



OHIO AUDITOR OF STATE
KEITH FABER



**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Trimble Township Wastewater Treatment District
Athens County
PO Box 278
Jacksonville, Ohio 45740

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Trimble Township Wastewater Treatment District, Athens County, Ohio (the District), which comprises the cash balances, receipts and disbursements for the proprietary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for the proprietary fund type as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2022 and 2021, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of Ohio Revised Code §117.38 and Ohio Administrative Code 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2025, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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.

A handwritten signature in black ink, appearing to read "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 13, 2025

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Trimble Township Wastewater Treatment District
Athens County
Statement of Receipts, Disbursements
And Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended December 31, 2022

Operating Cash Receipts	
Charges for Services	\$605,786
Miscellaneous	19,611
	<hr/>
<i>Total Operating Cash Receipts</i>	<i>625,397</i>
	<hr/>
Operating Cash Disbursements	
Personal Services	228,695
Utilities	57,784
Transportation	2,738
Purchased and Other Contractual Services	40,338
Supplies and Materials	44,330
Miscellaneous	5,562
Capital Outlay	38,184
	<hr/>
<i>Total Operating Cash Disbursements</i>	<i>417,631</i>
	<hr/>
<i>Operating Income/(Loss)</i>	<i>207,766</i>
	<hr/>
Non-Operating Cash Receipts	
Loan Proceeds	25,471
Interest	995
	<hr/>
<i>Total Non-Operating Cash Receipts</i>	<i>26,466</i>
	<hr/>
Non-Operating Cash Disbursements	
Debt Service	
Principal	132,801
Interest	85,021
	<hr/>
<i>Total Non-Operating Cash Disbursements</i>	<i>217,822</i>
	<hr/>
<i>Net Receipts Over/(Under) Disbursements</i>	<i>16,410</i>
	<hr/>
Cash Balances, January 1	651,900
	<hr/>
<i>Cash Balances, December 31</i>	<i>\$668,310</i>
	<hr/> <hr/>

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

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Trimble Township Wastewater Treatment District

Athens County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Trimble Township Wastewater Treatment District, Athens County, Ohio (the District) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of 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 members elect a President, Vice-President, and a Secretary - Treasurer, who are responsible for the 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 general health safety of the citizens of the District and to make economic development in the area more feasible. The District services all of part of the following political subdivisions:

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

Public Entity Risk Pool

The District participates in Ohio Plan Risk Management, Inc. Note 5 to the financial statements provides additional information for this entity. The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The District 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 financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated

Trimble Township Wastewater Treatment District

Athens County

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Continued)

resources. The District must annually approve appropriation measures and subsequent amendments. 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 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$600,100	\$651,863	(\$51,763)

2022 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$746,938	\$635,453	\$111,485

Trimble Township Wastewater Treatment District
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 4 – Deposits and Investments

The District maintains a deposits 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>2022</u>
Demand Deposits	\$654,071
Certificates of deposit	<u>14,239</u>
Total Deposits	<u><u>\$668,310</u></u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the District.

Note 5 – Risk Management

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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$21,662,291
Liabilities	(18,158,351)
Members' Equity	\$3,503,940

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

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Trimble Township Wastewater Treatment District
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

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

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2022.

Note 7 – Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2022.

Note 8 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Series 1993 Revenue Bonds - USDA	\$977,000	5.00%
Series 1993 Revenue Bonds - USDA	\$244,000	5.00%
Series 1995 Revenue Bonds - USDA	\$210,000	4.50%
Series 1998 Revenue Bonds - USDA	\$122,000	4.50%
Ohio Water Development Authority #5788	\$268,608	1.50%
Ohio Water Development Authority #8865	\$59,474	2.17%
Ohio Water Development Authority #8865	\$23,358	1.95%
Ohio Water Development Authority #9921	\$6,796	3.65%
Ohio Public Works Commission	180,132	0.00%
Total	<u><u>\$2,091,368</u></u>	

The 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 December 1 for the Series 1998 bonds. The bonds were for the purpose of providing funds to acquire and construct a public waste water treatment system and pay costs associated.

Trimble Township Wastewater Treatment District

Athens County

Notes to the Financial Statements

For the Year Ended December 31, 2022

(Continued)

The District obtained a loan for the wastewater treatment plant improvements project from the Ohio Water Development Authority (OWDA) in 2012- #5788. The total amount financed at December 31, 2022 was \$392,612 . The terms of the loan are semiannual payments of \$10,670 for 30 years at 1.5% interest rate. Revenue of the District have been pledged to repay the debt.

