



Dave Yost • Auditor of State



VILLAGE OF TRIMBLE  
ATHENS COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of Trimble  
Athens County  
P.O. Box 121  
Trimble, Ohio 45782

To the Village Council:

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

We have audited the accompanying financial statements and related notes of the Village of Trimble, Athens County, Ohio (the Village), as of and for the years ended December 31, 2013 and 2012.

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

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; 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.

### ***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 Village'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 Village's internal control. Accordingly, we express no 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.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2013 and 2012, or changes in financial position or cash flows thereof, for the years then ended.

***Basis for Disclaimer of Opinion on Fiduciary Fund Receipts on the Regulatory Basis of Accounting***

Other non-operating receipts are reported at \$15,001 and \$15,111 for the years ended December 31, 2013 and 2012, respectively, which is 100% of Fiduciary Fund receipts for the years ended December 31, 2013 and 2012. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as other non-operating receipts.

***Disclaimer of Opinion on Fiduciary Fund Receipts on the Regulatory Basis of Accounting***

Because of the significance of other non-operating receipts to the Fiduciary Fund Type, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the Fiduciary Fund Type of the Village of Trimble, Athens County, Ohio, for the years ended December 31, 2013 and 2012.

***Basis for Qualification of Opinion on General Fund Fines, licenses and permits on the Regulatory Basis of Accounting***

Fines, licenses and permits are reported at \$13,667 and \$11,834 for the years ended December 31, 2013 and 2012, respectively, which is 32 percent and 28 percent of total General Fund operating receipts for the years ended December 31, 2013 and 2012, respectively. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as fines, licenses and permits. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

***Qualification of Opinion on the General Fund Fines, licenses and permits on the Regulatory Basis of Accounting***

Also, in our opinion, except for such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient competent evidential matter to support the 2013 and 2012 fines, licenses and permits receipts in the General Fund, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the General Fund, of the Village of Trimble, Athens County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1.

***Unmodified Opinions***

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Special Revenue Funds and Enterprise Funds, of the Village of Trimble, Athens County, Ohio, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2014, on our consideration of the Village'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 Village's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

April 4, 2014

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**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 16,514	\$ 15,960	\$ 32,474
Intergovernmental	7,906	30,835	38,741
Special Assessments	678		678
Fines, Licenses and Permits	13,077		13,077
Earnings on Investments	5		5
Miscellaneous	3,478		3,478
<i>Total Cash Receipts</i>	<u>41,658</u>	<u>46,795</u>	<u>88,453</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	3,037	1,807	4,844
Transportation		29,867	29,867
General Government	44,002	7,773	51,775
Other	210	187	397
Debt Service:			
Principal Retirement	18,230		18,230
Interest and Fiscal Charges	881		881
<i>Total Cash Disbursements</i>	<u>66,360</u>	<u>39,634</u>	<u>105,994</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(24,702)</u>	<u>7,161</u>	<u>(17,541)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Transfers In	2,626		2,626
Transfers Out		(2,626)	(2,626)
Other Financing Sources	15,009		15,009
<i>Total Other Financing Receipts (Disbursements)</i>	<u>17,635</u>	<u>(2,626)</u>	<u>15,009</u>
<i>Net Change in Fund Cash Balances</i>	(7,067)	4,535	(2,532)
<i>Fund Cash Balances, January 1</i>	<u>(112,350)</u>	<u>83,212</u>	<u>(29,138)</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		87,747	87,747
Unassigned (Deficit)	<u>(119,417)</u>		<u>(119,417)</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ (119,417)</u>	<u>\$ 87,747</u>	<u>\$ (31,670)</u>

