly report is prepared for top management and the Board of Education.

For the General Fund, the final budget basis revenue was \$12,194,793, representing no change from the original budget estimate. The final budget basis expenditures were \$12,586,756, representing a decrease of \$3,767,515 or 23.04 percent from the original budget basis expenditures of \$16,354,271. The decrease was primarily due to decreases in regular instruction and special instruction.

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**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
(Unaudited)

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**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2021, the District had \$27,806,272 invested in land, land improvements, buildings and improvements, furniture, fixtures, and equipment, and vehicles, of which all was in governmental activities. That total carries an accumulated depreciation of \$16,345,729. Table 4 shows fiscal year 2021 balances compared to fiscal year 2020.

Table 4  
**Capital Assets & Accumulated Depreciation at Year End**

	<b>Governmental Activities</b>	
	2021	2020
<i>Nondepreciable Capital Assets:</i>		
Land	\$55,370	\$55,370
<i>Depreciable Capital Assets:</i>		
Land Improvements	1,765,227	1,759,457
Buildings and Improvements	22,927,841	22,615,099
Furniture, Fixtures and Equipment	1,655,646	1,752,948
Vehicles	1,402,188	1,350,566
<i>Total Capital Assets</i>	<u>27,806,272</u>	<u>27,533,440</u>
 <i>Less Accumulated Depreciation:</i>		
Land Improvements	842,197	784,905
Buildings and Improvements	13,345,926	12,846,728
Furniture, Fixtures and Equipment	1,201,738	1,162,804
Vehicles	955,868	917,541
<i>Total Accumulated Depreciation</i>	<u>16,345,729</u>	<u>15,711,978</u>
Capital Assets, Net	<u>\$11,460,543</u>	<u>\$11,821,462</u>

More detailed information pertaining to the District's capital asset activity can be found in Note 9 of the notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2021*  
*(Unaudited)*

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**Debt Administration**

At June 30, 2021, the District had \$641,609 in general obligation debt outstanding with \$140,456 due within one year. Table 5 summarizes the bonds outstanding for fiscal year 2021 compared to fiscal year 2019.

Table 5  
**Outstanding Debt, Governmental Activities at Year End**

Purpose	2021	2020
2006 Bond Refinancing	\$135,000	\$195,000
Department of Administration Services Loan	149,482	167,343
Energy Optimizers Loan	357,127	410,742
Total	\$641,609	\$773,085

More detailed information pertaining to the District's long-term debt activity can be found in Note 14 of 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 statements, the Board of Education has adopted a Comprehensive Continuous School Improvement Plan. The goal is ultimately to narrow the gap between the highest and lowest achieving students leading to total academic success.

The mission of the District is to ensure that all students reach their fullest potential by using the best physical and human resources in partnership with family and community. In an effort 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 stability of the District is not without its challenges. The District must rely heavily on State Aide to fund its operations. The State of Ohio enacted an entirely new funding formula for Fiscal Year 2022, changing from the frozen Fiscal Year 2019 budget figures to a fund students where educated model. This is a significant change from previous funding formulas and returning school funding from a frozen formula to a dynamic funding formula based on actual student counts.

Overall, enrollment data for the District is still in a downward trend with the exception of Fiscal Year 2022 where the district has seen an increase in enrollment. However, the District is exhibiting lower than average birthrates, combining this with two relatively large graduating classes in Fiscal Year 2022 and Fiscal Year 2024, it is expected that the downward trend will continue.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021  
(Unaudited)*

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The District has developed plans to expend the ESSER, ESSER II, ARP ESSER as well as ARP-IDEA funds that have been provided by the Federal Government to combat COVID-19. These funds will be utilized to minimize the learning loss that occurred during the last two school years due to the changes that occurred to the education model caused by the pandemic. The Funds will also allow the District to complete its HVAC retrofit ahead of schedule which will enhance the indoor air quality and safety in the District's buildings.

As part of general maintenance and upkeep, the District is exploring options of renovating its bathrooms as well as gathering information on building a new bus garage to replace its aging garage.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Jared M. Bunting, Treasurer/CFO, Trimble Local School District, One Tomcat Drive, Glouster, Ohio 45732-9335.

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**TRIMBLE LOCAL SCHOOL DISTRICT**

Statement of Net Position

June 30, 2021

	Governmental Activities
<b><u>Assets:</u></b>	
Equity in Pooled Cash and Cash Equivalents	\$7,463,152
Cash and Cash Equivalents in Segregated Accounts	250
Property Taxes Receivable	1,689,422
Intergovernmental Receivable	677,881
Materials and Supplies Inventory	13,210
Net OPEB Asset	704,467
Nondepreciable Capital Assets	55,370
Depreciable Capital Assets, Net	11,405,173
<i>Total Assets</i>	<u>22,008,925</u>
<b><u>Deferred Outflows of Resources:</u></b>	
Pension	2,730,955
OPEB	502,062
<i>Total Deferred Outflows of Resources</i>	<u>3,233,017</u>
<b><u>Liabilities:</u></b>	
Accounts Payable	40,997
Accrued Wages and Benefits	1,070,976
Contracts Payable	89,759
Intergovernmental Payable	183,459
Accrued Interest Payable	2,550
<i>Long-Term Liabilities:</i>	
Due within One Year	350,039
<i>Due in More Than One Year:</i>	
Net Pension Liability	13,486,063
Net OPEB Liability	1,253,219
Other Amounts Due in More Than One Year	903,996
<i>Total Liabilities</i>	<u>17,381,058</u>
<b><u>Deferred Inflows of Resources:</u></b>	
Property Taxes	1,131,332
Pension	103,576
OPEB	1,541,131
<i>Total Deferred Inflows of Resources</i>	<u>2,776,039</u>
<b><u>Net Position:</u></b>	
Net Investment in Capital Assets	10,863,055
<i>Restricted for:</i>	
Capital Outlay	161,064
Debt Service	105,071
Other Purposes	668,749
Unrestricted	(6,713,094)
<i>Total Net Position</i>	<u><u>\$5,084,845</u></u>

See accompanying notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2021*

	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
			Governmental Activities	
<b><u>Governmental Activities:</u></b>				
<i>Instruction:</i>				
Regular	\$6,250,373	\$627,464	\$619,220	(\$5,003,689)
Special	2,793,189	0	1,574,281	(1,218,908)
Vocational	0	0	8,908	8,908
Other	132,014	0	0	(132,014)
<i>Support Services:</i>				
Pupils	730,440	0	336,510	(393,930)
Instructional Staff	761,121	0	260,540	(500,581)
Board of Education	221,155	0	0	(221,155)
Administration	1,273,716	0	13,917	(1,259,799)
Fiscal	294,127	0	0	(294,127)
Operation and Maintenance of Plant	1,374,817	0	61,433	(1,313,384)
Pupil Transportation	771,664	0	77,043	(694,621)
Central	13,469	0	0	(13,469)
<i>Operation of Non-Instructional Services:</i>				
Food Service	743,003	7,231	408,872	(326,900)
Community Service	94,515	0	98,292	3,777
Extracurricular Activities	241,474	36,703	925	(203,846)
Interest and Fiscal Charges	45,047	0	0	(45,047)
<i>Total Governmental Activities</i>	<b>\$15,740,124</b>	<b>\$671,398</b>	<b>\$3,459,941</b>	<b>(11,608,785)</b>
<b><u>General Revenues:</u></b>				
<i>Property Taxes Levied for:</i>				
General Purposes				1,065,214
Debt Service				43,059
Capital Maintenance				16,056
Grants and Entitlements not Restricted to Specific Programs				9,414,143
Payments in Lieu of Taxes				2,820
Investment Earnings				156,444
Miscellaneous				240,544
<i>Total General Revenues</i>				<b>10,938,280</b>
Change in Net Position				(670,505)
<i>Net Position at Beginning of Year</i>				<b>5,755,350</b>
<i>Net Position at End of Year</i>				<b>\$5,084,845</b>

See accompanying notes to the basic financial statements.



**TRIMBLE LOCAL SCHOOL DISTRICT**

*Balance Sheet  
Governmental Funds  
June 30, 2021*

	General	ESSER	Other Governmental Funds	Total Governmental Funds
<b><u>Assets:</u></b>				
Equity in Pooled Cash and Cash Equivalents	\$6,730,164	\$0	\$732,988	\$7,463,152
Cash and Cash Equivalents in Segregated Accounts	0	0	250	250
Property Taxes Receivable	1,604,657	0	84,765	1,689,422
Interfund Receivable	300,157	0	0	300,157
Intergovernmental Receivable	0	314,301	363,580	677,881
Materials and Supplies Inventory	9,320	0	3,890	13,210
<i>Total Assets</i>	<u>\$8,644,298</u>	<u>\$314,301</u>	<u>\$1,185,473</u>	<u>\$10,144,072</u>
<b><u>Liabilities:</u></b>				
Accounts Payable	\$18,573	\$20,845	\$1,579	\$40,997
Accrued Wages and Benefits	930,114	17,152	123,710	1,070,976
Contracts Payable	12,042	77,717	0	89,759
Intergovernmental Payable	148,953	29,722	4,784	183,459
Interfund Payable	0	215,739	84,418	300,157
<i>Total Liabilities</i>	<u>1,109,682</u>	<u>361,175</u>	<u>214,491</u>	<u>1,685,348</u>
<b><u>Deferred Inflows of Resources:</u></b>				
Property Taxes	1,485,720	0	78,482	1,564,202
Intergovernmental	0	224,257	279,132	503,389
<i>Total Deferred Inflows of Resources</i>	<u>1,485,720</u>	<u>224,257</u>	<u>357,614</u>	<u>2,067,591</u>
<b><u>Fund Balances:</u></b>				
Nonspendable	9,320	0	3,890	13,210
Restricted	0	0	734,384	734,384
Assigned	3,221,316	0	0	3,221,316
Unassigned	2,818,260	(271,131)	(124,906)	2,422,223
<i>Total Fund Balances</i>	<u>6,048,896</u>	<u>(271,131)</u>	<u>613,368</u>	<u>6,391,133</u>
<i>Total Liabilities, Deferred Inflows of Resources and Fund Balances</i>	<u>\$8,644,298</u>	<u>\$314,301</u>	<u>\$1,185,473</u>	<u>\$10,144,072</u>

See accompanying notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities  
 June 30, 2021*

<b>Total Governmental Funds Balances</b>		\$6,391,133
 <i>Amounts reported for governmental activities in the Statement of    Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and and therefore are not reported in the funds.		11,460,543
Some of the District's receivables will be collected after fiscal year-end, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. These receivables consist of:		
Property taxes	432,870	
Intergovernmental	503,389	
	936,259	
Total receivables that are deferred in the funds		936,259
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These liabilities consist of:		
General obligation bonds	(135,000)	
Ohio Department of Administrative Services energy loan	(149,482)	
Energy Optimizer loan	(357,127)	
Accrued interest on bonds	(2,550)	
Capital leases	(105,361)	
Compensated absences	(507,065)	
	(1,256,585)	
Total liabilities not reported in funds		(1,256,585)
The net pension/OPEB liabilities are not due and payable in the current period; therefore, the liabilities and related deferred inflows/outflows are not reported in the governmental funds:		
Deferred Outflows - Pension	2,730,955	
Deferred Outflows - OPEB	502,062	
Deferred Inflows - Pension	(103,576)	
Deferred Inflows - OPEB	(1,541,131)	
Net OPEB Asset	704,467	
Net Pension Liability	(13,486,063)	
Net OPEB Liability	(1,253,219)	
	(12,446,505)	
Total		(12,446,505)
<i>Net Position of Governmental Activities</i>		<b>\$5,084,845</b>

