



**VILLAGE OF TRIMBLE  
ATHENS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1998-1997**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Mayor and Members of 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, 1998 and December 31, 1997. 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 discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

There was insufficient audit evidence to support the Mayor's Court activity, which represents 100% of the receipts and expenditures of the Agency Fund.

In our opinion, except for the Mayor's Court, Agency Fund, upon which we express no opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Trimble, Athens County, as of December 31, 1998 and December 31, 1997, and its combined cash receipts and cash disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 23, 1999, on our consideration of the Villages's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of Village Council, management and other officials authorized to receive this report under Ohio Revised Code § 117.26, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

November 23, 1999



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Taxes	\$21,586	\$15,775	\$37,361
Intergovernmental	11,514	21,410	32,924
Fines, Licenses, and Permits	2,742	0	2,742
Interest	1,576	529	2,105
Miscellaneous	<u>6,863</u>	<u>1,059</u>	<u>7,922</u>
Total Cash Receipts	<u>44,281</u>	<u>38,773</u>	<u>83,054</u>
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	13,441	3,290	16,731
Basic Utility Services	0	6,276	6,276
Transportation	0	24,588	24,588
General Government	<u>20,449</u>	<u>817</u>	<u>21,266</u>
Total Cash Disbursements	<u>33,890</u>	<u>34,971</u>	<u>68,861</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>10,391</u>	<u>3,802</u>	<u>14,193</u>
Fund Cash Balances, January 1	<u>(1,118)</u>	<u>16,786</u>	<u>15,668</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$9,273</u></b>	<b><u>\$20,588</u></b>	<b><u>\$29,861</u></b>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$53,229	\$0	\$53,229
Total Operating Cash Receipts	53,229	0	53,229
<b>Operating Cash Disbursements:</b>			
Personal Services	8,216	0	8,216
Travel Transportation	1,792	0	1,792
Contractual Services	41,669	0	41,669
Supplies and Materials	4,254	0	4,254
Total Operating Cash Disbursements	55,931	0	55,931
Operating Income/(Loss)	(2,702)	0	(2,702)
<b>Nonoperating Cash Receipts:</b>			
Other Nonoperating Receipts	0	3,086	3,086
Total Nonoperating Cash Receipts	0	3,086	3,086
<b>Nonoperating Cash Disbursements:</b>			
Other Nonoperating Cash Disbursements	0	3,302	3,302
Total Nonoperating Cash Disbursements	0	3,302	3,302
Net Receipts Over/(Under) Disbursements	(2,702)	(216)	(2,918)
Fund Cash Balances, January 1	30,768	316	31,084
<b>Fund Cash Balances, December 31</b>	<b><u>\$28,066</u></b>	<b><u>\$100</u></b>	<b><u>\$28,166</u></b>

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



**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts:</b>			
Taxes	\$17,169	\$14,698	\$31,867
Intergovernmental	6,700	44,860	51,560
Fines, Licenses, and Permits	4,507	0	4,507
Interest	571	508	1,079
Miscellaneous	148	20	168
	<u>29,095</u>	<u>60,086</u>	<u>89,181</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Current:			
Security of Persons and Property	8,428	6,105	14,533
Basic Utility Services	0	6,753	6,753
Transportation	0	45,593	45,593
General Government	22,757	316	23,073
	<u>31,185</u>	<u>58,767</u>	<u>89,952</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over/(Under)			
Cash Disbursements	<u>(2,090)</u>	<u>1,319</u>	<u>(771)</u>
Fund Cash Balances, January 1	<u>972</u>	<u>15,467</u>	<u>16,439</u>
<b>Fund Cash Balances, December 31</b>	<b><u>(\$1,118)</u></b>	<b><u>\$16,786</u></b>	<b><u>\$15,668</u></b>

