

BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO

Financial Statements
(Audited)

For the Years Ended
December 31, 2019 and 2018



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Board of Trustees
Berkshire Township
1454 Rome Corners Road
Galena, OH 43021

We have reviewed the *Independent Auditor's Report* of Berkshire Township, Delaware County, prepared by Julian & Grube, Inc., for the audit period January 1, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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. Berkshire Township is responsible for compliance with these laws and regulations

Keith Faber
Auditor of State
Columbus, Ohio

July 28, 2020

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**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

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Independent Auditor's Report

Berkshire Township
Delaware County
1454 Rome Corners Road
Galena, Ohio 43021

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of Berkshire Township, Delaware County, Ohio as of and for the years ended December 31, 2019 and 2018.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to Berkshire Township's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of Berkshire Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, Berkshire Township prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though Berkshire Township does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Berkshire Township as of December 31, 2019 and 2018, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting


In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and related notes of Berkshire Township, Delaware County as of December 31, 2019 and 2018, for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 13 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of Berkshire Township. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2020, on our consideration of Berkshire Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Berkshire Township's internal control over financial reporting and compliance.



Julian & Grube, Inc.
April 15, 2020

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Property and other taxes	\$ 289,544	\$ 260,777	\$ -	\$ -	\$ 550,321
Licenses, Permits and Fees	118,015	2,400	-	-	120,415
Intergovernmental	275,113	161,648	-	20,000	456,761
Earnings on Investments	33,865	5,120	26	120	39,131
Miscellaneous	19,734	1,395	-	-	21,129
Payment in Lieu of Taxes	-	-	711,650	-	711,650
Total cash receipts	<u>736,271</u>	<u>431,340</u>	<u>711,676</u>	<u>20,120</u>	<u>1,899,407</u>
Cash disbursements:					
Current:					
General Government	531,239	-	711,650	-	1,242,889
Public Works	-	441,127	-	-	441,127
Health	23,313	5,115	-	-	28,428
Conservation-Recreation	12,870	-	-	-	12,870
Capital outlay	75,991	45,000	-	59,650	180,641
Total cash disbursements	<u>643,413</u>	<u>491,242</u>	<u>711,650</u>	<u>59,650</u>	<u>1,905,955</u>
Total cash receipts over/(under) cash disbursements	<u>92,858</u>	<u>(59,902)</u>	<u>26</u>	<u>(39,530)</u>	<u>(6,548)</u>
Other financing receipts (disbursements):					
Transfers In	-	-	-	50,000	50,000
Transfers Out	(50,000)	-	-	-	(50,000)
Advances In	-	-	-	20,000	20,000
Advances Out	(20,000)	-	-	-	(20,000)
Other Financing Uses	(13,558)	-	-	-	(13,558)
Total other financing receipts (disbursements)	<u>(83,558)</u>	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>(13,558)</u>
Net change in fund cash balances	9,300	(59,902)	26	30,470	(20,106)
Fund cash balances, January 1, 2019	<u>1,073,976</u>	<u>904,771</u>	<u>1,447</u>	<u>-</u>	<u>1,980,194</u>
Fund cash balances, December 31, 2019					
Restricted	-	836,809	1,473	30,470	868,752
Assigned	1,054,924	8,060	-	-	1,062,984
Unassigned (Deficit)	28,352	-	-	-	28,352
Fund cash balances, December 31, 2019	<u>\$ 1,083,276</u>	<u>\$ 844,869</u>	<u>\$ 1,473</u>	<u>\$ 30,470</u>	<u>\$ 1,960,088</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2019

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Berkshire Township, Delaware County, Ohio (the Township), as a body corporate and politic. A publicly elected three- member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with the BST&G (Berkshire, Sunbury, Trenton and Galena) Joint Fire District to provide fire protection services.

