

BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO

REGULAR AUDIT

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



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Columbus, Ohio 43215
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800-282-0370

Members of the 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, 2022 through December 31, 2023. 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.

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

Keith Faber
Auditor of State
Columbus, Ohio

September 27, 2024

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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 Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Berkshire Township, Delaware County, Ohio, which comprises the cash balances, receipts, and disbursements for each governmental fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts, and disbursements for each governmental fund type of Berkshire Township, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) as described in Note 2.

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" section of our report, the accompanying 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, 2023 and 2022, or changes in net position thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of Berkshire Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Berkshire Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and GAAP, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C). Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Berkshire Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:


- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Berkshire Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Berkshire Township's ability to continue as a going concern for a reasonable period of time.

Berkshire Township
Delaware County
Independent Auditor's Report

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2024 on our consideration of Berkshire Township's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Berkshire Township's 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.
July 26, 2024

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, 2023

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$401,391	\$362,800	\$ -	\$ -	\$764,191
Licenses, Permits and Fees	236,903	3,778	-	-	240,681
Intergovernmental	439,846	207,089	-	-	646,935
Earnings on Investments	173,485	23,834	76	525	197,920
Miscellaneous	4,198	2,000	-	-	6,198
Payment in Lieu of Taxes	-	-	2,668,156	160,840	2,828,996
<i>Total Cash Receipts</i>	<u>1,255,823</u>	<u>599,501</u>	<u>2,668,232</u>	<u>161,365</u>	<u>4,684,921</u>
Cash Disbursements					
Current:					
General Government	646,253	179,063	2,668,156	42	3,493,514
Public Works	-	126,194	-	-	126,194
Health	36,829	9,932	-	-	46,761
Conservation-Recreation	3,133	-	-	-	3,133
Capital Outlay	341,043	471,143	-	-	812,186
Debt Service:					
Interest and Fiscal Charges	-	-	25,585	50,000	75,585
<i>Total Cash Disbursements</i>	<u>1,027,258</u>	<u>786,332</u>	<u>2,693,741</u>	<u>50,042</u>	<u>4,557,373</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>228,565</u>	<u>(186,831)</u>	<u>(25,509)</u>	<u>111,323</u>	<u>127,548</u>
Other Financing Receipts (Disbursements)					
Sale of Bonds	-	-	-	2,000,000	2,000,000
Sale of Capital Assets	34,700	-	-	-	34,700
Transfers In	-	-	25,585	-	25,585
Transfers Out	(25,585)	-	-	-	(25,585)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>9,115</u>	<u>-</u>	<u>25,585</u>	<u>2,000,000</u>	<u>2,034,700</u>
<i>Net Change in Fund Cash Balances</i>	237,680	(186,831)	76	2,111,323	2,162,248
<i>Fund Cash Balances, January 1</i>	<u>2,016,353</u>	<u>1,835,295</u>	<u>1,495</u>	<u>10,625</u>	<u>3,863,768</u>
<i>Fund Cash Balances, December 31</i>	<u>\$2,254,033</u>	<u>\$1,648,464</u>	<u>\$1,571</u>	<u>\$2,121,948</u>	<u>\$6,026,016</u>

See accompanying notes to the financial statement

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2023

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.

Jointly Governed Organizations and Public Entity Risk Pool

The Township participates in two jointly governed organizations and a public entity risk pool. Notes 6 and 12 to the financial statement provides additional information for these entities. The Township's management believes this financial statement presents 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.

American Rescue Plan Fund The American Rescue Plan fund accounts for and reports receipts for COVID-19 funding provided by the federal government for combating the financial impacts of the COVID-19 pandemic.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2023

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 Funds:

Columbus Outlets TIF The Columbus Outlets TIF fund accounts for and reports the on behalf receipts and disbursements of TIF money to the Berkshire Landing New Community Authority for the payment of bond costs related to the Columbus Outlets project.

NW Berkshire Township TIF The NW Berkshire Township TIF fund accounts for and reports the receipts and disbursements of TIF money to reimburse the developer for bond costs associated with public infrastructure improvements.

General Bond Retirement Fund The general bond retirement fund accounts for and reports transfers from the general fund used for the retirement of general obligation bonds issued for building improvements.