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

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 78,553	\$	\$ 78,553
<i>Total Operating Cash Receipts</i>	<u>78,553</u>	<u>0</u>	<u>78,553</u>
<b>Operating Cash Disbursements</b>			
Personal Services	8,118		8,118
Employee Fringe Benefits	4,439		4,439
Contractual Services	35,836		35,836
Supplies and Materials	46,780		46,780
Other	1,038		1,038
<i>Total Operating Cash Disbursements</i>	<u>96,211</u>	<u>0</u>	<u>96,211</u>
<i>Operating Income (Loss)</i>	<u>(17,658)</u>	<u>0</u>	<u>(17,658)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Other Non-Operating Receipts		15,001	15,001
Other Non-Operating Disbursements		(15,379)	(15,379)
Capital Outlay	(59,938)		(59,938)
Interest and Other Fiscal Charges	(1,569)		(1,569)
Other Financing Sources	90,712		90,712
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>29,205</u>	<u>(378)</u>	<u>28,827</u>
<i>Net Change in Fund Cash Balances</i>	11,547	(378)	11,169
<i>Fund Cash Balances, January 1</i>	<u>58,506</u>	<u>1,003</u>	<u>59,509</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 70,053</u>	<u>\$ 625</u>	<u>\$ 70,678</u>

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

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	General	Special Revenue	Totals (Memorandum Only)
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 14,857	\$ 14,385	\$ 29,242
Intergovernmental	9,496	26,261	35,757
Charges for Services	1,500		1,500
Fines, Licenses and Permits	11,834		11,834
Miscellaneous	4,747		4,747
<i>Total Cash Receipts</i>	<u>42,434</u>	<u>40,646</u>	<u>83,080</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	5,657	70	5,727
Transportation	1,527	3,605	5,132
General Government	44,605	15,887	60,492
Debt Service:			
Principal Retirement	22,002		22,002
Interest and Fiscal Charges	1,484		1,484
<i>Total Cash Disbursements</i>	<u>75,275</u>	<u>19,562</u>	<u>94,837</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(32,841)</u>	<u>21,084</u>	<u>(11,757)</u>
<b>Other Financing Receipts (Disbursements)</b>			
Sale of Notes	18,667		18,667
<i>Total Other Financing Receipts (Disbursements)</i>	<u>18,667</u>	<u>0</u>	<u>18,667</u>
<i>Net Change in Fund Cash Balances</i>	(14,174)	21,084	6,910
<i>Fund Cash Balances, January 1</i>	<u>(98,176)</u>	<u>62,128</u>	<u>(36,048)</u>
<b>Fund Cash Balances, December 31</b>			
Restricted		83,212	83,212
Unassigned (Deficit)	<u>(112,350)</u>		<u>(112,350)</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ (112,350)</u>	<u>\$ 83,212</u>	<u>\$ (29,138)</u>

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

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 78,309	\$	\$ 78,309
<i>Total Operating Cash Receipts</i>	<u>78,309</u>	<u>0</u>	<u>78,309</u>
<b>Operating Cash Disbursements</b>			
Personal Services	11,899		11,899
Employee Fringe Benefits	3,506		3,506
Contractual Services	7,623		7,623
Supplies and Materials	61,688		61,688
Other	527		527
<i>Total Operating Cash Disbursements</i>	<u>85,243</u>	<u>0</u>	<u>85,243</u>
<i>Operating Income (Loss)</i>	<u>(6,934)</u>	<u>0</u>	<u>(6,934)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Other Non-Operating Receipts		15,111	15,111
Other Non-Operating Disbursements		(14,258)	(14,258)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>0</u>	<u>853</u>	<u>853</u>
<i>Net Change in Fund Cash Balances</i>	<u>(6,934)</u>	<u>853</u>	<u>(6,081)</u>
<i>Fund Cash Balances, January 1</i>	<u>65,440</u>	<u>150</u>	<u>65,590</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 58,506</u>	<u>\$ 1,003</u>	<u>\$ 59,509</u>

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

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**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 the Village of Trimble, Athens County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, street construction, repair and maintenance, as well as water utilities and street light services. The Village contracts with the Village of Jacksonville for fire protection services and, through October 2013, for police protection services.

The Village participates in a jointly governed organization, the Trimble Township Wastewater Treatment District. Note 9 to the financial statements provides additional information for this entity. The District provides billing services for the Village's water utility services.

The Village's management believes these financial statements present all activities for which the Village 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 Village 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. Deposits**

The Village invests all available funds in an interest-bearing checking account. Interest earned is recognized and recorded when received.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

FEMA Fund - This fund receives grant money for specific FEMA approved projects.

