



# Dave Yost • Auditor of State

November 21, 2011

Leon Blazey, CPA  
Village of Bratenahl  
Cuyahoga County  
411 Bratenahl Road  
Bratenahl, Ohio 44108

We electronically distributed certified copies of your audit report for the year ended December 31, 2009 to you and other required recipients in accordance with Ohio Rev. Code § 117.26 and § 117.27.

The Federal Audit Clearinghouse requires you to submit the reporting package and Data Collection Form (DCF) electronically. Either you or the Auditor of State will upload the reporting package (i.e. financial statements and auditors' reports) and submit it electronically. The Data Collection Form is no longer a paper document. Instead, you must access and complete this form online through the Federal Clearinghouse's website. As before, there are sections you must complete, and sections the Auditor of State's staff must complete before you certify the form. The Federal Audit Clearinghouse will distribute the required reporting packages to the Federal agencies per Section \_\_.320(d) of the Circular, if the audit requires distribution to a Federal-funding agency. Therefore, you will not mail paper copies of the reporting package to the Federal Clearinghouse or their cognizant or oversight agency as in the past. You should refer to the *On-Line Data Collection Form Procedures* document the Auditor of State issued for additional guidance.

## Transmittal to Pass Through Entities

If the Schedule of Findings disclosed findings related to the federal-based awards a pass-through (i.e., non-federal entity) provided; or the Summary Schedule of Prior Audit Findings reported on the status of any audit findings related to the federal-based awards that the pass-through entity provided, then you must submit one copy of the audit report to each such agency within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

The Auditor of State has identified the following agency to which this reporting requirement applies:

- Ohio Department of Natural Resources

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801  
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Leon Blazey, CPA  
Village of Bratenahl  
Cuyahoga County  
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If you have any questions, please contact your local regional audit office.

Sincerely,

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

**Dave Yost**  
Auditor of State

Enclosures



# Dave Yost • Auditor of State

## MANAGEMENT LETTER

Village of Bratenahl  
Cuyahoga County  
411 Bratenahl Road  
Bratenahl, Ohio 44108

To the Village Council:

We have audited the financial statements of the Village of Bratenahl, Cuyahoga County, (the Village) in accordance with *Government Auditing Standards*, as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated October 24, 2011.

*Government Auditing Standards* require us to report significant internal control deficiencies, fraud, and illegal acts (including noncompliance with laws and regulations), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated October 24, 2011, for the years ended December 31, 2010 and 2009.

Office of Management and Budget Circular A-133 requires that we report all material (and certain immaterial) instances of noncompliance, significant deficiencies, and material weaknesses in internal control related to major federal financial assistance programs. We have issued the required report dated October 24, 2011, for the year ended December 31, 2009.

We are also submitting the following comments for your consideration regarding the Village's compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. These comments reflect matters that do not require inclusion in the reports *Government Auditing Standards* or Office of Management and Budget Circular A-133 require. Nevertheless, these comments represent matters for which we believe improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. However, these comments reflect our continuing desire to assist your Village. If you have questions or concerns regarding these comments please contact your regional Auditor of State office.

### Noncompliance Findings

#### Mayor's Court Village Remittance

Ohio Revised Code Section 733.40 states that all moneys collected 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.

### **Noncompliance Findings (Continued)**

#### **Mayor's Court Village Remittance (Continued)**

Per review of Mayor's Court disbursements, we noted the Clerk of Court failed to transmit any of the 2010 and 2009 monthly remittances during the audit period by the first Monday of the following month. By not remitting within required timeframes, the Village is not complying with state requirements and hinders management's accountability and oversight of all Village transactions.

We recommend the Village of Bratenahl Mayor's Court remit the moneys due to the Village by the first Monday of the following month as required by the Ohio Revised Code.

#### **Mayor's Court State Remittance**

Ohio Revised Code Section 2303.201(C) provides that all moneys collected during a month and owed to the state shall be transmitted on or before the twentieth day of the following month by the clerk of the court to the treasurer of the state.

Per review of Mayor's Court disbursements, we noted 6 out of the 34 checks disbursed to the State during 2010 and 2009 were issued after the 20th of the following month. By not remitting within required timeframes, the Village is not complying with state requirements and hinders management's accountability and oversight of all Village transactions.

We recommend that the Village of Bratenahl Mayor's Court remit the moneys due to the State of Ohio by the 20th of the following month as required by Ohio Revised Code.

