

***TRIMBLE TOWNSHIP WASTEWATER TREATMENT  
DISTRICT***

**ATHENS COUNTY, OHIO**

**REGULAR AUDIT**

**For the Years Ended December 31, 2020 and 2019**







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Board of Trustees  
Trimble Wastewater Treatment District  
P. O. Box 278  
Jacksonville, Ohio 45740

We have reviewed the *Independent Auditor's Report* of the Trimble Wastewater Treatment District, Athens County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2019 through December 31, 2020. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Trimble Wastewater Treatment District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

**June 07, 2021**

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**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT**  
**ATHENS COUNTY**  
**REGULAR AUDIT**  
**For the Years Ended December 31, 2020 and 2019**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report	1-2
Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - For the Year Ended December 31, 2020	3
Notes to the Financial Statements – For the Year Ended December 31, 2020	4-10
Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - For the Year Ended December 31, 2019	11
Notes to the Financial Statements – For the Year Ended December 31, 2019	12-18
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	19-20
Schedule of Findings	21
Prepared by Management:	
Schedule of Prior Audit findings	22
Corrective Action Plan	23

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**INDEPENDENT AUDITOR'S REPORT**

Trimble Township Wastewater Treatment District  
Athens County  
P.O. Box 278  
Jacksonville, Oh 45740

To the Board of Trustees:

***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for the proprietary fund type as of and for the years ended December 31, 2020 and 2019 and related notes of the Trimble Township Wastewater Treatment District, Athens County, Ohio (the District).

***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(D) permit; 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 District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

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

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

As described in Note 2 of the financial statements, the District 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(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the District does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

***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 District as of December 31, 2020 and 2019, and the respective changes in financial position or its cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the proprietary fund type as of and for the years ended December 31, 2020 and 2019 and related notes of the District, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matter***

As discussed in Note 11 to the 2020 and 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the District. We did not modify our opinions regarding this matter.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 20, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.  
April 20, 2021



**Trimble Township Wastewater Treatment District**  
*Athens County*  
*Statement of Receipts, Disbursements*  
*and Changes in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended December 31, 2020*

<b>Operating Cash Receipts</b>	
Charges for Services	\$ 592,310
<i>Total Operating Cash Receipts</i>	<u>592,310</u>
<b>Operating Cash Disbursements</b>	
Personal Services	213,330
Utilities	58,088
Transportation	3,247
Purchased and Other Contractual Services	33,924
Supplies and Materials	45,225
Miscellaneous	12,797
<i>Total Operating Cash Disbursements</i>	<u>366,611</u>
<i>Operating Income/(Loss)</i>	225,699
<b>Non-Operating Cash Receipts</b>	
Loan Proceeds	44,021
Miscellaneous	13,588
Interest	2,156
<i>Total Non-Operating Cash Receipts</i>	<u>59,765</u>
<b>Non-Operating Cash Disbursements</b>	
Capital Outlay	45,822
Debt Service:	
Principal	107,405
Interest and other fiscal charges	94,418
<i>Total Non-Operating Cash Disbursements</i>	<u>247,645</u>
<i>Net Receipts Over/(Under) Disbursements</i>	37,819
Cash Balances, January 1	<u>584,006</u>
<i>Cash Balances, December 31</i>	<u><u>\$ 621,825</u></u>

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

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**1. REPORTING ENTITY**

The Trimble Township Waste Water Treatment District, Athens County, Ohio (the District), is a regional sewer district organized under Ohio Revised Code Chapter 6119, by the Athens County Common Pleas Court on October 3, 1986. The District operates under the direction of an eight-member Board of Trustees whose membership is composed of two appointments from each of the participating subdivisions. The membership elects a President, Vice-President and a Secretary-Treasurer, who are responsible for fiscal control of the financial resources of the District.

