



Dave Yost • Auditor of State

VILLAGE OF TRIMBLE
ATHENS COUNTY

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Dave Yost • Auditor of State

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

To the Village Council:

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

December 18, 2012

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Trimble, Athens County, Ohio (the Village), as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position for the years then ended.

The Village did not provide adequate supporting documentation for fines, licenses and permits receipts to allow us to determine the completeness of fines, licenses and permits receipts recorded in the General Fund in 2011 and in the Fiduciary Fund Type in 2011 and 2010, nor were we able to satisfy ourselves as to the completeness of those receipts by other auditing procedures. These fines, licenses and permits receipts represent 7.4 percent of receipts of the General Fund for the year ended December 31, 2011 and 100 percent of receipts of the Fiduciary Fund Type for the years ended December 31, 2011 and 2010.

Because of the significance of fines 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 year ended December 31, 2011 and 2010.

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 2010 fines, licenses and permits receipts in the General Fund, the combined fund cash balances as of December 31, 2011 and 2010, of the Village of Trimble, Athens County, Ohio, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As discussed in Note 10 to the financial statements, the Village has suffered recurring losses from operations and had a General Fund deficiency at December 31, 2011. Note 10 describes management's plans regarding these matters. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As described in Note 2, during 2011 the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2012, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Dave Yost
Auditor of State

December 18, 2012

**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, 2011**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts			
Property and Other Local Taxes	\$15,700	\$15,425	\$31,125
Intergovernmental	13,473	22,289	35,762
Special Assessments	1,506		1,506
Fines, Licenses and Permits	3,608		3,608
Miscellaneous	15,348		15,348
<i>Total Cash Receipts</i>	<u>49,635</u>	<u>37,714</u>	<u>87,349</u>
Cash Disbursements			
Current:			
Security of Persons and Property	8,725		8,725
Basic Utility Services	4,498		4,498
Transportation		20,133	20,133
General Government	46,816	405	47,221
Debt Service:			
Principal Retirement	25,267		25,267
Interest and Fiscal Charges	1,106		1,106
<i>Total Cash Disbursements</i>	<u>86,412</u>	<u>20,538</u>	<u>106,950</u>
<i>Excess of Cash Receipts Over (Under) Cash Disbursements</i>	<u>(36,777)</u>	<u>17,176</u>	<u>(19,601)</u>
Other Financing Receipts (Disbursements)			
Sale of Notes	21,967		21,967
<i>Total Other Financing Receipts (Disbursements)</i>	<u>21,967</u>	<u>0</u>	<u>21,967</u>
<i>Net Change in Fund Cash Balances</i>	(14,810)	17,176	2,366
<i>Fund Cash Balances, January 1</i>	<u>(83,366)</u>	<u>44,952</u>	<u>(38,414)</u>
Fund Cash Balances, December 31			
Nonspendable			0
Restricted		62,128	62,128
Unassigned (Deficit)	(98,176)		(98,176)
Fund Cash Balances, December 31	<u>(\$98,176)</u>	<u>\$62,128</u>	<u>(\$36,048)</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, 2011**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts			
Charges for Services	\$78,675		\$78,675
Miscellaneous	8050		8,050
<i>Total Operating Cash Receipts</i>	<u>86,725</u>	<u>\$0</u>	<u>86,725</u>
Operating Cash Disbursements			
Personal Services	16,908		16,908
Contractual Services	3,365		3,365
Supplies and Materials	50,202		50,202
Other	12,800		12,800
<i>Total Operating Cash Disbursements</i>	<u>83,275</u>	<u>0</u>	<u>83,275</u>
<i>Operating Income (Loss)</i>	<u>3,450</u>	<u>0</u>	<u>3,450</u>
Non-Operating Receipts (Disbursements)			
Other Financing Sources		3,073	3,073
Other Financing Uses		(4,233)	(4,233)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>0</u>	<u>(1,160)</u>	<u>(1,160)</u>
Net Change in Fund Cash Balances	3,450	(1,160)	2,290
Fund Cash Balances, January 1	61,990	1,310	63,300
Fund Cash Balances, December 31	<u>\$65,440</u>	<u>\$150</u>	<u>\$65,590</u>