See accompanying notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2021*

	General	ESSER	Other Governmental Funds	Total Governmental Funds
<b><u>Revenues:</u></b>				
Property Taxes	\$1,050,093	\$0	\$55,801	\$1,105,894
Intergovernmental	10,361,193	390,073	1,847,238	12,598,504
Interest	97,629	0	450	98,079
Increase (Decrease) in Fair Value of Investments	58,365	0	0	58,365
Tuition and Fees	616,116	0	0	616,116
Extracurricular Activities	4,079	0	32,624	36,703
Gifts and Donations	11,730	0	4,975	16,705
Customer Sales and Services	11,348	0	7,231	18,579
Payments in Lieu of Taxes	2,820	0	0	2,820
Miscellaneous	139,726	0	100,818	240,544
<i>Total Revenues</i>	<u>12,353,099</u>	<u>390,073</u>	<u>2,049,137</u>	<u>14,792,309</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	4,770,283	143,076	248,072	5,161,431
Special	1,934,981	0	576,154	2,511,135
Other	108,522	23,492	0	132,014
<i>Support Services:</i>				
Pupils	405,223	9,061	272,045	686,329
Instructional Staff	357,864	118,015	244,186	720,065
Board of Education	221,155	0	0	221,155
Administration	1,120,367	0	11,387	1,131,754
Fiscal	264,339	0	1,652	265,991
Operation and Maintenance of Plant	1,264,147	54,660	19,431	1,338,238
Pupil Transportation	631,216	31,043	92,496	754,755
Operation of Non-Instructional Services	0	90,620	619,817	710,437
Extracurricular Activities	244,902	0	71,977	316,879
Capital Outlay	68,148	191,237	385,733	645,118
<i>Debt Service:</i>				
Principal Retirement	148,262	0	60,000	208,262
Interest and Fiscal Charges	38,534	0	7,013	45,547
<i>Total Expenditures</i>	<u>11,577,943</u>	<u>661,204</u>	<u>2,609,963</u>	<u>14,849,110</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>775,156</u>	<u>(271,131)</u>	<u>(560,826)</u>	<u>(56,801)</u>
<b><u>Other Financing Sources (Uses):</u></b>				
Transfers In	0	0	715,600	715,600
Transfers Out	(715,600)	0	0	(715,600)
<i>Total Other Financing Sources (Uses)</i>	<u>(715,600)</u>	<u>0</u>	<u>715,600</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	59,556	(271,131)	154,774	(56,801)
<i>Fund Balances at Beginning of Year</i>	5,989,340	0	458,594	6,447,934
<i>Fund Balances at End of Year</i>	<u>\$6,048,896</u>	<u>(\$271,131)</u>	<u>\$613,368</u>	<u>\$6,391,133</u>

See accompanying notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2021*

**Net Change in Fund Balances - Total Governmental Funds** (\$56,801)

*Amounts reported for governmental activities in the Statement of  
Activities are different because:*

Governmental funds report capital outlays as expenditures. However, in 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 depreciation exceeded capital outlay in the current period. (251,366)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (109,553)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. These revenues consist of:

Property taxes	18,435	
Intergovernmental	258,875	
Total revenues not reported in the funds		277,310

Repayment of bond principal and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 208,262

In the Statement of Activities, interest is accrued on outstanding bonds and bond accretion is amortized over the term of the bonds, whereas in governmental funds, and interest expenditure is reported when due:

Interest on bonds	500
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Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

Compensated absences	7,297
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Contractually required contributions are reported as expenditures in governmental funds; however, the Atatement of Activities reports these amounts as deferred outflows. 1,060,956

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the Statement of Activities. (1,807,110)

*Change in Net Position of Governmental Activities* (\$670,505)

See accompanying notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
*General Fund*  
*For the Fiscal Year Ended June 30, 2021*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b><u>Revenues:</u></b>				
Property Taxes	\$1,044,281	\$1,044,281	\$1,044,281	\$0
Intergovernmental	10,313,928	10,313,928	10,361,193	47,265
Interest	92,433	92,433	97,629	5,196
Tuition and Fees	616,116	616,116	616,116	0
Extracurricular Activities	4,079	4,079	4,079	0
Gifts and Donations	11,730	11,730	11,730	0
Customer Sales and Services	10,372	10,372	11,348	976
Payment in Lieu of Taxes	2,820	2,820	2,820	0
Miscellaneous	99,034	99,034	139,726	40,692
<i>Total Revenues</i>	<u>12,194,793</u>	<u>12,194,793</u>	<u>12,288,922</u>	<u>94,129</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	6,287,759	4,839,256	4,839,198	58
Special	2,503,946	1,927,115	1,927,115	0
Other	141,005	108,522	108,522	0
<i>Support Services:</i>				
Pupils	513,414	395,139	394,687	452
Instructional Staff	471,161	362,620	361,404	1,216
Board of Education	289,747	222,998	221,819	1,179
Administration	1,446,494	1,113,267	1,111,794	1,473
Fiscal	355,981	273,974	271,814	2,160
Operation and Maintenance of Plant	1,629,308	1,253,966	1,253,966	0
Pupil Transportation	809,357	622,906	623,419	(513)
Extracurricular Activities	335,457	258,178	258,083	95
Capital Outlay	141,834	109,160	109,160	0
<i>Debt Service:</i>				
Principal	92,870	71,476	71,476	0
Interest	36,614	28,179	28,179	0
<i>Total Expenditures</i>	<u>15,054,947</u>	<u>11,586,756</u>	<u>11,580,636</u>	<u>6,120</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,860,154)</u>	<u>608,037</u>	<u>708,286</u>	<u>100,249</u>
<b><u>Other Financing Uses:</u></b>				
Other Financing Uses	(324,831)	(250,000)	0	250,000
Transfers Out	(974,493)	(750,000)	(715,600)	34,400
<i>Total Other Financing Uses</i>	<u>(1,299,324)</u>	<u>(1,000,000)</u>	<u>(715,600)</u>	<u>284,400</u>
<i>Net Change in Fund Balances</i>	(4,159,478)	(391,963)	(7,314)	384,649
<i>Fund Balance at Beginning of Year</i>	6,813,122	6,813,122	6,813,122	0
Prior Year Encumbrances Appropriated	286,916	286,916	286,916	0
<i>Fund Balance at End of Year</i>	<u>\$2,940,560</u>	<u>\$6,708,075</u>	<u>\$7,092,724</u>	<u>\$384,649</u>

See accompanying notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes*  
*in Fund Balance - Budget and Actual (Budget Basis)*  
**ESSER**  
*For the Fiscal Year Ended June 30, 2021*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b><u>Revenues:</u></b>				
Intergovernmental	\$3,274,854	\$1,840,164	\$300,029	(\$1,540,135)
<i>Total Revenues</i>	<u>3,274,854</u>	<u>1,840,164</u>	<u>300,029</u>	<u>(1,540,135)</u>
<b><u>Expenditures:</u></b>				
<i>Current:</i>				
<i>Instruction:</i>				
Regular	90,912	143,076	143,076	0
<i>Support Services:</i>				
Pupils	5,757	9,061	9,061	0
Instructional Staff	71,296	112,204	112,204	0
Operation and Maintenance of Plant	50,421	79,352	79,352	0
Pupil Transportation	13,245	20,845	20,845	0
Operation of Non-Instructional/Shared Services	52,896	83,247	83,247	0
Capital Outlay	120,946	190,343	190,343	0
<i>Total Expenditures</i>	<u>405,473</u>	<u>638,128</u>	<u>638,128</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,869,381</u>	<u>1,202,036</u>	<u>(338,099)</u>	<u>(1,540,135)</u>
<i>Net Change in Fund Balances</i>	<u>2,869,381</u>	<u>1,202,036</u>	<u>(338,099)</u>	<u>(1,540,135)</u>
<i>Fund Balance at Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$2,869,381</u>	<u>\$1,202,036</u>	<u>(\$338,099)</u>	<u>(\$1,540,135)</u>

See accompanying notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Statement of Fiduciary Net Position*

*Fiduciary Funds*

*June 30, 2021*

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	<u>Private Purpose Trust</u>
<b><u>Assets:</u></b>	
<i>Current Assets:</i>	
Equity in Pooled Cash and Cash Equivalents	<u>\$36,128</u>
<i>Total Assets</i>	<u><u>\$36,128</u></u>
<b><u>Net Position:</u></b>	
Held in Trust for Scholarships	<u>36,128</u>
<i>Total Net Position</i>	<u><u>\$36,128</u></u>

See accompanying notes to the basic financial statements.

**TRIMBLE LOCAL SCHOOL DISTRICT**  
*Statement of Changes in Fiduciary Net Position*  
*Fiduciary Fund*  
*For the Fiscal Year Ended June 30, 2021*

	Private Purpose Trust
<b><u>Additions:</u></b>	
Interest	\$623
<i>Total Additions</i>	623
<b><u>Deductions:</u></b>	
Payment in Accordance with Trust Agreement	2,163
<i>Total Deductions</i>	2,163
<i>Change in Net Position</i>	(1,540)
<i>Net Position at Beginning of Year</i>	37,668
<i>Net Position at End of Year</i>	\$36,128

See accompanying notes to the basic financial statements.



**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 1 - DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY**

**Description of the School District**

Trimble Local School District (the "District") is organized under Article VI, Section 2 and 3 of the Constitution of the State of Ohio. The District operates under a locally-elected Board form of government consisting of five members elected at-large for staggered four year terms. The District provides educational services as authorized by State statute and/or federal guidelines.

The District serves an area of approximately 39 square miles. It is located in Athens County. It is staffed by 53 non-certificated employees, 80 certificated full-time teaching personnel, and 9 administrative employees who provide services to 766 students and other community members. The District currently operates three instructional buildings, a bus garage, and an athletic complex.

**Reporting Entity**

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure 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 Trimble Local School 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 is associated with five organizations, three of which are defined as jointly governed organizations, two as insurance purchasing pools and one as a claims servicing pool. These organizations are the META Solutions Inc., the Tri-County Career Center, the Coalition of Rural and Appalachian Schools, the Sheakley Workers' Compensation Group Rating Program, and the Athens County School Employee Health and Welfare Benefit Association. These organizations are presented in Notes 20 and 21 to the basic financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Trimble Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**A. Basis of Presentation**

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

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**Government-Wide Financial Statements**

The Statement of Net Position 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 fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities. The District has no business-type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the District at 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 requirements of a particular program. Revenues which 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 year, the District segregates transactions related to certain District functions 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 rather than reporting by type. 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 of the District fall within two categories: governmental and fiduciary.

**Governmental Funds**

Governmental funds are those through which most governmental functions of the District are financed. Governmental funds focus 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, liabilities and deferred inflows of resources is reported as fund balance.

The following are the District's major governmental funds:

**General Fund**- This 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. The General Fund is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**ESSER Fund-** This fund is used to account for federal monies received as part of the CARES Act relief funding. These funds are to be used for unforeseen costs that are the result of student instruction during the Coronavirus Pandemic.