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES  
PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
<b>Operating Cash Receipts:</b>			
Charges for Services	\$52,730	\$0	\$52,730
Miscellaneous	928	0	928
Total Operating Cash Receipts	<u>53,658</u>	<u>0</u>	<u>53,658</u>
<b>Operating Cash Disbursements:</b>			
Personal Services	10,494	0	10,494
Contractual Services	37,113	0	37,113
Supplies and Materials	2,340	0	2,340
Total Operating Cash Disbursements	<u>49,947</u>	<u>0</u>	<u>49,947</u>
Operating Income/(Loss)	<u>3,711</u>	<u>0</u>	<u>3,711</u>
<b>Nonoperating Cash Receipts:</b>			
Other Nonoperating Receipts	0	6,207	6,207
Total Nonoperating Cash Receipts	<u>0</u>	<u>6,207</u>	<u>6,207</u>
<b>Nonoperating Cash Disbursements:</b>			
Other Nonoperating Cash Disbursements	5,712	6,071	11,783
Total Nonoperating Cash Disbursements	<u>5,712</u>	<u>6,071</u>	<u>11,783</u>
Net Receipts Over/(Under) Disbursements	(2,001)	136	(1,865)
Fund Cash Balances, January 1	<u>32,769</u>	<u>180</u>	<u>32,949</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$30,768</u></u></b>	<b><u><u>\$316</u></u></b>	<b><u><u>\$31,084</u></u></b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998-1997**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of Trimble, Athens County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including maintenance of sidewalks and roads, water services, police services and fire protection.

The Village's management believes these financial statements represent all activities for which the Village is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made 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 prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

The Village's certificates of deposit are valued at cost.

**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:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

**Special Revenue Funds**

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

Street Levy Fund - This fund receives tax money to construct, maintain and repair Village streets.

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle license tax money to construct, maintain and repair Village streets.

State Highway Improvement Fund - This fund receives gasoline tax and motor vehicle license tax money to maintain and repair state highways located within the Village.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998-1997**  
**(Continued)**

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

**D. Fund Accounting (Continued)**

Fire Fund - This fund receives levy money to provide fire protection to Village residents.

Permissive Tax Fund - This fund receives additional motor vehicle license tax money for constructing, maintaining and repairing Village streets.

Permanent Improvement Fund - This fund receives tax levy money for the erection and maintenance of street lights.

FEMA Fund - This fund receives federal grant money for the cleanup and repair of Village property destroyed by flooding.

**Enterprise Funds**

These funds are used to account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through users charges. The Village had the following significant Enterprise Fund:

Water Revenue Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

**Fiduciary Funds**

Funds for which the Village is acting in an agency capacity are classified as Agency Funds. The Village had the following significant Agency Fund:

Mayor's Court Fund - This Agency Fund accounts for, and reports, the financial activity of the Mayor's Court of the Village.

**E. Budgetary Process**

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

**Appropriations**

Budgetary expenditures (i.e., disbursements and encumbrances) may not exceed appropriations at the fund, function or object 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.

**Estimated Resources**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998-1997**  
**(Continued)**

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

**E. Budgetary Process (continued)**

**Encumbrances**

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 1998 and 1997 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**2. EQUITY IN POOLED CASH**

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

	1998	1997
Demand Deposits	\$44,866	\$33,591
Certificates of Deposit	13,161	13,161
Total Deposits	\$58,027	\$46,752

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

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1998 and December 31, 1997, was as follows:

**1998 Budgeted vs. Actual Receipts**

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$31,202	\$44,281	\$13,079
Special Revenue	38,161	38,773	612
Enterprise	63,000	53,229	(9,771)
Total	\$132,363	\$136,283	\$3,920

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998-1997**  
**(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

**1998 Budgeted vs. Actual Expenditures**

Fund Type	Appropriation Authority	Actual Expenditures	Variance
General	\$28,393	\$33,890	(\$5,497)
Special Revenue	37,501	34,971	2,530
Enterprise	<u>63,000</u>	<u>55,931</u>	<u>7,069</u>
Total	<u>\$128,894</u>	<u>\$124,792</u>	<u>\$4,102</u>

