



OHIO AUDITOR OF STATE
KEITH FABER



OHIO AUDITOR OF STATE KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
(800) 282-0370

BASIC AUDIT REPORT

New Castle Township
Coshocton County
25408 CR 367
Walhonding, Ohio 43843

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the New Castle Township, Coshocton County, Ohio (the Township) for the years ended December 31, 2022 and 2021.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code § 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 Township's financial statements, transactions or balances for the years ended December 31, 2022 and 2021.

The Township's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code § 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. **Ohio Rev. Code § 5705.10(D)** provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Township inappropriately recorded the following receipts:

- In 2021, \$1,241 in local government receipts were improperly recorded in the Motor Vehicle License Tax Fund instead of the General Fund;
- In 2021, \$2,016 in motor vehicle license tax receipts were improperly recorded in the Permissive Tax Fund instead of the Motor Vehicle License Tax Fund;
- In 2022, \$1,225 in local government receipts were improperly recorded in the Motor Vehicle License Tax Fund instead of the General Fund; and
- In 2022, \$2,083 in homestead and rollback receipts were improperly recorded in the Permissive Tax Fund instead of the General Fund.

This resulted in the General Fund being understated by \$4,549, the Motor Vehicle License Tax Fund being overstated by \$450 and the Permissive Tax Fund being overstated by \$4,099.

Fund balances adjustments were agreed upon by management and posted to the Township's system. The Township should implement procedures to help ensure all transactions are posted to the proper funds.

Current Year Observations (Continued)

- 2. Ohio Rev. Code Chapter 133** authorizes certain methods by which subdivisions may incur debt. Ohio Rev. Code § 133.22, a subdivision may issue anticipatory-securities if it meets the requirements outlined in the statute. **Ohio Rev. Code § 133.10** permits a subdivision to issue anticipation securities in anticipation of current property tax revenues or in anticipation of current revenues in and for any fiscal year from any source or combination of sources, including distributions of any federal or state monies, other than the proceeds of property taxes levied by the subdivision. **Ohio Rev. Code § 133.15**, a subdivision is authorized to issue securities for the purpose of paying all or any portion of the costs of any permanent improvement that the subdivision is authorized, alone or in cooperation with other persons, to acquire, improve, or construct. **Ohio Rev. Code § 133.18**, the taxing authority of a subdivision, may by legislation submit to the electors of the subdivision the question of issuing any general obligation bonds, for one purpose, that the subdivision has power or authority to issue.

During 2022 and 2021, the Township made principal payments on two outstanding promissory notes in the amount of \$13,147 and \$11,883 respectively. The promissory notes were used by the Township to purchase a tractor and a loader in a prior period. Additionally, the Township paid late fees of \$559 and \$112 for failure to remit the principal payment for the tractor and loader, respectively, during 2021. Finally, the Township did not post the debt proceeds of a promissory note issued in 2021 as well as the purchase of the truck using the debt proceeds in the amount of \$71,842. However, as revenue and expenditures were understated, there is no effect on the ending fund balance.

The type of debt from the prior period is not authorized in Ohio Rev. Code Chapter 133. The Township had no statutory authority to incur debt through either installment loans or promissory notes with any banking institutions. Inadequate policies and procedures related to debt issuance can result in illegal expenditures by the Township.

The Township should consult with legal counsel before incurring debt to determine if the debt is authorized by statute. Additionally, the Township should ensure that any debt payments are made timely along with any debt proceeds and purchases being properly posted in the accounting ledger.

- 3. Ohio Rev. Code § 149.43(E)(2)** provides that every public office must have a policy in place for responding to public records requests. Generally, a public records policy cannot: (1) limit the number of public records the office will make available to a single person; (2) limit the number of public records the office will make available during a fixed period of time; and (3) establish a fixed period of time before the office will respond to a request for inspection/copying of public records unless that period is less than eight hours. However, pursuant to Ohio Rev. Code § 149.43(B)(7)(c), the policy may limit the number of public records the public office will physically deliver by U.S. Mail or other delivery service to ten per month unless the person certifies to the office in writing that the person does not intend to use or forward the requested records, or the information contained in them, for commercial purposes. "Commercial" is narrowly construed and does not include reporting or gathering news, reporting or gathering information to assist citizen oversight or understanding of the operation or activities of government, or nonprofit educational research.

Ohio Rev. Code § 149.43(E)(2) further requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy; create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy; and, if the public office has a manual or handbook of its general policies and procedures for all employees, include the public records policy in that manual or handbook.

Current Year Observations (Continued)

3. Ohio Rev. Code § 149.43(E)(2) (Continued)

The Township has no formal written policy that would demonstrate compliance with the Ohio Revised Code. This could result in records requests not being fulfilled in accordance with Ohio law.

The Township shall establish a public records policy. The policy shall be distributed to the records custodian/manager and the Township should have a written acknowledgement of receipt from the records custodian/manager. In addition, a poster describing the public records policy must be conspicuously displayed in all of the Township's branch offices and the public records policy must be included in policy manuals or handbooks if any exist.

Pursuant to Ohio Rev. Code § 109.43(E)(2), the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

4. **Ohio Rev. Code § 149.43(B)(2)** states to facilitate broader access to public records, a public office or the person responsible for public records shall organize and maintain public records in a manner that they can be made available for inspection or copying in accordance with division (B) of this section. A public office also shall have available a copy of its current records retention schedule at a location readily available to the public. If a requester makes an ambiguous or overly broad request or has difficulty in making a request for copies or inspection of public records under this section such that the public office or the person responsible for the requested public record cannot reasonably identify what public records are being requested, the public office or the person responsible for the requested public record may deny the request but shall provide the requester with an opportunity to revise the request by informing the requester of the manner in which records are maintained by the public office and accessed in the ordinary course of the public office's or person's duties.

The Township follows the records retention schedule published by the Ohio Historical Society, however, they have not approved a formal records retention policy.

The Township should establish a formal records retention policy and ensure it is readily available to the public.

5. **Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1)** require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws during each term of office. The training received must be certified by the Ohio Attorney General. Proof of completion of training must include documentation either from the Attorney General's Office or from another entity certified by the Attorney General to provide the training to the elected official or his/her designee. Attendees who successfully complete the training will receive a certificate to serve as proof of training.

Both of the Township's elected officials with terms ending in 2021, did not, during their term of office, attend a required Certified Public Records Training or have an appropriate designee attend a training, due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

Current Year Observations (Continued)

6. The Board of Trustees approved the purchase of safety equipment and work clothing deemed necessary by the Trustees for the year on January 10, 2022.

During testing, it was noted that the Fiscal Officer reimbursed two Trustees for the full amount reflected on detailed store receipts provided by the Trustees as supporting document of work clothing purchased. However, included on these store receipts were other items that are not considered to be for a proper public purpose. as one Trustee was improperly reimbursed \$31 for livestock feed while another Trustee was improperly reimbursed \$3 for youth gloves.

The Fiscal Officer should implement procedures to ensure that all expenses are allowable and for a proper public purpose.



Keith Faber
Auditor of State
Columbus, Ohio

December 27, 2023

OHIO AUDITOR OF STATE KEITH FABER



NEW CASTLE TOWNSHIP

COSHOCTON 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 1/9/2024

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