The other governmental funds of the District accounts for grants and other resources of the District whose use is restricted to a particular purpose, for financial resources to be used for the acquisition, construction or improvement of capital facilities other than those financed by proprietary and trust funds; and for the accumulation of resources for and the replacement of general long-term debt principal, interest and related costs.

**Fiduciary Funds**

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and custodial 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. Custodial funds are custodial in nature and used to account for assets held by the District for individuals, organizations or other governments without a trust agreement. The District's fiduciary funds include a private purpose trust fund that accounts for a trust held for scholarships.

**C. Measurement Focus**

**Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

**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, current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balance 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 statements for governmental funds.

The private purpose trust fund is reported using the economic resources measurement focus.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**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 and fiduciary funds are prepared using 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 inflows and outflows of resources, and in the presentation of expenses versus expenditures.

**Revenues - Exchange and Nonexchange 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. "Measurable" means the amount of the transaction can be determined, and "available" means that the resources are collectible 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.

Nonexchange 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 (See Note 7). 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 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 nonexchange 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 the fiscal year-end: property taxes available for advance, accounts receivable, grants and interest.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12.

In addition to the liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the District, deferred inflows of resources include property taxes, grants, pension and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of June 30 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the District, unavailable revenue includes intergovernmental grants. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 11 and 12)

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**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 the 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 the District records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During the fiscal year 2021, the School District invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." The School District measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For fiscal year 2021, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$100 million, requiring the excess amount be transacted the following business day(s), but only to the \$100 million limit. All accounts of the participant will be combined for these purposes.

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 2021 amounted to \$97,629, which includes \$9,110 assigned from other District funds.

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

**F. Inventory**

On government-wide financial statements, inventories are presented at cost on a first-in, first-out basis and are expensed when used. Inventories are accounted for using the consumption method.

On fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable materials and supplies held for consumption and donated and purchased food. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed or used.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**G. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2021, 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 year in which services are consumed.

**H. Capital Assets**

General capital assets are associated with and generally arise from governmental activities. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position 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 year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of two thousand dollars. The District does not possess any infrastructure.

Improvements are capitalized; the normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Any interest incurred during the construction of capital assets is also capitalized.

All reported 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:

Description	Estimated Lives
Land Improvements	50 years
Buildings and Improvements	50 years
Furniture, Fixtures and Equipment	5 – 20 years
Vehicles	8 years

**I. Interfund Balances**

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Interfund Receivable" and "Interfund Payable". These amounts are eliminated in the governmental activities column of the Statement of Net Position.

**J. Compensated Absences**

Vacation benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributed 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. The District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the District has identified as probable of receiving payments 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 classified and certified employees and administrators who have at least 5 years of service with the District.

The entire compensated absence liability is reported on the government-wide financial statements.

On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures as payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees will be paid.

**K. Pensions**

For purposes of measuring the net pension/OPEB liability, information about the fiduciary net position of the pension/OPEB plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

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

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

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

**M. Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position invested in capital assets, 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 position is 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 position restricted for other purposes include federal and state grants restricted to expenses for specified purposes.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. No net position is restricted by enabling legislation.

**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**N. Fund Balance Classifications**

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Fund balances of the governmental funds are classified as follows:

**Nonspendable** – amounts that cannot be spent because they are either not in a spendable form or because they are legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash.

**Restricted** – amounts that can be spent only for specific purposes because either (a) constraints imposed by law through constitutional provisions, charter requirements or enabling legislation; or (b) constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

**Committed** – amounts that can only be used for specific purposes pursuant to constraints imposed by formal ordinances or resolutions of the Board of Education – the District’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Education removes the specified use by taking the same type of action as when imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements and includes amounts not contained in the other classifications.

**Assigned** – amounts constrained by the District’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Board of Education, Superintendent and Treasurer have the authority to assign amount to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

**Unassigned** – this is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions. The District has established a Fund Balance Policy to assure they maintain sufficient Fund Balance. The amount is determined annually at the Regular Board meeting held in July. For fiscal year 2021, the minimum fund balance was approved at \$1.2 million.

**O. Interfund Transactions**

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures 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 the governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.



**TRIMBLE LOCAL SCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**P. 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 on the financial statements and accompanying notes. Actual results may differ from those estimates.

**Q. Budgetary Process**

All funds, other than the custodial 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 sets 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 District Treasurer has been authorized to allocate Board appropriations to the function and object level within each fund and function.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the District Treasurer. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the certificate when the appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2021.

The appropriation resolution is subject to amendment by the Board throughout the year with the restriction that appropriations may not exceed estimated revenues. 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 years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board during the year, including all supplemental appropriations.

**NOTE 3 - NEW GASB PRONOUNCEMENTS**

For the fiscal year ended June 30, 2021, the District implemented GASB Statement No. 87, "Leases," GASB Statement No.89, "Accounting for Interest Cost Incurred before the End of a Construction Period," GASB Statement No. 90, "Majority Equity Interests," GASB Statement No. 92, "Omnibus 2020," and GASB Statement No. 93, "Replacement of Interbank Offered Rates." The implementation of GASB Statements Nos. 87, 89, 90, 92 and 93 had no effect on the prior period fund balances of the District.

**NOTE 4 - 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 and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Budget Basis), is presented for the General Fund on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 4 - BUDGETARY BASIS OF ACCOUNTING** – (continued)

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 restricted, committed or assigned fund balance (GAAP basis).
4. Advances-in and advances-out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
5. Certain funds are maintained as separate funds for accounting and budgetary purposes (budget basis) but do not meet the criteria for separate reporting in the financial statements (GAAP basis) and are reported in the General Fund in accordance with GASB Statement No. 54.

The following table summarizes the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General and ESSER Funds.

<u>Net Change in Fund Balance</u>	<u>General</u>	<u>ESSER</u>
GAAP Basis	\$59,556	(\$271,131)
<i>Adjustments:</i>		
Revenue Accruals	(64,177)	(90,044)
Expenditure Accruals	44,429	23,076
Encumbrances	<u>(47,122)</u>	<u>0</u>
Budget Basis	<u>(\$7,314)</u>	<u>(\$338,099)</u>

**NOTE 5 - ACCOUNTABILITY**

Fund balances at June 30, 2021 included the following individual fund deficits:

<u>Fund</u>	<u>Amount</u>
ESSER	\$271,131
<i>Nonmajor Special Revenue Funds:</i>	
Lunchroom	43,450
Title VI-B	294
Title I	525
Title II-A	33

The deficits in these funds are the result of the application of generally accepted accounting principles and the requirement to accrue liabilities when incurred. The General Fund is liable for any deficit in these funds and provides operating transfers when cash is required, not when accruals occur. These deficits do not exist on the cash basis.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 6 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS**

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

Active deposits are public deposits necessary to meet current demands on the treasury. Such monies must be maintained either as cash in the 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 be either evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

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

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC) or by the financial institutions participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

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

- (1) United States treasury notes, bills, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal or interest by the United States;
- (2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government 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. 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 fair value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to fair value daily, and that the term of the agreement must not exceed thirty days;
- (4) Bonds and other obligations of the State of Ohio and with certain limitations bonds including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
- (5) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
- (6) The State Treasurer's investment pool (STAR Ohio);
- (7) Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes for a period not to exceed two hundred seventy days from the date of purchase in an amount not to exceed forty percent of the interim monies available for investment at any one time; if training requirements have been met.

**TRIMBLE LOCALSCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 6 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS** – (continued)

(8) Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

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

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

**Investments**

Investments are reported at fair value. As of June 30, 2021, the District had the following investment and maturity:

Measurement/Investment Type	Measurement Value	Less Than One Year	One to Two Years	Three to Five Years
<i>Amortized Costs:</i>				
STAROhio	\$2,001,506	\$2,001,506	\$0	\$0
First American Funds	19,313	19,313	0	0
<i>Fair Value:</i>				
Commercial Paper	224,948	224,948	0	0
Federal National Mortgage Association	256,078	0	256,078	0
Federal Mortgage CC	172,275	0	0	172,275
Federal Home Loan Bank Bonds	697,619	0	0	697,619
Municipal Bonds	714,623	465,344	0	249,279
Negotiable CD's	3,130,110	450,053	965,700	1,714,357
Total	<u>\$7,216,472</u>	<u>\$3,161,164</u>	<u>\$1,221,778</u>	<u>\$2,833,530</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above chart identifies the District's recurring fair value measurements as of June 30, 2021. The District's investments measured at fair value are valued using methodologies that incorporate market inputs such as benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data including market research publications. Market indicators and industry and economic events are also monitored, which could require the need to acquire further market data. (Level 2 inputs).

**Interest Rate Risk**—The District has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and that an investment must be purchased with the exception that it will be held to maturity. State statute limits investments in commercial paper to a maximum maturity of 180 days from the date of purchase. Repurchase agreements are limited to 30 days and the market value of the securities must exceed the principal value of the agreement by at least 2 percent and be marked to market daily.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 6 - EQUITY IN POOLED CASH AND CASH EQUIVALENTS** – (continued)

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School District limits its investments to those authorized by state statute. Moody’s Investor Services rated commercial paper at P-1, Standard and Poor’s has assigned STAROhio a rating of “AAAm” and for the Federal National Mortgage Association, Federal Mortgage CC, and Federal Home Loan Bank Bonds a rating of “A-1.” Municipal Bonds had ratings by Moody’s Investor Services ranging from Aaa to Aa1. Credit ratings for negotiable CD’s are not readily available. The School District has no investment policy that would further limit its investment choices.

**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 issuer. The District places no limit on the amount it may invest in any one issuer, however state statute limits investments in commercial paper and bankers’ acceptances to 25 percent of the interim monies available for investment at any one time. The District’s investments in STAROhio, Commercial Paper, Federal National Mortgage Association, Federal Mortgage CC, Federal Home Loan Bank Bonds, Municipal Bonds and Negotiable CD’s were 28%, 3%, 4%, 2%, 10%, 10%, and 43%, respectively, of the District’s total investments.

**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. The District has no investment policy dealing with investments custodial credit risk beyond the requirements in the state statute that prohibits payment for investments prior to the delivery of the securities representing such investment to the treasurer or qualified trustee.

**NOTE 7 - PROPERTY TAXES**

Property taxes are levied and assessed on a calendar year basis. Second half distributions occur in a new fiscal year. Property taxes include amounts levied against all real and public utility property located in the District. Real property taxes are levied after April 1 on the assessed value listed as of the prior January 1, the lien date. Public utility property taxes attached as a lien on December 31, of the prior year, were levied April 1 and are collected with real property taxes. Assessed values for real property are required to be revalued every six years.

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

Public utility property tax revenue received in calendar year 2021 represents collections of calendar year 2020 taxes. Public utility real and tangible personal property taxes received in calendar year 2021 became a lien December 31, 2019, were levied after April 1, 2020 and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The District receives property taxes from Athens and Morgan Counties. The County Auditors periodically advances to the District their portion of the taxes collected. Second-half real property tax payments collected by Athens/Morgan County by June 30, 2021 are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 7 - PROPERTY TAXES** – (continued)

Accrued property taxes receivables represent delinquent taxes outstanding and real property and public utility taxes which became measurable as of June 30, 2021. Although total property tax collections for the fiscal year are measurable, only the amount available as an advance at June 30, 2021 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred inflows of resources for that portion not intended to finance current year operations. The amounts available as an advance at June 30, 2021 were \$118,937 for the General Fund, \$1,820 for the Classroom Facilities Maintenance Nonmajor Special Revenue Fund and \$4,463 for the Bond Retirement Nonmajor Debt Service Fund.

