



**Auditor of State
Betty Montgomery**

**Village of Yankee Lake
Trumbull County, Ohio**

Termination of Fiscal Watch

Local Government Services Section

Village of Yankee Lake
Termination of Fiscal Watch

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Termination of Fiscal Watch

Pursuant to a request from the Council of the Village of Yankee Lake to remove the Village from fiscal watch, the Auditor of State has conducted a review of the financial condition of the Village as of December 31, 2003. This review has determined that the Village of Yankee Lake no longer meets the fiscal watch conditions that caused the Village to be declared in fiscal watch on April 11, 2002. Accordingly, the Village of Yankee Lake's status of fiscal watch is hereby terminated as of April 15, 2004.

This report is hereby submitted and filed with John Jurko, Mayor of the Village of Yankee Lake and David Hines, Secretary of the Trumbull County Budget Commission

Betty Montgomery

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Auditor of State

April 15, 2004

Village of Yankee Lake, Trumbull County

Termination of Fiscal Watch

Introduction

Section 118.022, Ohio Revised Code describes four conditions which justify placing a village in fiscal watch. These conditions are: 1) significant accounts that have been due and payable for more than thirty days; 2) substantial deficit fund balances; 3) fund balances which exceed the balance in money and marketable securities held by the village; and 4) a forecasted deficit in the village's general fund for the current year.

On April 11, 2002 the Village of Yankee Lake was declared to be in fiscal watch because a review of the Village's financial condition indicated that conditions 1, 2, and 3 were present as of December 31, 2001.

On February 3, 2004 the Council of the Village of Yankee Lake requested that the Auditor of State perform a new review of the Village's financial condition as of December 31, 2003 to determine if the Village's improved financial condition justifies release from fiscal watch. In order to be removed from fiscal watch, the fiscal watch conditions that resulted in the Village being declared in fiscal watch have to have been eliminated.

This report provides a detailed description of these conditions, the specific procedures we performed to determine if any of the conditions still existed as of December 31, 2003 and the corresponding results of our analysis.

General and Special Funds Accounts Payable

Section 118.022(A)(1) of the Ohio Revised Code defines a fiscal watch condition as the existence of either of the following situations:

- (a) All accounts that were due and payable from the general fund at the end of the preceding fiscal year that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year-end balance in the general fund, exceeded one-twelfth of the general fund budget for that year.
- (b) All accounts that were due and payable at the end of the preceding fiscal year from all funds and that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year-end balance in the general fund and in the respective special funds available to pay such accounts, exceeded one-twelfth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts are payable.

We searched for accounts payable as of December 31, 2003, that were due and payable from all funds of the Village, and that had been due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2003, including, but not limited to, final judgments, fringe benefit payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties.

Conclusion: A fiscal watch condition does not exist under Section 118.022(A)(1)(a) or 118.022(A)(1)(b) of the Ohio Revised Code. We did not find any payables that had been due and payable for more than thirty days.

Village of Yankee Lake, Trumbull County

Termination of Fiscal Watch

Deficit Fund Balances

Section 118.022(A)(2) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of the preceding fiscal year, less the total of any year-end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Revised Code to meet such deficit, exceeded one-twelfth of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We examined the fund financial statements of the Village for any deficit funds. The Village had no deficit fund balances as of December 31, 2003; no further analysis was performed.

Conclusion: A fiscal watch condition did not exist under Section 118.022(A)(2) of the Ohio Revised Code as of December 31, 2003. All funds had positive balances at year-end.

Treasury Deficiency

Section 118.022 (A)(3) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation, county, or township, minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds, the purposes of which the unsegregated treasury is held to meet, and such deficiency exceeded one-twelfth of the total amount received into the unsegregated treasury during the preceding fiscal year.”

We calculated the unsegregated treasury balance of the Village as of December 31, 2003. From the treasury balance we subtracted the aggregate sum of all positive fund balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit.

Treasury Balances
Ohio Revised Code Section 118.022(A)(3)
As of December 31, 2003

	<u>December 31, 2003</u>
Bank Cash Balances	\$16,965
Adjustments:	
Outstanding Checks	<u>(144)</u>
Total Treasury Balance	<u>16,821</u>
Less Positive Cash Fund Balances:	
General	14,604
Street	757
State Highway	<u>1,460</u>
Total Positive Cash Fund Balances	<u>16,821</u>
Treasury Deficit	<u>\$0</u>

Village of Yankee Lake, Trumbull County

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Conclusion: The schedule indicates that a fiscal watch condition does not exist under Section 118.022(A)(3) of the Ohio Revised Code as of December 31, 2003. The treasury balance less the positive fund cash balances was \$0; therefore, no further calculations were needed.

Summary

This analysis indicates that the fiscal watch conditions that existed as of December 31, 2001 have been corrected. The improvement in the Village of Yankee Lake's financial condition justifies the Village's release from fiscal watch.

Because the above procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported to you.



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Betty Montgomery**

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VILLAGE OF YANKEE LAKE

TRUMBULL 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
APRIL 15, 2004**