**1997 Budgeted vs. Actual Receipts**

Fund Type	Receipts		Variance
	Budgeted	Actual	
General	\$29,617	\$29,095	(\$522)
Special Revenue	61,035	60,086	(949)
Enterprise	<u>58,000</u>	<u>53,658</u>	<u>(4,342)</u>
Total	<u>\$148,652</u>	<u>\$142,839</u>	<u>(\$5,813)</u>

**1997 Budgeted vs. Actual Expenditures**

Fund Type	Appropriation Authority	Actual Expenditures	Variance
General	\$30,590	\$31,185	(\$595)
Special Revenue	42,384	58,767	(16,383)
Enterprise	<u>67,950</u>	<u>55,659</u>	<u>12,291</u>
Total	<u>\$140,924</u>	<u>\$145,611</u>	<u>(\$4,687)</u>

Ohio Rev. Code § 5705.41(B) states that no subdivision or taxing unit shall expend any money unless it has been properly appropriated. Expenditures exceeded appropriations in three funds as of December 31, 1998 and December 31, 1997.

**4. PROPERTY TAX**

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998-1997**  
**(Continued)**

**4. PROPERTY TAX (Continued)**

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.

**5. RETIREMENT SYSTEMS**

The employees of the Village, as well as some of the elected officials, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer defined-benefit pension plan. This plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code.

PERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

The Ohio Revised Code provides statutory authority for employees and employer contributions. For 1998 and 1997, members of PERS contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has not paid all contributions required through December 31, 1998. As of November 9, 1999, the Village owes \$4,424 and is making quarterly payments of \$200, which includes interest.

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose Social Security or the appropriate state system. As of December 31, 1998, two Village elected officials have elected Social Security. The Village of Trimble's liability is 6.2% of wages paid.

**7. RISK MANAGEMENT**

The Village has obtained commercial insurance coverage for the following risks:

- Comprehensive property, general liability and inland marine
- Vehicles, including fire vehicles, liability, comprehensive and collision
- Public officials' and law enforcement liability
- Wrongful acts and dishonesty bond

**8. YEAR 2000 ISSUE**

The Year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the Village's operations as early as fiscal year 1999.

The Village of Trimble has completed an inventory of computer systems and other equipment necessary to conducting Village operations.

The Village leases the Auditor of State's Uniform Accounting Network (UAN) system for its financial operations. The Auditor of State is responsible for remediating these systems and is solely responsible for any costs associated with this project. As of December 31, 1998, the Auditor of State the Auditor of State was validating and testing the UAN system. The Auditor of State released a validated and tested version of UAN in 1999. The Village of Trimble must install the updated release prior to the end of 1999 to help assure the continued proper processing of UAN transactions.

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1998-1997**  
**(Continued)**

**8. YEAR 2000 ISSUE** (Continued)

Athens County collects property and real estate taxes for distribution to the Village. The County is responsible for remediating this system.

The State of Ohio distributes money to the Village in the form of state grants. The State is responsible for remediating this system.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Village is or will be Year 2000 ready, that the Village's remediation efforts will be successful in whole or in part, or that parties with whom the Village does business will be Year 2000 ready.





STATE OF OHIO  
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL  
CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

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

To the Mayor and Members of 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, 1998 and December 31, 1997, wherein we have issued our report thereon dated November 23, 1999, wherein we expressed no opinion on the Mayor's Court Agency Fund. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items 1998-30705-001, 1998-30705-002 and 1998-30705-003. We also noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated November 23, 1999.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings as items 1998-30705-002 and 1998-30705-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe item 1998-30705-004 described above is a material weakness. We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated November 23, 1999.

This report is intended for the information and use of Village Council and management, and is not intended to be and should not be used by anyone other than these specified parties.

**JIM PETRO**  
Auditor of State

November 23, 1999

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1998-1997**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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**FINDING NUMBER 1998-30705-001**

Ohio Rev. Code § 5705.14 permits transfers from the General Fund to any other fund of the Village by resolution passed in the minutes with an affirmative vote of a simple majority of the Council Members. Certain other permissible transfers are set forth in this Section, but they may only be made by resolution of the Village Council passed with an affirmative vote of two-thirds of the Council Members.