#### **Cuyahoga Regional Information System Fees**

Ohio Revised Code Section 2949.093 authorizes a board of county commissioners to impose additional court costs not exceeding five dollars to be imposed for all moving violations. The additional court cost established by a board of County Commissioners pursuant to Ohio Revised Code Section 2949.093 is to be charged per moving violation when a person is convicted of more than one moving violation in a case.

During our testing of the Village's Mayor's Court, we noted the Court incorrectly imposed Cuyahoga Regional Information System (CRIS) fees on a "per case" basis instead of a "per moving violation" basis, resulting in potential fees not being assessed and subsequently remitted to Cuyahoga County.

The failure to assess and collect the imposed CRIS fees is a violation of the Ohio Revised Code and could result in a potential future obligation to Cuyahoga County.

We recommend that all CRIS fees be imposed per moving violation as mandated in the above Ohio Revised Code Section.

### **Recommendations**

#### **Storage, Use, and Distribution of Personal Information**

Ohio Revised Code Chapter 1347 contains legal requirements related to personal information systems which are applicable to all state and local agencies and defines the terms and uses of this information.

## Recommendations (Continued)

### Storage, Use, and Distribution of Personal Information (Continued)

Per Ohio Revised Code Chapter 1347.01(E), "personal information" means any information that describes anything about a person, or that indicates actions done by or to a person, or that indicates that a person possesses certain personal characteristics, and that contains, and can be retrieved from a system by, a name, identifying number, symbol, or other identifier assigned to a person.

Per Ohio Revised Code Chapter 1347.05, every state or local agency that maintains a personal information system shall perform the following duties:

- (A) Appoint one individual to be directly responsible for the system;
- (B) Adopt and implement rules that provide for the operation of the system;
- (C) Inform each of its responsible employees of all rules adopted in accordance with this section;
- (D) Specify disciplinary measures for unauthorized use of information contained in the system;
- (E) Inform a person supplying personal information if it is legally required, or if they may refuse;
- (F) Develop procedures for purposes of monitoring the accuracy, relevance, timeliness, and completeness of the personal information in this system;
- (G) Take reasonable precautions to protect personal information in the system from unauthorized modification, destruction, use, or disclosure; and
- (H) Collect, maintain, and use only personal information that is necessary and relevant to the functions that the agency is required or authorized to perform, and eliminate personal information from the system when it is no longer necessary and relevant to those functions.

We noted the Village does not have policies addressing the storage, use, and distribution of personal information. The absence of these elements could result in the misuse of personal information.

We recommend the Village establish a policy governing the storage, use and distribution of personal information covering the terms mentioned above. The Village should also only use the personal information in a personal information system in a manner that is consistent with the purposes of the system.

### Fraud Hotline

According to a study published in the 2010 Association of Certified Fraud Examiners (ACFE) Report to the Nations on Occupational Fraud and Abuse, "Tips were by far the most common detection method in our study, catching nearly three times as many frauds as any other form of detection. This is consistent with the findings in our prior reports. Tips have been far and away the most common means of detection in every study since 2002, when we began tracking the data". In addition, the Report found that median losses in organizations with no hotline were more than twice as high as in organizations with a hotline in place (\$245,000 versus \$100,000).

The ACFE Report concluded that "fraud reporting mechanisms are a critical component of an effective fraud prevention and detection system. Organizations should implement hotlines to receive tips from both internal and external sources. Such reporting mechanisms should allow anonymity and confidentiality, and employees should be encouraged to report suspicious activity without fear of reprisal". "Internal controls alone are insufficient to fully prevent occupational fraud. Though it is important for organizations to have strategic and effective anti-fraud controls in place, internal controls will not prevent all fraud from occurring, nor will they detect most fraud once it begins".

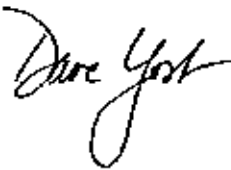
**Recommendations  
(Continued)**

**Fraud Hotline (Continued)**

Currently, the Village has not established a formal public fraud hotline. We recommend the Village consider establishing a public fraud hotline. This will provide an avenue to those willing to communicate potential fraud to an independent party. An effective hotline must be available 24 hours a day, 365 days a year. The initial communication should be positive in its tone and include an announcement by top agency officials in order to demonstrate leadership support of the program. Employees, suppliers and other key groups should receive information that addresses the confidential nature of the hotline and that encourages them to come forward to stop unethical activities that ultimately hurt the entire organization. Placing posters in high-traffic areas help promote the hotline and offer the added benefit of being a deterrent.

