

***TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2018 & 2017



OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPARepoirt@ohioauditor.gov
(800) 282-0370

Board of Trustees
Trimble Township Wastewater Treatment District
18551 Jacksonville Road
Jacksonville, Ohio 45740

We have reviewed the *Independent Auditor's Report* of the Trimble Township Wastewater Treatment District, Athens County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2017 through December 31, 2018. 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 Township Wastewater Treatment District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

September 26, 2019

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TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY
AUDIT REPORT
For Years Ending December 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

Trimble Township Wastewater Treatment District
Athens County
18551 Jacksonville Road
PO Box 278
Jacksonville, Ohio 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 and related notes of the Trimble Township Wastewater Treatment District, Athens County, (the District) as of and for the years ended December 31, 2018 and 2017.

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 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, 2018 and 2017, 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 and related notes of the Trimble Township Wastewater Treatment District, Athens County as of December 31, 2018 and 2017, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2019, 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.
June 17, 2019

Trimble Township Wastewater Treatment District
Athens County
Statement of Cash Receipts, Cash Disbursements
and Changes in Cash Balance
For the Year Ended December 31, 2018

	<u>2018</u>
Operating Cash Receipts	
Charges for Services	\$ 548,603
Miscellaneous	1,015
<i>Total Operating Cash Receipts</i>	549,618
Operating Cash Disbursements	
Personal Services	216,851
Utilities	62,850
Transportation	4,934
Purchased and Other Contractual Services	30,156
Supplies and Materials	39,907
Miscellaneous	2,953
<i>Total Operating Cash Disbursements</i>	357,651
<i>Operating Income/(Loss)</i>	191,967
Non-Operating Cash Receipts	
Interest	3,454
<i>Total Non-Operating Cash Receipts</i>	3,454
Non-Operating Cash Disbursements	
Debt Service:	
Principal	92,430
Interest and other fiscal charges	102,936
<i>Total Non-Operating Cash Disbursements</i>	195,366
<i>Net Receipts Over/(Under) Disbursements</i>	55
Cash Balances, January 1	562,359
<i>Cash Balances, December 31</i>	\$ 562,414

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, 2018

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, 2018

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 2018 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, 2018

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, 2018 follows:

2018 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$579,625	\$553,072	(\$26,553)
2018 Budgeted vs. Actual Budgetary Basis Disbursements		
Appropriation Authority	Budgetary Disbursements	Variance
\$593,000	\$553,017	\$39,983

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:

<u>2018</u>	
Demand deposits	\$548,625
Certificate of Deposit	<u>13,789</u>
 Total	 <u>\$562,414</u>

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution with securities not in the District's name.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

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. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017 (the latest information available).

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, 2018

5. RISK MANAGEMENT (Continued)

The Pool's audited financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017.

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

You can read the complete audited financial statements for OPRM at the Plan's website, 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 2018, 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, 2018.

7. POSTEMPLOYMENT BENEFITS

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan, which includes multiple health care plans including medical coverage, prescription drug coverage, and 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 members in the traditional pension plan and combined plan was 0 percent during calendar year 2018.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018

8. DEBT

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Series 1993 Revenue Bonds - USDA	\$1,526,000	5.00%
Series 1995 Revenue Bonds - USDA	254,000	4.50%
Series 1998 Revenue Bonds - USDA	142,000	4.50%
Ohio Water Development Authority Loan	316,074	1.50%
Ohio Public Works Loan	<u>225,164</u>	0.0%
Total	<u>\$2,463,238</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, 2018 is \$181,792.

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, 2018

8. DEBT (Continued)

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

Year Ending December 31 st	USDA Series 1993 Revenue Bonds	USDA Series 1995 Revenue Bonds	USDA Series 1998 Revenue Bonds	OWDA #5788	OPWC #CR09T
2019	\$146,595	\$21,753	\$10,679	\$16,300	\$11,258
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
2024-2028	728,475	108,765	53,395	8,1500	56,290
2029-2033	728,475	108,765	53,395	81,500	56,290
2034-2038	-	43,230	53,395	81,500	56,294
2039-2042	-	-	8,683	57,050	-
TOTALS	<u>\$2,189,925</u>	<u>\$369,525</u>	<u>\$222,263</u>	<u>\$383,050</u>	<u>\$225,164</u>

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 \$1,545 for the supplies purchased during 2018.

