

JEFFERSON TOWNSHIP
MADISON COUNTY, OHIO

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2021 & 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Jefferson Township
225 Cemetery Road
West Jefferson, Ohio 43162

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Jefferson Township, Madison County, prepared by Julian & Grube, Inc., for the period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Jefferson Township is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2022

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Jefferson Township
Madison County
225 Cemetery Road
West Jefferson, Ohio 43162

We have performed the procedures enumerated below on the Jefferson Township's (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Township. The Township is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township.

The Board of Trustees and the management of the Township have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Township's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2021 and 2020, and certain compliance requirements related to these transactions and balances. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash and Investments

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We noted a combined variance in the amount of \$413 due to 2019 outstanding checks that were properly voided and reissued in 2020. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2020 balances in the Cash Summary by Fund Report. We noted a combined variance of \$17,035 due to 2020 outstanding checks and Bureau of Workmen's Compensation adjustments through refunds that were properly accounted for through fund balance adjustments.
3. We agreed the 2021 and 2020 Bank Reconciliation UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Cash Summary by Fund Reports and the financial statements filed by the Township in the Hinkle System. The amounts agreed.

4. We confirmed certain December 31, 2021 bank account balances with the Township's financial institution and the remaining account balances through the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation, where we noted one EMS related bank account with a balance of \$25,476 was not included.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, and determined the debits were dated prior to December 31. We found no exceptions.
6. We traced interbank account transfers occurring in December of 2021 and 2020 to the respective EMS receipt posting and bank statements to determine if they were properly recorded. We noted the Township records EMS receipts predominately, in the subsequent month.
7. We inspected investments held at December 31, 2021 and December 31, 2020 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code § 135.13, 135.14 or 135.144. We found no exceptions
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We found no exceptions.

Property Taxes and Intergovernmental Cash Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the County Auditor Audit Trail for 2021 and a total of five from 2020:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Export Reports. The amounts agreed.
 - b. We inspected the Receipt Export Reports to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Receipt Export Reports to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Export Reports to determine whether it included two real estate tax receipts for 2021 and 2020. The Receipt Export Reports included the proper number of tax receipts for each year. We found no exceptions.

Other Receipts - Emergency Medical Service Receipts

We selected five individual receipts from the January, March and December monthly cash receipts recorded in the Receipt Export Reports from the year ended December 31, 2021 and five from July, November and December from the year ended December 31, 2020 and:

- a. Agreed the individual receipts from the monthly cash receipts from the supporting documents of the receipt to the credit on the bank statement.
- b. Agreed the receipt amount to the amount credited on the Change Healthcare's Deposit Logs, the service organization that performs the emergency medical billings, but does not collect the receipts for the Township. We found no exceptions.
- c. Inspected the Receipt Export Reports to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- d. Inspected the Receipt Export Reports to determine whether the receipts were recorded in the proper year. We noted one receipt of \$3,199 in 2021 and one of \$1,736 in 2020 were recorded in the subsequent year.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2021 and 10 other receipts from the year ended 2020 and:

- a. Agreed the receipt amount recorded in the Receipt Export Reports to supporting documentation. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period when applicable. We found no exceptions.
- c. Inspected the Receipt Export Reports to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2019.
2. We inquired of management, and inspected the Receipt Export Reports and Payment Export Reports for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. There were no new debt issuances, nor any debt payment activity during 2021 or 2020.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Payroll Journal and Wage Detail Report, respectively, and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Journal and Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, and State income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees' duties as documented in the employees' personnel files and minute record or as required by statute. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2021 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2021. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2022	December 29, 2021	\$8,923	\$8,923
State income taxes	January 15, 2022	December 29, 2021	\$1,401	\$1,401
OPERS retirement	January 30, 2022	January 12, 2022	\$3,677	\$3,677
OP&F retirement	January 31, 2022	January 12, 2022	\$34,667	\$34,667
City of Columbus Local Income Tax	January 18, 2022	December 29, 2021	\$60	\$60
City of Delaware Local Income Tax	January 18, 2022	December 29, 2021	\$3	\$3
City of Grove City Local Income Tax	January 18, 2022	December 29, 2021	\$28	\$28
City of Marysville Local Income Tax	January 18, 2022	December 29, 2021	\$24	\$24
City of Upper Arlington Local Income Tax	January 18, 2022	December 29, 2021	\$20	\$20
Village of West Jefferson Local Income Tax	January 18, 2022	December 29, 2021	\$521	\$521
Fairbanks Local School District Income Tax	January 18, 2022	December 29, 2021	\$7	\$7
Jefferson Local School District Income Tax	January 18, 2022	December 29, 2021	\$287	\$287
London City School District Income Tax	January 18, 2022	December 29, 2021	\$6	\$6
Madison Plains Local School District Income Tax	January 18, 2022	December 29, 2021	\$26	\$26
Mechanicsburg Exempted Village School District Income Tax	January 18, 2022	December 29, 2021	\$28	\$28
Pickerington Local School District Income Tax	January 18, 2022	December 29, 2021	\$9	\$9
Teays Valley Local School District Income Tax	January 18, 2022	December 29, 2021	\$34	\$34

We found no exceptions.