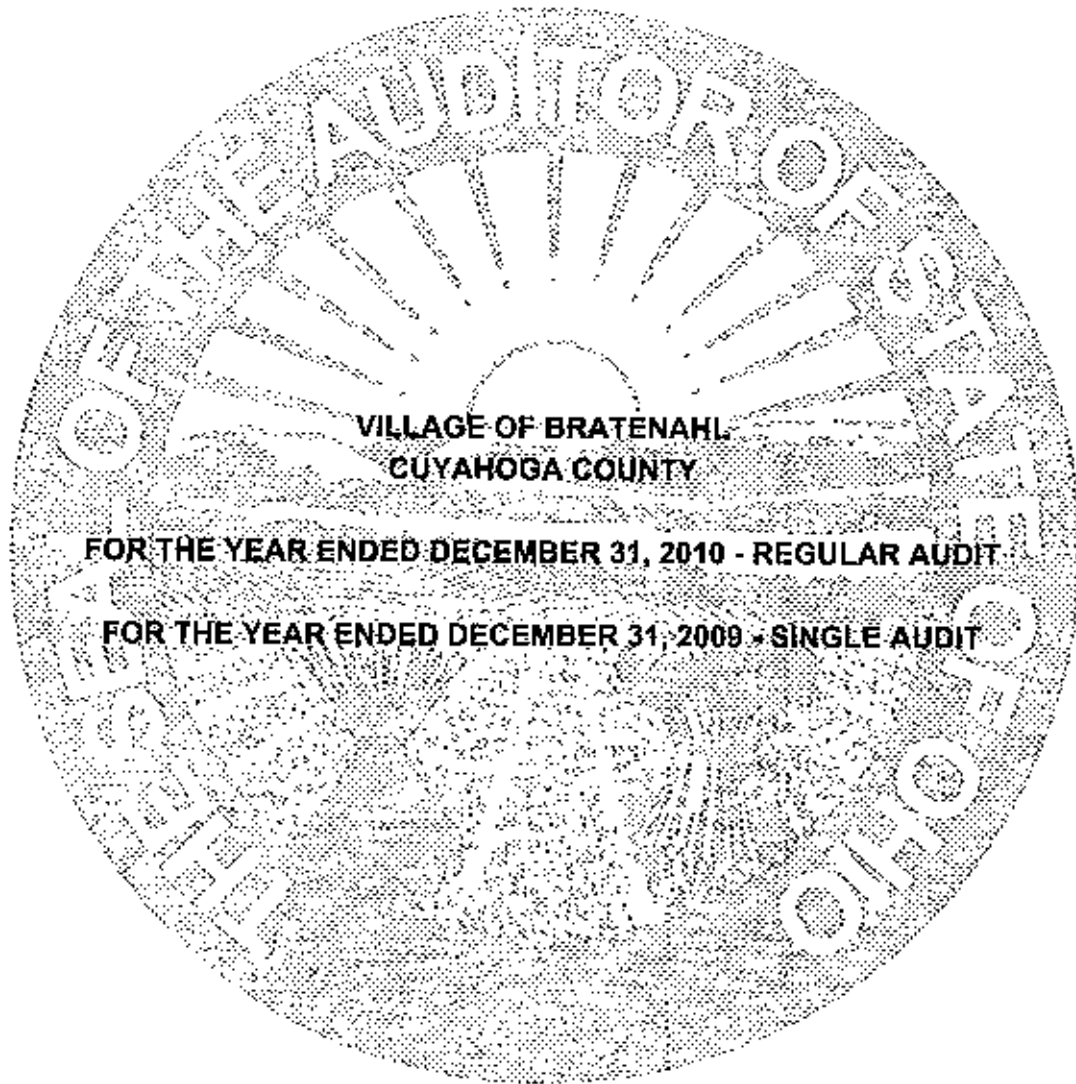
If the Village concludes it is not cost effective to implement the hotline, then the Village should consider promoting the Auditor of State's fraud hotline instead. Each year, the Auditor of State receives hundreds of tips regarding suspected fraud in government. These tips come from many sources, including public employees and concerned citizens as well as state auditors who find suspicious activity in the course of a routine financial audit. The Special Audit Task Force – comprised of auditors, investigators and attorneys on the Auditor of State's staff – evaluates tips and discusses the best course of action on a case-by-case basis.

We intend this report for the information and use of the Village Council, audit committee, and management.