Trimble Township Wastewater Treatment District
Athens County
Statement of Cash Receipts, Cash Disbursements
and Changes in Cash Balance
For the Year Ended December 31, 2017

	<u>2017</u>
Operating Cash Receipts	
Charges for Services	\$ 539,099
Miscellaneous	51,783
<i>Total Operating Cash Receipts</i>	590,882
Operating Cash Disbursements	
Personal Services	204,484
Utilities	51,192
Transportation	4,807
Purchased and Other Contractual Services	36,769
Supplies and Materials	37,887
Miscellaneous	5,404
<i>Total Operating Cash Disbursements</i>	340,543
<i>Operating Income/(Loss)</i>	250,339
Non-Operating Cash Receipts	
Intergovernmental Revenues	10,434
Interest	1,008
<i>Total Non-Operating Cash Receipts</i>	11,442
Non-Operating Cash Disbursements	
Capital Outlay	10,434
Debt Service:	
Principal	88,261
Interest and other fiscal charges	106,924
<i>Total Non-Operating Cash Disbursements</i>	205,619
<i>Net Receipts Over/(Under) Disbursements</i>	56,162
Cash Balances, January 1	506,197
<i>Cash Balances, December 31</i>	\$ 562,359

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, 2017

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, 2017

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 2017 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, 2017

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, 2017 follows:

2017 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$829,625	\$602,324	(\$227,301)
2017 Budgeted vs. Actual Budgetary Basis Disbursements		
Appropriation Authority	Budgetary Disbursements	Variance
\$863,800	\$546,162	\$317,638

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:

	<u>2017</u>
Demand deposits	\$548,673
Certificate of Deposit	<u>13,686</u>
Total	<u>\$562,359</u>

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution with securities not in the District's name.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

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, 2016, the OPRM retained 50% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. 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. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 members as of December 31, 2017.

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, 2017

5. RISK MANAGEMENT (Continued)

The Pool's audited financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2017.

Assets	\$14,853,620
Liabilities	<u>(9,561,108)</u>
Members' Equity	<u>\$ 5,292,512</u>

You can read the complete audited financial statements for OPRM at the Plan's website, 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 2017, 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, 2017.

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 of both the traditional pension and the combined plans. OPERS contributes 1 percent of the employer contribution to fund these benefits.

TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT
ATHENS COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017

8. DEBT

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
Series 1993 Revenue Bonds - USDA	\$1,593,000	5.00%
Series 1995 Revenue Bonds - USDA	264,000	4.50%
Series 1998 Revenue Bonds - USDA	146,000	4.50%
Ohio Water Development Authority Loan	327,504	1.50%
Ohio Public Works Loan	<u>225,164</u>	0.0%
Total	<u>\$2,555,668</u>	

The prior audit debt note did not include the Ohio Public Works loan.

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, 2017 is \$180,959.

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, 2017

8. DEBT (Continued)

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

Year Ending December 31 st	USDA Series 1993 Revenue Bonds	USDA Series 1995 Revenue Bonds	USDA Series 1998 Revenue Bonds	OWDA #5788	OPWC #CR09T
2018	\$146,595	\$21,753	\$10,679	\$16,350	-
2019	146,595	21,753	10,679	16,350	\$11,258
2020	146,595	21,753	10,679	16,350	11,258
2021	146,595	21,753	10,679	16,350	11,258
2022	146,595	21,753	10,679	16,350	11,258
2023-2027	728,475	108,765	53,395	81,500	56,290
2028-2032	728,475	108,765	53,395	81,500	56,290
2033-2037	142,095	64,983	53,395	81,500	56,290
2038-2042	-	-	19,362	73,400	11,262
TOTALS	<u>\$2,332,020</u>	<u>\$391,278</u>	<u>\$232,942</u>	<u>\$399,400</u>	<u>\$225,164</u>

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 \$2,896 for the supplies purchased during 2017.

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Office phone - (216) 575-1630
Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

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
18551 Jacksonville Road
PO Box 278
Jacksonville, Ohio 45740

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 Trimble Township Wastewater Treatment District, Athens County, (the District) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated June 17, 2019. We noted the District followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permits.

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 a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

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 determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the District's management in a separate letter dated June 17, 2019.

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 communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
June 17, 2019

TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY
For the Years Ended December 31, 2018 and 2017

SCHEDULE OF PRIOR AUDIT FINDINGS – Prepared by Management

FINDING NUMBER	FUNDING SUMMARY	STATUS	ADDITIONAL INFORMATION
2016-001	District bank reconciliations were not accurate.	Corrective action taken and finding is fully corrected.	

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OHIO AUDITOR OF STATE KEITH FABER



TRIMBLE TOWNSHIP WASTE WATER TREATMENT DISTRICT

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
OCTOBER 10, 2019**