**3. Enterprise Funds**

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Water Project Fund - This fund receives loan proceeds from the Ohio Water Development Authority to finance water line replacements.

**4. Fiduciary Funds**

Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund (Mayor's Court Fund) accounts for the financial activity of the Mayor's Court.

**E. Budgetary Process**

The Ohio Revised Code requires that each fund (except certain agency funds) be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the legal level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**E. Budgetary Process (Continued)**

**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 approve estimated resources.

**3. Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. The Village did not use the encumbrance method of accounting.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. Restricted**

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

**3. Committed**

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**F. Fund Balance (Continued)**

**5. Unassigned**

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

**G. Property, Plant, and Equipment**

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

**H. 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 Deposits**

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

	2013	2012
Demand deposits	\$39,008	\$30,371

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$59,293	\$59,293
Special Revenue	0	46,795	46,795
Enterprise	0	169,265	169,265
Total	\$0	\$275,353	\$275,353



**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**3. Budgetary Activity (Continued)**

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$66,360	(\$66,360)
Special Revenue	0	42,260	(42,260)
Enterprise	0	157,718	(157,718)
Total	<u>\$0</u>	<u>\$266,338</u>	<u>(\$266,338)</u>

2012 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$61,101	\$61,101
Special Revenue	0	40,646	40,646
Enterprise	0	78,309	78,309
Total	<u>\$0</u>	<u>\$180,056</u>	<u>\$180,056</u>

2012 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$75,275	(\$75,275)
Special Revenue	0	19,562	(19,562)
Enterprise	0	85,243	(85,243)
Total	<u>\$0</u>	<u>\$180,080</u>	<u>(\$180,080)</u>

Contrary to Ohio law, at December 31, 2013 and 2012, the General Fund had a cash deficit balance of \$119,417 and \$112,350, respectively. Additionally, the Village did not certify available resources. Also contrary to Ohio law, the Village did not adopt appropriations. As a result, expenditures exceeded appropriations in all funds during and at the years ended December 31, 2013 and 2012.

**4. Property Tax**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council 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 Village.

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

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**5. Debt**

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Operating Loan	\$13,011	3.9%
Ohio Water Development Authority Loan	90,712	3.7%
Total	\$103,723	

The operating loan was obtained to provide financing for the payment of payroll taxes in arrears and the associated penalties and interest. This loan is backed by the full faith and credit of the Village.

The Ohio Water Development Authority (OWDA) loan relates to a water line replacement project. The OWDA approved \$140,981 in loans to the Village for this project. The Village will repay the loans including 3.65% interest, over 5 years. The full amount of this loan is not yet finalized and the amortization schedule is not complete. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

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

Year ending December 31:	Operating Loan	OWDA Loan
2014	\$5,313	\$20,013
2015	5,313	20,013
2016	3,100	20,013
2017		20,013
2018		20,013
Total	\$13,726	\$100,065

**6. Retirement System**

The Village's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a 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 2013 and 2012, OPERS members contributed 10 percent of their gross salaries and the Village contributed an amount equaling 14 percent respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2013.

**7. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**8. Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**9. Jointly Governed Organization**

*Trimble Township Wastewater Treatment District* - The Trimble Township Wastewater Treatment District (the District) is a regional sewer district organized under Chapter 6119 of the Ohio Revised Code. The District operates under the direction of an eight member Board of Council Members whose membership is composed of two appointments from each of the participating subdivision: Village of Trimble, Village of Jacksonville, Village of Glouster and Trimble Township. The membership elects a President, Vice President and a Secretary-Treasurer who are responsible for the fiscal control of the financial resources of the District. To obtain financial information, write to the Trimble Township Wastewater Treatment District, Christa Shutts, Secretary-Treasurer, at 18551 Jacksonville Road, P.O. Box 278, Jacksonville, Ohio 45740.

**10. Deficit Fund Balance**

The Village had a deficit fund balance of \$119,417 and \$112,350, respectively, in the General Fund as of December 31, 2013 and 2012. Currently, management is taking steps to reduce spending and to implement a system of accounting that will facilitate in the monitoring of the Village's finances.

