



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza  
130 West Second Street, Suite 2040  
Dayton, Ohio 45402-1502  
(937) 285-6677 or (800) 443-9274  
WestRegion@ohioauditor.gov

## BASIC AUDIT REPORT

Jackson Township Park District  
Allen County  
P.O. Box 7095  
Lafayette, Ohio 45854

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Jackson Township Park District, Allen County, (the Park District) 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 Park District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Park District's financial statements, transactions or balances for the years ended December 31, 2020 and 2019.

The Park District'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. **Ohio Rev. Code §117.38** states, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year. Any public office, that does not file its financial report at the time required by this section shall pay to the auditor of state twenty-five dollars for each day the report remains unfiled after the filing date; provided, that the penalty payments shall not exceed the sum of seven hundred fifty dollars.

The Park District originally filed the 2020 and 2019 financial statements in the Hinkle System on May 25, 2021 and April 13, 2020, respectively and neither met the sixty day deadline. Additionally, the filings were not complete as both reports only included the notes to the financial statements. On July 15, 2021, the Park District refiled complete financial statements in the Hinkle System.

The Park District should implement procedures and/or controls, such as a reminder system, to verify timely filing and notification to the public of the availability of financial statements. In addition, Ohio Revised Code Section §117.38 should be reviewed in its entirety along with Auditor of State Bulletin 2015-007 to further understand the annual filing of the Park District financial statements. Also, resources such as those found on the Auditor of State website at: <http://www.auditor.state.oh.us/references.html> should be utilized to prepare the annual financial statements and notes to the financial statements.

**Current Year Observations (Continued)**

- 2. Ohio Rev. Code §135.03** states any national bank, any bank doing business under authority granted by the superintendent of financial institutions, or any bank doing business under authority granted by the regulatory authority of another state of the United States, located in this state, is eligible to become a public depository, subject to sections 135.01 to 135.21 of the Revised Code. **Ohio Rev. Code § 1101.01(B)** states “Bank” or “banking corporation” means an entity that solicits, receives, or accepts money or its equivalent for deposit as a business, whether the deposit is made by check or is evidenced by a certificate of deposit, passbook, note, receipt, ledger card, or otherwise. “Bank” or “banking corporation” includes a state bank or any entity doing business as a bank, savings bank, or savings association under authority granted by the office of the comptroller of the currency or the former office of thrift supervision, the appropriate bank regulatory authority of another state of the United States, or the appropriate bank regulatory authority of another country, but does not include a credit union.

The Park District maintained all money in a credit union which is not a legal depository. The failure to maintain deposits in an eligible institution may increase the Park District’s risk of a loss of public funds.

The Park District should maintain all money in an eligible depository.

- 3. Ohio Rev. Code § 5705.28 (B)(2)(b)** states except for this section and sections 5705.36, 5705.38, 5705.40, 5705.41, 5705.43, 5705.44, and 5705.45 of the Revised Code, a taxing unit that does not levy a tax is not a taxing unit for purposes of Chapter 5705 of the Revised Code. Documents prepared in accordance with such sections are not required to be filed with the county auditor or county budget commission. **Ohio Rev. Code §5705.41(B)**, states no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated.

The Park District did not adopt appropriations in 2020 or 2019 which resulted in all disbursements exceeding appropriations. The Park District also did not prepare and/or maintain budget to actual information to monitor financial activity. Failure to adopt appropriations and monitor budget to actual financial activity increases the risk actual spending will exceed the Board’s intended spending and could result in deficit spending.

The Park District should adopt appropriations annually and monitor budget to actual financial activity throughout the year to verify expenditures do not exceed appropriations.

- 4.** The Park District should have procedures and controls in place to help assure accountability over donations. The Park District received donations in 2020 and 2019 for the use of the shelter house which were recorded in the accounting records. However, no documentation other than a calendar showing the days rented, was maintained to support the amount of the donation given for the use of the shelter house. The Fiscal Officer maintained copies of the checks that were used to pay for the rental of the shelter house, however no record was maintained for cash payments. Additionally, deposits were not made timely.

Failure to maintain supporting documentation and to deposit receipts timely increases the risk that errors, and/or irregularities could occur and not be detected in a timely manner. Also, the Park District should verify receipts and disbursements are timely posted to the manual accounting ledgers.

The Park District should adopt a procedure(s) and/or control(s) to provide for the completeness and accuracy of donations. The policy should include, but not be limited to, maintaining a copy of the check from each donation and issuing a duplicate and pre-numbered receipt to the donor. Additionally, if the donation is paid in cash, the signature of the donor should be affixed to the duplicate receipt issued to the donor. Finally, all donations should be immediately deposited, posted to the accounting records and documented in the Board Minutes.

