

**JEROME TOWNSHIP
UNION COUNTY**

AGREED UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

**Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701**

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPARepor@ohioauditor.gov
(800) 282-0370

Board of Trustees
Jerome Township
9777 Industrial Pkwy
Plain City, Ohio 43064

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures of Jerome Township, Union County*, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the period January 1, 2019 through December 31, 2020. 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. Jerome Township is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

July 13, 2021

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Jerome Township
Union County
9777 Industrial Pkwy
Plain City, Ohio 43064

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Jerome Township, Union County, Ohio (the Township) and the Auditor of State, on the receipts, disbursements and balances recorded in the Townships cash basis accounting records for the years ended December 31, 2020 and 2019, 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, 2020 and 2019 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township. The sufficiency of the procedures is solely the responsibility of the parties specified in this 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.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We recalculated the December 31, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2018 balances to documentation in the prior year Agreed-Upon procedures working papers. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the Cash Summary by Fund Report. We found no exceptions.
3. We agreed the totals per the bank reconciliation to the total of December 31, 2020 and 2019 fund cash balances reported in the Fund Status Reports. The amounts agreed.
4. We confirmed the December 31, 2020 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, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 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, to determine the debits were dated prior to December 31. There were no exceptions.
6. We selected five reconciling credits (such as deposits in transit) from the December 31, 2020 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Receipts Journal. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

7. We inspected investments held at December 31, 2020 and 2019 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

Property taxes, Intergovernmental and Other Confirmable 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's DTL for 2020 and five from 2019:
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Journal. The amounts agreed.
 - b. We inspected the Receipt Journal to determine that these receipts were allocated to the proper funds. We found no exceptions
 - c. We inspected the Receipt Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Journal to determine whether it included two real estate tax receipts for 2020 and 2019. The Receipt Journal included the proper number of tax receipts for each year.
3. We confirmed the amounts paid from Millcreek Township to the Township during 2020 and 2019 for fire contract services with Millcreek Township:
 - a. We inspected the Receipts Journal to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Receipt Journal to determine that these receipts were allocated in the proper year. We found no exceptions

Debt

1. From the prior agreed-upon procedures documentation, we observed the following debt were outstanding as of December 31, 2018. These amounts agreed to the Townships January 1, 2019 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2018:
Capital Lease Western Star Truck	41,190

2. We inquired of management, and inspected the Receipt Journal and Appropriation Ledger for evidence of debt issued during 2020 or 2019 or debt payment activity during 2020 or 2019. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of loan activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedule to debt service fund payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the Township made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2020 and one payroll check for five employees from 2019 from the Paychex Payroll Journal and:
 - a. We compared the hours and pay rate, or salary recorded in the Paychex Payroll Journal to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account code(s) to which the check was posted to determine the posting was reasonable based on the employee's duties as documented in the minute record, timesheets or as required by statute. We also confirmed the payment was posted to the proper year. We found no exceptions.
 - c. We confirmed 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, 2020 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 2020. We observed the following:

Withholding (plus employer share Where applicable)	Due Date	Date Paid	Amount W/H	Amount
Federal Income Taxes	January 31, 2021	January 6, 2021	\$ 11,759.53	\$ 11,759.53
State Income Taxes	January 15, 2021	January 15, 2021	8,334.07	8,334.07
Local Income Taxes	January 31, 2021	January 15, 2021	1,235.47	1,235.47
School District Inc. Tax	January 31, 2021	January 15, 2019	1,637.97	1,637.97
OPERS Retirement	January 31, 2021	December 30, 2020	7,952.29	7,952.29
OP&F Retirement	January 31, 2021	December 30, 2020	48,409.04	48,409.04

3. We compared total gross pay for the fiscal officer and each board member for 202 and 2019 to the compensation permitted by Ohio Revised Code Sections 507.09 and 505.24, respectively. We found no exceptions.