**11. Subsequent Events**

On March 11, 2014, based on a request by the Village and, in accordance with the provisions of Ohio Rev. Code Section 118.021, the Auditor of State's Office initiated a fiscal watch review of the Village for the purpose of determining whether the Village's financial condition meets one of the criteria for the declaration of fiscal watch.

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# Dave Yost • Auditor of State

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

Village of Trimble  
Athens County  
P.O. Box 121  
Trimble, Ohio 45782

To the Village Council:

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 Village of Trimble, Athens County, Ohio (the Village), as of and for the years ended December 31, 2013 and 2012 and the related notes to the financial statements, and have issued our report thereon dated April 4, 2014, wherein we noted the Village uses a special purpose framework other than generally accepted accounting principles. We did not express an opinion on the Fiduciary Fund Type. We also qualified our opinion on fines, licenses and permits receipts in the General Fund.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

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 a 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 Village's financial statements. We consider findings 2013-006 through 2013-008 described in the accompanying Schedule of Findings to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2012-009 described in the accompanying Schedule of Findings to be a significant deficiency.

***Compliance and Other Matters***

As part of reasonably assuring whether the Village'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, 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 instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2013-001 through 2013-005.

***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 Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

April 4, 2014

**VILLAGE OF TRIMBLE  
ATHENS COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2013-001**

**Noncompliance**

Ohio Rev. Code Section 733.40 states, in part, all fines, forfeitures, and costs in ordinances cases and all fees that are collected by the mayor, that come into the mayor's hands, that are due the mayor, and all money received by the mayor for the use of the municipal corporation shall be paid by the mayor into the municipality on the first Monday of each month. At the first regular meeting of the legislative authority each month, the mayor shall submit a full statement of all money received, from whom and for what purposes received, and when paid into the treasury.

The Mayor's Court did not remit Village portions of monies collected to the Village on the first Monday of the following month for all months in 2013 and 11 out of twelve months in 2012. The Village Council also failed to review a full monthly statement of all money received, from whom and for what purposes received, and when paid into the treasury.

We recommend the Mayor's Court Clerk pay all moneys collected to the Village on the first Monday of the month following receipt. We also recommend the Clerk submit a full statement of such collections to the Village Council along with payment. We recommend Village Council include an acknowledgement of the receipts of this statement and the payment in the Minute Record to indicate their acceptance.

**Officials' Response:** The officials chose not to respond to this finding.

**FINDING NUMBER 2013-002**

**Noncompliance**

Ohio Rev. Code Section 5705.10(l) provides that money paid into a fund must be used only for the purpose for which such fund has been established. As a result, a negative fund balance indicates that money from one fund was used to cover the expenses of another fund.

The General Fund had a negative fund cash balance throughout 2013 and 2012. At December 31, 2013 and 2012, the General Fund reported deficit fund cash balances of \$119,417 and \$112,350, respectively.

A deficit cash fund balance indicates that money from one fund was used to cover the expenses of another fund. Further, this situation has resulted in the Village experiencing financial difficulty.

We recommend that money paid into a fund be used only for the purpose for which such fund was established. We recommend that the Village monitor expenditures to ensure that it applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Steps should be identified and implemented that would help the Village reduce spending, increase revenues, or both.

**Officials' Response:** The officials chose not to respond to this finding.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2013-003**

**Noncompliance**

Ohio Rev. Code Section 5705.36(A)(1) provides that, on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year.

The Village did not certify to the County Auditor the total amount from all sources available for expenditures from each fund for 2013 or 2012. This resulted in a lack of monitoring by Council.

We recommend the Village annually certify to the County Auditor the total amount from all sources available for expenditures from each fund. We further recommend the Village include these amounts in budget vs. actual financial reports presented to the Council monthly to allow for better monitoring.

**Officials' Response:** The officials chose not to respond to this finding.

**FINDING NUMBER 2013-004**

**Noncompliance**

Ohio Rev. Code Section 5705.38 requires that on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

The Village did not pass any appropriation resolutions for 2013 or 2012. As a result, all expenditures in 2013 and 2012 were made absent of the legal appropriation authority.

