



Dave Yost • Auditor of State

VILLAGE OF TRIMBLE
ATHENS COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Accountant's Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances - All Fund Types - For the Year Ended December 31, 2015	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Balances - All Fund Types - For the Year Ended December 31, 2014	4
Notes to the Financial Statements	5
Accountant's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.....	13
Schedule of Findings.....	15
Summary Schedule of Prior Audit Findings.....	27

This page intentionally left blank.



Dave Yost • Auditor of State

ACCOUNTANT'S REPORT

Village of Trimble
Athens County
P.O. Box 121
Trimble, Ohio 43782

To the Village Council:

Report on the Financial Statements

We have selectively tested the certain accounts, financial records, files and reports of the Village of Trimble, Athens County, Ohio (the Village), as of and for the years ended December 31, 2015 and 2014.

The accompanying financial statements present receipts and disbursements by fund type totals only. Ohio Administrative Code § 117-2-02(A) requires governments to classify receipt and disbursement transactions.

There are reportable findings and conditions as a result of performing these procedures. Our reportable findings and conditions follow the financial presentation. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, and we express no opinion on them.

As discussed in Note 15 to the financial statements, the Village reclassified certain revenues and expenditures, previously reported as special revenue fund and enterprise fund activity, to the General Fund. Additional reclassifications to correctly post expenditures between special revenue funds were also made. The December 31, 2013 fund cash balances of the General and Special Revenue Funds have been restated to report the reclassifications,

This report is intended solely for the information and use of management, the Village Council 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.

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

Dave Yost
Auditor of State
Columbus, Ohio

November 29, 2016

This page intentionally left blank.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Balance 1/1/2015	Receipts	Disbursements	Balance 12/31/2015
General	(\$59,926)	\$35,047	\$40,543	(\$65,422)
Special Revenue:				
Street Construction, Maintenance and Repair	(955)	15,469	14,514	0
State Highway	433	1,116	4	1,545
Street Levy	591	7,776	7,762	605
Permissive Motor Vehicle License Tax	10,333	3,610	1,485	12,458
Fire	19,446	3,719	149	23,016
Permanent Improvement	15,236	8,675	9,025	14,886
Grants Fund	0	5,000	2,928	2,072
<i>Total Special Revenue</i>	<u>45,084</u>	<u>45,365</u>	<u>35,867</u>	<u>54,582</u>
Enterprise:				
Water Operating	43,301	91,128	81,024	53,405
Water Holdback Fund	2,015	9,963	0	11,978
Water Project Fund	0	1,179,801	1,179,801	0
<i>Total Enterprise</i>	<u>45,316</u>	<u>1,280,892</u>	<u>1,260,825</u>	<u>65,383</u>
Agency:				
Mayor's Court	606	117	121	602
<i>Total All Funds</i>	<u>\$31,080</u>	<u>\$1,361,304</u>	<u>\$1,337,235</u>	<u>\$55,145</u>

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND FUND CASH BALANCES
ALL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Balance 1/1/2014 (as restated)	Receipts	Disbursements	Balance 12/31/2014
General	(\$57,808)	\$40,848	\$42,966	(\$59,926)
Special Revenue:				
Street Construction, Maintenance and Repair	13,170	12,753	26,878	(955)
State Highway	(665)	1,098	0	433
Street Levy	426	7,156	6,991	591
Permissive Motor Vehicle License Tax	6,473	5,640	1,780	10,333
Fire	19,637	3,352	3,543	19,446
Permanent Improvement	15,982	7,814	8,560	15,236
<i>Total Special Revenue</i>	<u>55,023</u>	<u>37,813</u>	<u>47,752</u>	<u>45,084</u>
Enterprise:				
Water Operating	36,917	73,516	67,132	43,301
Water Holdback Fund	4,251	6,375	8,611	2,015
Water Project Fund	0	70,348	70,348	0
<i>Total Enterprise</i>	<u>41,168</u>	<u>150,239</u>	<u>146,091</u>	<u>45,316</u>
Agency:				
Mayor's Court	625	2,309	2,328	606
<i>Total All Funds</i>	<u><u>\$39,008</u></u>	<u><u>\$231,209</u></u>	<u><u>\$239,137</u></u>	<u><u>\$31,080</u></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, 2015 AND 2014**

1. Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Trimble, Athens County, Ohio (the Village), as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government services, street construction, repair and maintenance, as well as water utilities and street light services. The Village contracts with the Village of Jacksonville for fire protection services.

