

BURLINGTON TOWNSHIP
LICKING COUNTY, OHIO

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019**

OHIO AUDITOR OF STATE
KEITH FABER



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Board of Trustees
Burlington Township
P.O. Box 55
Homer, Ohio 43027

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of Burlington Township, Licking County, prepared by Julian & Grube, 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. Burlington 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

May 19, 2021

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Independent Accountants' Report on Applying Agreed-Upon Procedures

Burlington Township
Licking County
P.O. Box 55
Homer, Ohio 43027

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Burlington Township (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

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 in the prior year 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 reconciliations to the total of the December 31, 2020 and 2019 fund cash balances reported in the Cash Summary by Fund Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2020 bank account balances 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, and determined the debits were dated prior to December 31. There were no exceptions.
6. We traced interbank account transfers occurring in December of 2020 and 2019 to the accounting records and bank statements to determine if they were properly recorded. 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 County Auditors Monthly Allocation Sheets for 2020 and a total of five from 2019:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipts Exports. The amounts agreed.

- b. We inspected the Receipts Export Reports to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found one exception that caused the General Fund to be overstated by \$205, and the Road & Bridge Fund, Fire District Fund, and Emergency Squad Fund to be understated by \$102, \$78 and \$25 respectively. The Township has corrected this in their financial system.
 - c. We inspected the Receipts 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 Receipts Export Reports to determine whether it included two real estate tax receipts for 2020 and 2019. The Receipts Export Reports included the proper number of tax receipts for each year.

Debt

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

Issue	Principal outstanding as of December 31, 2018:
Park National Bank TAN	\$100,000

2. We inquired of management, and inspected the Receipts Export Reports and Payments Export Reports 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. There was no debt activity in 2020.
3. We obtained a summary of the note debt activity for 2020 and 2019 and agreed principal and interest payments from the related debt amortization schedule to the Road and Bridge fund payments reported in the Payments Export Reports. We also compared the date the debt service payments were due to the date the Township made the payments. We found no exceptions. There was no debt activity in 2020.

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 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). 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 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, 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)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2021	January 4, 2021	\$612	\$612
State income taxes	January 31, 2021	January 5, 2021	\$182	\$182
North Fork Local School District income tax	January 31, 2021	January 5, 2021	\$70	\$70
OPERS retirement	January 30, 2021	December 31, 2020	\$1,305	\$1,305

3. We compared total gross pay for the fiscal officer and each board member for 2020 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 Payments Export Reports 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. Insurance reimbursements made were in compliance with ORC 505.60, 505.601, 505.602 and 505.603 and federal regulations.

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payments Export Reports 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 one exception, in 2020, where \$208 in sales tax was paid related to a COVID reimbursement payment to an entity.
 - 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 Payments 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 one exception, in 2019 where the Gasoline Tax Fund paid for Tornado Siren repairs in the amount of \$1,031. The Township has corrected this in their financial system.
 - 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 one instance where the original certification could not be located, thus for 2019, we were unable to determine if the Fiscal Officer had signed it. Additionally, there were three instances in 2019 and four 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 Section 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 Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code Section 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2020 and 2019 for the General, the Road and Bridge and the Fire District fund. There were no funds for which expenditures exceeded appropriations.
2. We inspected the Payments Export Reports for the Homer Cemetery Bequest Fund. Not more than 5% of non-spendable monies were released, spent, or otherwise modified during the engagement period.
3. We inspected the 2020 and 2019 Revenue Status Reports and Appropriation Status Reports for compliance with Ohio Rev. Code Sections 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner.
4. We inspected the Cash Summary by Fund Report for the years ended December 31, 2020 and 2019 for negative cash fund balances. Ohio Rev. Code Section 5705.10 (l) 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 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 selected public records requests from the engagement period and inspected each request to determine the following:
 - a. We inquired with Township management and determined that the Township did not have any completed public records requests during the engagement period.
 - 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 with Township management and determined that the Township did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
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, as the Township did not maintain a 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) (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 that the 2020 Fiscal Officer, attended public record training however no other elected officials attended training successfully, nor was there evidence of a designation.
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 Section 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 evaluated and documented their compliance with the CARES Act three-prong test. We then selected five 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 *[i.e. Cares Act three-prong test and in accordance with those charged with governance documented use]* and
 - b. Maintained appropriate supporting documentation.We found one exception of an expenditure that did not meet the first prong of the Cares Act three-prong test. The Township paid \$205 in sales tax.
2. We inquired with management and inspected the Cash Fund Summary 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.

Other Compliance

1. Ohio Rev. 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 the years ended December 31, 2020 and 2019 in the Hinkle system. There were 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 Section 507.12 and 733.81. The 2019 Fiscal Officer obtained the required 12 hours of training per term, however they did not meet their Ethics or Certified Public Records Training requirements.

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.



Julian & Grube, Inc.
March 31, 2021

OHIO AUDITOR OF STATE KEITH FABER



BURLINGTON TOWNSHIP

LICKING 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 6/1/2021

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