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property and Local Taxes	\$15,079	\$14,063	\$29,142
Intergovernmental	14,361	23,416	37,777
Special Assessments	2,741		2,741
Charges for Services	800		800
Fines, Licenses and Permits	333		333
Earnings on Investments	103		103
Miscellaneous	1,676	225	1,901
	<u>35,093</u>	<u>37,704</u>	<u>72,797</u>
Total Cash Receipts			
	<u>35,093</u>	<u>37,704</u>	<u>72,797</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	13,442		13,442
Basic Utility Service	5,290		5,290
Transportation		16,211	16,211
General Government	66,845	440	67,285
Debt Service:			
Redemption of Principal	2,818		2,818
	<u>88,395</u>	<u>16,651</u>	<u>105,046</u>
Total Cash Disbursements			
	<u>88,395</u>	<u>16,651</u>	<u>105,046</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(53,302)</u>	<u>21,053</u>	<u>(32,249)</u>
Other Financing Receipts / (Disbursements):			
Proceeds from Sale of Public Debt:			
Sale of Notes	25,000		25,000
	<u>25,000</u>		<u>25,000</u>
Total Other Financing Receipts / (Disbursements)	<u>25,000</u>	<u>0</u>	<u>25,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(28,302)</u>	<u>21,053</u>	<u>(7,249)</u>
Fund Cash Balances, January 1	<u>(55,064)</u>	<u>23,899</u>	<u>(31,165)</u>
Fund Cash Balances, December 31	<u>(\$83,366)</u>	<u>\$44,952</u>	<u>(\$38,414)</u>

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$77,692		\$77,692
Total Operating Cash Receipts	<u>77,692</u>	<u>\$0</u>	<u>77,692</u>
Operating Cash Disbursements:			
Personal Services	18,910		18,910
Contractual Services	2,018		2,018
Supplies and Materials	41,392		41,392
Other	6,290		6,290
Total Operating Cash Disbursements	<u>68,610</u>	<u>0</u>	<u>68,610</u>
Operating Income/(Loss)	<u>9,082</u>	<u>0</u>	<u>9,082</u>
Non-Operating Receipts (Disbursements)			
Other Financing Sources		1,667	1,667
Other Financing Uses		(357)	(357)
Total Non-Operating Cash Receipts	<u>0</u>	<u>1,310</u>	<u>1,310</u>
Net Receipts Over/(Under) Disbursements	9,082	1,310	10,392
Fund Cash Balances, January 1	<u>52,908</u>	<u>0</u>	<u>52,908</u>
Fund Cash Balances, December 31	<u>\$61,990</u>	<u>\$1,310</u>	<u>\$63,300</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, 2011 AND 2010**

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 utility services and street light services. The Village contracts with the Village of Glouster for fire protection. The Village contracts with the Village of Jacksonville for police and fire protection services.

The Village participates in one 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 service.

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 and STAR Ohio (the State Treasurer's investment pool). Interest earned is recognized and recorded when received.

D. Fund Accounting

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

1. General Fund

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

2. Special Revenue Funds

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

State Highway Fund - This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

Permanent Improvement Fund - This fund receives money from a tax levy approved by the voters to provide permanent improvements.

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 Fund:

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

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 had the following significant Agency Fund:

Mayor's Court Fund - This fund accounts for the financial activity of the Mayor's Court.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process (Continued)

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 2011 and 2010 budgetary activity appears in Note 3.

F. Fund Balance

For December 31, 2011, fund balance can be 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.

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.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

1. Summary of Significant Accounting Policies (Continued)

F. Fund Balance (Continued)

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. Change in Accounting Principle

For fiscal year 2011, the Village implemented Governmental Accounting Standards Board (GASB) Statement No. 54. Implementing GASB Statement No. 54 had no effect on fund balances previously reported.

3. 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:

	2011	2010
Demand deposits	\$29,542	\$24,886

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

4. Budgetary Activity

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$71,602	\$71,602
Special Revenue	0	37,714	37,714
Enterprise	0	86,725	86,725
Total	\$0	\$196,041	\$196,041

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

4. Budgetary Activity (Continued)

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$86,412	(\$86,412)
Special Revenue	0	20,538	(20,538)
Enterprise	0	83,275	(83,275)
Total	<u>\$0</u>	<u>\$190,225</u>	<u>(\$190,225)</u>

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$60,093	\$60,093
Special Revenue	0	37,704	37,704
Enterprise	0	77,692	77,692
Total	<u>\$0</u>	<u>\$175,489</u>	<u>\$175,489</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$88,395	(\$88,395)
Special Revenue	0	16,651	(16,651)
Enterprise	0	68,610	(68,610)
Total	<u>\$0</u>	<u>\$173,656</u>	<u>(\$173,656)</u>

Contrary to Ohio law, at December 31, 2011 and 2010, the General Fund had a cash deficit balance of \$98,176 and \$83,367, 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, 2011 and 2010.

