



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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Penn Township  
Morgan County  
444 Scott Penn Lane  
Malta, Ohio 43758

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of the Penn Township, Morgan County (the Township), for the years ended December 31, 2021 and 2020.

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 Township'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, 2021 and 2020.

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 § 149.43(B)(2) states, in part, a public office shall have available a copy of its current records retention schedule at a location readily available to the public. Ohio Rev. Code § 149.381 states, in part, when a records commission has approved a schedule of records retention, the records commission shall send that schedule of records retention to the Ohio Historical Connection for its review. Upon completion of its review, the Ohio History Connection shall forward the schedule of records retention to the Auditor of State for the Auditor of State's approval or disapproval. We noted no formal records retention schedule has been adopted by the Board of Trustees records commission and subsequently sent to Ohio Historical Connection for review and approval. The Township should adopt a records retention schedule in accordance with the guidelines outlined in Ohio Rev. Code § 149.381. The Township should maintain this schedule and make it available to anyone wishing to review the schedule
2. Ohio Rev. Code Chapter 133 authorizes certain methods by which subdivisions may incur debt. During 2021 and 2020, the Township made principal payments on a promissory note in the amounts of \$23,209 and \$27,560, respectively. The promissory note was used by the Township to purchase equipment. This type of debt 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.

**Current Year Observations (Continued)**

3. We noted for 2021 and 2020, the Trustees did not charge any administrative costs (General Fund) for board meetings to the General Fund. The Trustees' salaries were paid 100% from the Gasoline Tax Fund. A reasonable amount needs to be charged to the General Fund for board meetings. The Trustees should document a percentage on a Payroll Certification payroll sheet.

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

4. In addition to the debt matter reported in item 2 above, our prior audit for the years ended December 31, 2019 and 2018 included a the following issue which was not repeated. The Township signed a promissory note with Citizens National Bank on September 24, 2018, for \$144,645. We noted the Township did not post the proceeds and the corresponding expenditure for this debt to the Township's ledgers. The Township should record all debt proceeds and the corresponding expenditures in the Township's ledgers.



Keith Faber  
Auditor of State  
Columbus, Ohio

May 4, 2022

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**PENN TOWNSHIP**

**MORGAN 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 5/19/2022**

88 East Broad Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)