



**VILLAGE OF TIMBERLAKE
LAKE COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF TIMBERLAKE
LAKE COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 2000	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Similar Fiduciary Fund Types For the Year Ended December 31, 2000	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types - For the Year Ended December 31, 1999	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Proprietary and Similar Fiduciary Fund Types For the Year Ended December 31, 1999	6
Notes to the Financial Statements	7
Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	13
Schedule of Findings	15

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Timberlake
Lake County
11 East Shore Boulevard
Timberlake, Ohio 44095

To the Village Council:

We have audited the accompanying financial statements of the Village of Timerlake, Lake County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Timberlake, Lake County, Ohio as of December 31, 2000 and December 31, 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2001 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

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

Jim Petro
Auditor of State

November 26, 2001

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**VILLAGE OF TIMBERLAKE
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$187,774	\$0	\$0	\$187,774
Intergovernmental Receipts	91,893	31,232	0	123,125
Charges for Services	2,600	0	0	2,600
Fines, Licenses, and Permits	22,914	0	0	22,914
Earnings on Investments	11,156	388	101	11,645
Miscellaneous	7,293	0	0	7,293
Total Cash Receipts	<u>323,630</u>	<u>31,620</u>	<u>101</u>	<u>355,351</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	141,325	0	0	141,325
Public Health Services	3,628	0	0	3,628
Leisure Time Activities	17,236	0	0	17,236
Community Environment	4,551	0	0	4,551
Basic Utility Services	54,285	0	0	54,285
Transportation	0	22,482	0	22,482
General Government	125,826	0	0	125,826
Capital Outlay	0	0	30,962	30,962
Debt Service	0	0	0	0
Total Disbursements	<u>346,851</u>	<u>22,482</u>	<u>30,962</u>	<u>400,295</u>
Total Receipts Over/(Under) Disbursements	<u>(23,221)</u>	<u>9,138</u>	<u>(30,861)</u>	<u>(44,944)</u>
Other Financing Receipts/(Disbursements):				
Sale of Assets	7,800	0	0	7,800
Transfers-In	0	0	25,000	25,000
Transfers-Out	(25,000)	0	0	(25,000)
Total Other Financing Receipts/(Disbursements)	<u>(17,200)</u>	<u>0</u>	<u>25,000</u>	<u>7,800</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>(40,421)</u>	<u>9,138</u>	<u>(5,861)</u>	<u>(37,144)</u>
Fund Cash Balances January 1, 2000	<u>130,880</u>	<u>336</u>	<u>25,572</u>	<u>156,788</u>
Fund Cash Balances, December 31, 2000	<u>\$90,459</u>	<u>\$9,474</u>	<u>\$19,711</u>	<u>\$119,644</u>

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

VILLAGE OF TIMBERLAKE
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	<u>\$2,690</u>	<u>\$4,800</u>	<u>\$7,490</u>
Total Non-Operating Cash Receipts	<u>2,690</u>	<u>4,800</u>	<u>7,490</u>
Operating Cash Disbursements:			
Contractual Services	<u>4,579</u>	<u>5,080</u>	<u>9,659</u>
Total Non-Operating Cash Disbursements	<u>4,579</u>	<u>5,080</u>	<u>9,659</u>
Excess of Receipts Over/(Under) Disbursements	(1,889)	(280)	(2,169)
Fund Cash Balances, January 1, 2000	<u>21,598</u>	<u>913</u>	<u>22,511</u>
Fund Cash Balances, December 31, 2000	<u><u>\$19,709</u></u>	<u><u>\$633</u></u>	<u><u>\$20,342</u></u>

