



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

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STATE OF OHIO

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

**Fiscal Watch Analysis**  
**As of December 31, 2001**

**Local Government Services Division**  
**Auditor of State's Office**

**Village of Yankee Lake**



# Fiscal Watch and Emergency Analysis

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**STATE OF OHIO  
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**Declaration of Fiscal Watch**

The Auditor of State performed a fiscal analysis of the Village of Yankee Lake pursuant to Section 118.022 of the Ohio Revised Code. This analysis indicates and it is hereby declared that a fiscal watch exists at the Village of Yankee Lake as defined by Sections 118.022(A)(1), (2) and (3) of the Ohio Revised Code.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted and filed with John Jurko, Mayor of the Village of Yankee Lake; John Nesboda, President Pro Tempore of Council; and Arlene Egelsky, Village Clerk-Treasurer, and the Trumbull County Budget Commission.

**JIM PETRO  
Auditor of State**

April 11, 2002

# Village of Yankee Lake, Trumbull County

## Fiscal Watch Analysis

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### **Introduction**

As provided by Sections 118.021 and 118.022(A) of the Ohio Revised Code, the Auditor of State, as requested by the Mayor John Jurko of the Village of Yankee Lake, performed a fiscal analysis of the Village of Yankee Lake, Trumbull County.

This report sets forth a fiscal analysis as of December 31, 2001. For a fiscal watch to be declared, any one of three conditions must exist as of December 31, 2001.

The guidelines for performing such an analysis are set forth in Sections 118.022 of the Ohio Revised Code. The specific procedures performed for each of the fiscal watch conditions identified in Section 118.022 of the Ohio Revised Code are presented below.

### **Condition One - Past Due Accounts Payable from the General Fund and All Funds**

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 of a municipal corporation, county, or township 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 of the municipal corporation, county, or township and that had been due and payable for at least they 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 specials funds from which such accounts are payable.

We prepared a schedule of accounts payable as of December 31, 2001, that were due and payable from the general fund, 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, 2001. From this amount we subtracted the year-end fund balance available in the general fund to determine if the accounts payable in excess of the available fund balance exceeded one-twelfth of the general fund budget for that year.

**Village of Yankee Lake, Trumbull County**  
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Schedule I

General Fund Accounts Payable Over Thirty Days Past Due  
Ohio Revised Code Section 118.022(A)(1)(a)  
As of December 31, 2001

	Payables Over 30 Days Past Due	General Fund Balance Available	Payables In Excess of Available Balance	One-Twelfth of General Fund Budget	Accounts Payable (Deficiency)
General Fund	\$882	\$0	\$882	\$751	(\$131)

We prepared a second schedule of accounts payable as of December 31, 2001, that were due and payable from all funds for at least thirty days or to which a penalty was added as of December 31, 2001. From this amount we subtracted the year end fund balance in the general fund and the respective special funds available to pay such outstanding bills. We then determined if the accounts payable in excess of the available fund balance exceeded one-twelfth of the available revenues during 2001, excluding non-recurring receipts, of the general fund and of all special funds from which such accounts are lawfully payable.

Schedule II

Accounts Payable from All Funds Over Thirty Days Past Due  
Ohio Revised Code Section 118.022(A)(1)(b)  
As of December 31, 2001

	Payables Over 30 Days Past Due	Fund Balance Available	Payables In Excess of Available Balance	One-Twelfth of Available Revenues	Accounts Payable (Deficiency)
General Fund	\$882	\$0	\$882	\$741	(\$141)

Conclusion: Schedules I and II indicate that a fiscal watch condition does exist under Section 118.022(A)(1). The general fund had accounts payable which were at least thirty days past due at year-end that exceeded the year-end balance in the general fund plus one-twelfth of the general fund budget and that exceeded the year-end balance in the general fund plus one-twelfth of the available revenues for 2001.

**Condition Two - 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 its 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 total 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.

**Village of Yankee Lake, Trumbull County**  
**Fiscal Watch Analysis**

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We computed the adjusted aggregate sum of all deficit funds as of December 31, 2001, by subtracting all accounts payable and encumbrances from year-end cash fund balances of each fund. We then determined if the aggregate deficit fund balance exceeded one-twelfth of the general fund budget and the receipts of those deficit funds. After computing the unprovided portion of the aggregate deficit, we subtracted funds that may be transferred, as provided in Section 5705.14 of the Revised Code, to meet such deficits.

Schedule III

Deficit Fund Balances  
Ohio Revised Code Section 118.022(A)(2)  
As of December 31, 2001

	Cash Fund Balance	Accounts Payable	Adjusted Aggregate Funds With Deficit Balances	One-Twelfth of General Fund Budget Lawfully Available	Unprovided Portion of Aggregate Deficit
General Fund	(\$1,034)	\$882	(\$1,916)	\$751	(\$1,165)
Funds Available for Transfer					0
Total Unprovided Portion of Aggregate Deficit					(\$1,165)

Conclusion: Schedule III indicates that a fiscal watch condition exists under Section 118.022(A)(2) of the Ohio Revised Code as of December 31, 2001. The adjusted aggregate deficit funds of the general fund at December 31, 2001, exceeded one-twelfth of the general fund budget for 2001 by \$1,165.

**Condition Three - 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 verified the Village's reconciliation of its bank balances to its cash book balance as of December 31, 2001. 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. We then subtracted from the treasury deficit one-twelfth of the amount received into the treasury during 2001, to determine the treasury deficiency.

**Village of Yankee Lake, Trumbull County**  
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Schedule IV

Treasury Balances  
Ohio Revised Code Section 118.022(A)(3)  
As of December 31, 2001

	Amounts December 31, 2001
Total Treasury Balance	<u>\$1,037</u>
Positive Fund Balances:	
Street Construction Maintenance and Repair	712
State Highway	<u>1,360</u>
Total Positive Cash Fund Balances	<u>2,072</u>
Treasury Balance Less Positive Fund Balances	(1,035)
One-Twelfth of the Treasury Receipts	<u>892</u>
Treasury Deficiency	<u><u>(\$143)</u></u>

Conclusion: Schedule IV indicates that a fiscal watch condition does exist under Section 118.022(A)(3) of the Ohio Revised Code as of December 31, 2001. The treasury balance less the positive fund cash balances exceed one-twelfth of the treasury receipts as of December 31, 2001 by \$143.

**Summary**

A fiscal watch exists at the Village of Yankee Lake as defined in Section 118.022(A)(1), (2) and (3) of the Ohio Revised Code, as presented in Schedules I through IV.

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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**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 11, 2002**