**Dave Yost**  
Auditor of State

October 24, 2011



Dave Yost • Auditor of State



VILLAGE OF BRATENAHL  
GUYAHOGA COUNTY

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# Dave Yost • Auditor of State

Village of Bratenahl  
Cuyahoga County  
411 Bratenahl Road  
Bratenahl, Ohio 44108

To the Village Council:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Dave Yost  
Auditor of State

October 24, 2011

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# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Village of Bratenahl  
Cuyahoga County  
411 Bratenahl Road  
Bratenahl, Ohio 44108

To the Village Council:

We have audited the accompanying financial statements of the Village of Bratenahl, Cuyahoga County, Ohio (the Village) as of and for the years ended December 31, 2010 and 2009. 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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. The Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801  
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2010 and 2009 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2010 and December 31, 2009, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village of Bratenahl, Cuyahoga County, Ohio, as of December 31, 2010 and 2009, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2011, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

We conducted our audit to opine on the Village's financial statements taken as a whole. The federal awards expenditure schedule provides additional information required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The federal awards expenditure schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**Dave Yost**  
Auditor of State

October 24, 2011

VILLAGE OF BRATENAH  
CUYAHOGA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property and Local Taxes	\$917,894	\$140,657	\$78,220	\$0	\$1,136,571
Municipal Income Tax	1,225,717	0	0	0	1,225,717
Intergovernmental	292,728	85,569	13,289	0	391,586
Charges for Services	0	21,590	0	0	21,590
Fines, Licenses and Permits	391,998	32,965	0	0	424,961
Earnings on Investments	5,235	28	0	0	5,261
Miscellaneous	19,737	1,408	0	0	21,145
<b>Total Cash Receipts</b>	<b>2,853,107</b>	<b>282,215</b>	<b>91,509</b>	<b>0</b>	<b>3,226,831</b>
<b>Cash Disbursements:</b>					
<b>Current:</b>					
Security of Persons and Property	1,471,728	64,576	0	0	1,526,304
Public Health Services	6,746	0	0	0	6,746
Leisure Time Activities	1,666	58,745	0	0	58,411
Community Environment	14,740	0	0	0	14,740
Transportation	383,372	75,230	0	0	458,602
General Government	642,750	87,548	0	0	730,298
<b>Debt Service:</b>					
Redemption of Principal	0	0	55,000	10,312	65,312
Interest and Fiscal Charges	12,487	0	28,135	416,638	457,240
Capital Outlay	15,345	8,621	0	530,500	554,466
<b>Total Cash Disbursements</b>	<b>2,546,814</b>	<b>282,720</b>	<b>83,135</b>	<b>957,450</b>	<b>3,672,119</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>304,293</b>	<b>(505)</b>	<b>8,374</b>	<b>(957,450)</b>	<b>(645,288)</b>
<b>Other Financing Receipts / (Disbursements):</b>					
<b>Proceeds from Sale of Public Debt:</b>					
Sale of Notes	0	0	0	905,500	905,500
Transfers-In	0	0	0	41,725	41,725
Transfers-Out	(41,725)	0	0	0	(41,725)
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(41,725)</b>	<b>0</b>	<b>0</b>	<b>947,225</b>	<b>905,500</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>262,568</b>	<b>(505)</b>	<b>8,374</b>	<b>(10,225)</b>	<b>260,212</b>
<b>Fund Cash Balances, January 1</b>	<b>193,688</b>	<b>152,437</b>	<b>308,422</b>	<b>19,342</b>	<b>673,887</b>
<b>Fund Cash Balances, December 31</b>	<b>\$456,234</b>	<b>\$151,932</b>	<b>\$316,796</b>	<b>\$9,117</b>	<b>\$934,079</b>
<b>Reserve for Encumbrances, December 31</b>	<b>\$11,999</b>	<b>\$487</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,476</b>

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

**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Fiduciary Fund Type</b>
	<b>Agency</b>
<b>Operating Cash Receipts:</b>	
Fines, Licenses and Permits	\$662,451
Total Operating Cash Receipts	662,451
<b>Operating Cash Disbursements:</b>	
Other	706,594
Total Operating Cash Disbursements	706,594
Operating Income/(Loss)	(44,143)
Fund Cash Balances, January 1	232,708
<b>Fund Cash Balances, December 31</b>	<b>\$188,565</b>