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

**VILLAGE OF TIMBERLAKE
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
Cash Receipts:				
Property Tax and Other Local Taxes	\$195,242	\$0	\$0	\$195,242
Intergovernmental Receipts	234,831	22,786	10,000	267,617
Charges for Services	2,700	0	0	2,700
Fines, Licenses, and Permits	19,300	0	0	19,300
Earnings on Investments	8,949	256	2,414	11,619
Miscellaneous	800	0	0	800
	<u>461,822</u>	<u>23,042</u>	<u>12,414</u>	<u>497,278</u>
Total Cash Receipts				
Cash Disbursements:				
Current:				
Security of Persons and Property	130,728	0	0	130,728
Public Health Services	3,589	0	0	3,589
Leisure Time Activities	16,920	0	0	16,920
Community Environment	2,693	0	0	2,693
Basic Utility Services	68,863	0	0	68,863
Transportation	0	22,439	0	22,439
General Government	86,689	0	0	86,689
Capital Outlay	0	0	18,038	18,038
Debt Service	123,231	21,500	55,269	200,000
	<u>432,713</u>	<u>43,939</u>	<u>73,307</u>	<u>549,959</u>
Total Disbursements				
Total Receipts Over/(Under) Disbursements	<u>29,109</u>	<u>(20,897)</u>	<u>(60,893)</u>	<u>(52,681)</u>
Other Financing Receipts/(Disbursements):				
Transfers-In	0	1,581	0	1,581
Transfers-Out	(1,581)	0	0	(1,581)
	<u>(1,581)</u>	<u>1,581</u>	<u>0</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)				
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	27,528	(19,316)	(60,893)	(52,681)
Fund Cash Balances January 1, 1999	<u>103,352</u>	<u>19,652</u>	<u>86,465</u>	<u>209,469</u>
Fund Cash Balances, December 31, 1999	<u>\$130,880</u>	<u>\$336</u>	<u>\$25,572</u>	<u>\$156,788</u>

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

**VILLAGE OF TIMBERLAKE
LAKE COUNTY
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES
IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	
Operating Cash Receipts:			
Charges for Services	<u>\$8,571</u>	<u>\$5,500</u>	<u>\$14,071</u>
Total Non-Operating Cash Receipts	<u>8,571</u>	<u>5,500</u>	<u>14,071</u>
Operating Cash Disbursements:			
Contractual Services	<u>8,721</u>	<u>5,488</u>	<u>14,209</u>
Total Non-Operating Cash Disbursements	<u>8,721</u>	<u>5,488</u>	<u>14,209</u>
Excess of Receipts Over/(Under) Disbursements	(150)	12	(138)
Fund Cash Balances, January 1, 1999	<u>21,748</u>	<u>901</u>	<u>22,649</u>
Fund Cash Balances, December 31, 1999	<u><u>\$21,598</u></u>	<u><u>\$913</u></u>	<u><u>\$22,511</u></u>

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

**VILLAGE OF TIMBERLAKE
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Timberlake, Lake County, Ohio, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, sewer utilities, park operations and police services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

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

General Fund

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

Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

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

Capital Projects Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through trust funds). The Village had the following significant Capital Project Fund:

Road Construction Fund - This fund receives intergovernmental money and general fund transfers to fund road improvements in the Village.

**VILLAGE OF TIMBERLAKE
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

Enterprise Funds

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

Sanitary Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Fiduciary Funds (Agency Funds)

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

Hall Deposit Fund - This fund receives deposits from the rental of the Village hall.

E. Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

**VILLAGE OF TIMBERLAKE
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
<u>Deposits:</u>		
Demand Deposits	\$(12,417)	\$(7,106)
<u>Investments:</u>		
STAROhio	<u>152,403</u>	<u>186,405</u>
Total Deposits and Investments	<u>\$139,986</u>	<u>\$179,299</u>

Deposits:

Deposits are insured by the Federal Depository Insurance Corporation.

Investments:

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2000 and 1999 was as follows:

<u>Fund Type</u>	<u>2000 Budgeted VS. Actual Receipts</u>		
	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$297,116	\$331,430	\$34,314
Special Revenue	23,700	31,620	7,920
Capital Projects	0	25,101	25,101
Enterprise	7,000	2,690	(4,310)
	_____	_____	_____
Total	<u>\$327,816</u>	<u>\$390,841</u>	<u>\$63,025</u>

**VILLAGE OF TIMBERLAKE
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$432,513	\$371,851	\$60,662
Special Revenue	23,760	22,482	1,278
Capital Projects	49,859	30,962	18,897
Enterprise	28,596	4,579	24,017
Total	<u>\$534,728</u>	<u>\$429,874</u>	<u>\$104,854</u>

1999 Budgeted VS. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$450,845	\$461,822	\$10,977
Special Revenue	23,700	24,623	923
Capital Projects	0	12,414	12,414
Enterprise	7,800	8,571	771
Total	<u>\$482,345</u>	<u>\$507,430</u>	<u>\$25,085</u>

Note: In 1999, the Village was the beneficiary of an on-behalf-of grant of \$60,862 from the Ohio Public Works Commission for work performed on Village streets. This amount is not reflected in the Village's financial statements.