The District was established to provide a modern, efficient, and effective wastewater treatment system to promote the general health safety of the citizens of the District and to make economic development in the area more feasible. The District services all or parts of the following political subdivisions:

- Village of Trimble
- Village of Jacksonville
- Village of Glouster
- Trimble Township

**Public Entity Risk Pools**

The District participates in the Ohio Plan Risk Management, Inc. Note 5 to the financial statements provides additional information on this risk pool.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The District's financial statements consist of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis).

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

This financial statement follows the accounting basis permitted by financial reporting provision of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Budgetary Process**

The Ohio Revised Code requires the Board to budget annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**Encumbrances** The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

**Deposits and Investments** The District's accounting basis includes investment as assets. This basis does not record disbursements of investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2020 follows:

<b>2020 Budgeted vs. Actual Receipts</b>		
Budgeted Receipts	Actual Receipts	Variance
\$573,100	\$652,075	\$78,975
<b>2018 Budgeted vs. Actual Budgetary Basis Disbursements</b>		
Appropriation Authority	Budgetary Disbursements	Variance
\$736,750	\$614,256	\$122,494

**4. DEPOSITS**

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

	<b><u>2020</u></b>
Demand deposits	\$607,783
Certificate of Deposit	<u>14,042</u>
Total	<u>\$621,825</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**5. RISK MANAGEMENT**

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**5. RISK MANAGEMENT (Continued)**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>11,329,011</u> )
Members' Equity	<u>\$ 4,591,493</u>

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

**6. DEFINED BENEFIT PENSION PLAN**

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan's retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

The Ohio Revised Code also prescribes contribution rates. For 2020, OPERS members contributed 10% of their gross salaries and the District contributed 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2020.

**7. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**8. DEBT**

Debt outstanding at December 31, 2020 was as follows:

	Principal	Interest Rate
Series 1993 Revenue Bonds - USDA	\$1,381,000	5.00%
Series 1995 Revenue Bonds - USDA	233,000	4.50%
Series 1998 Revenue Bonds - USDA	132,000	4.50%
Ohio Water Development Authority Loan	292,696	2.17%
Ohio Water Development Authority Loan	<u>44,021</u>	1.95%
Ohio Public Works Loan	<u>208,277</u>	0.0%
Total	<u>\$2,290,994</u>	

The outstanding bonds were issued for 40 years. Principal and interest payments are due each year on September 1 for the Series 1993 and Series 1995 bonds. Principal and interest payments are due each year on December 1 for the Series 1998 bonds. Proceeds from the bonds were used for sewer construction. Property and revenue of the District have been pledged to repay the debt.

The mortgage revenue bond covenant requires the District to establish and fund a debt service reserve fund, included as a debt service fund. The balance in the fund at December 31, 2020 is \$183,472.

The District obtained a loan from the Ohio Water Development Authority in 2011. The District ultimately borrowed \$392,612 for the treatment plant upgrade project. The terms of the loan are semiannual payments of \$8,150 for 30 years at a 1.5% rate. Property and revenue of the District have been pledged to repay the debt.

The District obtained a loan from the Ohio Water Development Authority in 2019 for sewer collection / I&I improvements - design. The District has borrowed \$44,021 to date. The project is ongoing.

The District obtained a loan from the Ohio Public Works Commission in 2016. The District borrowed \$225,164 for the treatment plant lagoon upgrades. The terms of the loan are semiannual payments beginning in 2019 of \$5,629 for 20 years at a 0.0% rate. Property and revenue of the District have been pledged to repay the debt.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020

**8. DEBT (Continued)**

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

Year Ending December 31 <sup>st</sup>	USDA Series 1993 Revenue Bonds	USDA Series 1995 Revenue Bonds	USDA Series 1998 Revenue Bonds	OWDA #5788	OPWC #CR09T
2021	\$146,595	\$21,753	\$10,679	\$16,300	\$11,258
2022	146,595	21,753	10,679	16,300	11,258
2023	146,595	21,753	10,679	16,300	11,258
2024	146,595	21,753	10,679	16,300	11,258
2025	146,595	21,753	10,679	16,300	11,258
2026-2030	728,475	108,765	53,395	8,1500	56,290
2031-2035	435,285	108,765	53,395	81,500	56,290
2036-2040	-	-	40,720	81,500	39,407
2041-2042	-	-	-	24,450	-
<b>TOTALS</b>	<b>\$1,896,735</b>	<b>\$326,295</b>	<b>\$200,905</b>	<b>\$350,450</b>	<b>\$208,277</b>