Joint Ventures and Public Entity Risk Pool

The Township participates in a joint venture and a public entity risk pool. Notes 6 and 9 to the financial statements provide additional information for these entities. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road District Fund The road district fund accounts for and reports receipts of property tax money for the purpose of constructing, maintaining and repairing Township roads and bridges.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Debt Service Fund These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Columbus Outlets TIF The Columbus Outlets TIF fund accounts for and reports the receipt of TIF money for the payment of bond costs related to the Columbus Outlets project.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following significant Capital Project Fund:

Berkshire Township Park Grant Fund The Berkshire Township park fund accounts for and reports the receipt of grants and transfers for the purpose of completing the Berkshire Township park project.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be re-appropriated.

A summary of 2019 budgetary activity appears in Note 3.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Trustees can commit amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Township Trustees or a Township official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2019

Note 2 – Summary of Significant Accounting Policies (continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$628,146	\$736,271	\$108,125
Special Revenue	396,890	431,340	34,450
Debt Service	711,650	711,676	26
Capital Projects	70,000	70,120	120
Total	\$1,806,686	\$1,949,407	\$142,721

2019 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,673,300	\$706,971	\$966,329
Special Revenue	1,328,900	491,242	837,658
Debt Service	713,097	711,650	1,447
Capital Projects	0	59,650	(59,650)
Total	\$3,715,297	\$1,969,513	\$1,745,784

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2019

Note 4 – Deposits and Investments

The Township maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2019
Demand deposits	\$ 353,218
STAR Ohio Plus	853,453
Total deposits	<u>\$ 1,206,671</u>
STAR Ohio	753,417
Total investments	<u>\$ 753,417</u>
Total deposits and investments	<u><u>\$ 1,960,088</u></u>

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Township; or collateralized by the financial institution's public entity deposit pool or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2019

Note 6 - Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (latest information available):

	2018
Cash and investments	\$33,097,416
Actuarial liabilities	\$7,874,610

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Social Security

Members of the Zoning Board and the Zoning Appeals Board of the Township contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. The Township has paid all contributions required through December 31, 2019.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2019

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0% during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019.

Note 9 – Joint Ventures

Berkshire Township, Delaware County, and the City of Delaware have entered into a JEDD agreement. The City of Delaware handles the funds and distributes them out to the appropriate recipients of which Berkshire Township is a recipient. The length of this JEDD is 100 years. The JEDD Board consists of representatives from Berkshire Township, the City of Delaware, and the Representative for the Property owners.

Note 10 – Tax Increment Financing Agreement

On December 1, 2017, the Township along with the Berkshire Landing New Community Authority, Delaware County, Delaware County Finance Authority, and Columbus Outlets, LLC entered into a cooperative agreement. Under the Development Agreement, the Developer agreed to incur certain upfront costs of the initial construction and completion of the Project on behalf of the County, the New Community Authority and the Township, provided that upon the completion such costs of the Project (in excess of the County Contribution, as defined herein) would be reimbursed to the Developer from TIF Payments (defined below) contributed by the Township and community development charges levied by the Authority.

In order to provide funding for the Project, the County contributed \$8 million to provide a portion of the cost of the Project, the Township agreed to provide an exemption from 75% of real property taxes of the improvements (as defined in Section 5709.73 of the Ohio Revised Code) associated with the Development, and to require the owner of the Development to make payments in lieu of taxes ("TIF Payments") in an amount equal to the real property taxes so exempted, and to make such TIF Payments available to pay costs of the Project and the New Community Authority agreed to levy a community development charge, in accordance with Chapter 349 of the Ohio Revised Code equal to 1/2 of 1% of all sales at retail occurring at the Development and contribute such amounts towards the costs of the Project.

Note 11 - Compliance

The Township had expenditures exceeding appropriations, in noncompliance with Ohio Revised Code Section 5705.40 and 5705.41(B).