The assessed values upon which the fiscal year 2021 taxes were collected are:

	2020 Second Half Collections		2021 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential and Other Real Estate	\$41,528,910	82.58%	\$43,813,790	81.44%
Public Utility Personal	8,758,260	17.42%	9,984,850	18.56%
Total Assessed Value	<u>\$50,287,170</u>	<u>100.00%</u>	<u>\$53,798,640</u>	<u>100.00%</u>
Tax rate per \$1,000 of assessed valuation	\$34.34		\$34.34	

**NOTE 8-RECEIVABLES**

Receivables at June 30, 2021, consisted of property taxes, intergovernmental grants, and interfund. The District believes that all receivables are considered fully collectible within one year due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

Fund	Amount
ESSER Fund	\$314,301
<i>Nonmajor Special Revenue Funds:</i>	
Title VI-B	32,523
School Improvement Grant	41,575
Supplemental School Improvement	7,491
Title I	194,774
Handicapped Preschool Grant	668
Title II-A	10,487
Miscellaneous Federal Grants	76,062
<i>Total Nonmajor Special Revenue Funds</i>	<u>363,580</u>
Total Intergovernmental Receivables	<u>\$677,881</u>

**TRIMBLE LOCALSCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 9 - CAPITAL ASSETS**

Capital asset governmental activity for the fiscal year ended June 30, 2021 was as follows:

<u>Asset Category</u>	<u>Balance at July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2021</u>
<i>Nondepreciable Capital Assets:</i>				
Land	\$55,370	\$0	\$0	\$55,370
Total Nondepreciable Capital Assets	55,370	0	0	55,370
<i>Depreciable Capital Assets:</i>				
Land Improvements/Infrastructure	1,759,457	5,770	0	1,765,227
Buildings and Improvements	22,615,099	312,742	0	22,927,841
Furniture, Fixtures and Equipment	1,752,948	71,601	(168,903)	1,655,646
Vehicles	1,350,566	132,442	(80,820)	1,402,188
Total Depreciable Capital Assets	27,478,070	522,555	(249,723)	27,750,902
Total Capital Assets	27,533,440	522,555	(249,723)	27,806,272
<i>Accumulated Depreciation:</i>				
Land Improvements/Infrastructure	(784,905)	(57,292)	0	(842,197)
Buildings and Improvements	(12,846,728)	(499,198)	0	(13,345,926)
Furniture, Fixtures and Equipment	(1,162,804)	(98,284)	59,350	(1,201,738)
Vehicles	(917,541)	(119,147)	80,820	(955,868)
Total Accumulated Depreciation	(15,711,978)	(773,921)	140,170	(16,345,729)
Total Net Depreciable Capital Assets	11,766,092	(251,366)	(109,553)	11,405,173
Total Net Capital Assets	\$11,821,462	(\$251,366)	(\$109,553)	\$11,460,543

Depreciation expense was charged to governmental functions as follows:

<i>Instruction:</i>	
Regular	\$307,966
Special	89,626
<i>Support Services:</i>	
Pupils	23,900
Instructional Staff	36,591
Administration	49,809
Fiscal	12,350
Operations and Maintenance	26,438
Pupil Transportation	114,046
Central	9,217
Operation of Non-Instructional Services	99,372
Extracurricular Activities	4,606
Total Depreciation Expense	\$773,921

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 10 - 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 purchases liability, fleet and property insurance through Reed & Baur Insurance Agency.

The types and amounts of coverage provided by the Liberty Mutual Insurance Company are as follows:

<u>Property</u>	<u>Deductible</u>	<u>Limits of Coverage</u>
General Liability:		
Each Occurrence	Nil	\$6,000,000
Aggregate Limit		7,000,000
Employee Benefit Program		
Each Employee	1,000	1,000,000
Aggregate	1,000	3,000,000
School Leaders Error and Omissions	2,500	1,000,000
Building and Contents	2,500	41,864,952
Forgery and Alterations	1,000	50,000
Public Employee Dishonesty	1,000	100,000
Fleet	Nil	1,000,000
Computer Fraud	1,000	100,000
Equipment Breakdown	2,500	250,000
Law Enforcement Professional Liability		1,000,000
Sexual Misconduct		1,000,000
Funds Transfer Fraud	1,000	100,000

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 2020.

**NOTE 11 - DEFINED BENEFIT PENSION PLANS**

The Statewide retirement systems provide both pension benefits and other postemployment benefits (OPEB).

***Net Pension Liability/Net OPEB Liability (Asset)***

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions/OPEB are provided to an employee—on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents the District’s proportionate share of each pension plan’s collective actuarial present value of projected benefit payments attributable to past periods of service, net of each pension plan’s fiduciary net position. The net pension/OPEB liability (asset) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. The retirement system may allocate a portion of contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.



**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 11- DEFINED BENEFIT PENSION PLANS-** (continued)

Ohio Revised Code limits the District’s obligation for this liability to annually required payments. The District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the District does receive the benefit of employees’ services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). State statute requires the pension plans to amortize unfunded liabilities (assets) within 30 years. If the amortization period exceeds 30 years, each pension plan’s board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term *net pension/OPEB liability (asset)* on the accrual basis of accounting. Any liability for the contractually-required pension contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting.

The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

***Plan Description - School Employees Retirement System (SERS)***

*Plan Description* – District non-teaching employees participate in SERS, a statewide, cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS’ fiduciary net position. That report can be obtained by visiting the SERS website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

	Eligible to Retire on or before August 1, 2017 *	Eligible to Retire on or after August 1, 2017
Full Benefits	Any age with 30 years of service credit	Age 67 with 10 years of service credit; or Age 57 with 30 years of service credit
Actuarially Reduced Benefits	Age 60 with 5 years of service credit Age 55 with 25 years of service credit	Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit

\* Members with 25 years of service credit as of August 1, 2017, will be included in this plan.

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on year of service; 2.2 percent for the first 30 years of service and 2.5 percent for years of service credit over 30. Final average salary is the average of the highest three years of salary.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 11- DEFINED BENEFIT PENSION PLANS-** (continued)

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of zero percent.

**Funding Policy** – Plan members are required to contribute 10 percent of their annual covered salary and the District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2021, the allocation to pension, death benefits, and Medicare B was 14.0 percent. SERS did not allocate employer contributions to the Health Care Fund for fiscal year 2021.

The District's contractually required contribution to SERS was \$325,607 for fiscal year 2021. Of this amount, \$0 is reported as an intergovernmental payable.

**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description** – District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple-employer public employee retirement system administered by STRS. STRS provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about STRS' fiduciary net position. That report can be obtained by writing to STRS, 275 E. Broad St., Columbus, OH 43215-3771, by calling (888) 227-7877, or by visiting the STRS 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. Benefits are established by Ohio Revised Code Chapter 3307.

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. Effective August 1, 2017 – July 1, 2019, any member could retire with reduced benefits who had (1) five years of service credit and age 60; (2) 27 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Effective August 1, 2019 – July 1, 2021, any member may retire with reduced benefits who has (1) five years of service credit and age 60; (2) 28 years of service credit and age 55; or (3) 30 years of service credit regardless of age. Eligibility changes will continue to be phased through August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60. Eligibility changes for actuarially reduced benefits will be phased in until August 1, 2023, when retirement eligibility will be five years of qualifying service credit and age 60, or 30 years of service credit at any age.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 11- DEFINED BENEFIT PENSION PLANS-** (continued)

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. Investment allocation decisions are determined by the member. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit plan unfunded liability. A member is eligible to receive a monthly retirement benefit at age 50 and termination of employment. The member may elect to receive a lump-sum withdrawal.

The Combined plan offers features of both the DB Plan and the DC Plan. In the Combined plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

New members who choose the DC Plan or Combined Plan will have another opportunity to reselect a permanent plan during their fifth year of membership. Members may remain in the same plan or transfer to another STRS plan. The optional annuitization of a member's defined contribution account or the defined contribution portion of a member's Combined Plan account to a lifetime benefit results in STRS bearing the risk of investment gain or loss on the account. STRS has therefore included all three plan options as one defined benefit plan for GASB 68 reporting purposes.

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. 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*** – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14 percent and the statutory member rate is 14 percent of covered payroll. The District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The 2021 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS was \$701,940 for fiscal year 2021. Of this amount, \$130,060 is reported as an intergovernmental payable.

***Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions***

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an independent actuarial valuation as of that date. The District's proportion of the net pension liability was based on the employer's share of employer contributions in the pension plan relative to the total employer contributions of all participating employers. Following is information related to the proportionate share and pension expense:

**TRIMBLE LOCALSCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 11- DEFINED BENEFIT PENSION PLANS-** (continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Proportion of the Net Pension Liability:</i>			
Current Measurement Date	0.05725970%	0.04008352%	
Prior Measurement Date	0.05820090%	0.03928066%	
Change in Proportionate Share	<u>-0.00094120%</u>	<u>0.00080286%</u>	
Proportionate Share of the Net Pension Liability	\$3,787,277	\$9,698,786	\$13,486,063
Pension Expense	\$492,908	\$1,349,318	\$1,842,226

Deferred outflows/inflows of resources represent the effect of changes in the net pension liability due to the difference between projected and actual investment earnings, differences between expected and actual actuarial experience, changes in assumptions and changes in the District's proportion of the collective net pension liability. The deferred outflows and deferred inflows are to be included in pension expense over current and future periods. The difference between projected and actual investment earnings is recognized in pension expense using a straight line method over a five year period beginning in the current year. Deferred outflows and deferred inflows resulting from changes in sources other than differences between projected and actual investment earnings are amortized over the average expected remaining service lives of all members (both active and inactive) using the straight line method. Employer contributions to the pension plan subsequent to the measurement date are also required to be reported as a deferred outflow of resources.