**9. CONTINGENT LIABILITIES**

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

**10. RELATED PARTY TRANSACTIONS**

A Board member is owner of a company from which the District purchased lumber and other supplies during the audit period. The District paid \$1,939 for the supplies purchased during 2020.

**11. COVID 19**

The United States and State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state cannot be estimated.



**Trimble Township Wastewater Treatment District**  
*Athens County*  
*Statement of Receipts, Disbursements*  
*and Changes in Fund Balance (Regulatory Cash Basis)*  
*For the Year Ended December 31, 2019*

<b>Operating Cash Receipts</b>	
Charges for Services	\$ 551,904
<i>Total Operating Cash Receipts</i>	<u>551,904</u>
<b>Operating Cash Disbursements</b>	
Personal Services	216,171
Utilities	57,773
Transportation	5,024
Purchased and Other Contractual Services	38,366
Supplies and Materials	23,058
Miscellaneous	674
<i>Total Operating Cash Disbursements</i>	<u>341,066</u>
<i>Operating Income/(Loss)</i>	210,838
<b>Non-Operating Cash Receipts</b>	
Miscellaneous	14,977
Interest	3,455
<i>Total Non-Operating Cash Receipts</i>	<u>18,432</u>
<b>Non-Operating Cash Disbursements</b>	
Debt Service:	
Principal	108,860
Interest and other fiscal charges	98,818
<i>Total Non-Operating Cash Disbursements</i>	<u>207,678</u>
<i>Net Receipts Over/(Under) Disbursements</i>	21,592
Cash Balances, January 1	<u>562,414</u>
<i>Cash Balances, December 31</i>	<u><u>\$ 584,006</u></u>

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

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**1. REPORTING ENTITY**

The Trimble Township Waste Water Treatment District, Athens County, Ohio (the District), is a regional sewer district organized under Ohio Revised Code Chapter 6119, by the Athens County Common Pleas Court on October 3, 1986. The District operates under the direction of an eight-member Board of Trustees whose membership is composed of two appointments from each of the participating subdivisions. The membership elects a President, Vice-President and a Secretary-Treasurer, who are responsible for fiscal control of the financial resources of the District.

The District was established to provide a modern, efficient, and effective wastewater treatment system to promote the general health safety of the citizens of the District and to make economic development in the area more feasible. The District services all or parts of the following political subdivisions:

- Village of Trimble
- Village of Jacksonville
- Village of Glouster
- Trimble Township

**Public Entity Risk Pools**

The District participates in the Ohio Plan Risk Management, Inc. Note 5 to the financial statements provides additional information on this risk pool.

The District's management believes this financial statement presents all activities for which the District is financially accountable.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The District's financial statements consist of a statement of receipts, disbursements and changes in fund balance (regulatory cash basis).

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Accounting**

This financial statement follows the accounting basis permitted by financial reporting provision of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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).

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**Budgetary Process**

The Ohio Revised Code requires the Board to budget annually.

**Appropriations** Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function and object level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). Appropriations lapse at year end.

