



**Auditor of State
Betty Montgomery**

VILLAGE OF TRIMBLE
ATHENS COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Village of Trimble
Athens County
P.O. Box 121
Trimble, Ohio 45782-0121

To the Village Council:

We have audited the accompanying financial statements of the Village of Trimble, Athens County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001. 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 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. 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 in 2002 and 2001, which represents 100% of the receipts and disbursements of the Agency Fund for 2002 and 2001.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, except for the Mayor's Court Agency Fund activity in 2002 and 2001, upon which we express no opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Trimble, Athens County, as of December 31, 2002 and 2001, and its combined cash receipts and 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 our report dated May 6, 2003 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 6, 2003

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 26,778	\$ 17,033	\$ 43,811
Intergovernmental Receipts	11,113	12,896	24,009
Fines, Licenses, and Permits	11,582		11,582
Earnings on Investments	709	55	764
Miscellaneous	883	952	1,835
	<u>51,065</u>	<u>30,936</u>	<u>82,001</u>
Total Cash Receipts			
	<u>51,065</u>	<u>30,936</u>	<u>82,001</u>
Cash Disbursements:			
Current:			
Security of Persons and Property	15,647	3,607	19,254
Basic Utility Services		6,083	6,083
Transportation		14,261	14,261
General Government	39,126		39,126
Debt Service:			
Principal Payments	693		693
Interest Payments	307		307
Capital Outlay	46,456		46,456
	<u>102,229</u>	<u>23,951</u>	<u>126,180</u>
Total Cash Disbursements			
	<u>102,229</u>	<u>23,951</u>	<u>126,180</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(51,164)</u>	<u>6,985</u>	<u>(44,179)</u>
Other Financing Receipts/(Disbursements):			
Sale of Notes	<u>30,000</u>		<u>30,000</u>
Total Other Financing Receipts/(Disbursements)	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(21,164)	6,985	(14,179)
Fund Cash Balances, January 1	<u>53,447</u>	<u>10,533</u>	<u>63,980</u>
Fund Cash Balances, December 31	<u>\$ 32,283</u>	<u>\$ 17,518</u>	<u>\$ 49,801</u>
Reserves for Encumbrances, December 31	<u><u>\$ 4,777</u></u>	<u><u>\$ 1,338</u></u>	<u><u>\$ 6,115</u></u>

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 71,521	\$	\$ 71,521
Miscellaneous	456		456
Total Operating Cash Receipts	<u>71,977</u>	<u>0</u>	<u>71,977</u>
Operating Cash Disbursements:			
Personal Services	12,147		12,147
Fringe Benefits	3,017		3,017
Contractual Services	44,389		44,389
Supplies and Materials	6,580		6,580
Capital Outlay	3,000		3,000
Total Operating Cash Disbursements	<u>69,133</u>	<u>0</u>	<u>69,133</u>
Operating Income/(Loss)	<u>2,844</u>	<u>0</u>	<u>2,844</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		13,552	13,552
Total Non-Operating Cash Receipts	<u>0</u>	<u>13,552</u>	<u>13,552</u>
Non-Operating Cash Disbursements:			
Redemption of Principal	693		693
Interest and other Fiscal Charges	307		307
Other Non-Operating Cash Disbursements		11,662	11,662
Total Non-Operating Cash Disbursements	<u>1,000</u>	<u>11,662</u>	<u>12,662</u>
Net Receipts Over/(Under) Disbursements	1,844	1,890	3,734
Fund Cash Balances, January 1	<u>34,745</u>	<u>1,060</u>	<u>35,805</u>
Fund Cash Balances, December 31	<u>\$ 36,589</u>	<u>\$ 2,950</u>	<u>\$ 39,539</u>
Reserve for Encumbrances, December 31	<u>\$ 10,522</u>	<u>\$ 0</u>	<u>\$ 10,522</u>

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
Property Tax and Other Local Taxes	\$ 23,461	\$ 15,183	\$ 38,644
Intergovernmental Receipts	38,690	10,844	49,534
Fines, Licenses, and Permits	12,289		12,289
Earnings on Investments	1,498	146	1,644
Miscellaneous	10,374	69	10,443
	<u>86,312</u>	<u>26,242</u>	<u>112,554</u>
Total Cash Receipts			
Cash Disbursements:			
Current:			
Security of Persons and Property	12,566	6,678	19,244
Basic Utility Services		6,191	6,191
Transportation		19,064	19,064
General Government	41,093		41,093
	<u>53,659</u>	<u>31,933</u>	<u>85,592</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>32,653</u>	<u>(5,691)</u>	<u>26,962</u>
Fund Cash Balances, January 1	20,794	16,224	37,018
Fund Cash Balances, December 31	<u>\$ 53,447</u>	<u>\$ 10,533</u>	<u>\$ 63,980</u>
Reserves for Encumbrances, December 31	<u>\$ 5,114</u>	<u>\$ 1,303</u>	<u>\$ 6,417</u>

