



OHIO AUDITOR OF STATE
KEITH FABER



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American Township (Allen County),
Ohio Energy Special Improvement District, Inc.
Allen County
C/O Washington Prime Group
Attn: Jeff Pallay
180 E. Broad Street
Columbus, Ohio 43215

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the American Township (Allen County), Ohio Energy Special Improvement District, Inc., Allen County, (the 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 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, 2020 and 2019.

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. The bank statements did not show that the required transfers per the Trust Agreement Section 4.05(e) had been made in 2020 and 2019. The following are the required transfers to be made semi-annually:

"Transfers from the Revenue Fund in the following order:

- i. First, on each Interest payment date, transfer to the ESID Administrative Expense Fund \$1,500 (per Special Assessment Act);
 - ii. Second, on each Interest and principal payment date, transfer amt sufficient to pay interest and principal due on outstanding bonds to the "Bond Fund" principal and interest accounts;
 - iii. Third, on each interest payment date, pay the applicable Trustee Fee;
 - iv. Fourth, on each interest payment date, transfer to the ESID Administrative Expense Fund amts assessed per the Special Assessment Act in excess of amts transferred in (i) and (ii) above"
2. The Trustee Fee, per the Trust Agreement Section 4.05(e) and Port Authority of Allen County, Property Assessed Clean Energy Taxable Revenue Bonds, series 2015 schedule B - amortization schedule, of \$750 is due on June 1, 2021 was paid on December 31, 2020.

3. On November 14, 2019, the District only received \$65,300 of the required semi-annual special assessments in the amount of \$67,975 to be collected from American Township (per Port Authority of Allen County, Property Assessed Clean Energy Taxable Revenue Bonds, series 2015 schedule B - amortization schedule). As a result, the District is still owed \$2,675 from American Township as of December 31, 2020.

The special assessment collected per check #59065 from American Township dated October 30, 2020 was not deposited into the Debt Service – Principal Account until November 20, 2020.

The semi-annual special assessments collected in 2020 and 2019 were deposited into the Debt Service – Principal Account. Per the Trust Agreement section 4.05 (c), the Revenue Fund was created to collect special assessments for the District.

4. The semi-annual interest payments were paid from the Debt Service – Principal Account instead of the Debt Service – Interest Account. Per the Trust Agreement section 4.03 (c), the Interest Account was created to pay the interest payments on the outstanding bonds for the District.
5. **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 District did not have a records retention schedule. The District should adopt a records retention schedule and post it in a location that is available to the public.
6. **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. The District did not have a public records policy. The District should adopt a public records policy and post it in a location that is available to the public.
7. **Ohio Rev. Code § 1710.04(D)** states in part that the board shall elect a chairperson, vice-chairperson, secretary, and treasurer of the board. **Articles of Incorporation of American Township (Allen County), Ohio Energy Special Improvement District, Inc., Fifth section** requires that the members of the Corporation shall be those persons or organizations described in the Code of Regulations. The District’s Board did not hold any meetings during 2020 or 2019 and did not elect the required officers. Also, the District did not adopt a Code of Regulations and therefore the members of the District were not in accordance with the Code of Regulations. The District should correct the above violations and review the Ohio Revised Code and the Articles of Incorporation in order to ensure that the District is in compliance with all applicable requirements.

Current Status of Matter Reported in our Prior Engagement

Items 1, 3, and 4 reported above were also reported as part of a Material Weakness in the prior audit report. Other issues in the prior audit report Material Weakness included not implementing Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, (GASB Codification 1800.165) and for errors in the recording of audit adjustments. Our testing did not identify these errors in 2020 and 2019. The Material Weakness also reported were errors in the notes to the financial statements but our procedures did not include testing of the notes to the financial statements.



Keith Faber
Auditor of State
Columbus, Ohio

June 21, 2021

OHIO AUDITOR OF STATE KEITH FABER



**AMERICAN TOWNSHIP (ALLEN COUNTY), OHIO ENERGY SPECIAL IMPROVEMENT DISTRICT,
INC.**

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 7/8/2021

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This report is a matter of public record and is available online at
www.ohioauditor.gov