

JEFFERSON TOWNSHIP  
JACKSON COUNTY  
AGREED-UPON PROCEDURES  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021



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IPAReport@ohioauditor.gov  
(800) 282-0370

Board of Trustees  
Jefferson Township  
1264 Antioch Road  
Oak Hill, Ohio 45656

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Jefferson Township, Jackson County, prepared by Millhuff-Stang, CPA, Inc., 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. Jefferson Township is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

December 19, 2023

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**Jefferson Township**  
**Jackson County**  
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**Independent Accountant's Report on Applying Agreed-Upon Procedures**

Jefferson Township  
Jackson County  
1264 Antioch Road  
Oak Hill, Ohio 45656

We have performed the procedures enumerated below on Jefferson Township, Jackson County'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 opinion unit recorded in the Fund Ledger Report to the December 31, 2020 balances in the prior year audited statements. We found a \$14 variance in the General Fund due to a payment in the prior year that was posted as a fund adjustment in 2021. We also agreed the January 1, 2022 beginning fund balances for each fund recorded in the Fund Ledger Report to the December 31, 2021 balances in the Fund Ledger Report. We found no exceptions.
3. We agreed the 2022 and 2021 Bank Reconciliation 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.

4. We confirmed the December 31, 2022 bank account balance with the Ohio Pooled Collateral System. We found no exceptions. We also agreed the confirmed balance to the amount 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 and February bank statements. We noted check #7285 did not clear.
  - 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, 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 Jackson County Expenditure History by Vendor Report 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. The amounts agreed.
  - b. We inspected the Revenue Ledger to determine these receipts were allocated to the proper funds as required by Ohio Revised Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We inspected the Revenue Ledger 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 to determine whether it included two real estate tax receipts for 2022 and 2021. The Revenue Ledger included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed \$138,244.97 paid from the State of Ohio to the Township during 2022 and \$137,695.27 paid from the State of Ohio to the Township during 2021. We found no exceptions.
  - a. We inspected the Revenue Ledger to determine whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We inspected the Revenue Ledger 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 loans were outstanding as of December 31, 2020.
  - a. These amounts agreed to the Township's January 1, 2021 balances on the summary we used in procedure 3.
  - b. We inspected the loan agreements for all outstanding debt, and we confirmed the Township does not have any debt covenants.

Issue	Principal outstanding as of December 31, 2020:
Rotary Head Loan	\$51,000
Tractor Loan	72,961

2. We inquired of management, and inspected the Revenue Ledger and Appropriation Ledger for evidence of debt issued during 2022 and 2021 or debt payment activity during 2022 and 2021. All debt agreed to the summary we used in procedure 3.



3. We obtained a summary of loan debt activity for 2022 and 2021 and agreed principal and interest payments from the related debt amortization schedule to the Miscellaneous Capital Projects fund payments reported in the Payment Register Detail Report. 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 2022 and one payroll check for five employees from 2021 from the Wage 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 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, 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	January 31, 2023	December 12, 2022	\$478.06	\$478.06
State income taxes	January 15, 2023	December 29, 2022	1,670.67	1,670.67
OPERS retirement	January 30, 2023	December 25, 2022	1,775.84	1,775.84

We found no exceptions.

3. For the pay periods ended April 30, 2022 and July 31, 2021, we
  - a. Recomputed the allocation of the Fiscal Officer's and Boards' salary amounts and employer shares withholdings to the General, MVL, Gas Tax and Road and Bridge Fund per the Wage Detail Report.
  - b. Traced the Fiscal Officer's and Boards' pay for time or services provided to supporting certifications and activity sheets the Ohio Revised Code requires.

We found no exceptions.
4. We compared total gross pay for the fiscal officer and each board member for 2022 and 2021 to the compensation permitted by Ohio Revised Code Sections 507.09 and 505.24, respectively. Their pay did not exceed the Ohio Revised Code Sections 507.09 and 505.24 permitted amounts.
5. We inquired of management and inspected the Appropriation Ledgers 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 ten disbursements from the Payment Listing for the year ended December 31, 2022 and ten 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 Payment Listing 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. We found seven instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certified* 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 Revised Code Section 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Revised Code Sections 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2022 and 2021 for the General, Gasoline Tax, and Capital Project Funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
2. We inspected the Fund Status Report for the years ended December 31, 2022 and 2021 for negative cash fund balances. Ohio Revised Code Section 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 obtained and inspected the Township's Public Records Policy to determine the policy was in accordance with Ohio Revised Code Sections 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 inquired with the 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 Revised Code 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 Ohio Revised Code 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 Ohio Revised Code Section 149.43(E)(2). We found no exceptions.
6. We inquired with Township management and determined that the Township's poster describing their Public Records Policy was displayed conspicuously in all branches of the Township as required by Ohio Revised Code Section 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 Revised Code Section 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 Revised Code Section 109.43(B). We found that two Trustees did not attend the required training.

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 Revised Code Section 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Revised Code 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 inspection – available for public viewing or request.We found no exceptions.
11. We inspected the minutes from the engagement period in accordance with Ohio Revised Code 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 (when applicable) correlated with one of the matters listed in Ohio Revised Code Section 121.22(G).
  - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

#### **Contract Compliance**

1. We inspected the minutes and appropriations ledgers and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
2. We selected one contract over \$50,000 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 Revised Code Section 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 no exceptions.

#### **Other Compliance**

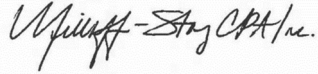
1. Ohio Revised Code Section 117.38 requires townships to file their financial information in the Hinkle system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for 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 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.

Jefferson Township  
Jackson County  
Independent Accountants' Report on Applying Agreed-Upon Procedures

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.

Respectfully,

A handwritten signature in black ink, appearing to read "Millhuff-Stang CPA, Inc.", is written over a light grey rectangular background.

Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

October 10, 2023

# OHIO AUDITOR OF STATE KEITH FABER



**JEFFERSON TOWNSHIP**

**JACKSON 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 1/2/2024**

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](http://www.ohioauditor.gov)