The Village participates in a jointly governed organization, the Trimble Township Wastewater Treatment District. Note 13 to the financial statements provides additional information for this entity. The District provides billing services for the Village's water utility services

On May 13, 2014, based on a request by the Village and, in accordance with the provisions of Ohio Rev. Code § 118.04, the Auditor of State's Office declared the Village to be in Fiscal Emergency. At the 2010 census, the Village of Trimble's population was 390. For a Village or Township with a population of less than 1,000, the Auditor of State serves as the financial supervisor and has all the powers and responsibilities of a financial planning and supervision commission. As such, the Auditor of State's office has helped develop a financial recovery plan for the Village and is monitoring its execution. Note 14 to the financial statements provides additional information

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

2. Summary of Significant Accounting Policies

A. Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (cash basis) for all proprietary and fiduciary fund types which are organized on a fund type basis.

B. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Street Levy Fund - This fund receives property tax monies for upkeep of Village streets.

Permanent Improvement Fund - This fund receives fees for upkeep of street lights.

3. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

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

Water Project Fund - This fund receives loan proceeds from the Ohio Water Development Authority and the Ohio Public Works Commission to finance water line replacements.

4. Fiduciary Funds

Fiduciary funds include agency funds. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund (Mayor's Court Fund) accounts for the financial activity of the Mayor's Court.

C. Basis of Accounting

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

The Village did not classify its receipts or disbursements in the accompanying financial statements. This is a material departure from the requirements of Ohio Administrative Code § 117-02-02(A). This Section requires classifying receipts and disbursements.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

D. Budgetary Process

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

2. Summary of Significant Accounting Policies (Continued)

D. Budgetary Process (Continued)

1. 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 resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year-end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual 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 2015 and 2014 budgetary activity appears in Note 3.

E. Deposits

The Village invests all available funds in an interest-bearing checking account and certificates of deposit.

F. Fund Balance

The Village is required to comply with GASB Statement 54, effective for financial statements for periods beginning after June 15, 2010, entitled *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The initial distinction that is made in reporting fund balance information is identifying amounts that are considered nonspendable, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

Contrary to GASB 54 and Ohio Admin. Code § 117-02-02(A), the Village prepared unclassified financial statements wherein the fund balances are not classified in accordance with GASB 54.

G. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

3. Compliance

Contrary to Ohio law, at December 31, 2015 and 2014, the General Fund had a cash deficit balance of \$65,422 and \$59,926, respectively, and a cash deficit of \$955 in the Street Construction, Maintenance and Repair Fund at December 31, 2014.

Additionally, the Village did not certify available resources for 2014. Also contrary to Ohio law, the Village did not adopt appropriations. As a result, expenditures exceeded appropriations in all funds during and at the years ended December 31, 2015 and 2014.

4. Budgetary Activity

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$25,000	\$35,047	\$10,047
Special Revenue	55,000	45,365	(9,635)
Enterprise	97,000	1,280,892	1,183,892
Total	\$177,000	\$1,361,304	\$1,184,304

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$40,543	(\$40,543)
Special Revenue	0	35,867	(35,867)
Enterprise	0	1,260,825	(1,260,825)
Total	\$0	\$1,337,235	(\$1,337,235)

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$0	\$40,848	\$40,848
Special Revenue	0	37,813	37,813
Enterprise	0	150,239	150,239
Total	\$0	\$228,900	\$228,900

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$0	\$42,966	(\$42,966)
Special Revenue	0	47,752	(47,752)
Enterprise	0	146,091	(146,091)
Total	\$0	\$236,809	(\$236,809)

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

5. Equity in Pooled Deposits

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

	<u>2015</u>	<u>2014</u>
Demand deposits	<u>\$55,145</u>	<u>\$31,080</u>

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

6. Property Tax

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

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

7. Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

8. Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan (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 § 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

8. Risk Management (Continued)

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

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

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

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

9. Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

Social Security

Certain Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participant.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

10. Postemployment Benefits

OPERS offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients of both the traditional pension and the combined plans. OPERS contributes 2 percent of the employer contribution to fund these benefits.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

11. Debt

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
Operating Loan	\$3,038	3.9%
Ohio Water Development Authority (OWDA) Loan #6918	75,645	0.78%
Ohio Public Works Commission (OPWC) #CR25R	337,841	0.0%
Total	\$416,524	

The operating loan was obtained to provide financing for the payment of payroll taxes in arrears and the associated penalties and interest. This loan is backed by the full faith and credit of the Village.

The Ohio Water Development Authority (OWDA) loan relates to a water line replacement project. The OWDA approved \$201,500 in loans to the Village for this project. The Village will repay the loans including 0.78% interest, over 30 years. The full amount of this loan is not yet finalized and the amortization schedule is not complete. The OWDA will adjust scheduled payment to reflect any revisions in amounts the Village actually borrows. Water receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The Ohio Public Works Commission (OPWC) loan relates to a water distribution system replacement project. The OPWC approved \$337,841 in loans to the Village for this project. The Village will repay the loans in semiannual installments of \$5,631, including interest, over 30 years. Water and sewer receipts collateralize the loan. The Village has agreed to set utility rates sufficient to cover OPWC debt service requirements.