We recommend Council adopt an appropriation measure prior to expending or obligating funds. If Council wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

**Officials' Response:** The officials chose not to respond to this finding.

**FINDING NUMBER 2013-005**

**Noncompliance**

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.



VILLAGE OF TRIMBLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)

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

FINDING NUMBER 2013-005 (Continued)

**Noncompliance – Ohio Rev. Code Section 5705.41(D)(1) (Continued)**

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 taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority 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 Village.
2. Blanket Certificate - Fiscal officers may prepare "blanket" certificates for a certain sum of money not exceeding an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account and cannot extend beyond the end of the fiscal year. The blanket certificate 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. Blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.
3. Super Blanket Certificate - The Village 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.

The Village did not certify expenditures during 2013 or 2012; there was no evidence the Village 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 Village's funds exceeding budgetary spending limitations, we recommend the Fiscal Officer certify the funds are or will be available prior to the Village incurring obligations. When prior certification is not possible, "then and now" certification should be used.

**Officials' Response:** The officials chose not to respond to this finding.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2013-006**

**Material Weakness**

The Fiscal Officer presented a list of bills and a Treasurer's report monthly; however, the report only showed total receipts and expenditures. There is no breakout of expenditures by classification or classification of revenue. The reports also lack budgetary information providing for Budget vs. actual comparisons. The insufficiency of financial information provided to the Council for monthly review hampers the Council's ability to effectively monitor the financial activity and position of the Village. The lack of controls over expenditures and financial reporting adversely affected the Village'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 Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement. In addition, this resulted in errors and omissions occurring in the Village's annual financial statements without the timely knowledge of the Village Council.

The Village Council should carefully review this information and make appropriate inquiries to help determine the continued integrity of financial information. This information also provides important data necessary to manage the Village. This information can help answer questions such as the following:  
Inquiries relevant to overall Village operations:

- Are current receipts sufficient to cover expenditures?
- Are expenditures in line with prior year costs?
- If unusual fluctuations in receipts or expenditures occur, is the reason understood, and has it been appropriately budgeted?
- Are anticipated receipts being timely received?
- Is the Village maximizing its return on invested cash balances?
- Is the Village able to achieve the financial goals as set by the original or amended budgets?

In order to effectively monitor the financial activity of the Village, we recommend the Council members review and accept/approve the monthly financial information provided by the Fiscal Officer. We recommend the Fiscal Officer provide a detailed budget and classified financial statements for each regular Council meeting. The review of this information should be noted in the minutes of the meetings of the Council.

**Officials' Response:** The officials chose not to respond to this finding.

**FINDING NUMBER 2013-007**

**Material Weakness**

All local public offices should maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

The Fiscal Officer posted certain revenue and expenditures transactions incorrectly.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**FINDING NUMBER 2013-007 (Continued)**

**Material Weakness – Improper Postings (Continued)**

For the period ending December 31, 2012, the following items were noted:

General Fund:

- Intergovernmental receipts and tax receipts totaling \$677 were improperly allocated to the General Fund rather than the Special Revenue funds resulting in a decrease in Unassigned Fund Balance of \$677.
- Disbursements were misclassified resulting in a decrease in Basic Utility Services of \$5,153, increase in General Government of \$3,488, and increase in Security of Persons and Property of \$1,665.
- Debt payments were not properly allocated between interest and principal and debt refinancing was not recorded resulting in an increase in Principal Retirement of \$18,102, an increase in Interest and Fiscal Charges of \$565 and an Increase in Sale of Notes of \$18,667.