At June 30, 2021 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Differences between Expected and Actual Experience	\$7,357	\$21,761	\$29,118
Net Difference between Projected and Actual Earnings on Pension Plan Investments	240,414	471,655	712,069
Changes of Assumptions	0	520,639	520,639
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions Contributions Subsequent to the Measurement Date	59,621 325,607	381,961 701,940	441,582 1,027,547
<b>Total Deferred Outflows of Resources</b>	<u>\$632,999</u>	<u>\$2,097,956</u>	<u>\$2,730,955</u>
<b>Deferred Inflows of Resources</b>			
Differences between Expected and Actual Experience	\$0	\$62,016	\$62,016
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions	6,776	34,784	41,560
<b>Total Deferred Inflows of Resources</b>	<u>\$6,776</u>	<u>\$96,800</u>	<u>\$103,576</u>

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 11- DEFINED BENEFIT PENSION PLANS-** (continued)

\$1,027,547 reported as deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	\$55,105	\$492,224	\$547,329
2023	70,032	211,600	281,632
2024	100,210	343,328	443,538
2025	75,269	252,064	327,333
	<u>\$300,616</u>	<u>\$1,299,216</u>	<u>\$1,599,832</u>

**Actuarial Assumptions - SERS**

SERS' total pension liability was determined by their actuaries in accordance with GASB Statement No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2130.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2020, are presented below:

Actuarial Cost Method	Entry Age Normal (Level Percentage of Payroll, Closed)
Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent, net of investment expense, including inflation
COLA or Ad Hoc COLA	2.50 percent, on and after April 1, 2018, COLA's for future retirees will be delayed for three years following commencement

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 11- DEFINED BENEFIT PENSION PLANS-** (continued)

For post-retirement mortality, the table used in evaluating allowances to be paid is the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, with 120 percent of male rates and 110 percent of female rates used. The RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years is used for the period after disability retirement.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term return expectation for the investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

**Discount Rate** Total pension liability was calculated using the discount rate of 7.50 percent. The discount rate determination does not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefits to determine the total pension liability.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
District's Proportionate Share of the Net Pension Liability	\$5,188,107	\$3,787,277	\$2,611,954

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 11- DEFINED BENEFIT PENSION PLANS-** (continued)

***Actuarial Assumptions - STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation, are presented below:

Inflation	2.50 percent
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3.00 percent
Cost-of-Living Adjustments	0.00 percent

Post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Tables, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

The actuarial assumptions used in the June 30, 2020 valuation, were based on the results of the latest available actuarial experience study, which is for the period July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return*</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	<u>100.00 %</u>	

\*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 11- DEFINED BENEFIT PENSION PLANS- (continued)**

**Discount Rate.** The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that employer and member contributions will be made at statutory contribution rates of 14 percent each. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2020.

**Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** The following table represents the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's Proportionate Share of the Net Pension Liability	\$13,809,382	\$9,698,786	\$6,215,397

**NOTE 12 - DEFINED BENEFIT OPEB PLANS**

See Note 11 for a description of the net OPEB liability (asset).

**Plan Description - School Employees Retirement System (SERS)**

**Health Care Plan Description** - The District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Comprehensive Annual Financial Report which can be obtained on SERS' website at [www.ohsers.org](http://www.ohsers.org) under Employers/Audit Resources.



**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 12- DEFINED BENEFIT OPEB PLANS- (continued)**

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

**Funding Policy** - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For the fiscal year ended June 30, 2021, SERS did not allocate any employer contributions to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 2.0 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the District's surcharge obligation was \$33,409, which is reported as an intergovernmental payable.

**Plan Description - State Teachers Retirement System (STRS)**

**Plan Description** – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan administered for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians' fees, prescription drugs and partial reimbursement of monthly Medicare Part B premiums. Medicare Part B premium reimbursements were discontinued effective January 1, 2021. The Plan is included in the report of STRS which can be obtained by visiting [www.strsoh.org](http://www.strsoh.org) or by calling (888) 227-7877.

**Funding Policy** – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. Nearly all health care plan enrollees, for the most recent year, pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

**Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB**

The net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability (asset) was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 12- DEFINED BENEFIT OPEB PLANS-** (continued)

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<i>Proportion of the Net OPEB Liability:</i>			
Current Measurement Date	0.05766360%	0.04008352%	
Prior Measurement Date	<u>0.05942400%</u>	<u>0.03928066%</u>	
Change in Proportionate Share	<u>-0.00176040%</u>	<u>0.00080286%</u>	
Proportionate Share of the Net OPEB Liability/(Asset)	\$1,253,219	(\$704,467)	\$548,752
OPEB Expense (Gain)	\$10,299	(\$45,415)	(\$35,116)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Difference between Expected and Actual	\$16,459	\$45,141	\$61,600
Net Difference between Projected and Actual Earnings			
on OPEB Plan Investments	14,124	24,688	38,812
Changes of Assumptions	213,631	11,628	225,259
Changes in Proportion and Differences between			
Contributions and Proportionate Share of Contributions	137,954	5,028	142,982
Contributions Subsequent to the Measurement Date	<u>33,409</u>	<u>0</u>	<u>33,409</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$415,577</u>	<u>\$86,485</u>	<u>\$502,062</u>
<b>Deferred Inflows of Resources</b>			
Difference between Expected and Actual	\$637,350	\$140,319	\$777,669
Changes of Assumptions	31,565	669,129	700,694
Changes in Proportion and Differences between			
Contributions and Proportionate Share of Contributions	<u>44,412</u>	<u>18,356</u>	<u>62,768</u>
<b>Total Deferred Inflows of Resources</b>	<u>\$713,327</u>	<u>\$827,804</u>	<u>\$1,541,131</u>

\$33,409 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**TRIMBLE LOCALSCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 12- DEFINED BENEFIT OPEB PLANS-** (continued)

Fiscal Year Ending June 30:	SERS	STRS	Total
2022	(\$62,593)	(\$185,446)	(\$248,039)
2023	(61,572)	(168,734)	(230,306)
2024	(61,737)	(162,869)	(224,606)
2025	(60,862)	(159,247)	(220,109)
2026	(57,643)	(31,165)	(88,808)
Thereafter	(26,752)	(33,858)	(60,610)
	<u>(\$331,159)</u>	<u>(\$741,319)</u>	<u>(\$1,072,478)</u>

**Actuarial Assumptions - SERS**

The total OPEB liability is determined by SERS' actuaries in accordance with GASB Statement No. 74, as part of their annual actuarial valuation for each retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial calculations reflect a long-term perspective. For a newly hired employee, actuarial calculations will take into account the employee's entire career with the employer and also take into consideration the benefits, if any, paid to the employee after termination of employment until the death of the employee and any applicable contingent annuitant. In many cases, actuarial calculations reflect several decades of service with the employer and the payment of benefits after termination.

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented below:

Inflation	3.00 percent
Salary Increases, including inflation	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate	
Measurement Date	2.63 percent, net of plan investment expense, including price inflation
Prior Measurement Date	3.22 percent, net of plan investment expense, including price inflation
Health Care Cost Trend Rate	
Pre-Medicare	7.00 percent - 4.75 percent
Medicare	5.25 percent - 4.75 percent

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 12- DEFINED BENEFIT OPEB PLANS – (continued)**

Mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2015 five-year experience study, are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	<u>100.00 %</u>	

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure total OPEB liability prior to June 30, 2020 was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the plan at the contribution rate of 2.00 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2034. However, since SERS' actuaries indicate the fiduciary net position is projected to be depleted at a future measurement date, the single equivalent interest rate is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e., municipal bond rate).

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 12- DEFINED BENEFIT OPEB PLANS** – (continued)

***Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates*** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability and what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.63 percent) and higher (3.63 percent) than the current discount rate (2.63 percent). Also shown is what the net OPEB liability would be based on health care cost trend rates that are one percentage point lower (6.00 percent decreasing to 3.75 percent) and higher (8.00 percent decreasing to 5.75 percent) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's Proportionate Share of the Net OPEB Liability	\$1,533,909	\$1,253,219	\$1,030,071

  

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
District's Proportionate Share of the Net OPEB Liability	\$986,814	\$1,253,219	\$1,609,470

***Actuarial Assumptions – STRS***

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

Inflation	2.50 percent	
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65	
Payroll Increases	3.00 percent	
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation	
Discount Rate of Return	7.45 percent	
Health Care Cost Trend Rates		
Medical	<u>Initial</u>	<u>Ultimate</u>
Pre-Medicare	5.00 percent	4.00 percent
Medicare	-6.69 percent	4.00 percent
Prescription Drug		
Pre-Medicare	6.50 percent	4.00 percent
Medicare	11.87 percent	4.00 percent

Projections of benefits include the historical pattern of sharing benefit costs between the employers and retired plan members.

For healthy retirees the mortality rates are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. For disabled retirees, mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

**NOTE 12- DEFINED BENEFIT OPEB PLANS-** (continued)

The actuarial assumptions used in the June 30, 2020 valuation were adopted by the board from the results of an actuarial experience study for July 1, 2011, through June 30, 2016.

STRS' investment consultant develops an estimate range for the investment return assumption based on the target allocation adopted by the Retirement Board. The target allocation and long-term expected rate of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Rate of Return*
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	1.00	2.25
Total	100.00 %	

\*Ten year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on health care plan investments of 7.45 percent was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate and Health Care Cost Trend Rate** The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as of June 30, 2020, calculated using health care cost trend rates that are one percentage point lower and one percentage point higher than the current health care cost trend rates.

	Current		
	1% Decrease	Discount Rate	1% Increase
District's Proportionate Share of the Net OPEB Asset	(\$612,932)	(\$704,467)	(\$782,131)
	Current		
	1% Decrease	Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Asset	(\$777,310)	(\$704,467)	(\$615,733)

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021*

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**NOTE 12- DEFINED BENEFIT OPEB PLANS- (continued)**

***Benefit Term Changes since the Prior Measurement Date*** There were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

**NOTE 13- EMPLOYEE BENEFITS**

**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. After 25 years of service, employees earn five weeks of vacation. 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 50 days for classified employees.

**Insurance Benefits**

The Board of Education provides health, major medical, and prescription insurance to eligible employees through the Athens County School Employee Health and Welfare Benefit Association. Currently, three plans are available to district employees, PPO Plan 1, PPO Plan 2 and HDHP with HSA.

The Board of Education covers 85 percent of family coverage premiums and 90 percent of single coverage premiums. The Boards monthly contribution for family and single premium coverage is \$2,300 and \$912 respectively for PPO Plan 1, \$2,075.50 and \$822.52 respectively for PPO Plan 2 and \$1,614.75 and \$639.92 respectively for HDHP with HSA.

For those employees who choose PPO Plan 1 or the HDHP with HSA, the Boards dollar amount share of insurance costs remains the same, increasing the amount of the employee's share of insurance.

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

Dental coverage is provided through CoreSource. Monthly premiums remained \$67.56 for all employees in fiscal year 2021.

**TRIMBLE LOCALSCHOOL DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 14- LONG-TERM OBLIGATIONS**

Changes in the long-term obligations of the District during the 2021 fiscal year were as follows:

	Issue Date	Interest Rate	Principal Outstanding at July 1, 2020	Additions	Deductions	Principal Outstanding at June 30, 2021	Amount Due In One Year
<i>Governmental Activities:</i>							
Bond Refinancing Issue	2006	4.25%	\$195,000	\$0	\$60,000	\$135,000	\$65,000
Department of Administrative Services Loan	2014	1.00%	167,343	0	17,861	149,482	18,039
Energy Optimizers Loan	2016	6.87%	410,742	0	53,615	357,127	57,417
Total General Obligation Debt			<u>773,085</u>	<u>0</u>	<u>131,476</u>	<u>641,609</u>	<u>140,456</u>
<i>Net Pension Liability:</i>							
STRS			8,686,682	1,012,104	0	9,698,786	0
SERS			<u>3,482,262</u>	<u>305,015</u>	<u>0</u>	<u>3,787,277</u>	<u>0</u>
Total Net Pension Liability			<u>12,168,944</u>	<u>1,317,119</u>	<u>0</u>	<u>13,486,063</u>	<u>0</u>
<i>Net OPEB Liability:</i>							
SERS			<u>1,494,389</u>	<u>0</u>	<u>241,170</u>	<u>1,253,219</u>	<u>0</u>
Total Net Pension Liability			<u>1,494,389</u>	<u>0</u>	<u>241,170</u>	<u>1,253,219</u>	<u>0</u>
Capital Lease Payable			182,147	0	76,786	105,361	80,225
Compensated Absences			<u>514,362</u>	<u>224,482</u>	<u>231,779</u>	<u>507,065</u>	<u>129,358</u>
Total Governmental Activities Long-Term Liabilities			<u>\$15,132,927</u>	<u>\$1,541,601</u>	<u>\$681,211</u>	<u>\$15,993,317</u>	<u>\$350,039</u>

**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.

**Department of Administrative Services Loan** – On March 7, 2014, the District obtained a \$262,454 loan through the Department of Administrative Services to be used for energy upgrades. The loan has a 1 percent interest rate. The loan will mature on February 1, 2029. The loan will be paid through the District’s General Fund.