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

Year ending December 31:	Operating Loan	OPWC #CR25R
2016	\$3,100	\$11,262
2017		11,262
2018		11,262
2019		11,262
2021-2025		56,306
2026-2030		56,306
2031-2035		56,306
2036-2040		56,306
2041-2045		56,306
2046		11,263
Total	\$3,100	\$337,841

12. Contingent Liabilities

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor. 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.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

13. Jointly Governed Organization

Trimble Township Wastewater Treatment District - The Trimble Township Wastewater Treatment District (the 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 Council Members whose membership is composed of two appointments from each of the participating subdivision: Village of Trimble, Village of Jacksonville, Village of Glouster and Trimble Township. The membership elects a President, Vice President and a Secretary-Treasurer who are responsible for the fiscal control of the financial resources of the District. To obtain financial information, write to the Trimble Township Wastewater Treatment District, Teri Brooks, Secretary-Treasurer, at 18551 Jacksonville Road, P.O. Box 278, Jacksonville, Ohio 45740.

14. Deficit Fund Balance

The Village had a deficit fund balance of \$65,422 and \$59,926, respectively, in the General Fund as of December 31, 2015 and 2014. Currently, management is taking steps to reduce spending and to implement a system of accounting that will facilitate in the monitoring of the Village's finances.

On May 13, 2014, based on a request by the Village and, in accordance with the provisions of Ohio Rev. Code § 118.04, the Auditor of State's Office declared the Village to be in Fiscal Emergency. As such, the Auditor of State's office has helped develop a financial recovery plan for the village and is monitoring its execution.

As part of this recovery plan, the Village has instituted a local income tax and reviewed prior period activity for any expenditures which could be allocated to funds other than the General Fund.

15. Restatement of Fund Balances

The Village reclassified certain revenues and expenditures, previously reported as special revenue fund and enterprise fund activity, to the General Fund. Additional reclassifications to correctly post expenditures between special revenue funds were also made. As a result of these reclassifications, the January 1, 2014 fund balances were restated as follows:

Fund Type	Audited		Restated
	12/31/2013 Balance	Amount	1/1/2014 Balance
General Fund	\$(118,126)	\$ 60,318	\$ (57,808)
Special Revenue Funds:			
Street Construction, Maintenance, and Repair	23,400	(10,230)	13,170
State Highway	4,677	(5,342)	(665)
Street Levy	1,831	(1,405)	426
Permissive Motor Vehicle License Tax	4,878	1,595	6,473
Fire	20,038	(401)	19,637
Permanent Improvement	32,232	(16,250)	15,982
Enterprise Funds:			
Water Fund	65,802	(28,885)	36,917



Dave Yost • Auditor of State

ACCOUNTANT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS

Village of Trimble
Athens County
P.O. Box 121
Trimble, Ohio 43782

To the Village Council:

We have selectively tested certain accounts, financial records, files and reports of the Village of Trimble, Athens County, Ohio (the Village), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements following Ohio Admin. Code § 117-4-02. We noted the Village did not classify receipts and disbursements in its financial statements. Our engagement was not designed to result in expressing an opinion on the accompanying financial statements, internal control over financial reporting or compliance. We therefore express no opinion on these matters.

Internal Control Over Financial Reporting

During our procedures related to internal control over financial reporting we noted matters that, in our judgment, could adversely affect the Village's ability to initiate, authorize, record, process or report financial data consistent with management's assertions in the financial statements. In addition, these matters could result in the occurrence of misstatements that are caused by error or fraud that would not be detected in a timely manner by employees when performing the assigned functions. These matters are described in the Schedule of Findings as items 2015-003, 2015-006, 2015-011, 2015-012 and 2015-015 through 2015-019.

Compliance and Other Matters

We tested compliance with certain provisions of laws, regulations, contracts, and grant agreements applicable to the Village. Noncompliance with these requirements could impact the Village's ability to determine financial statement amounts. The results of our tests disclosed instances of noncompliance or other matters which are described in the accompanying Schedule of Findings as items 2015-001 through 2015-010 and 2015-012 through 2015-014.

Entity's Response to Findings

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

Purpose of this Report

We intend this report solely for the information and use of the management, the Village Council, and other officials authorized to receive this report under § 117.26, Ohio Rev. Code, and others within the Village. We intend it for no one other than these specified parties.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

November 29, 2016

**VILLAGE OF TRIMBLE
ATHENS COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS

FINDING NUMBER 2015-001

Noncompliance

Ohio Rev. Code § 149.43 provides that all public records shall be promptly prepared and made available to any member of the general public at all reasonable times during regular business hours for inspection. Upon request, a person responsible for public records shall make copies available at cost, within a reasonable period of time. In order to facilitate broader access to public records, public offices shall maintain public records in such a manner that they are available for inspection.