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	\$ 65,483	\$	\$ 65,483
Miscellaneous	2,000		2,000
Total Operating Cash Receipts	<u>67,483</u>	<u>0</u>	<u>67,483</u>
Operating Cash Disbursements:			
Personal Services	8,341		8,341
Fringe Benefits	2,080		2,080
Contractual Services	48,156		48,156
Supplies and Materials	5,161		5,161
Total Operating Cash Disbursements	<u>63,738</u>	<u>0</u>	<u>63,738</u>
Operating Income/(Loss)	<u>3,745</u>	<u>0</u>	<u>3,745</u>
Non-Operating Cash Receipts:			
Other Non-Operating Receipts		13,349	13,349
Total Non-Operating Cash Receipts	<u>0</u>	<u>13,349</u>	<u>13,349</u>
Non-Operating Cash Disbursements:			
Other Non-Operating Cash Disbursements		12,289	12,289
Total Non-Operating Cash Disbursements	<u>0</u>	<u>12,289</u>	<u>12,289</u>
Net Receipts Over/(Under) Disbursements	3,745	1,060	4,805
Fund Cash Balances, January 1	<u>31,000</u>	<u>0</u>	<u>31,000</u>
Fund Cash Balances, December 31	<u>\$ 34,745</u>	<u>\$ 1,060</u>	<u>\$ 35,805</u>
Reserve for Encumbrances, December 31	<u>\$ 4,643</u>	<u>\$ 0</u>	<u>\$ 4,643</u>

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

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, and an elected Mayor and Clerk. The Village provides maintenance of Village streets, water utility services, street light services, and fire protection. The Village contracts with the Village of Glouster for police protection.

The Village is associated with the Trimble Township Wastewater Treatment District, which is defined as a jointly governed organization. This organization is presented in Note 9.

The Village's management believes these financial statements present 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 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 prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost and are neither charged when purchased nor credited at the time of redemption to their respective fund balances. Interest earned is recognized and recorded when received. The Village maintains the Mayor's Court activity in a separate bank account.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

Street Levy Fund – This fund receives property tax money for constructing, maintaining and repairing Village streets.

Electric Operating Permanent Improvement Fund – This fund receives property tax money for the lighting of Village streets.

Fire Fund – This fund receives property tax money to maintain and equip the fire department.

3. Enterprise Funds

These funds 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 user charges. The Village had the following significant Enterprise Fund:

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

4. Fiduciary Fund (Agency Fund)

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

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

E. Budgetary Process

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

1. Appropriations

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. 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.

3. Encumbrances

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

A summary of 2002 and 2001 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 and investments at December 31 was as follows:

	2002	2001
Demand deposits	\$ 76,179	\$ 86,624
Certificates of deposit	13,161	13,161
Total deposits	\$ 89,340	\$ 99,785

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2002 and 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 64,000	\$ 81,065	\$ 17,065
Special Revenue	22,901	30,936	8,035
Enterprise	66,000	71,977	5,977
Total	\$ 152,901	\$ 183,978	\$ 31,077

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 87,301	\$ 107,006	\$ (19,705)
Special Revenue	33,583	25,289	8,294
Enterprise	87,582	80,655	6,927
Total	\$ 208,466	\$ 212,950	\$ (4,484)

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 70,987	\$ 86,312	\$ 15,325
Special Revenue	24,548	26,242	1,694
Enterprise	53,000	67,483	14,483
Total	\$ 148,535	\$ 180,037	\$ 31,502

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 58,572	\$ 58,773	\$ (201)
Special Revenue	40,761	33,236	7,525
Enterprise	70,703	68,381	2,322
Total	\$ 170,036	\$ 160,390	\$ 9,646

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 payments, the first half is due December 31. The second half payment is due the following June 20.

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

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. DEBT

Debt outstanding at December 31, 2002 was as follows:

	Principal	Interest
Truck/Building Loan	\$ 28,712	4.625%

The truck/building loan was received in 2002 in order to provide cash for the construction of a building and the purchase of a truck. The full faith and credit of the Village has been pledged to pay for the loan.

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

Year Ending December 31:	Mortgage Revenue Bonds
2003	\$ 29,450

6. RETIREMENT SYSTEMS

The employees of the Village, as well as some elected officials, belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2002 and 2001, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of PERS participants' gross salaries. The Village has paid all contributions required through December 31, 2002.

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, 2002, four 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 for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Property;
- Public Officials Liability;
- Errors and omissions.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

8. OTHER LIABILITIES

The Village owes the Bureau of Workers' Compensation (BWC) \$115.50 a week, commencing on May 20, 1999, relating to a former employees' claim. This amounted to \$21,252 due as of December 31, 2002, and if paid during the full life expectancy of the former employee could amount to as much as \$200,000. However, as of the date of this report, the Village has not made any payments to BWC on this claim.