Special Revenue Funds:

- Confirmable receipts were not properly posted resulting in the following:
  - Street Levy Fund- increase in Intergovernmental Receipts of \$219, decrease in Property and Other Local Taxes of \$203, increase in Restricted Fund Balances of \$16;
  - Fire Levy Fund- increase in Intergovernmental Receipts of \$14, decrease in Property and Other Local Taxes of \$6, and an increase of Restricted Fund Balances of \$8;
  - Permanent Improvement Fund- an increase in Property and Other Local Taxes of \$32, decrease in Intergovernmental Receipts of \$13, and an increase in Restricted Fund Balance of \$19;
  - Street Construction Fund- a decrease in Intergovernmental Receipts of \$291 and a decrease in Restricted Fund Balance of \$291;
  - State Highway Fund- a decrease in Intergovernmental Receipts of \$24 and a decrease in Restricted Fund Balance of \$24;
  - Permissive Tax Fund- an increase in Intergovernmental Receipts of \$949 and an increase in Restricted Fund Balance of \$949.
- Permanent Improvement Fund disbursements were not properly classified resulting in a decrease in Security of Persons and Property of \$6,925 and increase in General Government of \$6,925.
- Ending fund balances were not properly classified resulting in the following:
  - Street Levy Fund- increase in Restricted Fund Balance of \$1,058 and a decrease in Unassigned Fund Balance of \$1,058;
  - Street Construction Fund- increase in Restricted Fund Balance of \$23,546 and a decrease in Unassigned Fund Balance of \$23,546;
  - State Highway Fund increase in Restricted Fund Balance of \$3,452 and a decrease in Unassigned Fund Balance of \$3,452;
  - Fire Levy Fund- increase in Restricted Fund Balance of \$18,269 and a decrease in Unassigned Fund Balance of \$18,269;
  - Permissive Tax Fund- increase in Restricted Fund Balance of \$4,878 and a decrease in Unassigned Fund Balance of \$4,878;
  - Permanent Improvement Fund- increase in Restricted Fund Balance of \$31,332 and a decrease in Unassigned Fund Balance of \$31,332.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2013-007 (Continued)**

**Material Weakness – Improper Postings (Continued)**

Proprietary Funds:

- Disbursements were not properly classified resulting in a decrease In Other Disbursements of \$5,863, an increase in Supplies and Materials of \$1,845, and increase in Contractual Services of \$4,018, an increase in Employee Benefits of \$3,506, and a decrease in Personal Services of \$3,506.

Agency Fund:

- Disbursement and receipt information was not recorded on the financial statements resulting in an increase in Other Non-operating receipts of \$15,111, an increase in Other Non-operating Disbursements of \$14,258, and an increase in Ending Fund Cash Balance of \$853.

For the period ending December 31, 2013, the following items were noted:

General Fund:

- Confirmable receipts were not properly posted resulting in a decrease in Intergovernmental Receipts of \$1,402, a decrease in Property and Other Local Taxes of \$692, an increase in Special Assessments of \$678, and increase in Transfers in of \$1,612, and increase in Other Disbursements of \$210, and a decrease in Unassigned Fund Balance of \$14.
- Debt payments were not properly allocated between interest and principal and debt refinancing was not recorded resulting in an increase in Principal Retirement of \$18,230, an increase in Interest and Fiscal Charges of \$881, a decrease in Interest and Fiscal Charges of \$4,102, and an Increase in Sale of Notes of \$15,009.

Special Revenue Funds:

- Confirmable receipts were not properly posted resulting in the following:
  - Street Levy Fund- increase in Intergovernmental Receipts of \$81, an increase in Other Disbursements of \$67, and an increase in Restricted Fund Balances of \$14;
  - Fire Levy Fund- increase in Intergovernmental Receipts of \$36 and an increase of Other Disbursements of \$36;
  - Permanent Improvement Fund- increase in Intergovernmental Receipts of \$84 and an increase of Other Disbursements of \$84;
  - Street Construction Fund- a decrease in Intergovernmental Receipts of \$764 and a decrease in Restricted Fund Balance of \$764;
  - State Highway Fund- a decrease in Intergovernmental Receipts of \$62 and a decrease in Restricted Fund Balance of \$62;
  - Permissive Tax Fund- an increase in Intergovernmental Receipts of \$826 and an increase in Restricted Fund Balance of \$826.
  - FEMA Fund- an increase in Intergovernmental Receipts of \$1,612 and an increase in Transfers Out of \$1,612.
- Permanent Improvement Fund disbursements were not properly classified resulting in a decrease in Security of Persons and Property of \$7,436 and increase in General Government of \$7,436.
- Ending fund balances were not properly classified resulting in the following:
  - Street Levy Fund- increase in Restricted Fund Balance of \$1,831 and a decrease in Unassigned Fund Balance of \$1,831;
  - Street Construction Fund- increase in Restricted Fund Balance of \$23,400 and a decrease in Unassigned Fund Balance of \$23,400;