Pursuant to Ohio Rev. Code § 149.43(E), the Ohio Attorney General shall develop and provide to all public offices a model public records policy for responding to public records requests in compliance with Ohio Rev. Code § 149.43 in order to provide guidance to public offices in developing their own public record policies for responding to public records requests in compliance with that section. This model policy is available at www.ag.state.oh.us/publicrecords/modelpolicy.asp.

Pursuant to Ohio Rev. Code § 149.43(B)(2), the entity shall have available a copy of its current records retention schedule at a location readily available to the public. The auditor of state, in the course of an annual or biennial audit of a public office pursuant to Ohio Rev. Code Chapter 117 shall audit the public office for compliance with this section and divisions (B) and (E) of Ohio Rev. Code § 149.43.

All state and local elected officials, or their designees, must attend at least 3 hours of training on Ohio's public records laws during each term of office [Ohio Rev. Code §§ 109.43(B) & 149.43(E)(1)]. The training received must be certified by the Ohio Attorney General. Proof that training has been completed must include documentation that either the Attorney General's Office or another entity certified by the Attorney General provided the training to the elected official, or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

The Village did not have public records or records retention policies in place, nor did the officials or their designees attend public records training.

Council should review the Revised Code section in order to gain an understanding of what needs to be included in the public records policy. Further, the Village Council should approve a records retention and public records policy based on guidance in Ohio Rev. Code § 149.43 and Auditor of State Bulletin 2007-014. Officials, or their designees, should attend public records training. Officials, or their designees, should attend public records training.

Official's Response: The Officials will ask the Solicitor to assist in implementing a policy.

FINDING NUMBER 2015-002

Noncompliance

Ohio Rev. Code § 135.22 provides that subdivision Treasurers must complete annual continuing education programs provided by the Treasurer of State. The Treasurer of State issues a certificate indicating that the treasurer has successfully completed the continuing education program. The continuing education requirement does not apply to a subdivision treasurer who annually provides a notice of exemption to the Auditor of State, certified by the Treasurer of State, that the treasurer is not subject to the continuing education requirements because the Treasurer invests or deposits public funds in the following investments only:

**VILLAGE OF TRIMBLE
ATHENS COUNTY**
**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-002 (Continued)

Noncompliance - Ohio Rev. Code § 135.22 (Continued)

- (1) Interim deposits pursuant to § 135.14(B)(3)
- (2) STAR Ohio pursuant to § 135.14(B)(6)
- (3) No-load money market mutual funds pursuant to § 135.14(B)(5).

The Fiscal Officer did not obtain a certificate of exemption certified by the Treasurer of State. Failure to file the required exemption could lead to the Fiscal Officer improperly investing due to lack of education and lack of verification by the Treasurer of State that no training was required for investments held.

The Fiscal Officer should file an Annual Notice of Exemption from continuing education requirements with the Ohio Treasurer's Office Center for Public Investment Management. The form can be obtained at www.tos.ohio.gov.

The Fiscal Officer should attend continuing education sessions or obtain a notice of exemption from the Treasurer of State.

Official's Response: The Fiscal Officer did not realize this was a requirement and will inquire about future training.

FINDING NUMBER 2015-003

Noncompliance and Internal Control Deficiency

Ohio Rev. Code § 149.351(A) provides that all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under §§ 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under § 149.33 of the Revised Code. Such records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, transferred, or destroyed unlawfully.

- The Village failed to provide support for disbursements totaling seven percent of transactions in 2014. The failure to maintain adequate support for expenditures and general accounting records resulted in a loss of accountability over the Village's finances, making it difficult to identify errors which could go undetected and possibly result in expenditures without proper public purpose. We were able to perform alternate procedures to determine the unsupported transactions were allowable and proper for the Village.
- The Village did not maintain the meter cards for the water billing in 2015. Lack of adequate supporting documentation caused by improper management eliminates a significant control point, obscures the audit trail and provides for the opportunity for errors and/or irregularities to occur and remain undetected for an extended period.

The Fiscal Officer should maintain all records of the Village for audit and public record purposes. Further, the Fiscal Officer should not make payment for any disbursements without supporting documentation available.

Official's Response: We will start making copies and keeping better documentation.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-004

Noncompliance

Ohio Rev. Code § 733.40 provides, in part, that all fines, forfeitures, and costs in ordinances cases and all fees that are collected by the Mayor, that come into the Mayor's hands, that are due the Mayor, and all money received by the Mayor for the use of the municipal corporation shall be paid by the Mayor into the municipality on the first Monday of each month. At the first regular meeting of the legislative authority each month, the Mayor shall submit a full statement of all money received, from whom and for what purposes received, and when paid into the treasury.

The Mayor's Court Clerk failed to distribute monies to the Village by the first Monday of the month during 2014. This was due to an oversight by the Village and time constraints. Council also failed to review a full monthly statement of all money received, from whom and for what purposes received, and when paid into the treasury for two months that had Mayor's Court activity. Failure to remit mayor's court monies can limit effective monitoring and present cash flow issues.

