



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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## 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 District) for the years ended December 31, 2022 and 2021.

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 District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2022 and 2021.

The 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. We noted the District did not file annual financial reports by the required date. **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 the within sixty days after the close of the fiscal year. At the time the report is filed with the auditor of state, the chief fiscal officer, except as otherwise provided in section 319.11 of the Revised Code, shall publish notice in a newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state that the financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer. 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 District filed the 2022 financial report on April 19, 2023, and the 2021 report on July 5, 2022 which did not meet the 60 day deadline and an extensions were not filed. The District should implement a procedure(s) and/or control(s), such as a reminder system to be utilized by all Board members, to help ensure the 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 District's financial statements.

**Current Year Observations (Continued)**

2. We observed the District did not notify the public of meetings. **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.” The District should implement a procedure(s) and/or control(s), such as a reminder system, to ensure the public is notified of all meetings. Failure to do so could result in the Court declaring actions taken null and void and the District being subject to significant penalties for breach of the Sunshine Law
3. We observed that the District maintained its money in a credit union. **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 failure to maintain deposits in an eligible institution may increase the District’s risk of a loss of public funds. The District should maintain all money in an eligible depository.
4. We noted that the District did not have a records retention schedule. **Ohio Rev. Code §149.43(B)(2)** requires a public office to have available a copy of its current records retention schedule at a location readily available to the public. The lack of a records retention schedule could result in the District maintaining unnecessary records or the premature disposal of records. The District should adopt a records retention schedule and post it in a location that is available to the public.
5. We noted that the District did not have a public records policy. **Ohio Rev. Code §149.43(E)(2)** states, in part, that all 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. 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.
6. We observed the District did not approve appropriations or estimated resources for 2022 and 2021. **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. Failure to adopt appropriations not only violates the Ohio Revised Code but also increases the risk that actual spending will exceed the Board’s intended spending and could result in deficit spending.

### Current Year Observations (Continued)

The District should adopt appropriations each year in an amount that does not exceed the Board approved estimated resources (unencumbered fund balance plus estimated receipts). Appropriations and estimated receipts should be incorporated into the accounting system and utilized by the Board to monitor budget versus actual activity during the year.

7. We observed that the District paid \$25 in late fees and \$0.14 in interest in 2022, and paid \$50 in late fees and \$1.35 in interest in 2021, for a total of \$76.49 paid in late fees and interest on the District's credit card. **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 duly enacted ordinance or resolution and may have a prospective effect only. Disbursements that are determined not to serve a proper public purpose could result in findings for recovery against those responsible for payment of the disbursement. The District should develop a procedure(s) and/or control(s), which should be monitored by the Board, to help ensure the timely payment of invoices.
8. We observed that the total December 31, 2022 bank balances per the bank statement were \$2,603.36 and the balance in accounting ledger was \$2,578.36 for a difference of \$25. This difference was due to a savings account balance of \$25 not being reported in the accounting ledger. We also observed that the fund balance reported in the financial statement for the year ended December 31, 2022 was \$2,378 for a difference of \$225.36 from the accounting ledger. After accounting for the \$25 savings account balance that was not in the accounting ledger, a variance of \$200.36 remained between the accounting ledger and the financial statement. Such variances can be an indication of errors and/or irregularities that should be investigated and resolved by the Board prior to filing the annual financial statement.
9. We observed that the District received rental receipts and donations in 2022 and 2021 that were not recorded in the accounting records. However, other than a calendar showing the days rented, no documentation was maintained to support the amount of the rental receipts collected in cash or for donations received in cash. A copy of the check was maintained if the rental receipt or donation was received by check. We also observed that some receipts from all sources were not recorded and deposited until several weeks after collection. Failure to maintain supporting documentation for cash receipts and to record and deposit receipts timely increases the risk that errors, and/or irregularities could occur and not be detected in a timely manner by the Board. The District should adopt a procedure(s) and/or control(s) to provide for the completeness and accuracy of cash receipts. Such a procedure(s) and/or control(s) should include, but not be limited to, issuing duplicate and pre-numbered receipts, asking the renter/donor to sign the duplicate receipt, and approving donations in the Minutes. All receipts should be recorded when received and deposited within 24 hours unless the Board adopts a policy allowing for a different deposit time period. Ohio Rev. Code § 9.38 provides in part, all public monies received shall be deposited with the treasurer of the public office or designated depository on the business day next following the day of receipt, if the total amount of such monies received exceeds \$1,000. If the total amount of public moneys so received does not exceed \$1,000, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public monies until they are deposited.

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

Our prior engagement also reported the matters reported as numbers 1 through 7 and 9. The failure to prepare Minutes was corrected for the current engagement.



Keith Faber  
Auditor of State  
Columbus, Ohio

July 27, 2023

# 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 8/15/2023**

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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)