9. JOINTLY GOVERNED ORGANIZATION

Trimble Township Wastewater Treatment District – The Trimble Township Wastewater Treatment District is a regional sewer district organized under Chapter 6119 of the Ohio Revised Code. The 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: Village of Trimble, Village of Jacksonville, Village of Glouster, and Trimble Township. The membership elects a President, Vice-President, and a Secretary-Treasurer, who are responsible for fiscal control of the financial resources of the District. To obtain financial information, write to the Trimble Township Wastewater Treatment District, Joy Hemsley, Secretary-Treasurer, at 18551 Jacksonville Road, P.O. Box 278, Jacksonville, Ohio 45740. During 2001, the Village paid the District \$240 for sewer services. During 2002, the Village also paid the District \$240 for sewer services.



**Auditor of State
Betty Montgomery**

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

Village of Trimble
Athens County
P.O. Box 121
Trimble, Ohio 45782-0121

To the Village Council:

We have audited the accompanying financial statements of the Village of Trimble, Athens County, Ohio (the Village), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated May 6, 2003, wherein we expressed no opinion on the Agency Fund because of a lack of sufficient evidential matter in the Mayor's Court. Except for the Agency Fund, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 2002-001 and 2002-002. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated May 6, 2003.

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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 statement. A reportable condition is described in the accompanying Schedule of Findings as item 2002-003.

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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 statement 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. The reportable condition described above is also considered 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 May 6, 2003.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

May 6, 2003

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

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

FINDING NUMBER 2002-001

Noncompliance Citation

Ohio Rev. Code Section 5705.41(D) states that no subdivision or taxing authority shall make any contract or order an 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 purposes and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. 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 provides two "exceptions" to the above requirement:

- A. "Then and Now" Certificate – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that both at the time that the contract or order was made and at the time that the fiscal officer is completing the certification, a sufficient sum was appropriated and free from any previous encumbrances, the Village Council (the taxing authority) 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 \$1,000 (which was increased to \$3,000 on April 7, 2003) the fiscal officer may authorize it to be paid without the affirmation of the taxing authority, upon completion of the then and now certificate, provided that the expenditure is otherwise lawful.

Although the Village utilized purchase orders, they were not signed and certified by the Clerk.

We recommend the Village obtain the fiscal officer's certification of the availability of funds prior to the commitment being incurred.

FINDING NUMBER 2002-002

Finding for Recovery – Repaid Under Audit

Ohio Rev. Code Section 2743.70 requires the Court in which any person is convicted of or pleads guilty to any offense other than a traffic offense that is not a moving violation, to impose and collect additional costs to be used for the State's Reparations Fund. Ohio Rev. Code Section 2949.091 requires the Court to impose and collect additional costs to be used for the State General Revenue Fund. All such moneys collected during a month under Ohio Rev. Code Section 2743.70 shall be transmitted on or before the first day of the following month and those collected under Ohio Rev. Code Section 2949.091 shall be transmitted on or before the twentieth day of the following month by the Clerk of the Court to the Treasurer of State and deposited by the Treasurer in the Reparations Fund and the General Revenue Fund, respectively.

During the audit period, the Mayor's Court collected, but failed to remit to the State of Ohio, the \$9 in additional costs imposed by Ohio Rev. Code Section 2743.70 and the \$11 in additional costs imposed by Ohio Rev. Code Section 2949.091. As a result, the Mayor's Court owed the State of Ohio \$2,910 as of December 31, 2002.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001
(Continued)**

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

**FINDING NUMBER 2002-002
(Continued)**

Finding for Recovery – Repaid Under Audit (Continued)

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for money collected but not remitted is hereby issued against the Mayor's Court Fund of the Village of Trimble, in the amount of \$2,910, and in favor of the Treasury of the State of Ohio, to the credit of the Reparations Fund for \$1,315, and to the General Revenue Fund for \$1,595.

The Finding for Recovery was paid in full to the State of Ohio on May 12, 2003, check number 283, from the Mayor's Court Fund.

FINDING NUMBER 2002-30705-003

Material Weakness - Mayor's Court

The following internal control weaknesses were noted during 2001 and 2002, 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. Tickets were issued out of sequence and/or could not be accounted for. Also, the Police Department did not maintain a listing of tickets issued, including voided tickets. 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.
- 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.

Due to these weaknesses, we were unable to obtain sufficient evidential matter over the transactions recorded in 2001 and 2002.

We recommend the Mayor develop and implement controls in the Court that include the reconciliation of the bank account, increasing the accountability over tickets issued, proper recording of monies received, and the recording of an accounts receivable ledger for unpaid fines.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-30705-001	A material noncompliance citation was issued under Ohio Rev. Code Section 5705.41(D) for not obtaining prior certification of available funds before incurring obligations.	No	Not Corrected. The finding is repeated in the current audit Schedule of Findings as item 2002-001.
2000-30705-002	A material internal control weakness was issued for the lack of adequate controls over the Mayor's Court records.	No	Not Corrected. The finding is repeated in the current audit Schedule of Findings as item 2002-003.



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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
JUNE 24, 2003**