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

VILLAGE OF BRATENAHL  
GUYAHOGA COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Cash Receipts:</b>					
Property and Local Taxes	\$997,187	\$155,799	\$73,444	\$0	\$1,226,440
Municipal Income Tax	1,022,252	0	0	0	1,022,252
Intergovernmental	370,020	61,655	27,084	714,000	1,192,759
Charges for Services	0	14,159	0	0	14,159
Fees, Licenses and Permits	325,836	16,958	0	0	342,794
Earnings on Investments	507	21	11	0	639
Miscellaneous	44,872	18,922	0	0	63,794
<b>Total Cash Receipts</b>	<b>2,760,694</b>	<b>287,514</b>	<b>100,539</b>	<b>714,000</b>	<b>3,862,737</b>
<b>Cash Disbursements:</b>					
<b>Current:</b>					
Security of Persons and Property	1,418,261	188,899	0	0	1,607,160
Public Health Services	6,926	0	0	0	6,926
Leisure Time Activities	6,883	86,035	0	0	92,968
Community Environment	40,766	0	0	0	40,766
Transportation	417,126	29,551	0	0	446,679
General Government	761,284	79,632	0	0	843,866
<b>Debt Service:</b>					
Redemption of Principal	0	0	55,000	976,637	1,031,637
Interest and Fiscal Charges	0	0	31,160	31,084	62,244
Capital Outlay	25,999	4,852	0	717,049	747,891
<b>Total Cash Disbursements</b>	<b>2,680,247</b>	<b>383,969</b>	<b>86,160</b>	<b>1,724,761</b>	<b>4,880,137</b>
<b>Total Receipts Over/(Under) Disbursements</b>	<b>80,437</b>	<b>(101,455)</b>	<b>14,379</b>	<b>(1,010,761)</b>	<b>(1,017,400)</b>
<b>Other Financing Receipts / (Disbursements):</b>					
<b>Proceeds from Sale of Public Debt:</b>					
Sale of Notes	0	0	0	905,618	905,618
Transfers-In	0	0	0	42,900	42,900
Transfers-Out	(42,900)	0	0	0	(42,900)
<b>Total Other Financing Receipts / (Disbursements)</b>	<b>(42,900)</b>	<b>0</b>	<b>0</b>	<b>948,518</b>	<b>905,618</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<b>37,537</b>	<b>(101,455)</b>	<b>14,379</b>	<b>(62,243)</b>	<b>(111,782)</b>
<b>Fund Cash Balances, January 1</b>	<b>156,129</b>	<b>253,892</b>	<b>294,043</b>	<b>81,585</b>	<b>785,649</b>
<b>Fund Cash Balances, December 31</b>	<b>\$193,666</b>	<b>\$152,437</b>	<b>\$308,422</b>	<b>\$19,342</b>	<b>\$673,867</b>
Reserve for Encumbrances, December 31	\$0	\$0	\$0	\$0	\$0

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

**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	<b>Fiduciary Fund Types</b>
	<b>Agency</b>
<b>Operating Cash Receipts:</b>	
Fines, Licenses and Permits	\$473,470
Total Operating Cash Receipts	473,470
<b>Operating Cash Disbursements:</b>	
Other	459,052
Total Operating Cash Disbursements	459,052
Operating Income/(Loss)	14,418
Fund Cash Balances, January 1	218,290
<b>Fund Cash Balances, December 31</b>	<b>\$232,708</b>

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

**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Bratenahl, Cuyahoga County, Ohio, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, including road maintenance, park operations (leisure time activities), and police services.

The Village contracts with the City of Cleveland to receive fire protection services.

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

**B. Accounting Basis**

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).

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

**C. Deposits and Investments**

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Village values certificates of deposit at cost.

**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:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds

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

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

Parks and Recreation Fund - This fund is used to account for funding received from a recreation property tax levy for maintaining parks and providing recreational services to the Village residents.

3. Debt Service Fund

These funds account for resources the Village accumulates to pay bond and note debt. The Village had the following significant Debt Service Fund:

General Obligation Fund - This fund is used to pay general obligations of the Village.

4. Capital Project Funds

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project Funds:

Eddy Road Project Fund - This fund receives proceeds of notes. The proceeds are being used to make various improvements to Eddy Road.

Green Space Fund - This fund receives proceeds of notes and grants. The proceeds are being used to acquire real property for conservation purposes.

5. Fiduciary Funds (Agency Fund)

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 accounts for the activities of the Mayor's Court and their Private Way Fund.

VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)

1. Summary of Significant Accounting Policies (Continued)

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also 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 were carried over, and were not needed to be reappropriated.

A summary of 2010 and 2009 budgetary activity appears in Note 3.