**Energy Optimizers Loan** – On October 20, 2016, the District entered into an energy efficiency service agreement with Energy Optimizers. The loan will mature on October 26, 2026.

The District pays obligations related to employee compensation from the fund benefitting from their service. Compensated absences payable is paid from the fund from which the person is paid. The capital leases payable is paid from the General Fund.

The Ohio Revised Code provides that voted net general obligation debt of the District shall never exceed 9% of the total assessed valuation of the District. The code further provides that unvoted indebtedness shall not exceed 1/10 of 1% of the property valuation of the District. The District's voted legal debt margin was \$4,200,269 with an unvoted debt margin of \$53,799 at June 30, 2021.



**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

**NOTE 14—LONG-TERM OBLIGATIONS—** (Continued)

Principal and interest requirements to retire the general obligation debt outstanding at June 30, 2021 are as follows:

Year Ending June 30	General Obligation Bonds		Department of Administrative Services		Energy Optimizers Loan		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$65,000	\$4,357	\$18,039	\$1,088	\$57,417	\$22,748	\$140,456	\$28,193
2023	70,000	1,488	18,220	952	61,487	18,679	149,707	21,119
2024	0	0	18,403	815	65,847	14,318	84,250	15,133
2025	0	0	18,588	677	70,516	9,650	89,104	10,327
2026	0	0	18,774	537	75,516	4,649	94,290	5,186
2027-2030	0	0	57,458	730	26,344	378	83,802	1,108
Totals	<u>\$135,000</u>	<u>\$5,845</u>	<u>\$149,482</u>	<u>\$4,799</u>	<u>\$357,127</u>	<u>\$70,422</u>	<u>\$641,609</u>	<u>\$81,066</u>

**NOTE 15- CAPITAL LEASES - LESSEE DISCLOSURE**

During 2019, the District entered into a new capital lease for 23 Printers in the amount of \$268,848, and new Chromebooks in the amount of \$56,835. These lease obligations meet the criteria of a capital lease. Capital lease payments are reflected as debt service expenditures in the fund financial statements. Principal payments in fiscal year 2021 totaled \$76,786 in the governmental funds.

The equipment has been capitalized in the amount of \$334,184, the present value of the minimum lease payments at the inception of the lease. The accumulated depreciation as of June 30, 2021, was \$124,789, leaving a remaining book value of \$209,395.

The following is a schedule of the future minimum lease payments and the present value of the minimum lease payments as of June 30, 2021:

Fiscal Year Ending June 30,	Capital Lease
2022	\$86,212
2023	13,505
2024	13,505
Minimum Lease Payments	113,222
Less: amount representing interest	7,861
Present value of minimum lease payments	<u>\$ 105,361</u>

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

**NOTE 16 - INTERFUND ACTIVITY**

As of June 30, 2021, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$300,157	\$0
ESSER	0	215,739
<i>Nonmajor Special Revenue Funds:</i>		
Title VI-B	0	30,967
Title I	0	53,451
Total Nonmajor Special Revenue Funds	<u>0</u>	<u>84,418</u>
Total	<u><u>\$300,157</u></u>	<u><u>\$300,157</u></u>

All balances are scheduled to be collected in the subsequent year. All balances resulted from the time between the dates that (1) interfund goods and services are provided, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balance of \$300,157 due to the General Fund from the funds listed is a result of advances made to these funds by the General Fund, which were not repaid as of June 30, 2021.

	<u>Transfers To</u>		
	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Capital Project Funds</u>	
<u>Transfers From</u>			
General	\$215,600	\$500,000	\$715,600

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them, to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. The total of \$715,600 is the result of transfers from the General Fund to the finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 17- FUND BALANCES**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental fund and all other governmental funds are presented below:

**TRIMBLE LOCALSCHOOL DISTRICT**

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2021

**NOTE 17- FUND BALANCES**—(Continued)

	General	ESSER	Nonmajor Governmental Funds	Total Governmental Funds
<i>Nonspendable:</i>				
Inventory	\$9,320	\$0	\$3,890	\$13,210
<i>Total Nonspendable</i>	<u>9,320</u>	<u>0</u>	<u>3,890</u>	<u>13,210</u>
<i>Restricted:</i>				
<i>Specail Revenues:</i>				
Scholarship	0	0	18,008	18,008
Facilities Maintenance	0	0	96,425	96,425
Student Activities	0	0	23,942	23,942
Athletics	0	0	43,544	43,544
Local Grants	0	0	85,506	85,506
State Grants	0	0	209,902	209,902
Federal Grants	0	0	3,800	3,800
Debt Service	0	0	92,193	92,193
Capital Projects	0	0	161,064	161,064
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>734,384</u>	<u>734,384</u>
<i>Assigned:</i>				
<i>Encumbrances:</i>				
Instruction	5,879	0	0	5,879
Support Services	41,243	0	0	41,243
Future Appropriations	3,174,194	0	0	3,174,194
<i>Total Assigned</i>	<u>3,221,316</u>	<u>0</u>	<u>0</u>	<u>3,221,316</u>
<i>Unassigned (Deficit)</i>	<u>2,818,260</u>	<u>(271,131)</u>	<u>(124,906)</u>	<u>2,422,223</u>
Total Fund Balance	<u>\$6,048,896</u>	<u>(\$271,131)</u>	<u>\$613,368</u>	<u>\$6,391,133</u>

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 18 - STATUTORY SET-ASIDES**

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

The following changes occurred in the District's set-aside reserve accounts during fiscal year 2021:

	<u>Capital Improvements</u>
Set Aside Balance June 30, 2020	\$0
Current Year Set Aside Requirement	141,943
Current Year Qualifying Disbursements	<u>(141,943)</u>
Total	<u>0</u>
Set Aside Reserved Balance as of June 30, 2021	<u>\$0</u>
Total Restricted Assets	<u>\$0</u>

Although the District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital improvements set-aside, this amount may not be used to reduce the set-aside requirement for future years. The negative balance is therefore not presented as being carried forward to future years.

**NOTE 19- ENCUMBRANCE COMMITMENTS**

At June 30, 2021, the District had encumbrance commitments in the Governmental Funds as follows:

<u>Fund</u>	
General	\$48,554
ESSER	122,361
<i>Nonmajor Funds:</i>	
Athletics	400
Student Success & Wellness	26,579
Title I	283
Permanent Improvement	<u>40,975</u>
Total Nonmajor Funds	<u>68,237</u>
Total Encumbrances	<u>\$239,152</u>

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 20- JOINTLY GOVERNED ORGANIZATIONS**

**META Solutions**

The District participates in the Metropolitan Educational Technology Association (META), which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation of the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. Financial information can be obtained from the Metropolitan Educational Technology Association at 100 Executive Drive, Marion, Ohio 43302. The District made payments of \$59,223 to META Solutions for fiscal year 2021.

**Tri - County Career Center**

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

**Coalition of Rural and Appalachian Schools**

The Coalition of Rural and Appalachian Schools (CORAS) is a jointly governed organization composed of over 130 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The board exercised total control over the operations of CORAS including budgeting, appropriating, contracting, and designating management. Each participant's control is limited to its representation on the board. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children 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 on the continued participation of the District and the District does not maintain an equity interest in or financial responsibility for the Coalition. During fiscal year 2021, the District paid \$385 for membership. Financial information may be obtained from the Coalition of Rural and Appalachian Schools at Lindley Hall Room 200, Ohio University, Athens, Ohio 45701.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 21- INSURANCE PURCHASING AND CLAIMS SERVICING POOLS**

**Sheakley Worker's 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.

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

The District is a participating 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 45865.

**NOTE 22 - CONTINGENCIES**

**A. Grants**

The District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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, the effect of any such disallowed claims on the overall financial position of the District at June 30, 2021, if applicable, cannot be determined at this time.

**B. Litigation**

The District is party to legal proceedings. However, no liability has been accrued since the ultimate disposition of these claims and legal proceedings has yet to be determined and the amount of liability, if any, is not measurable.

**C. School Foundation**

School district Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, ODE adjustments for fiscal year 2021 are finalized. As a result, there was no impact of the FTE adjustments on the fiscal year 2021 financial statements.

**TRIMBLE LOCALSCHOOL DISTRICT**

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2021*

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**NOTE 23 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency continues. During fiscal year 2021, the School District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

**NOTE 24 – SUBSEQUENT EVENT**

For fiscal year 2022, District foundation funding received from the State of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship and open enrollment will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the District were funded to the District who, in turn, made the payment to the educating school. For fiscal year 2021, the District reported \$107,732 in revenues and expenditures/expenses related to these programs. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each school district. The District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

**TRIMBLE CITY SCHOOL DISTRICT**  
*Schedule of the District's Proportionate Share of Net Pension Liability*  
*Last Eight Measurement Periods (1)*

	2021	2020	2019
<b><u>School Employees Retirement System of Ohio</u></b>			
District's Proportion of the Net Pension Liability	0.0572597%	0.0582009%	0.0515654%
District's Proportionate Share of the Net Pension Liability	\$3,787,277	\$3,482,262	\$2,953,246
District's Covered Payroll	\$1,709,143	\$1,639,714	\$1,592,057
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	221.59%	212.37%	185.50%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.55%	70.85%	71.36%
<b><u>State Teachers Retirement System of Ohio</u></b>			
District's Proportion of the Net Pension Liability	0.04008352%	0.03928066%	0.03846705%
District's Proportionate Share of the Net Pension Liability	\$9,698,786	\$8,686,682	\$8,458,041
District's Covered Payroll	\$4,948,771	\$4,629,886	\$4,779,429
District's Proportionate Share of the Net Pension Liability as a Percentage of it's Covered Payroll	195.98%	187.62%	176.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.48%	77.40%	77.31%

(1) Information prior to 2014 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.



2018	2017	2016	2015	2014
0.0519632%	0.04893050%	0.0495220%	0.0465780%	0.0465780%
\$3,104,686	\$3,581,261	\$2,825,773	\$2,357,286	\$2,769,844
\$1,563,429	\$1,803,429	\$1,865,918	\$1,345,318	\$1,348,661
198.58%	198.58%	151.44%	175.22%	205.38%
69.50%	62.98%	69.16%	71.70%	65.52%
0.03923971%	0.03717114%	0.03732843%	0.3823040%	0.3823040%
\$9,321,477	\$12,442,301	\$10,316,486	\$9,298,954	\$11,076,856
\$4,059,914	\$3,635,086	\$3,901,714	\$3,950,953	\$4,002,285
229.60%	342.28%	264.41%	235.36%	276.76%
75.30%	66.80%	72.10%	74.70%	69.30%

**TRIMBLE CITY SCHOOL DISTRICT**  
*Schedule of the District's Proportionate Share of Net OPEB Liability/Asset*  
*Last Five Fiscal Years (1)*

	2021	2020	2019
<b><u>School Employees Retirement System of Ohio</u></b>			
District's Proportion of the Net OPEB Liability	0.05766360%	0.05942400%	0.05280780%
District's Proportionate Share of the Net OPEB Liability	\$1,253,219	\$1,494,389	\$1,465,031
District's Covered-Employee Payroll	\$1,709,143	\$1,639,714	\$1,592,057
District's Proportionate Share of the Net OPEB Liability as a Percentage of it's Covered-Employee Payroll	73.32%	91.14%	92.02%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	18.17%	15.57%	13.57%
<b><u>State Teachers Retirement System of Ohio</u></b>			
District's Proportion of the Net OPEB Liability	0.04008352%	0.03928066%	0.03846705%
District's Proportionate Share of the Net OPEB Asset	\$704,467	\$650,582	\$618,126
District's Proportionate Share of the Net OPEB Liability	\$0	\$0	\$0
District's Covered-Employee Payroll	\$4,948,771	\$4,629,886	\$4,779,429
District's Proportionate Share of the Net OPEB Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	(14.24%)	(13.15%)	(13.35%)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	182.13%	174.74%	176.00%

(1) Information prior to 2017 is not available.

Amounts presented as of the District's measurement date which is the prior fiscal year end.

See accompanying notes to the required supplementary information.

2018	2017
0.05261970%	0.05261970%
\$1,412,174	\$1,499,856
\$1,563,429	\$1,803,429
90.33%	83.17%
12.46%	11.49%
0.03923971%	0.03923971%
\$0	\$0
\$1,530,989	\$2,098,550
\$4,059,914	\$3,635,086
37.71%	57.73%
47.10%	37.30%

**TRIMBLE CITY SCHOOL DISTRICT**  
*Schedule of the District's Contributions*  
*School Employees Retirement Systems of Ohio*  
*Last Ten Fiscal Years*

	2021	2020	2019
<b><u>Pension</u></b>			
Contractually Required Contributions	\$325,607	\$239,280	\$221,361
Contributions in Relation to the Contractually Required Contributions	<u>(325,607)</u>	<u>(239,280)</u>	<u>(221,361)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$2,325,764	\$1,709,143	\$1,639,714
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	13.50%
<b><u>OPEB</u></b>			
Contractually Required Contributions (1)	\$0	\$0	\$8,199
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>(8,199)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$2,325,764	\$1,709,143	\$1,639,714
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.50%

(1) Excludes surcharge amounts.

See accompanying notes to the required supplementary information.

2018	2017	2016	2015	2014	2013	2012
\$214,928	\$218,880	\$252,480	\$245,928	\$186,461	\$186,655	\$219,158
<u>(214,928)</u>	<u>(218,880)</u>	<u>(252,480)</u>	<u>(245,928)</u>	<u>(186,461)</u>	<u>(186,655)</u>	<u>(219,158)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,592,057	\$1,563,429	\$1,803,429	\$1,865,918	\$1,345,318	\$1,348,661	\$1,583,512
13.50%	14.00%	14.00%	13.18%	13.86%	13.84%	13.84%
\$7,960	\$0	\$0	\$15,301	\$1,883	\$2,158	\$3,451
<u>(7,960)</u>	<u>0</u>	<u>0</u>	<u>(15,301)</u>	<u>(1,883)</u>	<u>(2,158)</u>	<u>(3,451)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,592,057	\$1,563,429	\$1,803,429	\$1,865,918	\$1,345,318	\$1,348,661	\$1,583,512
0.50%	0.00%	0.00%	0.82%	0.14%	0.16%	0.55%

**TRIMBLE CITY SCHOOL DISTRICT**  
*Schedule of the District's Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b><u>Pension</u></b>			
Contractually Required Contributions	\$701,940	\$692,828	\$648,184
Contributions in Relation to the Contractually Required Contributions	<u>(701,940)</u>	<u>(692,828)</u>	<u>(648,184)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$5,013,857	\$4,948,771	\$4,629,886
Contributions as a Percentage of Covered-Employee Payroll	14.00%	14.00%	14.00%
<b><u>OPEB</u></b>			
Contractually Required Contributions	\$0	\$0	\$0
Contributions in Relation to the Contractually Required Contributions	<u>0</u>	<u>0</u>	<u>0</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
District Covered-Employee Payroll	\$5,013,857	\$4,948,771	\$4,629,886
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%	0.00%

See accompanying notes to the required supplementary information.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$669,120	\$568,388	\$508,912	\$546,240	\$513,624	\$520,297	\$592,727
<u>(669,120)</u>	<u>(568,388)</u>	<u>(508,912)</u>	<u>(546,240)</u>	<u>(513,624)</u>	<u>(520,297)</u>	<u>(592,727)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,779,429	\$4,059,914	\$3,635,086	\$3,901,714	\$3,950,953	\$4,002,285	\$4,559,438
14.00%	14.00%	14.00%	14.00%	13.00%	13.00%	13.00%
\$0	\$0	\$0	\$0	\$39,510	\$40,023	\$45,594
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(39,510)</u>	<u>(40,023)</u>	<u>(45,594)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$4,779,429	\$4,059,914	\$3,635,086	\$3,901,714	\$3,950,953	\$4,002,285	\$4,559,438
0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%

**Trimble Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

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**Note 1 - Net Pension Liability**

***Changes in Assumptions - SERS***

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or Ad Hoc COLA. Prior to 2018, an assumption of 3.0 percent was used.

For fiscal year 2017, the SERS Board adopted the following assumption changes:

- Assumed rate of inflation was reduced from 3.25 percent to 3.00 percent
- Payroll Growth Assumption was reduced from 4.00 percent to 3.50 percent
- Assumed real wage growth was reduced from 0.75 percent to 0.50 percent
- Rates of withdrawal, retirement and disability were updated to reflect recent experience.
- Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females.
- Mortality among service retired members, and beneficiaries was updated to RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates.
- Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

***Changes in Assumptions – STRS***

For fiscal year 2018, the Retirement Board approved several changes to the actuarial assumptions in 2017. The long term expected rate of return was reduced from 7.75 percent to 7.45 percent, the inflation assumption was lowered from 2.75 percent to 2.50 percent, the payroll growth assumption was lowered to 3.00 percent, and total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25 percent due to lower inflation. The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016. Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

***Changes in Benefit Terms - SERS***

With the authority granted to the Board under SB 8, the Board enacted a three-year COLA delay for future benefit recipients commencing on or after April 1, 2018.

For fiscal year 2018, the cost-of-living adjustment was changed from a fixed 3.00 percent to a cost-of-living adjustment that is indexed to CPI-W not greater than 2.50 percent with a floor of zero percent beginning January 1, 2018. In addition, with the authority granted the Board under HB 49, the Board has enacted a three-year COLA suspension for benefit recipients in calendar years 2018, 2019 and 2020.

***Changes in Benefit Terms - STRS***

For fiscal year 2018, the cost-of-living adjustment (COLA) was reduced to zero.



**Trimble Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

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**Note 2 - Net OPEB Liability (Asset)**

***Changes in Assumptions – SERS***

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

Municipal Bond Index Rate:

Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

Single Equivalent Interest Rate, net of plan investment expense, including price inflation:

Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Pre-Medicare

Fiscal year 2021	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2020	7.00 percent initially, decreasing to 4.75 percent
Fiscal year 2019	7.25 percent initially, decreasing to 4.75 percent
Fiscal year 2018	7.50 percent initially, decreasing to 4.00 percent

Medicare

Fiscal year 2021	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2020	5.25 percent initially, decreasing to 4.75 percent
Fiscal year 2019	5.375 percent initially, decreasing to 4.75 percent
Fiscal year 2018	5.50 percent initially, decreasing to 5.00 percent

***Changes in Assumptions – STRS***

For fiscal year 2021, valuation year per capita health care costs were updated. Health care cost trend rates ranged from -5.20 percent to 9.60 percent initially for fiscal year 2020 and changed for fiscal year 2021 to a range of -6.69 percent to 11.87 percent, initially.

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent. Valuation year per capita health care costs were updated. Health care cost trend rates ranged from 6.00 percent to 11 percent initially and a 4.50 percent ultimate rate for fiscal year 2018 and changed for fiscal year 2019 to a range of -5.20 percent to 9.60 percent, initially and a 4.00 ultimate rate.

**Trimble Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2021*

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**Note 2 - Net OPEB Liability (Asset)**

For fiscal year 2018, the blended discount rate was increased from 3.26 percent to 4.13 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

***Changes in Benefit Terms - SERS***

There have been no changes to the benefit provisions.

***Changes in Benefit Terms – STRS***

For fiscal year 2021, there were no changes to the claims costs process. Claim curves were updated to reflect the projected fiscal year 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to .1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2019. This was subsequently extended, see above paragraph.

TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM/CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER / ADDITIONAL AWARD IDENTIFICATION	TOTAL FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed through the Ohio Department of Education</i>			
Child Nutrition Cluster:			
School Breakfast Program	10.553	2021	\$105,839
Covid-19: School Breakfast Program	10.553	2021	18,523
National School Lunch Program	10.555	2021	214,507
Covid-19: National School Lunch Program	10.555	2021	25,088
Total Child Nutrition Cluster			363,957
Fresh Fruit & Vegetable Program	10.582	2021	18,772
<b>Total U.S. Department of Agriculture</b>			382,729
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<i>Passed through the Ohio Department of Education</i>			
Coronavirus Relief Fund:			
Covid-19: Coronavirus Relief Fund - Rural and Small School District	21.019	2021	53,118
Covid-19: Coronavirus Relief Fund - BroadbandOhio Connectivity	21.019	2021	23,898
Total Coronavirus Relief Fund			77,016
<b>Total U.S. Department of the Treasury</b>			77,016
<b>U.S. DEPARTMENT OF EDUCATION</b>			
<i>Passed through the Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	2020	57,046
Title I Grants to Local Educational Agencies	84.010A	2021	359,017
Title I Grants to Local Educational Agencies - School Quality Improvement	84.010A	2021	50,033
Total Title I Grants to Local Educational Agencies			466,096
School Improvement Grants	84.377A	2021	35,924
Supporting Effective Instruction State Grants	84.367A	2021	43,716
Rural Education	84.358B	2021	15,516
Special Education Cluster (IDEA):			
Special Education Grants to States	84.027A	2021	219,289
Special Education Preschool Grants	84.173A	2021	5,524
Total Special Education Cluster (IDEA)			224,813
Education Stabilization Fund			
Covid-19: Elementary and Secondary School Emergency Relief (ESSER I) Fund	84.425D	2021	390,072
Covid-19: Elementary and Secondary School Emergency Relief (ESSER II) Fund	84.425D	2022	125,695
Total Education Stabilization Fund			515,767
<b>Total U.S. Department of Education</b>			1,301,832
<b>Total Federal Financial Assistance</b>			\$1,761,577

*The accompanying notes are an integral part of this schedule.*

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Trimble Local School District, Athens County, Ohio (the District) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

**NOTE C – INDIRECT COST RATE**

The District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D - CHILD NUTRITION CLUSTER**

The District commingles cash receipts from the U.S. Department of Agriculture with similar State grants. When reporting expenditures on this Schedule, the District assumes it expends federal monies first.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated April 21, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the District's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the District's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings that we consider a material weakness. We consider finding 2021-001 to be a material weakness.