The District obtained a loan for the sewer collection and improvements project from the Ohio Water Development Authority (OWDA) in 2020- #8865. The total amount financed at December 31, 2022 was \$72,693 at 2.17% and \$25,858 at 1.95%. The term of the loan is 5 years. Revenue of the District have been pledged to repay the debt. The project is incomplete; therefore there is not an amortization schedule yet.

The District obtained a loan for the sewer collection and improvements project from the Ohio Water Development Authority (OWDA) in 2022- #9921. The total amount financed at December 31, 2022 was \$20,439 at 3.65% . The term of the loan is 5 years. Revenue of the District have been pledged to repay the debt. The project is incomplete; therefore there is not an amortization schedule yet.

The District obtained a loan for the wastewater treatment plant lagoon upgrades project from the Ohio Public works Commission (OPWC) in 2018- #CR09T. The total amount financed was \$225,164 at 0%. The term of the loan is 20 years. Revenue of the District have been pledged to repay the debt.

The District maintains an account to ensure funds are available to repay the debt. The balance in the account at December 31, 2022 was \$184,112.

Amortization

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

Year Ending December 31st	USDA Series 1993 Revenue Bonds	USDA Series 1995 Revenue Bonds	USDA Series 1998 Revenue Bonds	OWDA #5788	OPWC #CR09T
2023	\$ 147,050	\$ 21,450	\$ 10,490	\$ 16,300	\$ 11,258
2024	146,750	21,910	11,265	16,300	11,258
2025	147,250	21,325	10,995	16,300	11,258
2026	147,500	21,740	10,725	16,300	11,258
2027	146,500	22,110	10,455	16,300	11,258
2028 - 2032	734,800	108,020	54,730	81,500	56,291
2033 -2037	147,000	65,490	54,685	81,500	56,291
2038 - 2041	0	0	10,450	65,199	11,258
Total	<u>\$ 1,616,850</u>	<u>\$ 282,045</u>	<u>\$ 173,795</u>	<u>\$ 309,699</u>	<u>\$ 180,130</u>

Trimble Township Wastewater Treatment District
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2022
(Continued)

Note 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 grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Related Party Transactions

A Board Member is owner of a company from which the District acquired lumber and other supplies during 2022. The District paid \$5,467 to this company. The Board Member abstained from all votes pertaining to this company.

Note 11 – Subsequent Events

On February 8, 2023, the District approved OWDA loan 10104 for \$93,499. On April 12, 2023 the District approved the amended bid award for dewatering truck of \$473,474. On July 12, 2023 the District received the ARC grant for \$500,000 for the Trimble Township Wastewater System Improvements Project. On January 10, 2024 the District approved change orders for the Lift Station/Infrastructure improvements of \$323,371. On June 12, 2024, the District approved a bid recommendation for Treatment System Improvements of \$219,800 to Downing Construction Co. On September 11, 2024, an EPA Nomination form for WPCLF funding was signed in the amount of \$1,556,450. Further, on November 13, 2024, the District approved pay application #7-Final for \$94,044, which included the final work completed and the release of retainage.

Trimble Township Wastewater Treatment District
Athens County
Statement of Receipts, Disbursements
And Change in Fund Balance (Regulatory Cash Basis)
For the Year Ended December 31, 2021

Operating Cash Receipts	
Charges for Services	\$601,399
Miscellaneous	17,813
<i>Total Operating Cash Receipts</i>	<u>619,212</u>
Operating Cash Disbursements	
Personal Services	275,179
Utilities	50,561
Transportation	3,064
Purchased and Other Contractual Services	40,487
Supplies and Materials	28,675
Miscellaneous	1,984
Capital Outlay	12,386
<i>Total Operating Cash Disbursements</i>	<u>412,336</u>
<i>Operating Income/(Loss)</i>	<u>206,876</u>
Non-Operating Cash Receipts	
Intergovernmental Revenues	7,628
Loan Proceeds	26,514
Interest	870
<i>Total Non-Operating Cash Receipts</i>	<u>35,012</u>
Non-Operating Cash Disbursements	
Debt Service	
Principal	121,992
Interest	89,821
<i>Total Non-Operating Cash Disbursements</i>	<u>211,813</u>
<i>Net Receipts Over/(Under) Disbursements</i>	<u>30,075</u>
Cash Balances, January 1	<u>621,825</u>
<i>Cash Balances, December 31</i>	<u><u>\$651,900</u></u>