1999 Budgeted VS. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$552,169	\$434,294	\$117,875
Special Revenue	45,069	43,939	1,130
Capital Projects	98,221	73,307	24,914
Enterprise	29,547	8,721	20,826
Total	<u>\$725,006</u>	<u>\$560,261</u>	<u>\$164,745</u>

**VILLAGE OF TIMBERLAKE
LAKE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
JANUARY 1, 1999 THROUGH DECEMBER 31, 2000**

4. RETIREMENT SYSTEMS

The Village's law enforcement officers as do the other employees, all belong to the Public Employees Retirement System (PERS) of Ohio. The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are also prescribed by the Ohio Revised Code. The Village's PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries for 1999 and 10.84% for 2000. The Village has paid all contributions required through December 31, 2000.

5. PROPERTY TAX

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

Public utilities are also taxed on personal and real property located within the Village.

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

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

6. INCOME TAX

The Village levies an income tax of 1.0 percent on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a 100 percent credit on the income earned outside the Village and paid to another municipality. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Central Collection Agency (CCA) at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually. The tax is collected by CCA and remitted to the Village monthly.

7. RISK MANAGEMENT

The Village belongs to the Ohio Government Risk Management Plan (the "Plan"), an unincorporated non-profit association with over 600 governmental entity members providing a formalized, jointly administered self-insurance risk management program and other administrative services.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the member's deductible.

The Plan uses conventional insurance coverages and reinsures these coverages 100%, rather than using a risk pool of member funds to pay individual and collective losses. Therefore, the individual members are only responsible for their self-retention (deductible) amounts which vary from member to member.

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OFFICE OF THE AUDITOR

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

Village of Timberlake
Lake County
11 East Shore Boulevard
Timberlake, Ohio 44095

To the Village Council:

We have audited the financial statements of the Village of Timberlake, Lake County, Ohio, (the Village) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated November 26, 2001. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2000-30843-001 and 2000-30843-002. We also noted immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated November 26, 2001.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Village's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings as items 2000-30843-003 and 2000-30843-004.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are material weaknesses.

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated November 26, 2001.

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

Jim Petro
Auditor of State

November 26, 2001

**VILLAGE OF TIMBERLAKE
LAKE COUNTY**

SCHEDULE OF FINDINGS

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number	2000-30843-001
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Ohio Rev. Code § 5705.09, requires a bond retirement fund be established for the retirement of notes. In 1999, the Village retired a note without having establishing a bond retirement fund. The note was issued in 1998 for \$200,000.

Finding Number	2000-30843-002
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Ohio Rev. Code § 117.38, provides that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. These reports must be filed on forms prescribed by the Auditor of State. Any public office which does not file the report by the required date shall pay a penalty of twenty-five dollars for each day the report remains unfiled, not to exceed seven hundred fifty dollars. The report shall contain the amount of receipts from each source and expenditures for each purpose. The 1999 annual report filed by the Clerk-Treasurer did not contain the required information as only total receipts and expenditures were reported for each fund type.

Finding Number	2000-30843-003
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Cash balances include cash in the general operating bank account and STAR Ohio investment account. Cash is an asset that is very susceptible to embezzlement and is considered a high risk asset because of its liquidity and its desirability. In order for the cash to be properly monitored and accounted for, the Village should perform a monthly bank reconciliation. This reconciliation verifies that the cash balance reported in the general ledger agrees to the adjusted balance per the bank statement.

A review of the cash cycle disclosed the Village's general bank account was not reconciled to the general ledger during calendar years 2000 and 1999. As a result, numerous transposition errors, unbooked cash bank deposits and unbooked manual checks were not detected. This resulted in numerous adjustments being made to the Village's financial statements.

We recommend the Clerk-Treasurer reconcile the general operating bank account on a monthly basis. The reconciliation should be reviewed and approved by the Mayor.

Finding Number	2000-30843-004
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The Village receives sewer revenues from the Lake County Auditor and the City of Eastlake. The County Auditor collects delinquent account monies and the City of Eastlake, in conjunction with the Lake County Utilities Department, collects sewer charges on behalf of the Village. A review of the sewer revenues disclosed that collections by the City of Eastlake were not being properly monitored. These collections are remitted to the Village every April for the preceding year. The City's assistant finance director stated that as a result of an oversight on their part, the Village did not receive \$5,835 in sewer collections in April 2000 and the Village did not detect the omission. On April 25, 2001 the City issued a check to the Village in the amount of \$11,703. This check represented the amounts collected for the two year period. As of November 26, 2001, the Village has not cashed the check and is not cognizant of the situation.

We recommend the Village monitor sewer charge collections from the City of Eastlake.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

VILLAGE OF TIMBERLAKE

LAKE 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 20, 2001**