

BERNE TOWNSHIP

FAIRFIELD 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
Berne Township
112 N. Canal St.
Sugar Grove, Ohio 43155

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Berne Township, Fairfield 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. Berne Township is responsible for compliance with these laws and regulations.

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Keith Faber
Auditor of State
Columbus, Ohio

May 09, 2022

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Berne Township
Fairfield County
112 N. Canal St.
Sugar Grove, Ohio 43155

We have performed the procedures enumerated below on the Berne 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 opinion unit recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the prior year audited statements. We found no exceptions. 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. There was a \$44 fund balance adjustment for properly voiding an old outstanding prior year check.
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 for the Township through the Ohio Pooled Collateral System and observed the remaining bank balance on the financial institutions' website. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation without exception.
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 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, 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 Invoice List 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 they 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.
3. We confirmed the total amount paid on behalf from the Ohio Public Works Commission (OPWC) to the Township during 2021 with the OPWC WorksWise Portal. We found that on behalf grant payments in the amount of \$436,535 and on behalf loan payments of \$45,803 were not recorded.
 - a. We inspected the Receipt Export Report to determine whether these receipts were allocated to the proper funds. We found none of the above receipts were recorded.
 - b. We inspected the Receipt Export Report to determine whether the receipts were recorded in the proper year. We found none of the above receipts were recorded.

Other Receipts - Emergency Medical Service Receipts

1. We confirmed the amounts paid from Medicount Management, the service organization that performs the emergency medical billings to the Township for two months during 2021 and two months during 2020 with Medicount Management. We found no exceptions.
 - a. We inspected the Receipt Export Reports to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Receipt Export Reports to determine whether the receipts were recorded in the proper year. We found no exceptions.

2. We selected five receipts recorded in the cash receipts records from the year ended December 31, 2021 and five from the year ended December 31, 2020 from the Receipt Export Reports and:
 - a. Agreed the cash receipt to the credit on the bank statement.
 - b. Agreed the receipt amount to the amount credited on the Medicount Management's Payment Detail by Date of Entry Reports, the service organization that performs the emergency medical billings, but does not collect all of 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 found no exceptions.

Debt

1. From the prior audit documentation, we observed the following bonds were outstanding as of December 31, 2019. These amounts agreed to the Townships January 1, 2020 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2019:
General Obligation Bonds	\$530,000

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. The summary we used in procedure 3 excluded the on behalf loan payment by OPWC in the amount of \$45,803 issued in 2021.
3. We obtained a summary of bonds and loans debt activity for 2021 and 2020 and agreed principal and interest payments from the related debt amortization schedule to debt service and general fund payments reported in the Payment Export Reports. We also compared the date the debt service payments were due to the date the Township made the payments. We found in 2020 the amount paid for one interest payment was more than the amortization schedule in the amount of \$26, however the amount paid agreed to the invoice. We found in 2021 the amount paid for one interest payment was more than the amortization schedule in the amount of \$18, however the amount paid agreed to the invoice.
4. We agreed the amount of debt proceeds received for 2021 from the debt documents to amounts recorded in the Receipt Export Report. The amounts did not agree. The fund was not established, nor were the \$45,803 on behalf loan proceeds recorded.
5. For new debt issued during 2021, we inspected the debt legislation, which stated the Township must use the proceeds to rehabilitate Savage Hill Road. We inspected the Payment Export Report and observed the Township did not record the related on behalf loan proceeds and contractor payment in the amount of \$45,803 related to the rehabilitation of Savage Hill Road in October of 2021.

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 Wage Detail Reports and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Reports 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 withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.

We found one instance in 2021 where a Trustee was paid less in the amount of \$53 for the payroll check selected. This was identified and corrected by management in 2021 along with the 2020 underpayment noted in step 4. We found one instance where an employee was paid \$24 less due to improper notification of certification status. This was corrected by management in April 2022. The Township was unable to provide State withholding forms for two employees in 2021 and three employees in 2020, and unable to provide Retirement system authorizations for one employee in 2020, all these employees were hired prior to the current Fiscal Officer's term.
 - 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/or 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 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 5, 2022	December 31, 2021	\$4,462	\$4,462
State income taxes	January 18, 2022	December 31, 2021	\$1,955	\$1,955
Amanda-Clearfork Local School district income tax	January 18, 2022	December 31, 2021	\$103	\$103
Berne Union Local School district income tax	January 18, 2022	December 31, 2021	\$537	\$537
Fairfield Union Local School district income tax	January 18, 2022	December 31, 2021	\$155	\$155
Lancaster City School district income tax	January 18, 2022	December 31, 2021	\$119	\$119
Pickerington Local School district income tax	January 18, 2022	December 31, 2021	\$21	\$21
OPERS retirement	January 31, 2022	January 18, 2022	\$3,548	\$3,548
OP&F retirement	January 31, 2022	January 19, 2022	\$7,544	\$7,544

We found no exceptions.

3. For the pay periods ended February 28, 2021 and August 31, 2020, we
 - a. Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts to the General, Road and Bridge and Fire District Fund per the Wage Detail Reports.
 - b. 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 one Trustee was underpaid \$314 in 2020, which was corrected with a \$314 computed overpayment in 2021. We found the Fiscal Officer as underpaid \$240 in 2020, which was improperly corrected with a \$478 computed overpayment in 2021. The collective overpayment of \$238 was corrected in April of 2022.
5. We inquired of management and inspected the Wage Detail 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. Insurance reimbursements made were in compliance with Ohio Rev. Code §§ 505.60, 505.601, 505.602 and 505.603 and federal regulations.

Non-Payroll Cash Disbursements

1. 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:
 - 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 Payment Export Reports 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 two 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) 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 Road District fund as recorded in the Appropriation Status Reports. Expenditures did not exceed appropriations.
2. We inspected 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 \$150,000 from the Fire District Fund to the Capital Projects – Fire Fund and \$100,000 from the Road and Bridge Fund to the Capital Projects – Roads Fund during the engagement period. Ohio Rev. Code §§ 5705.14 - .16 do not permit these transfers. However, these transfers follow Ohio Rev. Code § 5705.13.
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 inspected the Township's policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
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 Record 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 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 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 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 inquired with management and inspected the Fund Ledger Report to determine the local government did not have an unencumbered balance of money to pay back to the county treasurer. We found no exceptions.

Contract Compliance:

1. We inspected the Minutes/Payment Export Reports and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract over \$45,000 in 2021 and one contract over \$50,000 in 2020 and
 - a. We inspected the contract and other bids for the contracted expenditure and determined:
 - i. The Township accepted the lowest responsible bid or met the joint purchasing contract exemption and met the requirements of Ohio Rev. Code §505.37 and Ohio Rev. Code §5575.01
 - 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 no exceptions.

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 inquired of the fiscal officer and 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.

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Julian & Grube, Inc.
April 11, 2022

OHIO AUDITOR OF STATE KEITH FABER



BERNE TOWNSHIP

FAIRFIELD 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 5/19/2022

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