3. For the years ended 2021 and 2020, we
- Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts to the General, Road and Bridge, Cemetery and Fire Fund per the Appropriation Payment Register Report.
 - Traced the Fiscal Officer's and Boards' pay for time or services performed to supporting certifications the Revised Code requires.

We found no exceptions.

4. We compared total gross pay for the fiscal officer and each board member for 2021 and 2020 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. We found no exceptions.
5. We inquired of management and inspected the Payment Export Reports for the years ended December 31, 2021 and 2020 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred.

Non-Payroll Cash Disbursements

We selected 10 disbursements from the Payment Export Reports for the year ended December 31, 2021 and 10 from the year ended 2020 and determined whether:

- The disbursements were for a proper public purpose. We found no exceptions.
- The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Export Reports and to the names and amounts on the supporting invoices. We found no exceptions.
- The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

- d. The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found two instances in 2020 where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2021 and 2020 for the General, Motor Vehicle License Tax and Permissive Motor Vehicle License Tax funds as recorded in the Appropriation Status Reports. Expenditures did not exceed appropriations.
2. We inspected all interfund transfers from 2021 and 2020 Revenue Status Reports and Appropriation Status Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. The Township transferred \$133,734 and \$200,000 from the Fire District Fund to the Fire District Capital Fund during 2021 and 2020, respectively. The Township transferred \$325,000 from the Fire District EMS Fund to the EMS Capital Fund during 2021. Ohio Rev. Code § 5705.16 does not permit these transfers without approval of the Tax Commissioner. The Township did not obtain this approval. However, these transfers follow Ohio Revised Code §5705.13(C).
3. We inspected the Cash Summary by Fund Reports for the years ended December 31, 2021 and 2020 for negative cash fund balances. Ohio Rev. Code § 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. No funds had a negative cash fund balances.

Sunshine Law Compliance

1. We obtained and inspected the Township's Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected the one public records request from the engagement period and inspected the request to determine the following:
 - a. The Township was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). We found no exceptions.
 - b. The Township did not have any denied public records requests during the engagement period.
 - c. The Township did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Township had a records retention schedule, and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inquired with Township management and determined that the Township did not have a policy manual during the engagement period therefore the public records policy could not be included as required by Ohio Rev. Code § 149.43(E)(2).

6. We observed that the Township's poster describing their Public Records Policy was displayed conspicuously in all branches of the Township as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Township management and determined that the Township did not have any applications for record disposal submitted to the Records Commission, noting the Township's Records Commission did not meet during the engagement period.
8. We inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found two elected officials did not complete training nor did a designee complete the required training during their term ending December 31, 2021.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Township notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

HB 481 / HB 614 Coronavirus Relief Fund (CRF) Compliance

1. We inquired of management and those charged with governance and documented how the Township decided to spend their CRF allocations and how the Township documented their compliance with the CARES Act three-prong test. We then selected five transactions including non-payroll transactions and determined the Township:
 - a. Spent the CRF money (including additional distributions or redistributions) in accordance with use of funds requirements and
 - b. Maintained appropriate supporting documentation.We found no exceptions.
2. We recalculated the unencumbered balance the local government should have paid back to the county treasurer and determined the unencumbered balance of money was not returned to the county treasurer by November 20, 2020.

Contract Compliance

1. We inspected the Minutes/Payment Export Reports and identified the Township had expenditures subject to competitive bidding.
 2. We selected one contract over \$50,000 for 2021 and one over \$45,000 for 2020 and
 - a. We inspected the contract and other bids for the contracted expenditure and determined:
 - i. The Township accepted the lowest bid or met the joint purchasing contract exemption and met the requirements of Ohio Rev. Code §505.37 and Ohio Rev. Code §5575.01 for 2020.
 - ii. No bid splitting occurred
 - iii. No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.
 - iv. No apparent interest in the contract by a public official occurred.
- The Township did not bid out the selected contract as required by Ohio Rev. Code §505.37 for 2021.

Other Compliance

1. Ohio Rev. Code § 117.38 requires townships to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Township filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2021 and 2020 in the Hinkle system. We found no exceptions.
2. We inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. Fiscal Officer obtained the required training.

We were engaged by the Township to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Township's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Township and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.

Julian & Grube, Inc.

Julian & Grube, Inc.
July 11, 2022

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OHIO AUDITOR OF STATE KEITH FABER



JEFFERSON TOWNSHIP

MADISON 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 9/8/2022

88 East Broad 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