5. 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.

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

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

6. Debt

Debt outstanding at December 31, 2011, was as follows:

	Principal	Interest Rate
Operating Loan	\$19,867	4.99%

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.

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

Year ending December 31:	Operating Loan
2012	\$22,057
Total	\$22,057

7. 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 includes postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

8. Risk Management

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

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

9. Jointly Governed Organization

Trimble Township Wastewater Treatment District - The Trimble Township Wastewater Treatment District is a regional sewer District organized under Chapter 6119 of the Ohio Revised Code. The Village operated 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.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010
(Continued)**

10. Deficit Fund Balance

The Village had a deficit fund balance of \$98,176 in the General Fund as of December 31, 2011. 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.

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Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' 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 the financial statements of the Village of Trimble, Athens County Ohio (the Village), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated December 18, 2012, wherein we noted the Village is experiencing financial difficulties, followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America and has adopted Governmental Accounting Standards Board Statement No. 54 for 2011. We qualified our opinion on the 2011 fines, licenses and permits receipts of the General Fund because we were unable to satisfy ourselves to the completeness of the receipts. We also disclaimed an opinion on the 2011 and 2010 Fiduciary Fund Type statement because we were unable to satisfy ourselves regarding the completeness of fine receipts. Except as previously described for the Fiduciary Fund Type, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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 deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and timely corrected. We consider Findings 2011-08 through 2011-11 described in the accompanying Schedule of Findings to be material weaknesses.

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. We consider Findings 2011-12 and 2011-13 described in the accompanying Schedule of Findings to be significant deficiencies.

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, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards*, which are described in the accompanying Schedule of Findings as items 2011-01 through 2011-08.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated December 18, 2012.

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

We intend this report solely for the information and use of management, the Village Council, and others within the Village. We intend it for no one other than these specified parties.



Dave Yost
Auditor of State

December 18, 2012

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2011-01

Finding for Recovery

Ohio Rev. Code Section 731.13 states in part the legislative authority of a village shall fix the compensation and bonds of all officers, clerks, and employees of the village, except where otherwise provided by law. This Section also requires the legislative authority to fix the compensation of elective officers and prohibits in-term increases and decreases in compensation.

The salary for the Village Fiscal Officer was set at \$700 per month. During the month of January 2010, Fiscal Officer Debra Berry cashed additional checks written to her. Council did not approve these additional payments and Ms. Berry could not otherwise justify the additional payments. The payments were as follows:

Checks written on January 4, 2010 in the amount of \$283.25 and on January 29, 2010 in the amount of \$572.99, for a total overpayment of \$856.24.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.13, a finding for recovery is hereby issued for public monies illegally expended against Debra Berry, former Village Fiscal Officer, in the amount of \$856, in favor of the Village's General Fund.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

FINDING NUMBER 2011-02

Noncompliance Citation

Ohio Rev. Code Section 117.38 states, in part, each public office shall file a financial report for each fiscal year. The report shall be filed with the auditor of state within 60 days after the close of the fiscal year. Also, the public office must publish notice in a local newspaper stating that the financial report is available for public inspection at the office of the chief fiscal officer.

The Village did not file the 2010 and 2011 financial reports with the Auditor of State within the 60 days, nor did the Village publish notice of the availability of the financial report in the local newspaper.

We recommend the Village file their annual financial report with the Auditor of State within 60 days as required and publish notice in a local newspaper that the annual financial report is available for public inspection.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-03

Noncompliance Citation

Ohio Rev. Code Section 705.27 states that the treasurer, auditor, and such other officers or employees of the municipal corporation as the legislative authority directs, shall give a bond to the municipal corporation for the faithful performance of their duties, in such sum as the legislative authority fixes by ordinance or resolution. Premiums on official bonds may be paid by the municipal corporation.

The Village Fiscal Officer, Mayor, Council President and employees of the Village were not bonded during the audit period. This could result in significant, unrecoverable losses by the Village.