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

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

**FINDING NUMBER 2013-007 (Continued)**

**Material Weakness – Improper Postings (Continued)**

Special Revenue Funds (Continued):

- State Highway Fund increase in Restricted Fund Balance of \$4,677 and a decrease in Unassigned Fund Balance of \$4,677;
- Fire Levy Fund- increase in Restricted Fund Balance of \$20,038 and a decrease in Unassigned Fund Balance of \$20,038;
- Permissive Tax Fund- increase in Restricted Fund Balance of \$4,878 and a decrease in Unassigned Fund Balance of \$4,878;
- Permanent Improvement Fund- increase in Restricted Fund Balance of \$32,232 and a decrease in Unassigned Fund Balance of \$32,232.

Proprietary Funds:

- Disbursements were not properly classified resulting in the following:
  - Water Fund- an increase in Other Disbursements of \$513, a decrease in Supplies and Materials of \$19,701, an increase in Contractual Services of \$6,631, and increase in Employee Fringe Benefits of \$4,439, and an increase in Personal Services of \$8,118;
  - Water Project Fund- an increase in Contractual Services of \$29,205, an increase in Capital Outlay of \$59,938, and a decrease in Other Disbursements of \$89,143.
- OWDA Loan proceeds were not properly classified in the Water Project Fund resulting in an increase of Other Financing Sources of \$90,712, an increase in Interest and Other Fiscal Charges of \$1,569, and a decrease in Miscellaneous Receipts of \$89,143.

Agency Funds:

- Disbursement and receipt information was not recorded on the financial statements resulting in an increase in other non-operating receipts of \$15,001, an increase in other non-operating disbursements of \$15,979, and a decrease in ending fund cash balance of \$978.

The following represents the cumulative effect of the adjustments listed above on the fund cash balances as of December 31, 2013:

Fund	Unadjusted Fund Balance at 12/31/2013	Net Increase/ (Decrease)	Adjusted Fund Balance at 12/31/2013
General Fund	(\$118,126)	(\$1,291)	(\$119,417)
Street Construction, Maintenance and Repair	23,400	(1,055)	22,345
State Highway	4,677	(86)	4,591
Street Levy Fund	1,831	30	1,861
Fire Fund	20,038	8	20,046
Permissive Tax	4,878	1,775	6,653
Permanent Improvement	32,232	19	32,251
Mayor's Court Fund	0	625	625

These misstatements were caused by a lack of management oversight. As a result, significant adjustments and reclassifications, with which the Village's management agrees, were made to the financial statements and ledgers, and are reflected in the accompanying financial statements.

VILLAGE OF TRIMBLE  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)

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

FINDING NUMBER 2013-007 (Continued)

**Material Weakness – Improper Postings (Continued)**

We recommend the Fiscal Officer refer to Appendix A of the Village Officer's Handbook for proper classification and take additional care in posting transactions to the Village's ledgers in order to ensure the financial statements reflect the appropriate sources of the receipts and expenditures.

**Officials' Response:** The officials chose not to respond to this finding.

FINDING NUMBER 2013-008

**Material Weakness**

When designing the public office's system of internal control and the specific control activities, management should consider the following:

- Ensure that all transactions are properly authorized in accordance with management's policies;
- Ensure that accounting records are properly designed;
- Ensure adequate security of assets and records;
- Plan for adequate segregation of duties or compensating controls;
- Verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records;
- Perform analytical procedures to determine the reasonableness of financial data;
- Ensure the collection and compilation of data needed for the timely preparation of financial statements; and,
- Monitor activities performed by service organizations.

The following internal control weaknesses were noted during 2013 and 2012, which increased the risk that transactions recorded in the Mayor's Court were not accurate or complete:

- No disbursements were posted to the cashbook.
- The disposition of each case was not always documented on the court docket.
- Payment plans for violators were not documented.

