



OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506
(614) 466-3402 or (800) 443-9275
CentralRegion@ohioauditor.gov

Village of Waldo
Marion County
Waldo, Ohio 43356

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 Waldo, Marion County, (the Village) for the years ended December 31, 2019 and 2018.

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, 2019 and 2018.

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 that the Village did not file its complete 2019 and 2018 annual financial report with the Auditor of State until June 11, 2020 and March 5, 2019, respectively. Ohio Rev. Code §117.38 states that public offices filing on a cash basis of accounting must file annual reports with the Auditor of State within 60 days of the close of the fiscal year end.
2. We noted the Village entered into a grant/loan agreement with the Ohio Public Works Commission (OPWC) for a storm culvert replacement project. During 2018, the Village did not record in its accounting system the loan proceeds (\$50,000), grant receipts (\$247,691), or related on-behalf disbursements (\$297,691) for the project. The Village should utilize Auditor of State Bulletin 2002-004 for the accounting of OPWC funded projects.
3. We noted the Village did not have an approved public records policy or records retention schedule as of December 31, 2019 and two elected officials (or their designees) did not attend public records training for their terms ending December 31, 2019. Ohio Rev. Code §149.43(E) requires that all public offices adopt a public records policy for responding to public records requests and that all elected officials or their appropriate designees attend training approved by the attorney general as provided in section 109.43 of the Revised Code. Furthermore, Ohio Rev. Code §149.43(B)(2) provides that a public office shall have available a copy of its current records retention schedule at a location readily available to the public. The Village should utilize the model public records policy on the Ohio Attorney General's website and the guidance contained within the Ohio Attorney General's Ohio Sunshine Laws Manual in crafting their public records policy and records retention schedule. Furthermore, the Village should ensure all elected officials attend public records training during their term.

Current Status of Matters Reported in our Prior Engagement

4. The prior audit for the years ended December 31, 2017 and 2016 included a finding for the incorrect reporting of loan proceeds and debt service payments. During 2019 and 2018, we noted payment 63-2019 on the USDA Sanitary Sewer System Mortgage Revenue Bond in the amount of \$15,600.75 was posted to the Street Construction, Maintenance and Repair Fund rather than to the Sewer Operating Fund. Ohio Rev. Code § 5705.10(I) provides that money paid into any fund shall be used only for the purposes for which such fund is established. The Village has agreed to, and posted an adjustment in the accounting system to record the \$15,600.75 debt service payment in the Sewer Operating Fund rather than the Street Construction, Maintenance and Repair Fund.

We further noted four debt service payments on the Storm Culvert Replacement OPWC Loan totaling \$5,000 and one debt service payment on the Wastewater Collection System OPWC Loan in the amount of \$2,500 were posted to the General Fund, which receives taxes levied for current expenses. Although Appendix C to the loan agreements between OPWC and the Village permits the loans to be paid from the general revenues of the Village, Ohio Rev. Code § 5705.05 prohibits using taxes levied for current operating expenses for the payment of debt charges. Where otherwise unrestricted monies have been paid into the General Fund and have been commingled with restricted monies to the extent that the particular source from which the monies originated cannot be distinguished, such monies may be used by the Village to pay debt charges only after they have been transferred to an appropriate fund. As both restricted and unrestricted monies are commingled within the General Fund, the Village should transfer monies from the General Fund to an appropriate fund to pay debt charges. As sufficient unrestricted monies were received within the General Fund both years to cover the debt service payments, no adjustments were deemed necessary.



Keith Faber
Auditor of State

Columbus, Ohio

October 7, 2020

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WALDO

MARION 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 11/5/2020

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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