



OHIO AUDITOR OF STATE
KEITH FABER



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Village of Cloverdale
Putnam County
P.O. Box 37
Cloverdale, OH 45827-0037

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

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

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

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

Current Year Observations

1. We noted the Village filed their Annual Financial Report for both the 2020 and 2019 fiscal years with the Auditor of State on August 31, 2021. Ohio Rev. Code § 117.38 requires the financial report to be filed with the Auditor of State within sixty days following the last day of the Village's fiscal year. Failing to file by the required date can result in a penalty of \$25 per day up to a maximum of \$750. The Village should implement controls to help ensure the annual report is filed by the required due date.
2. We noted a negative fund balance existed in the Street Construction Maintenance and Repair Fund as of December 31, 2020. Ohio Rev. Code § 5705.10(I) requires money paid into a fund must be used only for the purposes for which such fund has been established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another fund. Failing to maintain positive fund balances could result in continuing misuse of Village funds. The Village should implement controls to help ensure Village fund balances are monitored and funds are used only to cover the expenses for which they are meant to be used.
3. We noted as of December 31, 2020, the General Fund expenditures exceeded appropriations by \$12,179. Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code. Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices. The Fiscal Officer should request Council to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary.

4. We noted the Mayor of the Village and two council members did not attend or have an appropriate designee attend the required Public Records training. Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1) require that officials elected to statewide or local office, or their appropriate designees, receive three hours of Public Records training for each term of office. The training received must be certified by the Ohio Attorney General. Proof that training has been completed can include documentation that either the Attorney General's office or another entity certified by the Attorney General provided the training the elected official received. Attendees who successfully complete the training will receive a certificate to serve as proof of training. Failure to attend the required Public Records training could result in elected officials not being properly informed of public records requirements. The elected officials shall receive training on public records laws during each term of office and retain the certificate from the Attorney General as proof of training.
5. We noted as of December 31, 2020, the General Fund appropriations exceeded estimated resources by \$24,670. Ohio Rev. Code § 5705.39 provides that total appropriations from each fund shall not exceed the total of the estimated revenue available for expenditure there-from, as certified by the county budget commission. Failure to limit appropriations to the amount certified by the budget commission due to deficiencies in the Village's compliance monitoring policies and procedures could result in overspending and negative cash fund balances. The Village should draft, approve, and implement procedures to compare appropriations to estimated resources and, if adequate resources are available for additional appropriations, the Village should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriation resolution should be passed Council to reduce the appropriations.

Current Status of Matters Reported in our Prior Engagement

Items 1 and 3 noted above were also reported in our prior engagement for the years ended December 31, 2018 and 2017.



Keith Faber
Auditor of State
Columbus, Ohio

November 18, 2021

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF CLOVERDALE

PUTNAM COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/2/2021

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