



OHIO AUDITOR OF STATE
KEITH FABER



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65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

BASIC AUDIT REPORT

Perry Township
Coshocton County
20939 County Road 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 Perry Township, Coshocton County, (the Township) for the years ended December 31, 2023 and 2022.

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, 2023 and 2022.

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. Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Board to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Township and the appropriation ledger provides the process by which the Township controls spending, it is therefore necessary the amounts appropriated by the Board are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system as the approved Certificate of Estimated Resources for 2022 or 2023 was not recorded on the receipts ledgers.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances.

Current Year Observations (Continued)

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should record to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Board. The Township should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly captured on the ledgers.

Current Status of Matters Reported in our Prior Engagement

2. **Ohio Rev. Code § 149.43(E)(2)** requires all public offices take certain actions with regard to their public record policy. Public offices must create and display in a conspicuous place in all locations where the public office has branch offices a poster describing the public records policy.

Although the Township has adopted a public records policy, the Township has not displayed a copy of the policy or a public records poster with the Township Hall.

The Township should ensure the policy poster is conspicuously displayed in all of the Township's locations, as required by Ohio Rev. Code § 149.43(E)(2).

3. **Ohio Rev. Code § 133** allows various methods for subdivisions to incur debt. Ohio Rev. Code § 133 allows a subdivision to issue anticipatory securities. Ohio Rev. Code § 133.10 allows 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 allows the issuance of 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 allows the taxing authority of a subdivision by legislation to 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.

The Township had two promissory notes with Peoples Bank. One issued in 2017 that was repaid by the end of 2023, and one issued in 2019 that is currently in repayment. These notes do not meet the requirements set forth in Ohio Rev. Code § 133.

The Ohio Revised Code contains various methods of incurring debt for Townships. Installment loans and promissory notes with banking institutions are not legal methods of debt for Townships.

The Board of Township Trustees should consult with the Township's legal counsel prior to the Township incurring future debt.



Keith Faber
Auditor of State
Columbus, Ohio

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PERRY 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 11/7/2024

65 East State 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
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