



PERRY

& Associates CPAs

PASSION *Beyond the Numbers*

**FRANKLIN TOWNSHIP
CLERMONT COUNTY**

**AGREED-UPON PROCEDURES
FOR THE YEARS ENDED DECEMBER 31, 2022 - 2021**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Franklin Township
PO Box 312
Felicity, Ohio 45120

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures of Franklin Township, Clermont County*, prepared by Perry & Associates, Certified Public Accountants, A.C., for the period January 1, 2021 through December 31, 2022. 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. Franklin 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

November 13, 2023

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FRANKLIN TOWNSHIP
CLERMONT COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Franklin Township
Clermont County
PO Box 312
Felicity, Ohio 45120

We have performed the procedures enumerated below on the Franklin Township's (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2022 and 2021 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, 2022 and 2021 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, 2022 and 2021, 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

1. We recalculated the December 31, 2022 and December 31, 2021 bank reconciliations. We found no exceptions.
2. We 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 prior year documentation in the prior year Agreed-Upon Procedures working papers. We noted a variance of \$4,442 between the General Fund and Coronavirus Relief Fund due to a fund balance adjustment made by the Fiscal Officer to correct an error. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2021 balances in the Cash Summary by Fund Report. We found no exceptions.
3. We agreed the 2022 and 2021 Bank Reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2022 and 2021 to the total fund cash balances reported in the Fund Status Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.

Cash (Continued)

4. We confirmed the December 31, 2022 bank account balance with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2022 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2022 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found three checks for \$10.91, \$306.95 and \$1,356.34 that were still outstanding as of the date of this report.
 - 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.

Property Taxes and Intergovernmental Receipts

1. We selected a total of five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the Clermont County Auditor DTLs for 2022 and a total of five from 2021:
 - a. We compared the amount from the above named reports to the amount recorded in the Revenue Ledger Report. The amounts agreed.
 - b. We inspected the Revenue Ledger Report 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 Revenue Ledger Report 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 Revenue Ledger Report to determine whether it included two real estate tax receipts plus three advances for 2022 and 2021. The Revenue Ledger Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the total amount paid from FEMA to the Township during 2021 with the Federal Agency. We found no exceptions.
 - a. We inspected the Revenue Ledger Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Emergency Medical Service Receipts

1. We confirmed the amounts paid from Medicount Management Corporation, the service organization that performs the emergency medical billings, to the Township during 2022 and 2021 with the Medicount Management Corporation. We found no exceptions.
 - a. We inspected the Revenue Ledger Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Ledger Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Emergency Medical Service Receipts (Continued)

2. We selected five receipts recorded in the cash receipts records from the year ended December 31, 2022 and five from the year ended December 31, 2021 from the Revenue Ledger and:
 - a. Agreed the cash receipt to the credit on the bank statement.
 - b. Agreed the receipt amount to the net billed amount billed on Medicount's Billing Report, the service organization that performs the emergency medical/fire billings but does not collect all the receipts for the Township. We found no exceptions.
 - c. Inspected the Revenue Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - d. Inspected the Revenue Ledger to determine whether the receipts were recorded in the proper year. We found no exceptions.

Other Receipts

We selected 10 other receipts from the year ended December 31, 2022 and 10 other receipts from the year ended 2021 and:

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

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loan was outstanding as of December 31, 2020.
 - a. This amount agreed to the Township's January 1, 2021 balance on the summary we used in procedure 3.
 - b. We inspected the debt's final offering documents for all outstanding debt, and we confirmed the Township does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2020:
Ambulance Loan	\$46,204

2. We inquired of management and inspected the Revenue Ledger Report and Appropriation Ledger Report for evidence of debt issued during 2022 or 2021 or debt payment activity during 2022 or 2021. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of bond and loan debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedule to Life Squad Fund payments reported in the Appropriation Ledger Report. We also compared the date the debt service payments were due to the date the Township made the payments. We found no exceptions.
4. We agreed the amount of debt proceeds received for 2022 from the debt documents to amounts recorded in the Road and Bridge fund per the Revenue Ledger Report. The amounts agreed. However, the Township posted debt proceeds in the amount of \$246,752 as miscellaneous revenue instead of other debt proceeds. The Township did not record the proceeds in a bond fund (i.e. capital projects fund) as required by Ohio Rev. Code § 5705.09(E).

Debt (Continued)