**Estimated Resources** Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1.

**Encumbrances** The Ohio Revised Code requires the District to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

**Deposits and Investments** The District's accounting basis includes investment as assets. This basis does not record disbursements of investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**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.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2019 follows:

<b>2019 Budgeted vs. Actual Receipts</b>		
Budgeted Receipts	Actual Receipts	Variance
\$550,100	\$570,336	\$20,236
<b>2019 Budgeted vs. Actual Budgetary Basis Disbursements</b>		
Appropriation Authority	Budgetary Disbursements	Variance
\$612,500	\$548,744	\$63,756

**4. DEPOSITS**

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

<b><u>2019</u></b>	
Demand deposits	\$570,104
Certificate of Deposit	<u>13,902</u>
 Total	 <u>\$584,006</u>

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**5. RISK MANAGEMENT**

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. The OPRM is also participated in a property primary excess of loss treaty. This treaty reimbursed the OPRM 30% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2018, the OPRM the property retention remained unchanged, however, the Plan assumed 100% of the first \$250,000 casualty treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. Effective November 1, 2019, the OPRM's property retention increased from 30% to 33%, while the casualty treaty remains unchanged and still assumes 100% of the first \$250,000 casualty treaty. OPRM had 776 members as of December 31, 2019.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**5. RISK MANAGEMENT (Continued)**

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2019.

Assets	\$ 15,920,504
Liabilities	<u>( 11,329,011)</u>
Members' Equity	<u>\$ 4,591,493</u>

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

**6. DEFINED BENEFIT PENSION PLAN**

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes the Plan's retirement benefits, including postretirement healthcare and survivor and disability benefits to participants.

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10% of their gross salaries and the District contributed 14% of participants' gross salaries. The District has paid all contributions required through December 31, 2019.

**7. POSTEMPLOYMENT BENEFITS**

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0% during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**8. DEBT**

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
Series 1993 Revenue Bonds - USDA	\$1,455,000	5.00%
Series 1995 Revenue Bonds - USDA	244,000	4.50%
Series 1998 Revenue Bonds - USDA	137,000	4.50%
Ohio Water Development Authority Loan	304,472	2.17%
Ohio Public Works Loan	<u>213,906</u>	0.0%
Total	<u>\$2,354,378</u>	

The outstanding bonds were issued for 40 years. Principal and interest payments are due each year on September 1 for the Series 1993 and Series 1995 bonds. Principal and interest payments are due each year on December 1 for the Series 1998 bonds. Proceeds from the bonds were used for sewer construction. Property and revenue of the District have been pledged to repay the debt.

The mortgage revenue bond covenant requires the District to establish and fund a debt service reserve fund, included as a debt service fund. The balance in the fund at December 31, 2020 is \$183,472.

The District obtained a loan from the Ohio Water Development Authority in 2011. The District ultimately borrowed \$392,612 for the treatment plant upgrade project. The terms of the loan are semiannual payments of \$8,150 for 30 years at a 1.5% rate. Property and revenue of the District have been pledged to repay the debt.

The District obtained a loan from the Ohio Public Works Commission in 2016. The District borrowed \$225,164 for the treatment plant lagoon upgrades. The terms of the loan are semiannual payments beginning in 2019 of \$5,629 for 20 years at a 0.0% rate. Property and revenue of the District have been pledged to repay the debt.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT  
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2019

**8. DEBT (Continued)**

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

Year Ending December 31 <sup>st</sup>	USDA Series 1993 Revenue Bonds	USDA Series 1995 Revenue Bonds	USDA Series 1998 Revenue Bonds	OWDA #5788	OPWC #CR09T
2020	\$ 146,595	\$ 21,753	\$ 10,679	\$ 16,300	\$ 11,258
2021	146,595	21,753	10,679	16,300	11,258
2022	146,595	21,753	10,679	16,300	11,258
2023	146,595	21,753	10,679	16,300	11,258
2024	146,595	21,753	10,679	16,300	11,258
2025-2029	728,475	108,765	53,395	8,1500	56,290
2030-2034	581,880	108,765	53,395	81,500	56,290
2035-2039	-	21,477	51,399	81,500	45,036
2040-2042	-	-	-	40,750	-
<b>TOTALS</b>	<b>\$2,043,330</b>	<b>\$347,772</b>	<b>\$211,584</b>	<b>\$366,750</b>	<b>\$213,906</b>

**9. CONTINGENT LIABILITIES**

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

**10. RELATED PARTY TRANSACTIONS**

A Board member is owner of a company from which the District purchased lumber and other supplies during the audit period. The District paid \$2,318 for the supplies purchased during 2019.