During the audit period, a transfer of \$5,000 was made by Council from the Fire Levy Fund to the General Fund. This transfer was not permissible under the guidelines of the Ohio Rev. Code § 5705.14. This could result in monies collected specifically for the use of instituting fire protection being used for other purposes.

In accordance with the foregoing facts, a finding for adjustment is hereby issued against the General Fund in the amount of five thousand dollars (\$5,000.00), and in favor of the Fire Levy Fund. The enclosed financial statements reflect the adjusted amounts. The Village has made the necessary adjustments to their accounting system.

**FINDING NUMBER 1998-30705-002**

Ohio Rev. Code § 5705.41(B) prohibits a subdivision from making an expenditure unless it has been properly appropriated. Failure to comply with this Section can result in deficit spending by the Village.

At December 31, 1998, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General	\$28,393	\$33,890	(\$5,497)
Permissive Tax	3,906	7,450	(3,544)
FEMA	0	1,376	(1,376)

At December 31, 1997, expenditures exceeded appropriations in the following funds:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
General	\$30,590	\$31,185	(\$595)
Street Construction, Maintenance and Repair	11,400	43,672	(32,272)
FEMA	0	2,063	(2,063)

We were also unable to examine budgetary requirements at the legal level of control approved by the Council, as the line item appropriations approved by Council did not match the 1998 line item appropriations in the UAN system or the 1997 line item appropriations in the manual appropriations ledger.

We recommend the Village implement procedures to ensure that sufficient appropriations exist prior to approving the expenditure of any money. We also recommend the Village establish line items on the UAN system that mirror the legal level of control at which the appropriations are approved by Council.

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1998-1997  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 1998-30705-003**

Ohio Rev. Code § 5705.41(D) states that no subdivision or taxing unit shall make any contract or order any expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the same has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund, free from any previous encumbrances. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon. This Section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrances, the Trustees of the Township may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.
- B. If the amount involved is less than one thousand dollars, the fiscal officer may authorize it to be paid without the affirmation of Council.

Certain liabilities, contracts and open purchase commitments were not certified by the Clerk nor encumbered until the time of payment, and a Then and Now certificate was not prepared.

We recommend the Village Clerk certify and encumber all expenditures prior to incurring the obligation and, when needed, obtain the appropriate Then and Now certificate. Consideration should be given to using blanket purchase orders for recurring monthly expenses.

**FINDING NUMBER 1998-30705-004**

**Material Weakness - Mayor's Court Activity**

The following internal control weaknesses were noted, which substantially increased the risk that transactions recorded in the Mayor's Court were not accurate or complete.

- A. The Mayor's Court bank account was not reconciled monthly, and did not agree to the cashbook;
- B. Several tickets were issued out of sequence and/or could not be accounted for, few controls existed over unissued tickets, and not all voided tickets were presented for audit;
- C. When a payment was received, the receipt number was not recorded on the ticket nor was the citation number documented on the duplicate receipt. This made it difficult to determine for which case the payment was made; and,
- D. An accounts receivable ledger of the amounts due the Mayor's Court for unpaid fines was not maintained. This could result in the Village not knowing the amount of fine money due, and increases the possibility that fines will go uncollected.

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1998-1997  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 1998-30705-004  
(Continued)**

To address these internal control weaknesses, we recommend:

- A. The Mayor's Court Clerk reconcile the bank account to the cashbook on a monthly basis, and the Mayor review the reconciliation for completeness and accuracy;
- B. All tickets be retained and filed even though they may be void. For cases transferred to Municipal Court, a copy should be retained. The Village Marshal should be required to request unused tickets held by the Mayor. Before a new series of tickets is issued, the Marshal must account for all previously issued tickets;
- C. The ticket number be listed on the duplicate receipt, and the receipt number listed on the ticket when payments; and,
- D. A ledger be maintained detailing the amount outstanding by individual, case number, ticket number, payments, balances, and any other relevant information. Any letters, bench warrants and other documents which are issued should also be noted





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**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 18, 2000**