



OHIO AUDITOR OF STATE  
**KEITH FABER**







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Columbus, Ohio 43215  
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## BASIC AUDIT REPORT

Clay Township  
Tuscarawas County  
P.O. Box 55  
Gnadenhutten, Ohio 44629

We have completed certain procedures in accordance with Ohio Rev. Code § 117.01(G) to the accounting records and related documents of Clay Township, Tuscarawas County, (the Township) for the years ended December 31, 2024 and 2023.

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, 2024 and 2023.

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 §§ 109.43(B) and 149.43(E)(1)** require all state and local elected officials, or their designees, to attend 3 hours of training on Ohio's Public Records Laws and Open Meetings Laws during each term of office. The training received must be certified by the Ohio Attorney General.

Two of two elected officials with terms ending in 2024 or 2023, did not, during their term of office, attend a required Certified Training or have an appropriate designee attend the training as required by Ohio Rev. Code §§ 109.43(B) and 149.43(E)(1), due to deficiencies in internal controls over public record laws training procedures and monitoring. This could result in improper education of public offices regarding the offices' duties related to public records requests as well as improper withholding of information from stakeholders.

The elected officials, or their designee(s), should, during their term of office, attend public records training and maintain proof of completion of the training.

### Current Year Observations (Continued)

2. **Ohio Rev. Code § 505.24(C)** sets forth the method by which township trustees' compensation should be allocated. By summary, Ohio Rev. Code § 505.24(C) permits trustees to receive per diem payments or annual salaries if voted upon unanimously by the township board of trustees.

If using the annual salary compensation method, the amount of the annual salary approved by the board shall be no more than the maximum amount that could be received annually by a trustee if the trustee were paid on a per diem basis as specified in Ohio Revised Code § 505.24(C), and shall be paid from the township general fund or from other township funds in such proportions as the board may specify by resolution. Each trustee shall certify the percentage of time spent working on matters to be paid from the township general fund and from other township funds in such proportions as the kinds of services performed.

In 2024 and 2023, the Township Trustee salaries were paid 50% from the General Fund, 30% from the Gasoline Tax Fund, and 20% from the Road and Bridge Fund. However, an annual Resolution authorizing the allocation of salaries for the Trustees was not approved by the Board nor did the Trustees complete time certifications. Therefore, all gross salaries, and related employer contributions (OPERS, Medicare, and insurance reimbursements) should have been paid from the General Fund.

These errors resulted in misstatements to the financial statements. Management has made the following adjustments for wage and employer benefits to the accompanying financial statements and the accounting records:

- The Gasoline Tax Fund balance was increased by \$26,003,
- The Road and Bridge Fund balance was increased by \$15,006 and,
- The General Fund balance was decreased by \$41,009.

The Township should draft, approve, and implement needed policies and procedures to help ensure compensation and certifications are made in accordance with Ohio Rev. Code § 505.24.

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

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.

On March 5, 2021, the Board of Township Trustees signed a promissory note with the First National Bank of Dennison, in the amount of \$34,300, to finance the purchase of a dump truck. The Township paid off this note by the end of December 31, 2024. This note did not meet the requirements set forth in Ohio Rev. Code § 133.

**Current Status of Matters Reported in our Prior Engagement (Continued)**

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.

A handwritten signature in black ink, appearing to read "Keith Faber". The signature is fluid and cursive, with the first name "Keith" and last name "Faber" clearly distinguishable.

Keith Faber  
Auditor of State  
Columbus, Ohio

April 10, 2025

# OHIO AUDITOR OF STATE KEITH FABER



**CLAY TOWNSHIP**

**TUSCARAWAS 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 4/22/2025**

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