The Mayor's Court Clerk should pay all Village portions of Mayor's Court monies collected to the Village on the first Monday of the month following receipt. Further, the Mayor should present Council with a full monthly statement of all money received, from whom and for what purposes received, and when paid into the treasury. Council's acceptance and review of this report should be documented in the minutes.

Official's Response: The Village no longer has a Mayor's Court.

FINDING NUMBER 2015-005

Noncompliance

Ohio Rev. Code § 1905.21 provides that the mayor of a municipal corporation and a mayor's court magistrate shall keep a docket. The mayor or mayor's court magistrate shall account for and dispose of all such fines, forfeitures, fees and costs collected.

Four percent of cases tested resulted in differences between amounts paid the defendants per the docket and case file than as documented in the cashbook and receipt support. Failure to properly document the amounts collected and due for a defendant can lead to disputes over proper amounts.

The Village Mayor's Court should implement and monitor appropriate procedures to help ensure the maintenance of an accurate and complete docket, cashbook and case files.

Official's Response: The Village no longer has a Mayor's Court.

FINDING NUMBER 2015-006

Noncompliance and Internal Control Deficiency

Ohio Rev. Code § 2949.091 requires state portions of court moneys collected during the month to be transmitted on or before the twentieth of the following month by the clerk of the court to the treasurer of state.

**VILLAGE OF TRIMBLE
ATHENS COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-006 (Continued)

Noncompliance and Internal Control Deficiency - Ohio Rev. Code § 2949.091 (Continued)

The Village inadvertently remitted \$600 of the State's distribution of fines collected in May 2013 to the Village's General Fund. The financial statements presented in this report include adjustments, which management agrees, to move the \$600 to the Mayor's Court Agency Fund. The Fiscal Officer had not yet remitted this amount to the State as of December 31, 2015.

The Fiscal Officer should refund the \$600 back to the Mayor's Court Fund. A check should then be remitted from the Mayor's Court fund to the State for the May 2013 distribution.

Official's Response: The Fiscal Officer will investigate the \$600 further to resolve the issue.

FINDING NUMBER 2015-007

Noncompliance

Ohio Rev. Code § 5705.12 provides that, in addition to the funds provided for by §§ 5705.09, 5705.121, 5705.13 and 5705.131 of the Revised Code, the taxing authority of a subdivision may establish, with the approval of and in the manner prescribed by the Auditor of State, such other funds as are desirable, and may provide by ordinance or resolution that money derived from specified sources other than the general property tax shall be paid directly into such funds.

The Village established the Grant Receipts Special Revenue Fund in 2015. Since the grantor required the Village to account for these funds in a separate fund, no authorization from the Auditor of State was required. However, Council did not recognize nor approve establishing the fund which reduces their ability to adequately monitor the activity to ensure compliance with grant requirements and management's intent.

Council should recognize and approve the establishment of all new funds. This approval should be clearly documented in the minutes.

Official's Response: Council will establish the fund through resolution and document the approval in the minutes.

FINDING NUMBER 2015-008

Noncompliance

Ohio Rev. Code § 5705.36(A)(1) provides that, on or about the first day of each fiscal year, the fiscal officers of subdivisions and other taxing units are to certify to the county auditor the total amount from all sources available for expenditures from each fund in the tax budget along with any unencumbered balances existing at the end of the preceding year.

The Village officials did not file the certificate with the County Auditor for 2014. As a result the Village officials were unable to properly budget its expenditures, which could lead to expending more money than is available.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-008 (Continued)

Noncompliance - Ohio Rev. Code § 5705.36(A)(1) (Continued)

The Fiscal Officer should annually certify to the County Auditor the total amount from all sources available for expenditures from each fund. Further, the Fiscal Officer should include these amounts in budget to actual financial reports presented to Council monthly to allow for better monitoring.

Official's Response: The Village began filing the Certificate beginning in 2015.

FINDING NUMBER 2015-009

Noncompliance

Ohio Rev. Code § 5705.38 provides that, on or about the first day of each fiscal year, an appropriation measure is to be passed. If the taxing authority wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

Further, Ohio Rev. Code § 5705.41(B) provides that no subdivision or taxing unit is to expend money unless it has been appropriated.

The Village did not pass appropriation resolutions for 2015 or 2014. As a result, all expenditures in 2015 and 2014 were made absent of the legal appropriation authority.

Council should adopt an appropriation measure prior to expending or obligating funds. If Council wants to postpone the passage of the annual appropriation measure until an amended certificate is received from the county budget commission based upon the actual year end balances, it may pass a temporary appropriation measure for meeting the ordinary expenses until no later than April 1.

Official's Response: We will work with the County and State Auditor's offices in resolving this issue.