4. We inquired of management and inspected the Cash Journal for the years ended December 31, 2020 and 2019 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 a sample (agreed upon) of 10 disbursements from the Cash Journal for the year ended December 31, 2020 and 10 from the year ended 2019 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 Cash Journal 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 Section 5705.41(D). We found no exceptions.

Compliance-Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Revised Code Section 5705.36 (A)(1), to the amounts recorded in the Revenue Status Report for the General Fund, Road and Bridge Fund, and Fire District Fund for the years ended December 31, 2020 and 2019. The amounts agreed.

2. We inspected the 2020 and 2019 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$5,000 which Ohio Revised Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner and Court of Common Pleas.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2020 and 2019 for negative cash fund balance. Ohio Revised Code Section 5701.10(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 ORC Section 149.43(E)(2) 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 five public records requests from the engagement period and inspected each request to determine the following:
 - a. The Township was compliant and responded to the request in accordance with Ohio Rev. Code Section 149.43(B)(1). We found no exceptions.
 - b. The Township did not have any denied public records request.
 - c. The Township did not have any public requests with redactions during the engagement period.
3. We inquired whether the Township has a records retention policy, and observed that it is readily available to the public as required by ORC Section 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 ORC Section 149.43(E)(2). We found no exceptions.
5. We inspected the Township's policy manual and determined the public records policy was included as required by ORC Section 149.43(E)(2). We found no exceptions.
6. We observed the Township's poster describing their Public Records Policy was displayed conspicuously in all branches of the Township as required by ORC Section 149.43(E)(2). We found no exceptions.
7. We inquired with the Township's 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 ORC Section 149.32(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office. We found no exceptions.
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 are to be held as required by ORC Section 121.22(F). We found no exceptions.

10. We inspected the minutes of public meetings during the engagement period in accordance with ORC Section 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 inspections – available for public viewing or request.

We found no exceptions.

1. We inspected the minutes from the engagement period in accordance with ORC Section 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 (where applicable) correlated with one of the matters listed in Ohio Rev. Code Section 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.

We found no exceptions.

Coronavirus Relief Fund

1. We inquired of management and those charged with governance and documented how the Township decided to spend their CFR allocations and how the Township evaluated and documented their compliance with the CARES Act three-prong test. We then selected all payroll, non-payroll, and subgrant/subloan transactions and determined the Township:
 - a. Spent the CRF money 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 paid back to the county treasurer and determined the proper balance was repaid. We also compared the date of the repayment to the required date of November 20, 2020 and determined the payment was made in a timely manner. We found no exceptions.

Other Compliance

1. Ohio Revised Code Section 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 years ended December 31, 2020 and 2019 in the Hinkle system. There were no exceptions.
2. We inspected the Fiscal Integrity Act Portal to determine whether the fiscal officer obtained the training required by Ohio Rev. Code Section 507.12 and 733.81. The Fiscal Officer obtained the required training, however it was not posted in the portal.

3. For all credit card accounts we obtained:
 - Copies of existing internal control policies,
 - a list of authorized users, and
 - a list of all credit card account transactions.

- a. We inspected the established policy obtained above and determined it is:
 - i. in compliance with the HB 312 statutory requirements, and
 - ii. implemented by the entity.We found no exceptions.
- b. We selected 1 credit card transaction from each credit card account for testing. For selected transactions we inspected documentation to determine that:
 - i. Use was by an authorized user within the guidelines established in the policy, and
 - ii. Each transaction was supported with original invoices and for a proper public purpose.We found no exceptions.

- c. We selected 3 credit card statements from each credit card account for testing. For selected statements we inspected documentation to determine that:
 - i. No unpaid beginning balance was carried forward to the current billing cycle,
 - ii. Ending statement balance was paid in full, and
 - iii. Statement contained no interest or late fees.We found no exceptions.

This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review, 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.

This report is to provide 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, 2020 and 2019, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
June 4, 2021

OHIO AUDITOR OF STATE KEITH FABER



JEROME TOWNSHIP

UNION 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 7/27/2021

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