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

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Trimble Township Wastewater Treatment District

Athens County

Notes to the Financial Statements

For the Year Ended December 31, 2021

Note 1 – Reporting Entity

The Trimble Township Wastewater Treatment District, Athens County, Ohio (the District) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of 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 members elect a President, Vice-President, and a Secretary - Treasurer, who are responsible for the 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 general health safety of the citizens of the District and to make economic development in the area more feasible. The District services all of part of the following political subdivisions:

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

Public Entity Risk Pool

The District participates in Ohio Plan Risk Management, Inc. Note 5 to the financial statements provides additional information for this entity. The District's management believes these financial statements present all activities for which the District is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The District 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 financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code 117-2-03 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated

Trimble Township Wastewater Treatment District
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

resources. The District must annually approve appropriation measures and subsequent amendments. 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 2021 budgetary activity appears in Note 3.

Deposits and Investments

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

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.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$1,074,750	\$654,224	\$420,526
2021 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$756,950	\$624,149	\$132,801

Trimble Township Wastewater Treatment District
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 4 – Deposits and Investments

The District maintains a deposits 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:

	2021
Demand Deposits	\$637,717
Certificates of deposit	14,183
Total Deposits	<u>\$651,900</u>

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the District.

Note 5 – Risk Management

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.

Effective November 1, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>(15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

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

Trimble Township Wastewater Treatment District
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The District pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

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

Note 6 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the District contributed an amount equaling 14 percent of participants' gross salaries. The District has paid all contributions required through December 31, 2021.

Note 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, 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 2021. The portion of employer contributions allocated to health care for members in the member-directed plan was 4.0 percent during calendar year 2021.

Note 8 – Debt

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Series 1993 Revenue Bonds - USDA	\$1,043,000	5.00%
Series 1993 Revenue Bonds - USDA	\$260,000	5.00%
Series 1995 Revenue Bonds - USDA	\$222,000	4.50%
Series 1998 Revenue Bonds - USDA	\$127,000	4.50%
Ohio Water Development Authority #5788	\$280,742	1.50%
Ohio Water Development Authority #8865	\$42,877	2.17%
Ohio Water Development Authority #8865	\$24,146	1.95%
Ohio Public Works Commission	197,019	0.00%
Total	<u><u>\$2,196,784</u></u>	

Trimble Township Wastewater Treatment District

Athens County

Notes to the Financial Statements

For the Year Ended December 31, 2021

(Continued)

The 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 December 1 for the Series 1998 bonds. The bonds were for the purpose of providing funds to acquire and construct a public waste water treatment system and pay costs associated.

The District obtained a loan for the wastewater treatment plant improvements project from the Ohio Water Development Authority (OWDA) in 2012- #5788. The total amount financed at December 31, 2021 was \$392,612 . The terms of the loan are semiannual payments of \$10,670 for 30 years at 1.5% interest rate. Revenue of the District have been pledged to repay the debt.

The District obtained a loan for the sewer collection and improvements project from the Ohio Water Development Authority (OWDA) in 2020- #8865. The total amount financed at December 31, 2021 was \$71,680 at 2.17% and \$25,396 at 1.95%. The term of the loan is 5 years. Revenue of the District have been pledged to repay the debt. The project is incomplete; therefore there is not an amortization schedule yet.

The District obtained a loan for the wastewater treatment plant lagoon upgrades project from the Ohio Public works Commission (OPWC) in 2018- #CR09T. The total amount financed was \$225,164 at 0%. The term of the loan is 20 years. Revenue of the District have been pledged to repay the debt.

The District maintains an account to ensure funds are available to repay the debt. The balance in the account at December 31, 2021 was \$183,780.

Amortization

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

Year Ending December 31st	USDA Series 1993	USDA Series	USDA	OWDA #5788	OPWC #CR09T
	Revenue Bonds	1995 Revenue Bonds	Series 1998 Revenue Bonds		
2022	\$ 147,150	\$ 21,990	\$ 10,713	\$ 16,300	\$ 11,258
2023	147,050	21,450	10,490	16,300	11,258
2024	146,750	21,910	11,265	16,300	11,258
2025	147,250	21,325	10,995	16,300	11,258
2026	147,500	21,740	10,725	16,300	11,258
2027 - 2031	734,650	108,620	54,305	81,500	56,291
2032 - 2036	293,650	87,000	54,965	81,500	56,291
2037 - 2041	0	0	21,350	81,500	28,145
Total	<u>\$ 1,764,000</u>	<u>\$ 304,035</u>	<u>\$ 184,808</u>	<u>\$ 326,000</u>	<u>\$ 197,017</u>

Trimble Township Wastewater Treatment District
Athens County
Notes to the Financial Statements
For the Year Ended December 31, 2021
(Continued)

Note 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 grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Related Party Transactions

A Board Member is owner of a company from which the District acquired lumber and other supplies during 2021. The District paid \$3,024 to this company. The Board Member abstained from all votes pertaining to this company.