FINDING NUMBER 2015-010

Noncompliance

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

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

**VILLAGE OF TRIMBLE
ATHENS COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-010 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)

1. "Then and Now" certificate - If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate - Fiscal officers may prepare "blanket" certificates for a certain sum of money not exceeding an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account and cannot extend beyond the end of the fiscal year. The blanket certificate may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation. Blanket certificates cannot be issued unless there has been an amount approved by the legislative authority for the blanket.

3. Super Blanket Certificate - The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

The Village did not certify expenditures during 2015 or 2014. There was no evidence that the Village followed the aforementioned exceptions. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval.

To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify that the funds are or will be available prior to the Village incurring obligations. When prior certification is not possible, "then and now" certification should be used.

Official's Response: We will work with the County and State Auditor's offices in resolving this issue.

FINDING NUMBER 2015-011

Internal Control Deficiency

Auditor of State Bulletin 2002-004 explains that the Ohio Public Works Commission (OPWC) will make payments to the contractor(s) for its share based on invoices submitted by the fiscal officer or to the local government as a reimbursement. For payments made to the contractor, the State will notify the fiscal officer of the amount disbursed. Upon receipt of this notice, each local government shall record a receipt and expenditure in the capital projects fund equal to the amount disbursed by the OPWC. The Ohio Water Development Authority (OWDA) follows a similar practice.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-011 (Continued)

Internal Control Deficiency (Continued)

The Fiscal Officer did not record the 2015 on-behalf transactions related to receipts and expenditures for OWDA projects 6918 and 6904 or OPWC project CR25R. This resulted in audit adjustments in the Water Project Fund to record the activity of \$414,357 in receipts and expenditures. The presented financial statements reflect the above adjustments.

The Fiscal Officer should record all on-behalf payments to their accounting system as outlined in the aforementioned bulletin. Further, the Fiscal Officer should incorporate budgeted activity relating to the on-behalf receipts and expenditures in budget to actual reports presented to Council.

Official's Response: We will work with the County and State Auditor's offices in resolving this issue.

FINDING NUMBER 2015-012

Noncompliance and Internal Control Deficiency

Ohio Admin. Code § 117-2-02(A) requires public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements. Per Ohio Admin. Code § 117-2-02(D), accounting records that can help achieve these objectives include but are not limited to:

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

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

Even though the Fiscal Officer maintained a cashbook, receipt register, and check register, the Fiscal Officer did not consistently include dates for individual transactions posted. Further, the Fiscal Officer posted certain revenue and expenditures transactions incorrectly resulting in audit adjustments.

For the year ended December 31, 2014, the following items were noted:

- The Cashbook amounts did not agree to the Annual Financial report due to improper posting of prior audit adjustments as expenditures rather than fund balance amounts resulting in:
 - General Fund: a decrease in total Disbursements of \$691, a decrease in beginning fund balance of \$1,291, and a decrease in ending fund balance of \$600.
 - Street Construction and Maintenance Fund: a decrease in total disbursements and a decrease in beginning balance of \$1,055.
 - State Highway Fund: a decrease in total disbursements and a decrease in beginning balance of \$86.
 - Street Levy Fund: an increase in total disbursements and beginning balance of \$30.

**VILLAGE OF TRIMBLE
ATHENS COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-012 (Continued)

Noncompliance and Internal Control Deficiency - Ohio Admin. Code § 117-2-02(A) (Continued)

- Fire Fund: an increase in total disbursements and beginning balance of \$8.
- Permissive Motor Vehicle License Tax Fund: an increase in total disbursements and beginning balance of \$1,775.
- Permanent Improvement Fund: an increase in total disbursements and beginning balance of \$19.
- Agency (Mayor’s Court) Fund: an increase in beginning balance and ending balance of \$625.
- The Fiscal Officer did not record Mayor’s Court activity in the Cashbook or Annual Financial Statement resulting in an increase in total receipts of \$2,309, an increase in total disbursements of \$2,328, and a reduction in ending fund balance of \$19.

For the year ended December 31, 2015, the following items were noted:

- The Fiscal Officer did not record Mayor’s Court activity in the Cashbook or Annual Financial Statement resulting in an increase in total receipts of \$117, an increase in total disbursements of \$121, and a reduction in ending fund balance of \$4.
- The Fiscal Officer did not record on-behalf transactions relating to OWDA and OPWC projects resulting in an increase in total receipts and total expenditures of \$414,357.