F. 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.

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. Equity in Pooled Deposits and Investments

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

VILLAGE OF BRATENAHL  
 CUYAHOGA COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
 DECEMBER 31, 2010 AND 2009  
 (Continued)

2. Equity in Pooled Deposits and Investments (Continued)

	2010	2009
Demand deposits	\$617,785	\$406,575
Certificates of deposit	504,859	500,000
Total deposits and investments	<u>\$1,122,644</u>	<u>\$906,575</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2010 and December 31, 2009 follows:

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,476,686	\$2,853,107	\$376,421
Special Revenue	272,939	282,215	9,276
Debt Service	87,364	91,509	4,145
Capital Projects	1,023,000	947,225	(75,775)
Total	<u>\$3,859,989</u>	<u>\$4,174,058</u>	<u>\$314,066</u>

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,817,794	\$2,602,528	\$215,266
Special Revenue	496,114	283,207	212,907
Debt Service	228,780	83,135	145,645
Capital Projects	1,009,319	957,450	51,869
Total	<u>\$4,552,007</u>	<u>\$3,926,320</u>	<u>\$625,687</u>

**VILLAGE OF BRATEN AHL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**3. Budgetary Activity (Continued)**

2009 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,580,801	\$2,760,684	\$179,883
Special Revenue	300,473	287,514	(12,959)
Debt Service	91,929	100,539	8,610
Capital Projects	1,711,000	1,662,518	(48,482)
Total	<u>\$4,684,203</u>	<u>\$4,811,255</u>	<u>\$127,052</u>

2009 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,781,595	\$2,723,147	\$58,448
Special Revenue	576,968	388,969	187,999
Debt Service	218,977	86,160	132,817
Capital Projects	1,750,584	1,724,761	25,823
Total	<u>\$5,328,124</u>	<u>\$4,923,037</u>	<u>\$405,087</u>

**4. 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.

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

Tangible personal property tax revenues received in calendar year 2010 (other than public utility property) represent the collection of calendar year 2010 taxes levied against local and inter exchange telephone companies. Tangible personal property tax on business inventory, manufacturing machinery and equipment, and furniture and fixtures is no longer levied and collected. 2010 is the last year for the collection of tangible personal property taxes from telephone companies. Single county taxpayers may pay annually or semiannually. If paid annually, the payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

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

**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**5. Local Income Tax**

The Village levies a municipal income tax of 1.5 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.

**6. Debt**

Debt outstanding at December 31, 2010 was as follows:

	Principal	Interest Rate
Lakeshore Blvd Improvement Bonds, Series 1996	\$420,000	5.40% - 5.87%
Ohio Public Works Commission Loans, Series 2003	441,511	0%
Eddy Road Improvement Notes, Series 2010	375,000	4%
Greenspace Acquisition Notes, Series 2010	530,500	2.75%
Total	\$1,767,011	

The proceeds of the General Obligation Lakeshore Boulevard Improvement Bonds, issued in 1996, were used for the purpose of improving Lakeshore Boulevard and Bratenahl Road. The proceeds from the Eddy Road Improvement Notes, Series 2010 and the OPWC – Water Main and Street Replacement Program Loans were used for the replacement of pavement, curbs, sidewalks, aprons, and waterlines. The proceeds from the Green Space Acquisition Notes, Series 2010 were used to acquire real property for conservation purposes.

The Bond is being paid from the General Obligation Fund and the OPWC Loan is being paid from the Phase II Capital Projects Fund. The Eddy Road Improvement Notes and Green Space Acquisition Notes are paid from their respective restricted Capital Project Funds. All bonded debt will be repaid using voted millage. Notes and OPWC Loans will be repaid using general operating revenues of the Village. All Notes are due within one year.

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

	OWDA Loan	General Obligation Bonds
Year ending December 31:		
2011	\$41,638	\$84,525
2012	41,638	86,150
2013	41,638	87,331
2014	41,638	83,219
2015	41,638	84,106
2016-2020	208,190	84,700
2021	25,131	0
Total	\$441,511	\$510,031

**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**7. Retirement Systems**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2010 and 2009, OP&F participants contributed 10% of their wages. For 2010 and 2009, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages respectively. For 2010 and 2009, OPERS members contributed 10% and 10%, respectively, of their gross salaries and the Village contributed an amount equaling 14% and 14%, respectively, of participants' gross salaries. The Village has paid all contributions required through December 31, 2010.

**8. Risk Management**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Law enforcement liability;
- Vehicles; and
- Public Official dishonesty.