Note 12 – Related Party Transactions

Jeff George is a part-time Township Administrator and Zoning Inspector and Melody George serves as Township Treasurer. They are related through marriage. Mr. George was hired by the Township Trustees and Ms. George holds an elected position. Ms. George is not involved in management decisions with regard to personnel matters.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2019

Note 13 – Subsequent Event

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Township. The Township's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township's future operating costs, receipts, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 14 – Interfund Balances

Outstanding advance at December 31, 2019, consisted of \$20,000 advanced to Berkshire Township Park Grant fund (Capital Project Fund) to provide working capital for operations or projects.

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS) - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
Cash receipts:					
Property and other taxes	\$ 284,064	\$ 254,686	\$ -	\$ -	\$ 538,750
Licenses, Permits and Fees	213,374	5,712	-	-	219,086
Intergovernmental	453,137	140,842	-	-	593,979
Earnings on Investments	27,623	4,793	23	-	32,439
Miscellaneous	34,852	-	-	-	34,852
Payment in Lieu of Taxes	-	-	1,367,735	-	1,367,735
Total cash receipts	<u>1,013,050</u>	<u>406,033</u>	<u>1,367,758</u>	<u>-</u>	<u>2,786,841</u>
Cash disbursements:					
Current:					
General Government	641,839	-	1,367,735	-	2,009,574
Public Works	-	373,334	-	-	373,334
Health	24,983	5,330	-	-	30,313
Capital outlay	70,175	78,628	-	61,110	209,913
Total cash disbursements	<u>736,997</u>	<u>457,292</u>	<u>1,367,735</u>	<u>61,110</u>	<u>2,623,134</u>
Total cash receipts over/(under) cash disbursements	<u>276,053</u>	<u>(51,259)</u>	<u>23</u>	<u>(61,110)</u>	<u>163,707</u>
Other financing receipts (disbursements):					
Other Financing Uses	<u>(16,391)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,391)</u>
Total other financing receipts (disbursements)	<u>(16,391)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,391)</u>
Net change in fund cash balances	259,662	(51,259)	23	(61,110)	147,316
Fund cash balances, January 1, 2018	<u>814,314</u>	<u>956,030</u>	<u>1,424</u>	<u>61,110</u>	<u>1,832,878</u>
Fund cash balances, December 31, 2018					
Restricted	-	897,836	1,447	-	899,283
Assigned	1,025,154	6,935	-	-	1,032,089
Unassigned (Deficit)	48,822	-	-	-	48,822
Fund cash balances, December 31, 2018	<u>\$ 1,073,976</u>	<u>\$ 904,771</u>	<u>\$ 1,447</u>	<u>\$ -</u>	<u>\$ 1,980,194</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2018

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Berkshire Township, Delaware County, Ohio (the Township), as a body corporate and politic. A publicly elected three- member Board of Trustees directs the Township. The Township provides road and bridge maintenance, cemetery maintenance, and fire protection. The Township contracts with the BST&G (Berkshire, Sunbury, Trenton and Galena) Joint Fire District to provide fire protection services.

Joint Ventures and Public Entity Risk Pool

The Township participates in a joint venture and a public entity risk pool. Notes 6 and 9 to the financial statements provide additional information for these entities. The Township’s management believes these financial statements present all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types which are organized on a fund type basis.

Fund Accounting

The Township uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

Gasoline Tax Fund The gasoline tax fund accounts for and reports that portion of the State gasoline tax restricted for maintenance and repair of roads within the Township.

Road District Fund The road district fund accounts for and reports receipts of property tax money for the purpose of constructing, maintaining and repairing Township roads and bridges.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Debt Service Fund These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Township had the following significant Debt Service Fund:

Columbus Outlets TIF The Columbus Outlets TIF fund accounts for and reports the receipt of TIF money for the payment of bond costs related to the Columbus Outlets project.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Township had the following Capital Project Fund:

Miscellaneous Capital Projects The miscellaneous capital project fund accounts for and reports monies used for upkeep and improvements to the Township Hall.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Board recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary disbursements when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations Budgetary disbursements (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year-end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over and need not be re-appropriated.

A summary of 2018 budgetary activity appears in Note 3.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Deposits and Investments

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides a NAV per share that approximates fair value.