**11. COVID 19**

The United States and State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the District. In addition, the impact on the District's future operating costs, revenues, and additional recovery from emergency funding, either federal or state cannot be estimated.



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

Trimble Township Wastewater Treatment District  
Athens County  
P.O. Box 278  
Jacksonville, Ohio 45740-0278

To the Board of Trustees:

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 cash balances, receipts and disbursement for the proprietary fund type, as of and for the years ended December 31, 2020 and 2019, and related notes of the Trimble Township Wastewater Treatment District, Athens County, (the District) and have issued our report thereon dated April 20, 2021, wherein we noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the District.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings that we consider to be material weaknesses. We consider finding 2020-001 and 2020-002 to be material weaknesses.

***Compliance and Other Matters***

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

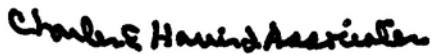
We also noted certain other matters not requiring inclusion in this report that we reported to management in a separate letter April 20, 2021.

***Entity's Responses to Findings***

The District's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan. We did not audit the District's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

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



***Charles E. Harris and Associates, Inc.***  
April 20, 2021

TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT  
ATHENS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2020 AND 2019

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

**FINDING NUMBER 2020-001**  
**Material Weakness**

**Incorrect Financial Statement Presentation**

The District is responsible for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Due to lack of adequate controls over financial reporting, material misstatements were noted in the District's financial statements and notes. The District chose to refile their Hinkle reports for 2020 and 2019.

- Miscellaneous receipts were included with charges for services.
- Capital outlay was included with purchased services and supplies and materials.
- The 2020 Hinkle Filing did not include a financial statement.
- Debt Service amounts were not allocated correctly between principal and interest.

The financial statements and notes have been adjusted and reclassified to present the accounting information correctly and the District refiled both years with the Hinkle System.

We recommend that the District develop and implement policies and procedures to ensure that financial statements and notes include all transactions and are accurately prepared. The District should refer to the Ohio Administrative Code and other Auditor of State guidance.

**Official's Response:**

See Corrective Action Plan.

**FINDING NUMBER 2020-002**  
**Material Weakness**

**Bank Reconciliation**

As an established control procedure, the Fiscal Officer performs bank to book reconciliations on a monthly basis. As part of the bank reconciliation, all differences between the balance appearing in the Fund History report and the balance of in the reconciliation should be accounted for. Numerous errors were found in the December 2020 reconciling items, which caused variances to the Fund History report. This reconciliation was not signed off by the Board as being accurate.

We recommend the Fiscal Officer investigate all differences in the bank reconciliation. Also, the Board should actively review all bank reconciliations for accuracy and require investigation of any variances. The December 2020 bank reconciliation was corrected to balance to the Fund History report.

**Official's Response:**

See Corrective Action Plan.

TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT  
ATHENS COUNTY  
For the Years Ended December 31, 2020 and 2019

SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management

FINDING NUMBER	FUNDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2018-001	District bank reconciliations were not accurate.	Not corrected.	See finding 2020-002.

TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT  
ATHENS COUNTY

CORRECTIVE ACTION PLAN – Prepared by Management  
December 31, 2020 and 2019

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2020-001	The District Fiscal Officer will implement procedures to ensure the correct and accurate preparation of the annual Hinkle Report and its timely filing.	Immediately	Melissa Congrove Fiscal Officer
2020-002	District Fiscal Officer will accurately and promptly prepare the monthly bank reconciliation and agree it to the month end Fund History Report.	Immediately	Melissa Congrove Fiscal Officer

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# OHIO AUDITOR OF STATE KEITH FABER



**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT**

**ATHENS COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 6/17/2021**

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

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