Additional adjustments to original financial statement amounts resulted from client restatement of beginning balances. The following represents the cumulative effect of the adjustments made on the respective fund cash balances as of December 31, 2015:

Fund	Unadjusted December 31, 2015 Fund Balances	Audit Adjustments	Adjusted December 31, 2015 Fund Balances
General	(\$141,058)	\$75,636	(\$65,422)
Street Construction, Maintenance and Repair	12,257	(12,257)	0
State Highway	6,811	(5,266)	1,545
Street Levy	2,291	(1,686)	605
Permissive MVL	14,128	(1,670)	12,458
Fire Fund	23,517	(501)	23,016
Permanent Improvement Fund	31,906	(17,020)	14,886
Grant Fund	2,072	0	2,072
Water Operating	91,241	(37,836)	53,405
Water Holding	11,978	0	11,978
Mayor's Court	2	600	602
	\$55,145	\$0	\$55,145

These misstatements were an oversight by management. As a result, significant adjustments and reclassifications, with which the Village’s management agrees, were made to the financial statements and ledgers, and are reflected in the accompanying financial statements.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-012 (Continued)

Noncompliance and Internal Control Deficiency - Ohio Admin. Code § 117-2-02(A) (Continued)

The Fiscal Officer should refer to the Village Officers' Handbook for proper classification and take additional care in posting transactions to the Village's ledgers in order to ensure the financial statements reflect the appropriate sources of the receipts and expenditures. Further, the Village Fiscal Officer should maintain a cashbook, receipt, and check registers which include all necessary information in order to accurately prepare the annual financial report.

Official's Response: We will work with the State Auditor's office in resolving this issue.

FINDING NUMBER 2015-013

Noncompliance

26 U.S.C. 3402 (a)(1) requires employers to withhold and remit federal income taxes from the wages of employees and elected officials.

IRS Publication 15, Circular E, Employer's Tax Guide further provides that the current tax rate for Medicare is 1.45% for the employer and 1.45% for the employee, or 2.9% total. Ohio Rev Code § 5747.06(A) provides, in part, that every employer, including the state and its political subdivisions, shall deduct and withhold Ohio state income tax on the date that the employer directly, indirectly, or constructively pays the compensation to, or credits the compensation to the benefit of, the employee.

The Fiscal Officer failed to withhold state and employment-related taxes (such as Medicare) for the Assistant Solicitor and the Class 1 Operator in 2015. These employees were previously classified as independent contractors and the Fiscal Officer neglected to commence withholding payroll taxes at that time. This could result in unexpected tax liabilities, fines, and penalties for the Village and the employees of the Village.

The Fiscal Officer should withhold all required federal, state, and local income taxes and employment-related taxes (such as Medicare) for all employees.

Official's Response: The Class 1 Operator is an independent contractor who requested to have federal taxes withheld and the Assistant Solicitor is no longer employed by the Village.

FINDING NUMBER 2015-014

Noncompliance

Internal Revenue Service Publication 15, Circular E, Employer's Tax Guide and Publication 15-A, Employer's Supplemental Tax Guide, defines employees versus independent contractors.

Generally, a worker who performs services for you is your employee if you have the right to control what will be done and how it will be done. This is so even when you give the employee freedom of action. What matters is that you have the right to control the details of how the services are performed. See Publication 15-A, Employer's Supplemental Tax Guide, for more information on how to determine whether an individual providing services is an independent contractor or an employee.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-014 (Continued)

Noncompliance - Internal Revenue Service Publication 15, Circular E, Employer's Tax Guide and Publication 15-A, Employer's Supplemental Tax Guide (Continued)

Generally, people in business for themselves are not employees. Independent contractors are people such as lawyers, contractors, subcontractors, public stenographers and auctioneers who follow an independent trade, business, or profession in which they offer. However, whether such people are employees or independent contractors depends on the facts in each case. The general rule is that an individual is an independent contractor if you, the person for whom the services are performed, have the right to control or direct only the result of the work and not the means and methods of accomplishing the result.

The Village Solicitor, Frank Lavelle, was identified by the Village as an employee and received a W-2 from the Village in 2015 and 2014. Failure to properly classify and individual as an employee or independent contractor could result in the Village being held liable for employment taxes for that worker or paying unnecessary employer taxes.

The Village should review the Publications referred to above to determine whether their Solicitor is an employee or an independent contractor. The IRS can determine whether the services are performed as an employee or independent contractor for the Commission by submitting Form SS-8, Determination of Worker Status for Purposes of Federal Employment Taxes and Income Tax Withholding.

Official's Response: The Officials will review the IRS website.

FINDING NUMBER 2015-015

Internal Control Deficiency

Maintaining bound, pre-numbered duplicate receipts books provides management with a record of all receipts flowing into the Village and assures that all monies collected are actually deposited and credited to the proper accounts of the Village.

The Village did not utilize bound, pre-numbered receipts to account for monies received either through the mail or at the Village Hall. Failure to provide duplicate receipts or other support can result in receipts being incorrectly posted or omitted altogether. It can also result in questions as to the completeness of cash actually collected and deposited with the bank.

The Fiscal Officer should maintain bound, pre-numbered duplicate receipt books to record revenues immediately upon receipt. The duplicate receipt should indicate the payee, amount, form of payment (cash or check), the purposed and the fund and account to credit. The Fiscal Officer should also retain copies of checks received as donations to provide additional supporting documentation.

