



OHIO AUDITOR OF STATE
KEITH FABER





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BASIC AUDIT REPORT

New Castle Township
Coshocton County
25408 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 the New Castle Township, Coshocton 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 Section 2921.42(A)(4)** states no public official shall knowingly have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which the public official is connected.

A Township Trustee Benjamin Young was paid \$158 on June 12, 2023 for 9 hours of work and hauling fees for the Township for services invoiced June 2, 2023. Prior to being appointed as Township Trustee, Mr. Young was approved in January 2023 minutes to perform work for the Township as needed. However, he was appointed to fill a vacating Board of Trustee position as of June 1, 2023. Trustee Young participated in approvals for the payment by approving the June bills and by signing the Township check for his own payment.

The Township should develop a formal policy regarding related party transactions to govern transactions in which members of the Board or the Township may have a personal interest. This policy may include Board members abstaining from voting on related party items. Additionally, Board members should refrain from voting on anything that is family related.

This matter will be referred to the Ohio Ethics Commission.

Current Status of Matters Reported in our Prior Engagement

2. Ohio Rev. Code Chapter 133 authorizes certain methods by which subdivisions may incur debt. Ohio Rev. Code § 133.22, a subdivision may issue anticipatory-securities if it meets the requirements outlined in the statute.

Ohio Rev. Code § 133.10 permits a subdivision to issue 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, a subdivision is authorized to issue 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, the taxing authority of a subdivision, may by legislation 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.

During 2024 and 2023, the Township made principal payments on three outstanding promissory notes in the amount of \$14,420 and \$26,115, respectively. The promissory notes were used by the Township to purchase a tractor, loader and a truck in a prior period. The tractor and loader were paid off by the Township in 2023.

The type of debt from the prior period is not authorized in Ohio Rev. Code Chapter 133. The Township had no statutory authority to incur debt through either installment loans or promissory notes with any banking institutions. Inadequate policies and procedures related to debt issuance can result in illegal expenditures by the Township.

The Township should consult with legal counsel before incurring debt to determine if the debt is authorized by statute.

3. **Ohio Rev. Code § 149.43(E)(2)** requires all public offices take certain actions with regard to their public record policy. Public offices must distribute their Public Records Policy to the employee who is the records custodian/manager or otherwise has custody of the records of that office and have that employee acknowledge receipt of the Public Records Policy.

Although the Township has formally adopted a public records policy, there is no written evidence that the records custodian has received a copy of the public records policy.

The Township should implement procedures to ensure that there is written acknowledgement of receipt from the records custodian/manager.

4. **Ohio Rev. Code § 5705.10(D)** provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

The Township inappropriately recorded the following receipts:

- In 2023, \$1,213 in permissive tax receipts were improperly recorded in the General Fund instead of the Permissive Tax Fund;
- In 2023, \$917 in motor vehicle licenses receipts were improperly recorded in the General Fund instead of the Motor Vehicle License Fund;
- In 2024, \$1,386 in permissive tax receipts were improperly recorded in the General Fund instead of the Permissive Tax Fund;
- In 2024, \$791 in motor vehicle licenses receipts were improperly posted in the Permissive Tax fund instead of the Motor Vehicle License Fund.

This resulted in the General Fund being overstated by \$3,516, the Motor Vehicle License Tax Fund being understated by \$1,708 and the Permissive Tax Fund being understated by \$1,808.

Fund balance adjustments were agreed upon by management and posted to the Township's accounting system. The Township should implement procedures to help ensure all transactions are posted to the proper funds.



Keith Faber
Auditor of State
Columbus, Ohio

June 6, 2025

OHIO AUDITOR OF STATE KEITH FABER



NEW CASTLE 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 6/24/2025

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