The Village also provides health insurance, life insurance, dental and vision coverage to full-time employees through a private carrier.

**9. Contingent Liabilities**

The Village is a defendant in several lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

**10. Northeast Ohio Public Energy Council**

The Village is a member of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional council of governments formed under Chapter 167 of the Ohio Revised Code. NOPEC was formed to serve as a vehicle for communities wishing to proceed jointly with an aggregation program for the purchase of electricity. NOPEC is currently comprised of over 126 communities who have been authorized by ballot to purchase electricity on behalf of their citizens. The intent of NOPEC is to provide electricity at the lowest possible rates while at the same time insuring stability in prices by entering into long-term contracts with suppliers to provide electricity to the citizens of its member communities.

NOPEC is governed by a General Assembly made up of one representative from each member community. The representatives on the board from each county then elect one person to serve on the eight-member NOPEC Board of Directors. The Board oversees and manages the operation of the aggregation program. The degree of control exercised by any participating government is limited to its representation in the General Assembly and on the Board.

**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2010 AND 2009  
(Continued)**

**10. Northeast Ohio Public Energy Council (Continued)**

The Village did not contribute to NOPEC during 2010 or 2009. Financial information can be obtained by contacting Joseph Migliorini, Board Chairman, 31320 Solon Road, Suite 20, Solon, Ohio 44138, or at the website [www.nopecinfo.org](http://www.nopecinfo.org).

**11. Subsequent Events**

On July 20, 2011, the Village approved the sale of notes in the amount \$471,500, in anticipation of the issuance of bonds, for the purpose of paying a portion of the cost of acquiring real property for conservation purposes.

VILLAGE OF BRATENAHL  
 CUYAHOGA COUNTY

FEDERAL AWARD EXPENDITURE SCHEDULE  
 FOR THE YEAR ENDED DECEMBER 31, 2009

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entry Number	Federal CFDA Number	Disbursements
<b>U.S. DEPARTMENT OF COMMERCE</b>			
<i>Passed Through Ohio Department of Ohio Department of Natural Resources</i> Coastal and Estuarine Land Conservation Program	NA07NOS4190233	11.419	\$714,000
Total U.S. Department of Commerce			<u>714,000</u>
<b>Total</b>			<u><u>\$714,000</u></u>

*The accompanying notes are an integral part of this schedule.*

VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY

NOTES TO THE FEDERAL AWARD EXPENDITURE SCHEDULE  
DECEMBER 31, 2010 AND 2009  
(Continued)

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Federal Award Expenditure Schedule (the Schedule) reports the Village of Bratenahl's (the Village's) federal award program disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Bratenahl  
Cuyahoga County  
411 Bratenahl Road  
Bratenahl, Ohio 44108

To the Village Council:

We have audited the financial statements of the Village of Bratenahl, Cuyahoga County, Ohio, (the Village) as of and for the years ended December 31, 2010 and December 31, 2009, and have issued our report thereon dated October 24, 2011, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted the Village processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Village because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code § 117.11(A) mandates the Auditor of State to audit Ohio governments. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1801  
Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider finding 2010-01 to be a material weakness.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated October 24, 2011.

The Village's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of management, the audit committee, Village Council, federal awarding agencies and pass-through entities, and others within the Village. We intend it for no one other than these specified parties.



**Dave Yost**  
Auditor of State

October 24, 2011



# Dave Yost • Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Village of Bratenahl  
Cuyahoga County  
411 Bratenahl Road  
Bratenahl, Ohio 44108

To the Village Council:

### Compliance

We have audited the compliance of the Village of Bratenahl (the Village) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect the Village of Bratenahl's major federal program for the year ended December 31, 2009. The summary of auditor's results section of the accompanying schedule of findings identifies the Village's major federal program. The Village's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the Village's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village's compliance with those requirements.

In our opinion, the Village of Bratenahl complied, in all material respects, with the requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with other compliance requirements that, while not affecting our opinion on compliance, OMB Circular A-133 requires us to report. The accompanying schedule of findings lists this instance as Finding 2010-02.