Official's Response: The Fiscal Officer will start using duplicate receipt books.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-016

Internal Control Deficiency

Most governmental entities have the authority to provide cell phones, credit cards and purchasing cards for use by authorized employees and to provide government-owned vehicles and equipment (e.g., computers, internet and phone usage, etc.) for use by authorized users. The use of these items should be specified in a policy the government's legislative body adopts. These policies should, at a minimum, identify authorized users, guidelines for allowable use/purchases, method of reimbursement (if personal use is allowed), specific unallowable uses, reporting, monitoring of use by appropriate levels of management, and other guidelines the legislative body deems appropriate.

Council has not established a credit card policy to govern the use of its Staples credit card. Further, Council did not have a formal policy governing the use of the fuel purchasing account at Marathon or the use of Village-owned vehicles and equipment. The lack of a Village policy governing the use of these items could allow improper purchases to occur and remain undetected for an extended period of time.

Council should adopt formal policies governing the use of the Staples credit card, Marathon fuel purchasing account, and the use of Village-owned vehicles and equipment. The policies should at a minimum, identify authorized users; guidelines for allowable use/purchases, method of reimbursement; and other guidelines deemed appropriate by the Village.

Official's Response: Council will work with the Solicitor in developing a policy.

FINDING NUMBER 2015-017

Internal Control Deficiency

The Village management should maintain personnel files on hand for all employees and elected officials. Personnel files should include:

- Hiring Authorization.
- Position & Authorized Salary Rate.
- Department/Fund to which salary will be charged.
- Deduction Authorizations.
- OPERS Authorization.
- Federal Withholding Form W-4.
- State Withholding Form IT-4.

The Village failed to maintain hiring authorizations, position and salary rate, department, or withholding authorization forms for two new employees in 2015. This could result in incorrect computation of employee paychecks and/or unauthorized withholdings from employee pay checks.

The Fiscal Officer should maintain complete personnel files for all employees and elected officials. The Fiscal Officer may not withhold amounts from the employee and officials gross pay unless the documentation authorizing her to do so is on file.

Official's Response: The Fiscal Officer will start maintaining more complete personnel files.

**VILLAGE OF TRIMBLE
ATHENS COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS (Continued)

FINDING NUMBER 2015-018

Internal Control Deficiency

The Water Department recorded several adjustments on the billing reports throughout the audit period and noted no formal approval of those adjustments. This could lead to unapproved adjustments and loss of revenue for the Village.

The Village should adopt a resolution or ordinance regarding the approval of adjustments to water bills. Approval documentation should include the reason for adjustment, account adjusted, date of adjustment and amount adjusted.

Official's Response: We will start documenting approval in the minutes.

FINDING NUMBER 2015-019

Internal Control Deficiency

Water billing reports should be presented to Council for review and approval each month. The reports should be reviewed to determine that the number of customers being billed monthly is consistent, that there are no unusual amounts charged or unusual usages noted, and that the appropriate rates are charged.

Burr Oak Regional Water Districts bills water customers on behalf of the Village. During 2015 and 2014, Council did not review or approve monthly water billing reports received from the Burr Oak Regional Water District. This was an oversight by the Council which could result in undetected errors or significant variances.

The Water Clerk should present monthly billing reports to the Council for review and approval.

Official's Response: Council will start signing off on the billing reports as being reviewed and approved.

**VILLAGE OF TRIMBLE
ATHENS COUNTY**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2015 AND 2014**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain
2013-001	A noncompliance citation of Ohio Rev. Code § 733.40 for untimely remittances of Mayor's Court fines to the Village	No	Not Corrected. Repeated as Finding 2015-004.
2013-002	A noncompliance citation of Ohio Rev. Code § 5705.10(I) for negative fund cash balances.	No	Not Corrected. However, we will not reissue citation since the Village was placed in fiscal emergency during the current audit period.
2013-003	A noncompliance citation of Ohio Rev. Code § 5705.36(A)(1) for not certifying estimated resources	No	Not Corrected. Repeated as Finding 2015-008.
2013-004	A noncompliance citation of Ohio Rev. Code § 5705.38 for failure to adopt appropriations.	No	No Corrected. Repeated as Finding 2015-009.
2013-005	A noncompliance citation of Ohio Rev. Code § 5705.41(D)(1) for not certifying the availability of funds .	No	No Corrected. Repeated as Finding 2015-010.
2013-006	A material weakness for lack of adequate monitoring.	Yes	N/A
2013-007	A material weakness for posting revenue and expenditure transactions incorrectly.	No	No Corrected. Repeated as Finding 2015-012.
2013-008	A material weakness for inadequate accounting records relating to Mayor's Court.	Yes	N/A
2013-009	A significant deficiency for failure to obtain images of the backs of checks relating to Mayor's Court.	Yes	N/A

This page intentionally left blank.



Dave Yost • Auditor of State

VILLAGE OF TRIMBLE

ATHENS COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
DECEMBER 27, 2016