Capital Assets

The Township records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Township must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Township classifies assets as nonspendable when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed The Trustees can commit amounts via formal action (resolution). The Township must adhere to these commitments unless the Trustees amend the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the Township Trustees or a Township official delegated that authority by resolution, or by State Statute. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget in the General Fund.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2018

Note 2 – Summary of Significant Accounting Policies (continued)

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Township applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$474,781	\$1,013,050	\$538,269
Special Revenue	381,776	406,033	24,257
Debt Service	1,367,735	1,367,758	23
Capital Projects	0	0	0
Total	\$2,224,292	\$2,786,841	\$562,549

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$1,457,800	\$753,388	\$704,412
Special Revenue	1,355,374	457,292	898,082
Debt Service	1,367,735	1,367,735	0
Capital Projects	61,110	61,110	0
Total	\$4,242,019	\$2,639,525	\$1,602,494

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2018

Note 4 – Deposits and Investments

The Township maintains a deposits and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2018
Demand deposits	\$ 410,064
STAR Ohio Plus	833,968
Total deposits	\$ 1,244,032
STAR Ohio	736,162
Total investments	\$ 736,162
Total deposits and investments	\$ 1,980,194

Deposits

Deposits are insured by the Federal Depository Insurance Corporation; collateralized by securities specifically pledged by the financial institution to the Township; or collateralized by the financial institution’s public entity deposit pool or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2018

Note 6 - Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (OTARMA). The Pool assumes the risk of loss up to the limits of the Township's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2018</u>
Cash and investments	\$33,097,416
Actuarial liabilities	\$7,874,610

Note 7 - Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township's elected officials and employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postemployment healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Social Security

Members of the Zoning Board and the Zoning Appeals Board of the Township contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2% of their gross salaries. The Township contributed an amount equal to 6.2% of participants' gross salaries. The Township has paid all contributions required through December 31, 2018.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2018

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0% during calendar year 2018. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2018.

Note 9 – Joint Ventures

Berkshire Township, Delaware County, and the City of Delaware have entered into a JEDD agreement. The City of Delaware handles the funds and distributes them out to the appropriate recipients of which Berkshire Township is a recipient. The length of this JEDD is 100 years. The JEDD Board consists of representatives from Berkshire Township, the City of Delaware, and the Representative for the Property owners.

Note 10 – Tax Increment Financing Agreement

On December 1, 2017, the Township along with the Berkshire Landing New Community Authority, Delaware County, Delaware County Finance Authority, and Columbus Outlets, LLC entered into a cooperative agreement. Under the Development Agreement, the Developer agreed to incur certain upfront costs of the initial construction and completion of the Project on behalf of the County, the New Community Authority and the Township, provided that upon the completion such costs of the Project (in excess of the County Contribution, as defined herein) would be reimbursed to the Developer from TIF Payments (defined below) contributed by the Township and community development charges levied by the Authority.

In order to provide funding for the Project, the County contributed \$8 million to provide a portion of the cost of the Project, the Township agreed to provide an exemption from 75% of real property taxes of the improvements (as defined in Section 5709.73 of the Ohio Revised Code) associated with the Development, and to require the owner of the Development to make payments in lieu of taxes ("TIF Payments") in an amount equal to the real property taxes so exempted, and to make such TIF Payments available to pay costs of the Project and the New Community Authority agreed to levy a community development charge, in accordance with Chapter 349 of the Ohio Revised Code equal to 1/2 of 1% of all sales at retail occurring at the Development and contribute such amounts towards the costs of the Project.

Note 11 – Related Party Transactions

Jeff George is a part-time Township Administrator and Zoning Inspector and Melody George serves as Township Treasurer. They are related through marriage. Mr. George was hired by the Township Trustees and Ms. George holds an elected position. Ms. George is not involved in management decisions with regard to personnel matters.

