



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

## BASIC AUDIT REPORT

Downtown Newark Special Improvement District  
Licking County  
50 N. Third Street  
Newark, Ohio 43055

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Downtown Newark Special Improvement District, Licking County, (the SID) for the years ended December 31, 2023 and December 31, 2022.

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 SID's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the SID's financial statements, transactions or balances for the years ended December 31, 2023 and December 31, 2022.

The SID'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. Sound accounting practices require that when designing the public office's system of internal control and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records. The management of the SID does not perform a formal bank-to-book reconciliation evidenced by a system-generated reconciliation or statements provided by the SID's financial institutions. Lack of a formal reconciliation could result in unallowable transactions not being identified timely.
2. **Ohio Revised Code Section 117.38** states that public offices reporting on a GAAP basis must file annual reports with the Auditor of State's HINKLE system within 150 days of the close of the fiscal year end. The SID did not file its annual report to the HINKLE system for the year ended December 31, 2023 until July 9, 2024. The deadline for the SID to file their annual financial report was May 29, 2024.
3. Pursuant to **Ohio Rev. Code § 109.43(E)(2)**, the Ohio Attorney General has developed and provided to all public offices a model public records policy for responding to public records requests. The policy, which is available at <https://www.ohioattorneygeneral.gov/Files/Government-Entities/Model-Public-Records-Policy.aspx>, provides guidance to public offices in developing their own policies for responding to public records requests in compliance with the Public Records Act.

The Downtown Newark SID has established a public records policy which generally complies with **Ohio Rev. Code § 149.43(E)(2)**; however, the policy lacks significant scope in terms of 1) defining public records, 2) establishing a response timeframe, 3) processing and handling requests, 4) providing electronic records, 5) denying or redacting requests, and 6) costs of providing public records. We recommend the SID review the example policy provided by the Ohio Attorney General's Office and add sufficient scope to the policy established by the SID.

4. **Ohio Rev. Code § 149.43(E)(2)** states the public office shall distribute the public records policy adopted by the public office under this division to the employee of the public office who is the records custodian or records manager or otherwise has custody of the records of that office. The public office shall require that employee to acknowledge receipt of the copy of the public records policy. 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 SID could not provide acknowledgement from the approved records custodian of the receipt of the policy. Furthermore, the SID could not provide proof that the established policy was conspicuously displayed in all offices of the SID.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 16, 2024

# OHIO AUDITOR OF STATE KEITH FABER



## DOWNTOWN NEWARK SPECIAL IMPROVEMENT DISTRICT LICKING 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  
[www.ohioauditor.gov](http://www.ohioauditor.gov)