Note 11 – Subsequent Events

On February 8, 2023, the District approved OWDA loan 10104 for \$93,499. On April 12, 2023 the District approved the amended bid award for dewatering truck of \$473,474. On July 12, 2023 the District received the ARC grant for \$500,000 for the Trimble Township Wastewater System Improvements Project. On January 10, 2024 the District approved change orders for the Lift Station/Infrastructure improvements of \$323,371. On June 12, 2024, the District approved a bid recommendation for Treatment System Improvements of \$219,800 to Downing Construction Co. On September 11, 2024, an EPA Nomination form for WPCLF funding was signed in the amount of \$1,556,450. Further, on November 13, 2024, the District approved pay application #7-Final for \$94,044, which included the final work completed and the release of retainage.

OHIO AUDITOR OF STATE KEITH FABER



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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
PO Box 278
Jacksonville, Ohio 45740

To the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for the proprietary fund type as of and for the years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Trimble Township Wastewater Treatment District, Athens County, Ohio (the District) and have issued our report thereon dated February 13, 2025, wherein we noted the District followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. 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 District's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings as items 2022-001 through 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the District's responses to the findings identified in our audit and described in the accompanying Schedule of Findings. The District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

February 13, 2025

**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2022-001

Material Weakness - Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The Treasurer posted certain revenue and expenditures transactions incorrectly resulting in material audit adjustments.

For the year ended December 31, 2022 the following items were noted:

- The amounts presented in the Hinkle System did not agree to the underlying accounting records resulting in a decrease in Miscellaneous disbursements of \$58, an increase to Miscellaneous receipts of \$19,611, an increase in Charges for Services of \$25,746, an increase in Supplies and Materials of \$650, an increase in Personal Services of \$35,048, a decrease in Transportation of \$3, an increase in Purchased and Other Contractual Services of \$32,737, an increase in Utilities of \$141, a decrease in Loan Proceeds of \$181,636, an increase in Interest receipt of \$19, and a decrease in Principal of \$1,748,356.
- The Fund Cash Balances, January 1 did not agree to the 2021 Fund Cash Balances, December 31 resulting in a decrease to Fund Cash Balances, January 1 and Fund Cash Balances, December 31 of \$32,606.
- Debt payments were not properly classified resulting in a decrease in Principal and an increase in Interest disbursements of \$85,021.
- Certain expenditures were improperly classified resulting in a decrease in Utilities of \$457, an increase in Purchased and Other Contractual Services of \$7,601, a decrease in Miscellaneous disbursements of \$1,896, an increase in Personal Service of \$330, a decrease in Supplies and Materials of \$43,762, and an increase in Capital Outlay of \$38,184.

For the year ended December 31, 2021 the following items were noted:

- The amounts presented in the Hinkle System did not agree to the underlying accounting records resulting in an increase to Miscellaneous receipts of \$17,813, an increase in Grant receipts of \$7,628, a decrease in Charges for Services of \$22,811, an increase in Personal Services of \$114,023, an increase in Transportation of \$1,688, a decrease in Purchased and Other Contractual Services of \$6,918, a decrease in Loan Proceeds of \$44,532, a decrease in Interest receipt of \$246, an increase in Principal of 38,278, and a decrease in Interest disbursements of \$5,940.
- Debt payments were not properly classified resulting in a decrease in Principal and an increase in Interest disbursements of \$10,286.
- Certain expenditures were improperly classified resulting in an increase in Purchased and Other Contractual Services of \$25,808, a decrease in Miscellaneous disbursements of \$9,864, a decrease in Personal Service of \$32,090, an increase in Supplies and Materials of \$3,760, and an increase in Capital Outlay of \$12,386.

These misstatements, and other immaterial adjustments which the District opted to post, were caused by confusion over proper posting as well as errors in bank reconciliations and in completing the report for Hinkle filing. As a result, adjustments and reclassifications, with which the District's management agrees, were made to the financial statements and ledgers, and are reflected in the accompanying financial statements.

