



Mary Taylor, CPA  
Auditor of State



TRIMBLE TOWNSHIP  
ATHENS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter .....	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2006.....	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2005.....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	13
Schedule of Findings.....	15
Schedule of Prior Audit Findings.....	18

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

Trimble Township  
Athens County  
11972 Red Rock Road  
Glouster, Ohio 45732

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

**Mary Taylor, CPA**  
Auditor of State

July 5, 2007

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Trimble Township  
Athens County  
11972 Red Rock Road  
Glouster, Ohio 45732

To the Board of Trustees:

We have audited the accompanying financial statements of Trimble Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Township processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Township because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code Section 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code Sections 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e., major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Trimble Township, Athens County, Ohio, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 5, 2007, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



**Mary Taylor, CPA**  
Auditor of State

July 5, 2007

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 16,198	\$ 101,796	\$	\$ 117,994
Licenses, Permits, and Fees		13,575		13,575
Intergovernmental	21,357	141,399		162,756
Earnings on Investments	389	880		1,269
Miscellaneous	752	118,428		119,180
	<u>38,696</u>	<u>376,078</u>	<u>0</u>	<u>414,774</u>
<b>Total Cash Receipts</b>				
	<u>38,696</u>	<u>376,078</u>	<u>0</u>	<u>414,774</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	32,778			32,778
Public Safety		18,601		18,601
Public Works		111,132		111,132
Health	1,881	180,893		182,774
Capital Outlay	57,256	13,352	5,760	76,368
Debt Service:				
Redemption of Principal		10,582		10,582
Interest and Other Fiscal Charges		2,262		2,262
	<u>91,915</u>	<u>336,822</u>	<u>5,760</u>	<u>434,497</u>
<b>Total Cash Disbursements</b>				
	<u>91,915</u>	<u>336,822</u>	<u>5,760</u>	<u>434,497</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(53,219)</u>	<u>39,256</u>	<u>(5,760)</u>	<u>(19,723)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Proceeds of Notes	57,256			57,256
	<u>57,256</u>			<u>57,256</u>
<b>Total Other Financing Receipts/(Disbursements)</b>				
	<u>57,256</u>			<u>57,256</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements</b>	<u>4,037</u>	<u>39,256</u>	<u>(5,760)</u>	<u>37,533</u>
<b>Fund Cash Balances, January 1</b>	<u>5,780</u>	<u>137,877</u>	<u>5,760</u>	<u>149,417</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 9,817</u>	<u>\$ 177,133</u>	<u>\$ 0</u>	<u>\$ 186,950</u>

*The notes to the financial statements are an integral part of this statement*

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 16,004	\$ 106,585	\$	\$ 122,589
Licenses, Permits, and Fees		12,650		12,650
Intergovernmental	17,704	107,541	46,136	171,381
Earnings on Investments	424	761		1,185
Miscellaneous	169	16,553		16,722
<b>Total Cash Receipts</b>	<u>34,301</u>	<u>244,090</u>	<u>46,136</u>	<u>324,527</u>
<b>Cash Disbursements:</b>				
Current:				
General Government	34,402			34,402
Public Safety		27,525		27,525
Public Works		143,509		143,509
Health		46,687		46,687
Capital Outlay		37,584	84,954	122,538
<b>Total Cash Disbursements</b>	<u>34,402</u>	<u>255,305</u>	<u>84,954</u>	<u>374,661</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(101)</u>	<u>(11,215)</u>	<u>(38,818)</u>	<u>(50,134)</u>
<b>Other Financing Receipts/(Disbursements):</b>				
Other Financing Sources		76		76
<b>Total Other Financing Receipts/(Disbursements)</b>		<u>76</u>		<u>76</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements And Other Financing Disbursements	<u>(101)</u>	<u>(11,139)</u>	<u>(38,818)</u>	<u>(50,058)</u>
Fund Cash Balances, January 1 (As Restated, Note 8)	<u>5,881</u>	<u>149,016</u>	<u>44,578</u>	<u>199,475</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$ 5,780</b></u>	<u><b>\$ 137,877</b></u>	<u><b>\$ 5,760</b></u>	<u><b>\$ 149,417</b></u>

*The notes to the financial statements are an integral part of this statement*

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Trimble Township, Athens County (the Township), as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash**

The Township Fiscal Officer invests all available funds of the Township in an interest bearing checking account and certificates of deposit. The Township values certificates of deposits at cost.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash that is restricted as to use. The Township classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds (Continued)**

*Road and Bridge Fund* - This fund receives property tax money for constructing, maintaining, and repairing Township roads and bridges.

*Gasoline Tax Fund* - This fund receives gasoline tax money for constructing, maintaining, and repairing Township roads.

*Cemetery Fund* - This fund receives property tax money and interest for maintaining Township cemeteries.

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects. The Township had the following significant Capital Project Fund:

*FEMA Fund* – This fund receives money from the Federal Emergency Management Agency to repair infrastructure damaged by storms in the Township.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year. The Township did not encumber all commitments required by Ohio law.

A summary of 2006 and 2005 budgetary activity appears in Note 3.

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

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

**F. Property, Plant, and Equipment**

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. Equity in Pooled Cash and Investments**

The Township maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2006	2005
Demand deposits	\$ 157,187	\$ 120,012
Certificates of deposit	29,763	29,405
Total deposits	\$ 186,950	\$ 149,417

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2006 and 2005, follows:

2006 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 37,395	\$ 95,952	\$ 58,557
Special Revenue	347,394	376,078	28,684
Capital Projects	0	0	0
Total	\$ 384,789	\$ 472,030	\$ 87,241

2006 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 43,086	\$ 91,915	\$ (48,829)
Special Revenue	485,271	336,822	148,449
Capital Projects	5,760	5,760	0
Total	\$ 534,117	\$ 434,497	\$ 99,620

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**3. Budgetary Activity (Continued)**

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 33,792	\$ 34,301	\$ 509
Special Revenue	207,486	244,166	36,680
Capital Projects	42,378	46,136	3,758
Expendable Trust	443	0	(443)
Total	\$ 284,099	\$ 324,603	\$ 40,504

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 39,673	\$ 34,402	\$ 5,271
Special Revenue	318,472	255,305	63,167
Capital Projects	90,714	84,954	5,760
Expendable Trust	38,472	0	38,472
Total	\$ 487,331	\$ 374,661	\$ 112,670

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund by \$48,829 for the year ended December 31, 2006.

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Township.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

**5. Debt**

Debt outstanding at December 31, 2006, was as follows:

	Principal	Interest Rate
Dump Truck Loan	\$ 46,673	5%

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**5. Debt (Continued)**

During 2006, the Township purchased a new dump truck. The full faith and credit of the Township was pledged to repay the related debt.

Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Dump Truck Loan
2007	\$ 12,844
2008	12,844
2009	12,844
2010	12,844
Total	<u>\$ 51,376</u>

**6. Retirement System**

The Township employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9% and 8.5%, respectively, of their gross salaries and the Township contributed an amount equaling 13.7% and 13.55%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2006.

**7. Risk Management**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**8. Restatement of Beginning Balances**

The January 1, 2005, balances were restated due to errors noted as follows:

Fund Type	12/31/2004 Balance	Amount	Restated 1/1/2005 Balance
Cemetery	\$ 40,551	\$ 9,165	\$ 49,716
Permanent Fund	9,165	(9,165)	0

**This page intentionally left blank.**



# Mary Taylor, CPA

## Auditor of State

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

Trimble Township  
Athens County  
11972 Red Rock Road  
Glouster, Ohio 45732

To the Board of Trustees:

We have audited the financial statements of Trimble Township, Athens County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated July 5, 2007, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Township uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Township because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

#### **Internal Control Over Financial Reporting**

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2006-002 and 2006-003.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2006-001 to 2006-003.

We also noted certain noncompliance or other matters that we reported to the Township's management in a separate letter dated July 5, 2007.

The Township's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Township's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the management and the Board of Trustees. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

July 5, 2007

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2006-001**

**Finding for Recovery – Repaid Under Audit**

On December 29, 2005, the Board of Trustees approved increasing employee Arthur Long's rate of pay to \$11.50 per hour. The Trustees also approved a policy manual on this date which sets overtime to be compensated at 1.5 times the normal hourly rate. However, overtime was paid to Arthur Long at a rate of 2.25 times the normal hourly rate in 2006, as follows:

<u>Number of Hours</u>	<u>Rate Paid</u>	<u>Total</u>
55	\$25.88	\$ 1,423.40
55	\$17.25	<u>948.75</u>
Total Overpaid		<u><u>\$ 474.65</u></u>

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery is hereby issued for public monies illegally expended against Arthur Long, Township employee, in the amount of \$474.65, in favor of the Gasoline Tax Fund.

On June 17, 2007, this finding was repaid in full.

**Client Response:**

As noted above, the finding was repaid.

**FINDING NUMBER 2006-002**

**Noncompliance Citation/Significant Deficiency**

Ohio Revised Code Section 5705.41(B) prohibits a subdivision or taxing unit from expending money unless it has been appropriated.

At December 31, 2006, expenditures exceed formally adopted appropriations as follows:

<u>Fund/Line Item</u>	<u>Appropriations</u>	<u>Actual Expenditures</u>	<u>Variance</u>
General Fund - Capital Outlay	\$ 0	\$ 57,256	\$ (57,256)
Motor Vehicle License Tax - Principal	0	2,116	(2,116)
Motor Vehicle License Tax - Interest	0	452	(452)
Gasoline Tax - Principal	0	2,116	(2,116)
Gasoline Tax - Interest	0	452	(452)
Road and Bridge - Principal	0	2,116	(2,116)
Road and Bridge - Interest	0	452	(452)
Cemetery - Principal	0	2,116	(2,116)
Cemetery - Interest	0	452	(452)
Permissive Tax - Principal	0	2,116	(2,116)
PermissiveTax - Interest	0	452	(452)

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2006-002 (Continued)**

**Noncompliance Citation/Significant Deficiency – Ohio Rev. Code Section 5705.41(B) (Continued)**

This occurred as a result of not properly recording the debt related to a dump truck purchase. As a result, obligations and expenditures were made in the absence of a legal appropriation authority.

We recommend the Township Fiscal Officer not certify the availability of funds or approve payment requests exceeding appropriations. The Township Fiscal Officer may request the Board of Trustees to approve increased expenditure levels by increasing appropriations and amending estimated resources if necessary.

**Client Response:**

The Township officials chose not to respond to this finding.

**FINDING NUMBER 2006-003**

**Noncompliance Citation/Significant Deficiency**

Ohio Rev. Code Section 5705.41(D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless a certificate signed by the Fiscal Officer is attached thereto. The Fiscal Officer must certify that the amount required to meet any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance.

There are several exceptions to the standard requirement stated above that a Fiscal Officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in Sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. "Then and Now" Certificate – If the Fiscal Officer can certify that both at the time that the contract or order was made ("then"), and at the time that the Fiscal Officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Township can authorize the drawing of a warrant for the payment of the amount due. The Township has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the Fiscal Officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Township.

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2006-003 (Continued)**

**Noncompliance Citation/Significant Deficiency – Ohio Rev. Code Section 5705.41(D)(1)  
(Continued)**

2. Blanket Certificate – Fiscal Officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Township may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the Fiscal Officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

29 percent of the transactions tested in 2006 and 51 percent of the transactions tested in 2005 were not certified by the Fiscal Officer at the time the commitment was incurred and there was no evidence that the Township followed the aforementioned exceptions.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Township’s funds exceeding budgetary spending limitations, we recommend that the Township Fiscal Officer certify that the funds are or will be available prior to obligation by the Township. When prior certification is not possible, “then and now” certification should be used.

We recommend the Township certify purchases to which Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language Section 5705.41(D) requires to authorize disbursements. The Township Fiscal Officer should sign the certification at the time the Township incurs a commitment, and only when the requirements of Section 5705.41(D) are satisfied. The Township Fiscal Officer should post approved purchase commitments to the proper appropriation code, to reduce the available appropriation.

**Client Response:**

The Township officials chose not to respond to this finding.

**TRIMBLE TOWNSHIP  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2006 AND 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2004-001	A material non-compliance citation was issued under Ohio Rev. Code Section 5705.38(A) for the appropriation measure not being passed by the Board of Trustees for the year ended December 31, 2003.	Yes	N/A
2004-002	A material non-compliance citation was issued under Ohio Rev. Code Section 5705.41(B) for actual disbursements exceeded appropriations for various funds in the year ended December 31, 2003.	No	Partially Corrected  This item is repeated in the current audit Schedule of Findings as item 2006-002.
2004-003	A material non-compliance citation was issued under Ohio Rev. Code Section 5705.41(D)(1) for funds not being encumbered prior to purchase commitment during 2004 and 2003.	No	Not Corrected:  This item is repeated in the current audit Schedule of Findings as item 2006-003.



**Mary Taylor, CPA**  
Auditor of State

**TRIMBLE TOWNSHIP**

**ATHENS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 28, 2007**