Lausche Building, 615 Superior Ave., NW, Twelfth Floor, Cleveland, Ohio 44113-1501

Phone: 216-787-3665 or 800-626-2297 Fax: 216-787-3361

[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

### Internal Control Over Compliance

The Village's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Village's internal control over compliance with requirements that could directly and materially affect a major federal program, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Village's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Village's response to the finding we identified is described in the accompanying schedule of findings. We did not audit the Village's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, Village Council, others within the entity, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Dave Yost  
Auditor of State

October 24, 2011

**VILLAGE OF BRATENAHL  
 CUYAHOGA COUNTY**

**SCHEDULE OF FINDINGS  
 OMB CIRCULAR A -133 § .505  
 DECEMBER 31, 2010 AND 2009**

**1. SUMMARY OF AUDITOR'S RESULTS**

**DECEMBER 31, 2009**

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material Internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	Yes
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA # 11.419 Coastal and Estuarine Land Conservation Program
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
 REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**DECEMBER 31, 2010 AND 2009**

**FINDING NUMBER 2010-01**

**Financial Reporting – Material Weakness**

Sound financial reporting is the responsibility of the Village Clerk and the Village Council and is essential to ensure the information provided to the readers of the financial statements is complete and accurate.

VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS (Continued)  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2010 AND 2009

FINDING NUMBER 2010-01 (Continued)

**Financial Reporting – Material Weakness (Continued)**

During our testing we noted in 2009 and 2010, the Village clerk incorrectly posted \$166,996, and \$10,503, respectively, in payments for Fire protection services from the City of Cleveland to the Debt Service fund as interest and finance charges, when it should have been posted to the General fund. The Clerk-Treasurer made subsequent adjustments to the financial statements and, where applicable, to the Village's accounting records.

The lack of controls over the posting of financial transactions and financial reporting can result in errors and irregularities that may go undetected and decreases the reliability of financial data throughout the year.

We recommend the Village Council adopt policies and procedures for controls over recording of financial transactions and over financial reporting to help ensure the information accurately reflects the activity of the Village and thereby increasing the reliability of the financial data throughout the year.

**Official's Response:**

The Village Clerk in charge for the period of this finding has been succeeded by a new clerk who has just been elected to a four year term and is a CPA. He is in the process of memorializing current procedures into an internal control policy to be approved by Council.

**3. FINDINGS FOR FEDERAL AWARDS**

**DECEMBER 31, 2009**

**Noncompliance – Single Audit Requirements**

<b>Finding Number</b>	2010-002
<b>CFDA Title and Number</b>	CFDA 11.419 Coastal and Estuarine Land Conservation Program
<b>Federal Award Number / Year</b>	2009
<b>Federal Agency</b>	United States Department of Commerce
<b>Pass-Through Agency</b>	Ohio Department of Natural Resources

OMB Circular A-133, Subpart B, Section .200 (b) requires Non-Federal entities that expend \$500,000 or more in a year to have a single or program specific audit conducted for that year.

VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY

SCHEDULE OF FINDINGS (Continued)  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2010 AND 2009

FINDING NUMBER 2010-02 (Continued)

**Noncompliance – Single Audit Requirements**

OMB Circular A-133, Subpart C, Section .320 (a) indicates the audit shall be completed and the data collection form described in paragraph (b) of this section and reporting package described in paragraph (c) of this section shall be submitted within the earlier of 30 days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit.

The Village required a Single Audit in accordance with OMB Circular A-133 for the year ended December 31, 2009. However, no financial or A-133 audit was completed during the required timeframe, due to the Village not being aware of the requirement. Furthermore, no extension was received in advance from the Village's oversight agency. By not complying with all grant requirements, the Village can potentially affect its future ability to obtain federal funding.

The Village should more closely review its federal grant agreements, to ensure compliance with all grant requirements in the future, and obtain an audit as needed.

**Official's Response:**

Now that the Village is aware of the requirement it will comply with the single audit requirement on all future Federal funding grants in compliance with OMB Circular A-133.

**VILLAGE OF BRATENAHL  
CUYAHOGA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2010 AND 2009**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2008-001	Expenditure of funds not for proper public use- Wine tasting events	Yes	
2008-002	Expenditure of funds not for proper public use- Retirement Party	Yes	
2008-003	Expenditure of funds not for proper public use-Art show	Yes	
2008-004	Overpayment of Payroll	Yes	
2008-005	Payment of Unused Holiday Pay in excess of allowable amount per Village Ordinance	Yes	
2008-006	Ohio Revised Code 5705.39 Appropriations Exceeding Estimated Receipts	Yes	
2008-007	Proper Posting of Receipts and Disbursements	No	Amended and Repeated as SAS-115 Finding 2010-01



# Dave Yost • Auditor of State

VILLAGE OF BRATENAHL

CUYAHOGA 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 6, 2011