Berkshire Township
Delaware County
Notes to the Financial Statements
for the Year Ended December 31, 2018

Note 12 - Compliance

- A. The Township has appropriations in excess of estimated resources, and did not properly certify its beginning unencumbered balance after audit adjustments were recorded, in noncompliance with Ohio Revised Code Sections 5705.39 and 5705.36.
- B. The Township had appropriations in excess of actual resources, in noncompliance with Ohio Revised Code Section 5705.36(A)(4).

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Berkshire Township
Delaware County
1454 Rome Corners Road
Galena, Ohio 43021

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of Berkshire Township, Delaware County, Ohio as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements and have issued our report thereon dated April 15, 2020, wherein we noted Berkshire Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Furthermore, as discussed in Note 13 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Berkshire Township's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of Berkshire Township's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of Berkshire Township's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses and that we consider material weaknesses. We consider findings 2019-001, 2019-002, and 2019-004 through 2019-006 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether Berkshire Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2019-001 through 2019-005.

Berkshire Township's Responses to Findings

Berkshire Township's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not subject Berkshire Township's responses to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of Berkshire Township's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering Berkshire Township's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
April 15, 2020

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2019-001

Material Weakness/Noncompliance

Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund should not exceed total estimated resources.

The Township had appropriations in excess of estimated resources for the year ending December 31, 2018 in the following funds:

<u>Fund Type/Fund</u>	<u>Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue Fund:</u>			
Road District	\$ 837,096	\$ 855,300	\$ 18,204
<u>General Fund:</u>			
General Fund	1,171,895	1,340,600	168,705

With appropriations exceeding estimated resources, the Township is appropriating monies that are not in the Treasury or in the process of collection that have been certified with the County Auditor. Thus, over appropriating may cause expenditures to increase and cause a deficit fund balance.

We recommend the Township comply with the Ohio Revised Code by monitoring appropriations so they do not exceed estimated resources. This may be achieved by monitoring the budget more closely on a continual basis and amending estimated resources or appropriations as necessary.

Client Response: The Township will continue to attempt to modify appropriations and amended certificates in an efficient and accurate manner.

Finding Number	2019-002
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Material Weakness/Noncompliance

Ohio Revised Code Section 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year. Furthermore, it requires subdivisions to request increased or reduced amended certificates of estimated resources upon determination by the Fiscal Officer that revenue to be collected will be greater or less than the amount in the last certified amended certificate.

The Township did not properly certify unencumbered fund balances at January 1, 2018. Also, during the year, the Township did not request enough amended certificates throughout the year upon notice of increased or decreased resources.

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2019-002- (Continued)

The Township is not properly certifying its unencumbered balances to the appropriate authorities as required by law. The Township is not properly certifying its most current estimated resources to the appropriate authorities and thus causing appropriations to exceed estimated resources.

We recommend the Township consult the Ohio Compliance Supplement, the Township’s Manual and its auditors to ensure that Township fund balances agree to audited reports. We further recommend the Township certify its available sources at year end, taking into account its outstanding encumbrances, and file amended certificates as necessary throughout the year. This will facilitate the Township’s appropriation process.

Client Response: The Township is attempting to monitor the budget more closely.

Finding Number	2019-003
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Noncompliance

Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

The Township had appropriations that were greater than actual resources for the year ending December 31, 2018 in the following fund:

<u>Fund Type/Fund</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>Special Revenue Fund:</u>			
Road District Fund	\$ 841,807	\$ 855,300	\$ 13,493

By appropriating more funds than actual resources, the Township is at risk of spending more money than available; this may result in negative fund balances.

We recommend the Township monitor appropriations in comparison to actual resources and obtain decreased amended appropriations as needed. Further guidance may be found in Auditor of State bulletin 97-010.

Client Response: The Township will monitor appropriations and amend when necessary.

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2019-004

Material Weakness/Noncompliance

Ohio Revised Code Section 5705.41(B) requires that no subdivision is to expend money unless it has been appropriated.