5. For new debt issued during 2022, we inspected the debt legislation, which stated the Township must use the proceeds to purchase a dump truck, backhoe and excavator. We inspected the Appropriation Ledger Report and observed the Township purchased a dump truck in October 2022, a backhoe in November 2022 and an excavator in December 2022. We noted \$234,035 was disbursed from the Road and Bridge Fund (the fund where the debt proceeds were posted) \$11,000 was disbursed from the Permissive Motor Vehicle License Tax Fund, and the remaining \$1,717 was disbursed from the Gasoline Tax Fund. We have proposed adjustments to correct for the amounts disbursed from funds other than the fund receiving the debt proceeds. The Township has adjusted their fund balances to reflect this activity.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2022 and one payroll check for five employees from 2021 from the Wage Withholdings Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). 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 minute record 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 selected three new employees and Board of Trustees from 2022 and three employees and Board of Trustees from 2021 and:
 - a. We inspected the employees'/Board of Trustees' personnel files for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Employee General Information Report. We found no exceptions.
3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2022 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 2022. 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, 2023	December 23, 2022	\$5,197.88	\$5,197.88
State income taxes	January 16, 2023	January 7, 2023	\$1,166.61	\$1,166.61
Local income tax - RITA	January 15, 2023	January 7, 2023	\$405.61	\$405.61
OPERS retirement	January 30, 2023	January 17, 2023	\$2,488.44	\$2,488.44
OP&F retirement	January 31, 2023	January 17, 2023	\$1,389.83	\$1,389.83

We found the Township incurred miscellaneous penalties and late fees in 2022 and 2021 in the amounts of \$4,591 and \$1,177, respectively. The Fiscal Officer paid back these amounts to the Township with the exception of \$88 in OPERS late fees that were not paid back.

Payroll Cash Disbursements (Continued)

4. For the pay periods ended February 28, 2022 and September 30, 2021, we
 - a. Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts and employer shares withholdings to the General, Gasoline Tax, Fire District and Life Squad Fund per the Wage Detail Report.
 - b. Traced the Fiscal Officer's and Boards' pay for time or services performed to supporting certifications the Revised Code requires.

We found the payroll certifications did not agree to the funds charged per the Wage Detail Report for both pay periods tested. We compared the rest of the payroll certifications in 2022 and 2021 and found they did not agree to the funds charged per the Wage Detail Report. This resulted in the Gasoline Tax, Fire District and Life Squad Fund being incorrectly charged in 2022 by \$14,998, \$7,979 and \$7,979, respectively, of which \$29,085 should have been paid from the General Fund and \$1,871 should have been paid from the Road and Bridge Fund. The Gasoline Tax, Fire District and Life Squad fund were incorrectly charged in 2021 by \$12,172, \$1,878 and \$1,878, respectively, of which \$6,570 should have been paid from the General Fund and \$9,358 should have been paid from the Road and Bridge Fund. The Township has adjusted their fund balances to reflect this activity.

5. We compared total gross pay for the fiscal officer and each board of trustee for 2022 and 2021 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. We found the Fiscal Officer, Kathy Jarman was underpaid by \$799 and \$396 in 2022 and 2021, respectively. Trustee Robert Griffith was underpaid by \$666 in 2021. Trustees Robert Griffith, Terry Utter and Terry Wilson were all underpaid by \$896 in 2022. These underpayments were due to the Fiscal Officer and Trustees being paid the salary amounts for the incorrect year on the Ohio Township Compensation Chart.
6. We inquired of management and inspected the Appropriation Ledger Report for the years ended December 31, 2022 and 2021 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Appropriation Ledger for the year ended December 31, 2022 and 10 from the year ended 2021 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. 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 Appropriation Ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. 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 three instances in 2022 and four instances in 2021 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) required 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 disbursement requiring certification, our report provides no assurances 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, 2022 and 2021 for the General, Motor Vehicle License Tax and Felicity Cemetery Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Appropriation Ledger Report for the Bertz Cemetery Trust Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period. We found no exceptions.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2022 and 2021 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 balance.

Sunshine Law Compliance

1. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period as required by Ohio Rev. Code § 149.43(E)(2).
2. We inquired with Township management and determined that the Township did not have any completed public records requests during the engagement period. The Township did not have any denied public records requests during the engagement period. 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 inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore could not provide it to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2).
5. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore it could not be included in a policy manual as required by Ohio Rev. Code § 149.43(E)(2).
6. We inquired with Township management and determined that the Township did not have a public records policy during the engagement period therefore it could not be displayed in all the branches of the Township as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Township management and determined that the Township did not have any applications for record disposal submitted to the Records Commission during the engagement period.
8. We inspected individual training certificates and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). Trustees Chris Smith and Randy Schadle did not complete Public Records Training for their terms ending December 31, 2021.

Sunshine Law Compliance (Continued)

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 all transactions including payroll, non-payroll, and subgrant/subloan 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 all CRF transactions made by the Fiscal Officer were an attempt reallocate Cares Act Grant Funding to the General Fund to where the expenditures occurred. The Township should have posted this transaction according to a method Auditor of State Bulletins 2021-004 and 98-013 prescribes.

Contract Compliance:

1. We inspected the Appropriation Ledger and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract over \$50,000 for 2022 and one for 2021 and
 - a. We inspected the contract and other bids for the contracted expenditure and determined:
 - i. The Township accepted the lowest bid and met the requirements of Ohio Rev. Code § 5549.21.
 - 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.We found the Township did not seek out bids for a backhoe that was purchased in the amount of \$105,075 in 2022.

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, 2022 and 2021 in the Hinkle system. We found no exceptions.

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.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

September 22, 2023

OHIO AUDITOR OF STATE KEITH FABER



FRANKLIN TOWNSHIP

CLERMONT 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 11/28/2023

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