



OHIO AUDITOR OF STATE
KEITH FABER



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Basic Audit Report

Village of Yankee Lake
Trumbull County
Brookfield, Ohio 44403

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Village of Yankee Lake, Trumbull County, (the Village) for the years ended December 31, 2020 and 2019.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Village's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Village's financial statements, transactions or balances for the years ended December 31, 2020 and 2019.

The Village's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. Ohio Rev. Code §117.38 provides that each public office shall file a financial report for each fiscal year. Auditor of State Bulletin 2015-007 states that beginning with 2015 financial report filings, all entities required to file with the AOS must file electronically via the Hinkle Annual Financial Data Reporting System (Hinkle System) unless a waiver has been approved by the AOS for the applicable filing year. In order for a filing to be complete, it must include Statement(s) (or Combined Statement(s)) of Receipts, Disbursements and Changes in Fund Balances – Governmental, Proprietary and Fiduciary, as applicable, and Notes to the Basic Financial Statements. The report must be filed within 60 days of fiscal year end.

The Village prepared its financial statements in accordance with standards established by the Auditor of State for governmental entities not required to prepare annual reports in accordance with generally accepted accounting principles, and filed a report via the Hinkle System, however, the 2020 report was filed October 21, 2021, therefore it was not filed by the required date.

Pursuant to Ohio Revised Code §117.38 and Auditor of State Bulletin 2015-007, the Village can be fined \$25/day (up to \$750 maximum). When the Village files the annual report through the Hinkle system, they should be sure to file by the required deadline. This may help ensure the annual financial reporting requirement has been met.

2. Ohio Rev. Code § 733.18 states a newly elected or appointed fiscal official shall complete at least six hours of initial education programs before commencing, or during the first year of office. An additional eighteen hours of continuing education must be completed within the elected official's first term. Twelve hours of training shall be completed for each subsequent term. Elected officials must register and create a username and password for the Auditor of State's Fiscal Integrity site for reporting purposes. Training is then reported by choosing the training courses and dates attended. Fiscal officers are required to self-report their hours, otherwise they will not receive credit for the training. Elected officials can access and print their certificates via the Fiscal Integrity Act portal available at <http://www.ohioauditor.gov/fiscalintegrity/default.html>.

During review of the Fiscal Integrity Act Portal and inquiry with the Treasurer, we found the Village Treasurer did not receive the required training during the engagement period. Failure to obtain the required training could result in removal from office. We recommend the Treasurer obtain the required continuing education and report the training through the Fiscal Integrity Act Portal.

3. Ohio Rev. Code §149.43(E)(2) provides that every public office must have a policy in place for responding to public records requests. Accordingly, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the officer will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to Ohio Rev. Code §149.43(B)(7)(c), the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. For purposes of this division, "commercial" shall be narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research. Additionally, all public offices are required by Ohio Rev. Code §149.43(E)(2) to distribute their Public Records Policy to the employee who is the records custodian/manager of otherwise has custody of the records of that office.

Ohio Rev. Code §149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must create and display in a conspicuous place in all location where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

The Village has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law.

4. Ohio Rev. Code §149.43(B)(2) states that a public office shall have available a copy of its current records retention schedule at a location readily available to the public. The Village has not developed and approved a records retention schedule.
5. Ohio Rev. Code §109.43(B) and 149.43(E)(1) require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide 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.

None of the Village's elected officials have attended the required Certified Public Records Training or have an appropriate designee attend a training, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public officers regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

6. Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Village inappropriately recorded \$676.41 in 2019 and \$2,044.07 in 2020 of Motor Vehicle License Tax revenue in the General Fund. Given the source of the revenue, this should have been recorded in the Street Construction and Maintenance Fund and State Highway Fund.

The Village inappropriately recorded \$315.43 in 2019 of Gasoline Tax revenue in the General Fund. Given the source of the revenue, this should have been recorded in the Street Construction and Maintenance Fund.

Lastly, the Village inappropriately accounted for the revenue and expense of \$4,750.02 in 2020 of Coronavirus Relief revenue in the General Fund. Given the source of the revenue, this activity should have been recorded in a Coronavirus Relief fund.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should return these monies to the proper funds by adjusting their accounting system balances. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

The Village has adjusted its accounting system fund balances to return the motor vehicle license tax and gas tax monies to their proper funds.

7. Ohio Rev. Code § 9.38 provides in part, all public monies received shall be deposited with the treasurer of the public office or designated depository on the business day next following the day of receipt, if the total amount of such monies received exceeds \$1,000. If the total amount of public moneys so received does not exceed \$1,000, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited.

To date the Village has not approved a policy to extend the time between collections and deposit beyond one business day.

Per review of the Village's revenue ledgers for 2019 and 2020, we noted some receipts were posted more than a month after occurrence. Delays of this nature resulting from deficiencies in internal control procedures could cause receipts to be lost, misplaced, or stolen without being detected in a timely manner.

The Village should draft, approve, and implement policies and procedures to help ensure timely depositing of public monies in accordance with Ohio Rev. Code § 9.38.

Current Status of Matters Reported in our Prior Engagement

1. Our prior audit for the years ended December 31, 2018 and 2017 included a misposting of motor vehicle license tax proceeds totaling 1,550.07 to the General Fund. This matter has been repeated in Current Year Observations #6 above. However, the Village did resolve these mispostings on April 7, 2022 by adjusting their accounting system fund balances to move the monies into the proper funds.
2. Our prior audit for the years ended December 31, 2018 and 2017 included noncompliance for not filing annual reports timely, as required by Ohio Rev. Code § 117.38. This matter has been repeated in Current Year Observations #1 above.



Keith Faber
Auditor of State
Columbus, Ohio

April 12, 2022

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF YANKEE LAKE

TRUMBULL COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/5/2022

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