Because of these internal control weaknesses we could not gain assurance over the following:

- All costs due to the State of Ohio were properly collected and remitted; and
- All fines due the Village were properly collected and posted.

As such, we were unable to satisfy ourselves as to the completeness of Fines, Licenses and Permits receipts recorded in the General Fund in 2013 and 2012 and Other Non-operating Receipts in the Fiduciary Fund Type in 2013 and 2012. We have modified the opinion accordingly. These receipts represent 32 percent and 28 percent, respectively, of receipts of the General Fund for the year ended December 31, 2013 and 2012 and 100 percent of receipts of the Fiduciary Fund Type for the years ended December 31, 2013 and 2012.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2013-008 (Continued)**

**Material Weakness – Mayor’s Court (Continued)**

We recommend the Mayor develop and implement controls in the Court that include the following:

- Issue a duplicate receipt for all receipts.
- Include disbursements on the cashbook and a cash balance at the end of each month.
- Post the disposition of each case to the court docket.

**Officials’ Response:** The officials chose not to respond to this finding.

**FINDING NUMBER 2013-009**

**Significant Deficiency**

AOS Audit Bulletin 96-006 requires electronically imaged checks include the reverse side, and it must be clear to auditors which back side of a check matches the front side. AOS Audit Bulletin 2004-010 addresses the impact of Check 2000 regarding the elimination of cancelled checks.

The Mayor’s Court depository provided electronic images of the checks with the Village’s bank statements. However, they did not include images of the backs of the checks. The electronically imaged checks, without the back side, do not provide sufficient evidential matter and resulted in the Village being unable to verify that the check was redeemed by the intended recipient.

The electronically imaged checks, without the back side, do not provide sufficient evidential matter and resulted in the Mayor being unable to verify that the check was redeemed by the intended recipient.

**Officials’ Response:** The officials chose not to respond to this finding.

**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain</b>
2011-01	Finding for Recovery relating to Ohio Rev. Code Section 731.13 – overpayment of the former fiscal officer’s salary.	No	Partially corrected. The former fiscal officer, Debra Berry, is currently paying \$50 a month against her finding for recoveries.
2011-02	Ohio Rev. Code Section 117.38 for not filing the annual financial statements with the AOS by the required date.	Yes	N/A
2011-03	Ohio Rev. Code Section 705.27 for not bonding the Village Officials as required.	Yes	N/A
2011-04	Ohio Rev. Code Section 733.40 for not paying monies collected by Mayor’s Court by the first Monday of the month following of collection.	No	Not corrected. Repeated in the current audit as Finding 2013-001.
2011-05	Ohio Rev. Code Section 5705.36(A)(1) for failure to certify the total amount from all sources available for expenditure to the County Auditor.	No	Not corrected. Repeated in the current audit as Finding 2013-003.
2011-06	Ohio Rev. Code Section 5705.38 for failure to adopt appropriation measures and filing them with the County Auditor.	No	Not corrected. Repeated in the current audit as Finding 2013-004.
2011-07	Ohio Rev. Code Section 5705.41(D)(1) for failure to properly encumber purchase commitments.		Not corrected. Repeated in the current audit as Finding 2013-005.
2011-08	Ohio Admin. Code Section 117-2-02 for not maintaining the required accounting records.	No	Partially corrected. Repeated in a separate letter to management.
2011-09	Material Weakness for inadequate monitoring by Council.	No	Not corrected. Repeated in the current audit as Finding 2013-006.
2011-10	Material Weakness for inadequate record keeping and monitoring of Mayor’s Court by Council.	No	Not corrected. Repeated in the as Finding 2013-008.
2011-11	Material Weakness for a significant number of material adjustments required as a result of the audit.	No	Not corrected. Repeated in the as Finding 2013-007.
2011-12	Significant Deficiency for not obtaining electronic check images from the bank.	No	Repeated in the current audit as Finding 2013-009.
2011-13	Significant Deficiency for tickets not following the fine schedule.	No	Partially corrected. Repeated in a separate letter to management.





# Dave Yost • Auditor of State

**VILLAGE OF TRIMBLE**

**ATHENS COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
APRIL 17, 2014**