The Township had disbursements exceeding appropriations for the year ending December 31, 2019 in the following fund:

<u>Fund Type/Fund</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Excess</u>
<u>Capital Project Fund:</u>			
Berkshire Township Park Grant Fund	\$ -	\$ 59,650	\$ 59,650

With disbursements exceeding appropriations, the Township is expending monies that have not been appropriated and approved by the Board of Trustees. This may result in unnecessary purchases or overspending which may lead to a fund deficit.

We recommend the Township comply with the Ohio Revised Code and the Auditor of State Bulletin 97-010 by monitoring disbursements so they do not exceed lawful appropriations and amending the budget prior to year-end. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

Client Response: The Township is actively seeking to resolve this.

Finding Number	2019-005
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Material Weakness/Noncompliance

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section requires that any amendments to an appropriation measure be made by Board resolution and comply with the same provisions of the law as used in making the original appropriations.

Adjustments to the budget were made in the Township’s system without proper Board approval. Due to these unapproved and unallowable adjustments, disbursements exceeded appropriations in the Berkshire Township Park Grant Fund for the year ending December 31, 2019. Thus, the Township did not properly modify its appropriations throughout the year.

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2019-005 - (Continued)

By not timely and properly modifying the Township’s appropriations, the Township is not adequately monitoring appropriations versus disbursements. With disbursements exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend the Township comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring disbursements so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary, subsequent to the passage of permanent appropriations.

Client Response: The Township is aware of the requirement for Board approval and is currently implementing additional policies and procedures to have all supplemental appropriations properly approved prior to including in the Township accounting system.

Finding Number	2019-006
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Material Weakness - Financial Statement Presentation

Management is responsible for preparing complete and accurate financial statements in accordance with the applicable financial reporting framework. Control and monitoring activities typically associated with the period-end financial reporting process include reviewing and approving manual journal entries, consolidating entries, and any entries that are recorded directly to the financial statements. For the Township, this could also include reviewing the year-end UAN reports to ensure activity is reported in the correct line items and fund balances are properly classified.

Certain adjustments were made to the financial statements to properly record significant transactions during the audit period.

- During 2018, the Township improperly recorded \$28,134 of Miscellaneous Revenues in the Gasoline Tax Fund. These amounts should have been recorded in the General Fund.
- During 2019 and 2018, the Township did not properly record on-behalf TIF payments. The Township failed to report \$711,650 and \$1,367,735 in 2019 and 2018, respectively, in Payment in Lieu of Taxes Revenues and General Government disbursements in the Columbus Outlets TIF Fund.

The audited financial statements, note disclosures and Township records have been adjusted for the misstatements identified during the audit.

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2019 AND 2018**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)	
Finding Number	2019-006 - (Continued)

A lack of proper policies and procedures for control and monitoring activities associated with the period-end financial reporting process could lead to financial statement and note disclosure adjustments, which if uncorrected, could lead to a misrepresentation of the Township's activity.

We recommend the Township design and implement additional procedures to facilitate more accurate and detailed financial reporting. The Township should consider having an outside third-party, or Trustee member with financial experience, review the financial report prior to filing in the Hinkle System. Further, the Township should reach out to its auditor throughout the year if questions arise on how to properly account for receipts or disbursements.

Client Response: The Township will closely monitor all transactions to ensure accurate financial reporting in the future.

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019 AND 2018**

Finding Number	Finding Summary	Status	Additional Information
2017-001	<u>Material Weakness – Financial Statement Presentation</u> – The Township had identified misstatements in the 2017 financial statements that were not initially identified by the Township’s internal control.	Not Corrected	Repeated as finding 2019-006 as the Township did not review the posting of transactions to ensure proper account classification prior to filing the report.
2017-002	<u>Material Weakness/Noncompliance – On Behalf of and Special Revenue Activity</u> – The Township identified on behalf payments that were not initially identified by the Township’s internal control.	Fully Corrected	N/A

OHIO AUDITOR OF STATE KEITH FABER



BERKSHIRE TOWNSHIP

DELAWARE 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 8/11/2020

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