We recommend the Village establish procedures to ensure the appropriate Village officials and employees are bonded.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

FINDING NUMBER 2011-04

Noncompliance Citation

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 pay the monies collected into the Village on the first Monday of the following month for five months out of six months with activity in 2010 and eight months out of eight months with activity in 2011.

We recommend the Clerk of the Mayor's Court 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.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-05

Noncompliance Citation

Ohio Rev. Code Section 5705.36(A)(1) states 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 2010 or 2011. This resulted in noncompliance, as well as a lack of monitoring by the Board.

We recommend the Village certify to the County Auditor the total amount from all sources available for expenditures from each fund.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

FINDING NUMBER 2011-06

Noncompliance Citation

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 2010. The Village adopted a Temporary Appropriation Resolution on December 31, 2010 for 2011 but did not pass a Permanent Appropriation Resolution. As a result, all expenditures from January 2, 2010 through December 31, 2010 and from April 1, 2011 through December 31, 2011 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.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-07

Noncompliance Citation

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

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

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the 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 properly certify expenditures during 2010 and 2011 and there was no evidence that 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.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-07 (Continued)

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

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that 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.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

FINDING NUMBER 2011-08

Noncompliance and Material Weakness

Ohio Admin. Code Section 117-2-02(A) requires public offices to 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. Per Ohio Admin. Code Section 117-2-02(D), accounting records that can help achieve these objectives include:

1. Cash journal, which typically includes the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
2. Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund.
3. Appropriation ledger, which assembles and classifies disbursements into separate accounts, for at a minimum, each account listed in the appropriation resolution.

In addition, all local public offices should maintain or provide a report similar to the following payroll records:

- W-2's, W-4's and other withholding records and authorizations.
- Payroll journal that records, assembles and classifies by pay period the name of employee, social security number, hours worked, wage rates, pay date, withholdings by type, net pay, and other compensation paid to an employee (such as a termination payment), and the fund and account charged for the payments.
- Check register that includes, in numerical sequence, the check number, payee, net amount, and the date.
- Information regarding nonmonetary benefits such as car usage and life insurance.
- Information, by employee, regarding leave balances and usage.

Using these accounting records will provide the Village with information required to monitor compliance with the budget and prepare annual reports in the format required by the Auditor of State.

Even though the Village Fiscal Officer maintained a cashbook, receipt register, and check register, the Fiscal Officer did not include dates for individual transactions, and did not specify the line item to which the transaction was to be posted. In addition, we noted amounts that cleared the bank, and were included in the cashbook, but were not included in the receipt register or check register.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-08 (Continued)

Noncompliance and Material Weakness – Ohio Admin. Code Section 117-2-02(A) (Continued)

We recommend the Village Fiscal Officer maintain receipt and check registers which include all necessary information, in order to accurately prepare the annual financial report.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

FINDING NUMBER 2011-09

Material Weakness - Monitoring

The Village Fiscal Officer presented a list of bills and a Treasurer's report monthly; however, the report only showed total receipts and expenditures. The Fiscal Officer performed monthly reconciliations; however, there was no documentation supporting the Village Council review of monthly bank reconciliations. The lack 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 Village Fiscal Officer. We recommend that the Fiscal Officer provide a detailed budget and financial statements, cash balances, and checks paid, and completed bank reconciliations for each regular Council meeting. The review of this information should be noted in the minutes of the meetings of the Council.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-10

Material Weakness – Mayor’s Court

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 2010 and 2011, which increased the risk that transactions recorded in the Mayor’s Court were not accurate or complete:

- Receipts posted to the cashbook were not classified, did not include a receipt number, and did not include a case number. No disbursements were posted to the cashbook.
- The disposition of each traffic case was not documented on the back of the white copy of the traffic ticket.
- The disposition of each case was not always documented on the court docket.
- Bank reconciliations were performed monthly; however, there was no indication of review and approval by the Mayor.

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

- All citations issued by the Village of Jacksonville police department on behalf of the Village of Trimble were entered into the Village of Trimble’s Mayor’s Court records;
- All costs due to the State of Ohio were properly collected and remitted; and
- Fines charged agree to the Village’s fine schedule.