**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)
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FINDING NUMBER 2022-001 (Continued)

Material Weakness - Financial Reporting (Continued)

The Treasurer should take additional care in posting transactions to the District's ledgers in order to ensure the financial statements reflect the appropriate classifications and transactions. Further, the Treasurer should review the annual report before submitting to the Hinkle System to ensure amounts agree to the underlying ledgers.

Officials' Response: The District is training staff to correct this.

FINDING NUMBER 2022-002

Material Weakness - Budgetary

Sound accounting practices require accurately posting appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the District, and the budget history provides the process by which the District controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the budget history.

The District did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations and/or amendments thereof approved by Board were not properly posted to the accounting system.

- For 2022, the amounts in the District's accounting system appropriations were understated by \$173,405 from the approved amounts.
- For 2021, the amounts in the District's accounting system appropriations were understated by \$34,317 from the approved amounts.

Failure to accurately post the appropriations to the ledgers could result in overspending and negative cash balances.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the District should post to the ledgers, on a timely basis, appropriations approved by the Board. The District should then monitor budget versus actual reports to help ensure appropriations have been properly posted to the ledgers.

Officials' Response: The Treasurer will be more aware of the information she is entering into fund accounting system.

**TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2022 AND 2021
(Continued)**

OTHER – FINDINGS FOR RECOVERY

FINDING NUMBER 2022-003

Finding For Recovery - Resolved Under Audit

Resolution No. 271- Resolution Ratifying Previous Policy for Reimbursement of Health and Medical Costs For Full Time TTWWTD (Trimble Township Wastewater Treatment District) Employees enacted October 11, 2021 ratified the Summary Plan Description for the TTWWTD Health Reimbursement Arrangement Policy. This policy provided, in part, once the employee or family has met the \$2,000 of health plan co-insurance (Co-pays) or deductible, the HRA will pay or reimburse up to \$2,000 per year. For subsequent years, the maximum dollar limit may be changed by the employer and shall be communicated to employees through the Summary Plan Description or another document. Claims submitted more than six months after the date of service will be considered late and will not be eligible for benefits under the HRA plan. If claims submitted within six months of the date of service are denied because HRA funds are depleted, the claims may be resubmitted later when funds become available for a new period of coverage. However, resubmitted claims must be submitted within 18 months of the date of service to be eligible for coverage.

The District issued check 17147 on March 10, 2021 to Revco Solutions for \$919.39 on behalf of Debbie Metcalf for medical services performed December 18, 2017 and September 16, 2018 which were not covered by health insurance. These claims were outside of the allowable time frame for payment by the District per its policy. The District did not maintain any support indicating these claims were originally submitted within the six-month period. Secretary/Treasurer Melissa Congrove controlled the public money used to make the illegal expenditures.

The financial officer of a wastewater district can be held liable for disbursed funds if the fiscal officer has been negligent. R.C. 6119.61.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Debbie Metcalf and Melissa Congrove and The Cincinnati Insurance Companies, jointly and severally, in the amount of \$919.39, and in favor of the Trimble Township Wastewater Treatment District's General Fund, in the amount of \$919.39.

The District has obtained an approved repayment plan for this Finding for Recovery in which Melissa Congrove agrees to pay \$100 per month for eight months starting in January 2025, with final payment of \$119.39 in the ninth month. It was approved on December 31, 2024.

Officials' Response: Melissa Congrove agreed to pay back the \$919.39, she will pay \$100 each month for eight months on the ninth she will pay \$119.39. Melissa has a spreadsheet that she is logging the dates and check number for the payment as well as recording into Trimble Township Wastewater Treatment District receipt book.

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**TRIMBLE TOWNSHIP WASTE WATER
TREATMENT DISTRICT**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2022 AND 2021**

Finding Number	Finding Summary	Status	Additional Information
2020-001	Material Weakness related to material errors in the financial statements filed.	Not Corrected	The District is training staff to correct this.
2020-002	Material Weakness related to the completeness and accuracy of bank reconciliations.	Partially Corrected	The remaining variances identified in the bank reconciliations were minimal. As such, this was not considered to rise to a report level comment for 2022-2021.

OHIO AUDITOR OF STATE KEITH FABER



TRIMBLE TOWNSHIP WASTEWATER TREATMENT DISTRICT

ATHENS COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/4/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov