

BERNE TOWNSHIP

FAIRFIELD COUNTY, OHIO

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2023 & 2022**

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
Berne Township
112 N. Canal St.
P.O. Box 267
Sugar Grove, Ohio 43155

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Berne Township, Fairfield County, prepared by Julian & Grube, Inc., for the period January 1, 2022 through December 31, 2023. 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.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 18, 2024

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Berne Township
Fairfield County
112 N. Canal St.
P.O. Box 267
Sugar Grove, Ohio 43155

We have performed the procedures enumerated below on Berne Township (The Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 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, 2023 and 2022 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, 2023 and 2022, 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, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We 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 prior year documentation in the prior year Agreed-Upon Procedures working papers. There was a \$325 fund balance adjustment for properly removing a duplicate check from a prior year. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the Cash Summary By Fund Report to the December 31, 2022 balances in the Cash Summary By Fund Report. We found no exceptions.
3. We agreed the 2023 and 2022 Bank Reconciliation UAN Balances and Bank Balances as of December 31, 2023 and 2022 to the total fund cash balances reported in the Cash Fund Summary Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2023 bank account 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, 2023 bank reconciliation without exception.

5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 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, 2023 and December 31, 2022 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, 135.144 or 135.145. 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 Receipts

1. We selected a total of 5 receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the County Auditor Invoice List for 2023 and a total of 5 from 2022:
 - 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 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 2 real estate tax receipts for 2023 and 2022. The Receipt Export Report included the proper number of tax receipts for each year. We found no exceptions.

Emergency Medical Service Receipts

1. We selected 5 receipts recorded in the cash receipts records from the year ended December 31, 2023 and 5 from the year ended December 31, 2022 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 agreed-upon procedures documentation, we observed the following bond and loan were outstanding as of December 31, 2021.
 - a. These amounts agreed to the Township's January 1, 2022 balances on the debt amortization schedules used in procedure 3. The Township did not prepare a summary.
 - b. We inspected the debt final offerings and other related documents for all outstanding debt. We confirmed the Township was unable to provide the official transcript related to the Firehouse Bond and the Township was in compliance with the debt covenant for the Ohio Public Works Commission (OPWC) loan listed below.

Issue	Principal outstanding as of December 31, 2021:	Debt Covenants
Firehouse Bond	\$270,000	N/A
OPWC Loan – CQ31X	\$45,803	During the first 15 days of May and November of each year during the term, OPWC will invoice the recipient for the sum due and payment will be made no later than the first day of July or last business day of January. If recipient shall fail to make any payment hereunder when due, and the same is not corrected within thirty (30) days, then the amount of such default shall bear interest thereafter at the rate of eight percent (8%) per annum (the “Default Rate”) from the date of the default until the date of the payment thereof

2. We inquired of management and inspected the Receipt Export Reports and Payment Export Reports for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. The Township did not prepare a summary. For 2023 the summary excluded all the beginning and ending balances, and the Firehouse Bond excluded principal payments of \$135,000. For 2022 the summary excluded all the beginning and ending balances, and the Firehouse Bond excluded principal payments of \$135,000. The OPWC excluded principal payments of \$87,764 and on behalf proceeds totaling \$41,961.
3. We did not obtain a summary, as one was not prepared. We examined bond and note debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedules to debt service and road and bridge 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. The amounts agreed.
4. We agreed the amount of debt proceeds received for 2022 from the debt documents to amounts recorded in the Receipt Export Report. The amounts agreed.
5. For new debt issued during 2022, 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 made improvements to Savage Hill Road in February of 2022. We found no exceptions.

Payroll Cash Disbursements

1. We selected 1 payroll check for 5 employees from 2023 and 1 payroll check for 5 employees from 2022 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 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. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
2. We selected 3 new employees from 2023 and 3 employees from 2022 and:
 - a. We inspected the employees’ personnel files and/or minute record 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, 2023 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 2023. 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, 2024	December 29, 2023	\$4,608	\$4,608
State income taxes	January 15, 2024	December 29, 2023	\$2,352	\$2,352
Alexander LSD income tax	January 15, 2024	December 29, 2023	\$8	\$8
Amanda LSD income tax	January 15, 2024	December 29, 2023	\$47	\$47
Berne Union LSD income tax	January 15, 2024	December 29, 2023	\$610	\$610
Fairfield Union School District income tax	January 15, 2024	December 29, 2023	\$120	\$120
Lancaster City School District income tax	January 15, 2024	December 29, 2023	\$158	\$158
Northridge LSD income tax	January 15, 2024	December 29, 2023	\$12	\$12
OPERS retirement	January 31, 2024	January 16, 2024	\$2,925	\$2,925
OP&F retirement	January 31, 2024	January 16, 2024	\$4,304	\$4,304

We found no exceptions.

4. For the pay periods ended June 30, 2023 and June 30, 2022 we
 - a. Recomputed the allocation of the Fiscal Officer’s and Boards’ salary amounts and employer shares withholdings to the General, Road and District, and Zoning Fund per the Wage Detail Report.
 - b. Traced the Fiscal Officer’s and Boards’ pay for time or services performed to supporting certifications and time or activity sheets the Revised Code requires.

We found no exceptions.

5. We compared total gross pay for the fiscal officer and each board of trustees for 2023 and 2022 to the compensation permitted by Ohio Rev. Code §§ 507.09 and 505.24, respectively. Their pay did not exceed the Ohio Rev. Code §§ 507.09 and 505.24 permitted amounts.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Register Detail Report for the year ended December 31, 2023 and 10 from the year ended 2022 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 or memo agreed to the check number, date, payee name and amount recorded in the Payment Register Detail Report 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 no exceptions.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments including outstanding encumbrances) 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, 2023 and 2022 for the General, Gasoline Tax, and Road and Bridge Fund as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.

2. We inspected interfund transfers from 2023 and 2022 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. At the lapse of resolution 4-2017 (EOY 2021), the \$150,000 from the Capital Projects – Road and Bridge Fund was transferred back to the Road and Bridge Fund. The Township then passed a new resolution creating a new Misc Capital Projects – Roads Fund and transferring the \$150,000 into the new fund. The Township also transferred \$50,000 from the Road and Bridge Fund to the Misc Capital Projects – Roads Fund. Ohio Rev. Code §§ 5705.14 - .16 does not permit these transfers. However, these transfers follow Ohio Rev. Code § 5705.13.
3. We inspected the Cash Summary by Fund Report for the years ended December 31, 2023 and 2022 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 only one public records request from the engagement period and inspected it 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(B)(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 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.

Contract Compliance

1. We inspected the Minutes/Payment Register Detail Report and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
2. We selected 1 contract subject to competitive bidding requirements for 2023 and 1 for 2022 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 §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, 2023 and 2022 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.



Julian & Grube, Inc.
April 19, 2024

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 7/2/2024

65 East State 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