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

- Assign a sequential case number to each case file and write the case number on the outside of each case file and require the Village of Jacksonville police department to provide a ledger of all tickets issued, void and unused.
- Issue a duplicate receipt for all receipts.
- When posting a receipt to the cashbook, include the receipt number, case number, and classify the receipt. Include disbursements on the cashbook and a cash balance at the end of each month.
- Post the disposition of each traffic offense to the back of the white copy of each ticket.
- Post the disposition of each case to the court docket.
- Bank Reconciliations be presented to the Mayor for his review and should indicate his approval.

Official’s Response: We are implementing procedures to correct deficiencies in our reporting.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2011-11

Material Weakness – Financial Statement Adjustments

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. The following items were noted:

2010:

- In the General Fund, the Village misclassified Taxes as Intergovernmental Receipts in the amount of \$2,646 and also posted \$25,000 in debt proceeds as Miscellaneous Receipts. Additionally, \$1,132 in various receipts were not properly posted to the General Fund. General Fund expenditures in the amount of \$9,551 were incorrectly posted to the various restricted funds.
- In the Street Construction, Maintenance and Repair Fund, the Village incorrectly posted General Fund Taxes as Intergovernmental Receipts in the amount of \$541 and also misclassified \$5,169 in Transportation expenditures as Supplies and Materials.
- In the State Highway Fund, the Village incorrectly posted General Fund Taxes as Intergovernmental Receipts in the amount of \$41 and also misclassified \$545 in Transportation expenditures as Supplies and Materials.
- In the Street Levy Fund, the Village incorrectly posted Intergovernmental Receipts as Taxes in the amount of \$1,903 and understated Tax receipts and General Government expenditures by \$199 by posting taxes at net rather than gross and posting receipts incorrectly. The Village also misclassified \$10,330 in Transportation expenditures as \$4,060 to Supplies and Materials and \$6,270.
- In the Permissive Tax Fund, the Village omitted posting Intergovernmental Receipts of \$1,989.
- In the Fire Levy Fund, the Village incorrectly posted Intergovernmental Receipts as Taxes in the amount of \$1,067 and understated tax receipts and General Government expenditures by \$83 by posting taxes at net rather than gross.
- In the Fire Levy Fund, the Village incorrectly posted Intergovernmental Receipts as Taxes in the amount of \$1,067 and understated Tax receipts and General Government expenditures by \$83 by posting taxes at net rather than gross.
- In the Permanent Improvement Fund, the Village incorrectly posted Intergovernmental Receipts as Taxes in the amount of \$2,543 and understated Tax receipts and General Government expenditures by \$192 by posting taxes at net rather than gross. Additionally, the Village posted \$8,642 in General Fund expenditures to this fund.
- In the Water Fund, the Village overstated Charges for Services receipts by posting General Fund fees of \$752 to this fund.

VILLAGE OF TRIMBLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)

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

FINDING NUMBER 2011-11 (Continued)

Material Weakness – Financial Statement Adjustments (Continued)

2011:

- In the General Fund, the Village misclassified Taxes as Intergovernmental and Miscellaneous Receipts in the amounts of \$3,184 and \$694, respectively. The Village also understated Tax receipts and General Government expenditures by \$851 by posting taxes at net rather than gross and omitted posted \$21,067 in debt proceeds relating to a note rollover. Additionally, \$1,132 in various receipts were not properly posted to the General Fund. General Fund expenditures of \$2,547 were incorrectly posted to the various restricted funds. Security of Persons and Property expenditures of \$3,554 were misclassified as General Government and principal and interest payments of \$25,267 and \$1,106, respectively, were not posted.
- In the Street Construction, Maintenance and Repair Fund, the Village incorrectly posted expenditures of \$10,331 as Community Environment, \$1,321 as Supplies and Materials and \$4,855 as General Government rather than as Transportation expenditures.
- In the Street Levy Fund, the Village incorrectly posted Intergovernmental Receipts as Taxes in the amount of \$1,756 and understated Tax receipts and General Government expenditures by \$186 by posting taxes at net rather than gross and posting receipts incorrectly. The Village also incorrectly posted expenditures of \$517 as Community Environment and \$2,590 as General Government rather than as Transportation expenditures.
- In the Permanent Improvement Fund, the Village incorrectly posted Intergovernmental Receipts as Taxes in the amount of \$1,876 and understated Tax receipts and General Government expenditures by \$219 by posting taxes at net rather than gross. Additionally, the Village posted \$6,021 in General Fund expenditures to this fund.