**Current Year Observations (Continued)**

5. ***State ex. rel McClure v. Hagerman, 155 Ohio St. 320 (1951)*** provides that expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a “proper public purpose” rests with the judgement of a governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable. Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duty enacted ordinance or resolution and may have a prospective effect only.

Late fees were incurred on the Park District’s credit card. In 2020, \$25 of late fees were noted in the May, July, and November credit card statements each, for a total of \$75. In 2019, \$25 in late fees were noted in the April and December credit card statements, each, for a total of \$50. Therefore, a total of \$125 in late fees were paid during the audit period. We also noted a total of \$4.42 in interest on credit purchases was incurred during 2020. Also, \$1.73 in interest on credit purchases was incurred during 2019, resulting in a total of \$6.15 in total interest paid during the basic audit period.

The Park District should develop policies and procedures to verify the credit card is paid timely and in the entire amount owed to eliminate any late fees or interest being charged. The Park District should not be paying late fees or interest charges as that is not a proper use of public funds.

6. **Ohio Rev. Code § 149.43(E)(2)** states “[a]ll public offices shall adopt a public records policy in compliance with this section for responding to public records requests. In adopting a public records policy under this division, a public office may obtain guidance from the model public records policy developed and provided to the public office by the attorney general under section 109.43 of the Revised Code. Except as otherwise provided in this section, the policy may not limit the number of public records that the public office will make available to a single person, may not limit the number of public records that it will make available during a fixed period of time, and may not establish a fixed period of time before it will respond to a request for inspection or copying of public records, unless that period is less than eight hours. The public office shall distribute the public records policy adopted by the public office under this division to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. The public office shall create a poster that describes its public records policy and shall post the poster in a conspicuous place in the public office and in all locations where the public office has branch offices. The public office may post its public records policy on the internet web site of the public office if the public office maintains an internet web site. A public office that has established a manual or handbook of its general policies and procedures for all employees of the public office shall include the public records policy of the public office in the manual or handbook.”

**Ohio Rev. Code § 149.43(B)(2)** states “[t]o 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 Park District does not have a public records policy or retention schedule. Failure to have these can result in public records request not being fulfilled in accordance with Ohio law.

### Current Year Observations (Continued)

The Park District should establish a public records policy and retention schedule. The policy should be distributed to the records custodian/manager and the Park District 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 Park District'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.

7. **Ohio Rev. Code § 121.22(F)** requires “[e]very public body to, by rule, establish a reasonable method whereby any person may determine the time and place of all regularly scheduled meetings and the time, place, and purpose of all special meetings. A public body shall not hold a special meeting unless it gives at least twenty-four hours advance notice to the news media that have requested notification, except in the event of any emergency requiring immediate official action. In the event of an emergency, the member or members calling the meeting shall notify the news media that have requested notification immediately of the time, place, and purpose of the meeting.”

**Ohio Rev. Code § 121.22(C)** states “[a]ll meetings of any public body are declared to be public meetings open to the public at all times. A member of a public body shall be present in person at a meeting open to the public to be considered present or to vote at the meeting and for purposes of determining whether a quorum is present at the meeting. The minutes of a regular or special meeting of any public body shall be promptly prepared, filed, and maintained and shall be open to public inspection. The minutes need only reflect the general subject matter of discussions in executive sessions authorized under division (G) or (J) of this section.”

The Park District did not notify the public or news media about meetings. Additionally, minutes were not prepared for meetings. The Park District should implement policies and procedures to notify the public of meetings and prepare/maintain official minutes for meetings. Failure to do so could result in the Court declaring actions taken null and void and the Park District being subject to significant penalties for breach of the Sunshine Law.

### Current Status of Matters Reported in our Prior Engagement

8. Our prior audit reported matters on eligible depositories, integrating budgetary amounts into the accounting system, expenditures in excess of appropriations, timely and complete filing of annual financial statements within the Hinkle System, paying late fees on credit card transactions, and developing more controls and procedures to monitor the money received from renting the shelter house at the Park. These prior matters have been repeated above as observations 1, 2, 3, 4, and 5. Additionally, the prior audit reported on the Park District having the incorrect number of Board members. The Park District now has four Board members.



Keith Faber  
Auditor of State  
Columbus, Ohio

August 27, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**JACKSON TOWNSHIP PARK DISTRICT**

**ALLEN 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 9/9/2021**

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](http://www.ohioauditor.gov)