***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 financial statements. However, opining 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*.

***District's Response to Findings***

The District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and corrective action plan. We did not subject the District's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 21, 2022



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

To the Board of Education:

***Report on Compliance for Each Major Federal Program***

We have audited the Trimble Local School District, Athens County, Ohio (the District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the Trimble Local School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the District's major federal programs.

***Management's Responsibility***

The District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

***Auditor's Responsibility***

Our responsibility is to opine on the District's compliance for the District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the District's major programs. However, our audit does not provide a legal determination of the District's compliance.

***Basis for Qualified Opinion on Education Stabilization Fund***

As described in Finding 2021-002 in the accompanying Schedule of Findings, the District did not comply with requirements regarding Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Equipment And Real Property Management applicable to its Education Stabilization Fund- AL# 84.425D major federal program. Compliance with these requirements is necessary, in our opinion, for the District to comply with requirements applicable to this program.

***Qualified Opinion on Education Stabilization Fund***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Education Stabilization Fund* paragraph, Trimble Local School District complied, in all material respects, with the requirements referred to above that could directly and materially affect its Education Stabilization Fund for the year ended June 30, 2021.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, Trimble Local School District complied in all material respects with the requirements referred to above that could directly and materially affect its other major federal program identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings for the year ended June 30, 2021.

***Report on Internal Control over Compliance***

The District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected or corrected. *A significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness, described in the accompanying Schedule of Findings as item 2021-002.

The District's response to our internal control over compliance finding is described in the accompanying Schedule of Findings and Corrective Action Plan. We did not subject the District's response to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.



This report only describes the scope of our tests of internal control over compliance and the results of this testing based on the Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

April 21, 2022

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**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR § 200.515  
JUNE 30, 2021**

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

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	Yes
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified for all major programs except for the Education Stabilization Fund- AL# 84.425D which we qualified.
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	<ul style="list-style-type: none"> <li>• Education Stabilization Fund- AL# 84.425D</li> <li>• Child Nutrition Cluster- AL# 10.555/10.553</li> </ul>
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	No

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

**FINDING NUMBER 2021-001**

**Material Weakness- Financial Reporting**

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16. Governmental Accounting Standards Board (GASB) Cod. 1100 paragraph .101 states a governmental accounting system must make it possible both: (a) to present fairly and with full disclosure the funds and activities of the governmental unit in conformity with generally accepted accounting principles, and (b) to determine and demonstrate compliance with finance-related legal and contractual provisions.

**TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR § 200.515  
JUNE 30, 2021  
(CONTINUED)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)</b>
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**FINDING NUMBER 2021-001 (Continued)**

**Material Weakness- Financial Reporting (Continued)**

The original budgeted amounts in the Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual (Budget Basis) did not agree to underlying approved budgetary documents. This resulted in material adjustments to original budgetary amounts as follows:

**ESSER Fund**

- Intergovernmental revenues decreased \$1,434,690;
- Instruction: Regular decreased \$52,164;
- Support Service: Pupils decreased \$3,304;
- Support Service: Instructional Staff decreased \$40,908;
- Support Service: Operation and Maintenance of Plant decreased \$28,931;
- Support Service: Pupil Transportation decreased \$7,600;
- Operation of Non-Instructional/Shared Services decreased \$30,351;
- Capital Outlay decreased \$69,397.

**General Fund**

- Instruction: Regular increased \$1,448,503;
- Instruction: Special increased \$576,831
- Instruction: Other increased \$32,483
- Support Service: Pupils increased \$118,275;
- Support Service: Instructional Staff increased \$108,541;
- Support Services: Board of Education increased \$66,749;
- Support Services: Administration increased \$333,227;
- Support Services: Fiscal increased \$82,007;
- Support Service: Operation and Maintenance of Plant increased \$375,342;
- Support Service: Pupil Transportation increased \$186,451;
- Extracurricular Activities increased \$77,279;
- Capital Outlay increased \$32,674;
- Debt Service: Principal increased \$21,394
- Debt Service: Interest increased \$8,435
- Other Financing Uses increased \$74,831
- Transfers Out increased \$224,493.

These misstatements occurred due to improper information used during the annual financial report compilation process. As a result, adjustments, with which the District's management agrees, are reflected in the accompanying financial statements.

The Treasurer should review the financial statements prepared for the annual financial report in order to ensure the financial statements reflect accurate information.

**Officials' Response:** The Treasurer/CFO will work with the IPA to ensure that this does not happen again.

TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR § 200.515  
JUNE 30, 2021  
(CONTINUED)

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

**Capital Expenditures**

<b>Finding Number:</b>	<b>2021-002</b>
<b>Assistance Listing Number and Title:</b>	<b>Covid-19: Education Stabilization Fund- AL# 84.425D</b>
<b>Federal Award Identification Number / Year:</b>	<b>2021/2022</b>
<b>Federal Agency:</b>	<b>U.S. Department of Education</b>
<b>Compliance Requirement:</b>	<b>Section A- Activities Allowed or Unallowed Section B- Allowable Costs/Cost Principles Section F- Equipment And Real Property Management</b>
<b>Pass-Through Entity:</b>	<b>Ohio Department of Education</b>
<b>Repeat Finding from Prior Audit?</b>	<b>No</b>

**Noncompliance/Material Weakness/Questioned Cost**

2 C.F.R. § 3474.1 gives regulatory effect to the Department of Education for 2 C.F.R. § 200.439 which states, in part, that capital expenditures for general purpose equipment, buildings and land and improvements to land, buildings, or equipment which materially increase their value or useful life are unallowable as a direct cost except with the prior written approval of the Federal awarding agency or pass-through entity.

The District expended \$163,537 of its Education Stabilization Fund, AL# 84.425D, federal grant funds for capital expenditures. The District failed to have these capital expenditure pre-approved by the pass-through entity Ohio Department of Education. Therefore, we consider the amount of \$163,537 to be a questioned cost. Failure to obtain proper pre-approval for capital expenditures could lead to future questioned costs, reduced future federal funding, and the requirement to repay the Ohio Department of Education.

The Treasurer and Superintendent should ensure all capital expenditures paid by federal grant funds have the proper pre-approval.

**Official's Response:** This was the first instance of using Federal Funds for items other than salaries, fringes, and basic supplies. This was an oversight of policy. The Treasurer and Superintendent are now aware of this policy and moving forward this should be addressed.

**4. OTHER – FINDINGS FOR RECOVERY**

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

**FINDING NUMBER 2021-003**

**FINDING FOR RECOVERY – REPAID UNDER AUDIT**

**State ex rel. McClure v. Hagerman, 155 Ohio St. 320 (1951)**, provides that expenditures made by a governmental unit should serve a public purpose. Typically the determination of what constitutes a “proper public purpose” rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that

TRIMBLE LOCAL SCHOOL DISTRICT  
ATHENS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
2 CFR § 200.515  
JUNE 30, 2021  
(CONTINUED)

4. OTHER – FINDINGS FOR RECOVERY (CONTINUED)

FINDING NUMBER 2021-003 (Continued)

**Finding For Recovery – Repaid Under Audit (Continued)**

it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only. Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

During the period January 1, 2012 through October 15, 2019, William (Bob) Lowery was the supervisor of the Trimble Local School District's Transportation Department. One of Mr. Lowery's responsibilities was purchasing and maintaining the inventory of the District's supply of vehicle and equipment batteries. When new batteries were purchased, the District was charged for the cost of a new battery core and the used battery core was returned for a credit. This credit offset the charge for the new battery core. For twenty transactions during the period, Mr. Lowery failed to return the used battery cores for a credit and therefore the District incurred unnecessary costs of \$791 in core charges, which do not meet a proper public purpose.

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a finding for recovery for public monies illegally expended is hereby issued against Bob Lowery in the amount of \$791, in favor of the District's General Fund.

On June 25, 2021, Bob Lowery paid \$791 by check to the District. Accordingly, we consider this finding fully repaid.

**Officials' Response:** The District, through collaboration with the Auditor of States Office, Athens County Prosecutor's office and various other entities have investigated this finding and have concluded that it has been repaid. In order to prevent this in the future, the use of the vendor associated with these activities has been discontinued as well as the practice of storing certain supplies on site. It is also now a practice of the fiscal office, account payable clerk and Treasurer/CFO to ensure that for each battery purchased there is a correlating core memo on the invoice.



# Trimble Local School District

Office of the Chief Finance Officer Superintendent

John R. Hurd Jr.

One Tomcat Drive  
Glouster, Ohio 45732-9335

trimble.k12.oh.us

Chief Finance Officer

Jared M. Bunting

Board of Education

Gary Arnold  
R. Kevin Coey  
David M. Owen  
Kathleen J. Trace  
John R. Standley

*"To be the supporting force in our community by providing excellence in student achievement for all"*

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS 2 CFR 200.511(b) JUNE 30, 2021

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2020-001	Noncompliance with Ohio Rev. Code § 5705.39 for appropriations exceeding the amount certified as available by the budget commission in the Food Service Fund	Corrective Action Taken and Finding is Fully Corrected	N/A
2020-002	Material Weakness relating to approved budgetary amounts varying from amounts recorded in the accounting system.	Corrective Action Taken and Finding is Fully Corrected	N/A
2020-003	Material Weakness and Noncompliance relating to Child Nutrition Cluster: School Breakfast Program – CFDA #10.553, National School Lunch Program – CFDA #10.555 Cash Management	Corrective Action Taken and Finding is Fully Corrected	N/A

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# Trimble Local School District

Office of the Chief Finance Officer Superintendent

John R. Hurd Jr.

One Tomcat Drive  
Glouster, Ohio 45732-9335

Chief Finance Officer

Jared M. Bunting

trimble.k12.oh.us

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*"To be the supporting force in our community by providing excellence in student achievement for all"*

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## CORRECTIVE ACTION PLAN

2 CFR § 200.511(c)

JUNE 30, 2021

<b>Finding Number:</b>	2021-001
<b>Planned Corrective Action:</b>	The Treasurer/CFO will work collaboratively with the IPA to ensure this does not happen in the future with additional checks on the final report.
<b>Anticipated Completion Date:</b>	11/30/2022
<b>Responsible Contact Person:</b>	Jared M. Bunting
<b>Finding Number:</b>	2021-002
<b>Planned Corrective Action:</b>	The district will ensure compliance with Board Policy with regard to Federal purchases. The proper personnel have been notified of the deficiency and are working to ensure compliance moving forward.
<b>Anticipated Completion Date:</b>	06/30/2022
<b>Responsible Contact Person:</b>	Jared M. Bunting
<b>Finding Number:</b>	2021-003
<b>Planned Corrective Action:</b>	Finding already recovered and controls put in place to prevent it in the future due to the investigation over the past 2 years.
<b>Anticipated Completion Date:</b>	03/31/2022
<b>Responsible Contact Person:</b>	Jared M. Bunting

# OHIO AUDITOR OF STATE KEITH FABER



**TRIMBLE LOCAL SCHOOL DISTRICT**

**ATHENS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/5/2022**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)