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.

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.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

FINDING NUMBER 2011-12

Significant Deficiency – Electronic Images of Checks

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.

VILLAGE OF TRIMBLE
ATHENS COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)

<p>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</p>
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FINDING NUMBER 2011-12 (Continued)

Significant Deficiency – Electronic Images of Checks (Continued)

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.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

FINDING NUMBER 2011-13

Significant Deficiency – Court Fees

Tickets should be issued in accordance with an approved fine schedule or statute.

The Village follows the Athens County Municipal Court fine schedule; however, 22% of the 2010 fines tested and 72% of the 2011 fines tested did not agree to the formally adopted fine schedule.

We recommend that tickets be issued in accordance with the fine schedule.

Official's Response: We are implementing procedures to correct deficiencies in our reporting.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-001	Ohio Rev. Code Section 731.13: \$61,866 Finding for Recovery against Debra Berry for public monies illegally expended.	No	Not corrected. Repeated in the current audit as Finding 2011-01.
2009-002	Ohio Rev. Code Section 117.38 for not filing the annual financial statements with the AOS by the required date.	No	Not corrected. Repeated in the current audit as Finding 2011-02.
2009-003	Ohio Rev. Code Section 121.22(C) for missing, incomplete and unsigned minutes	No	Partially corrected. Repeated in the current audit in a separate letter to management.
2009-004	Ohio Rev. Code Section 145.47 for not filing and remitting to OPERS in a timely manner.	Yes	NA.
2009-005	Ohio Rev. Code Section 149.351 for damage or destruction of public records.	Yes	NA.
2009-006	Ohio Rev. Code Section 705.27 for officials not being bonded.	No	Not corrected. Repeated in the current audit as Finding 2011-03.
2009-007	Ohio Rev. Code Section 733.27 for the Fiscal Officer.	No	Partially corrected. Repeated in the current audit in a separate letter to management.
2009-008	Ohio Rev. Code Section 733.40 for not filing Mayor's Court reports timely.	No	Not corrected. Repeated in the current audit as Finding 2011-08.
2009-009	Ohio Rev. Code Section 5705.10(H) for negative fund balances.	Yes	NA.
2009-010	Ohio Rev. Code Section 5705.34 for not adopting or certifying the tax levies.	No	Partially corrected. Repeated in the current audit in a separate letter to management.
2009-011	Ohio Rev. Code Section 5705.36(A)(4) for appropriations exceeding actual resources.	Yes	No longer valid since no appropriations were adopted.
2009-012	Ohio Rev. Code Section 5705.41(D)(1) for not encumbering 100% of obligations.	No	Repeated in the current audit as Finding 2011-07.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2011 AND 2010
(Continued)**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2009-013	Ohio Rev. Code Section 117.38 for not filing the annual financial statements with the AOS by the required date.	No	Not corrected. Repeated in the current audit as Finding 2011-02.
2009-014	Ohio Rev. Code Section 5747.07(E) for not remitting state payroll withholdings timely.	Yes	NA.
2009-015	Ohio Admin. Code Section 117-2-02 for not maintaining the required accounting records.	No	Repeated in the current audit as Finding 2011-08.
2009-016	26 USC Section 3403 for not withholding or remitting federal payroll taxes.	Yes	NA.
2009-017	Material Weakness for inadequate monitoring by Council.	No	Not corrected. Repeated in the current audit as Finding 2011-09.
2009-018	Significant Deficiency for not adopting policies relating to the lack of policies over credit cards and Village equipment.	No	Partially corrected. Repeated in the current audit in a separate letter to management.
2009-019	Significant Deficiency for excessive, long-outstanding checks.	Yes	NA.
2009-020	Significant Deficiency for not depositing timely.	No.	Partially corrected. Repeated in the current audit in a separate letter to management.
2009-021	Material Weakness for improper postings.	No	Not corrected. Repeated in the current audit as Finding 2011-10.
2009-022	Significant Deficiency for tickets no following the fine schedule.	No	Not corrected. Repeated in the current audit as Finding 2011-13.
2009-023	Significant Deficiency for not obtaining electronic check images from the bank.	No	Repeated in the current audit as Finding 2011-12.
2009-024	Significant Deficiency for issuing checks out of sequence.	Yes	NA.



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
JANUARY 22, 2013