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 Funds:

Bond Building Improvements Fund The bond building improvements fund accounts for and reports the receipt of the sale of general obligation bonds for purpose of improving the Township building.

Berkshire Township II Incentive District TIF Fund The Berkshire Township II Incentive District TIF fund accounts for and reports the receipts and disbursements of TIF money to pay for public infrastructure improvements.

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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).

This statement includes 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 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (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.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

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 2023 budgetary activity appears in Note 3.

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 statement does 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 statement does 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 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.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies (continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$753,418	\$1,290,523	\$537,105
Special Revenue	508,384	599,501	91,117
Debt Service	3,400,410	2,693,817	(706,593)
Capital Projects	2,081,256	2,161,365	80,109
Total	\$6,743,468	\$6,745,206	\$1,738

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,754,500	\$1,118,514	\$1,635,986
Special Revenue	2,307,778	791,230	1,516,548
Debt Service	3,426,559	2,693,741	732,818
Capital Projects	114,354	50,042	64,312
Total	\$8,603,191	\$4,653,527	\$3,949,664

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits:	\$2,391,706
Government Insurance Deposit Program	1,477,588
Total deposits	3,869,294
Investments:	
STAR Ohio	2,156,722
Total investments	2,156,722
Total carrying amount of deposits and investments	\$6,026,016

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings. At December 31, 2023, the Township is not holding any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, 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.

Public utilities are also taxed on personal and real property located within the Township.

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 Statement
For the Year Ended December 31, 2023

Note 6 – Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). 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, 2023:

	<u>2023</u>
Cash and investments	\$ 33,494,457
Actuarial liabilities	\$ 10,885,549

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 postretirement 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, 2023.

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, 2023.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 8 – Postemployment Benefits

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0.00% for members in the traditional pension plan and 2.00% for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.00%; however, a portion of the health care rate was funded with reserves.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$2,000,000	3.87%

In 2023, the Township issued \$2,000,000 in general obligation bonds to finance building improvements. The bonds have a term of ten years, bear an interest rate of 3.87% and mature on December 1, 2033.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	General Obligation Bonds
2024	\$244,400
2025	244,937
2026	245,203
2027	245,199
2028	244,923
2029-2033	<u>1,225,342</u>
Total	<u><u>\$2,450,004</u></u>

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 10 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Outstanding Encumbrances	\$ 65,671	\$ 4,898	\$ 70,569

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds, would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – Jointly Governed Organizations/Intergovernmental Agreements

Berkshire Township and the City of Delaware have entered into two Joint Economic Development District (JEDD) agreements. The City of Delaware is the fiscal agent and collects both JEDD levied income taxes and distributes to the appropriate members. Each JEDD Board consists of (i) one member representing the City of Delaware, (ii) one member representing the Township, (iii) one member representing the owners of business located within the JEDD, (iv) one member representing the persons working within the JEDD, and (v) one member selected by the above members.

1. Berkshire Township-City of Delaware JEDD
2. Berkshire JEDD No. 2

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. The Township will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2023

Note 14 – Tax Increment Financing Agreements

The Township is a party to various Tax Increment Financing (TIF) Agreements. These agreements vary, however, in general these service payments finance public infrastructure costs in the designated area. The receipts related to these TIF agreements are recorded in the Payment in Lieu of Taxes line item in the designated fund.

Note 15 – Compliance

The Township did not properly record on-behalf payments, in noncompliance with Ohio Revised Code 5705.42 and 5705.41.

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, 2022

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$357,207	\$325,759	\$ -	\$ -	\$682,966
Licenses, Permits and Fees	171,622	2,502	-	-	174,124
Intergovernmental	403,470	364,108	-	-	767,578
Earnings on Investments	31,290	3,243	14	95	34,642
Miscellaneous	6,078	1,900	-	-	7,978
Payment in Lieu of Taxes	-	-	1,201,120	-	1,201,120
<i>Total Cash Receipts</i>	<u>969,667</u>	<u>697,512</u>	<u>1,201,134</u>	<u>95</u>	<u>2,868,408</u>
Cash Disbursements					
Current:					
General Government	552,790	93,173	1,201,120	-	1,847,083
Public Works	-	82,857	-	-	82,857
Health	33,441	4,591	-	-	38,032
Conservation-Recreation	2,811	-	-	-	2,811
Capital Outlay	11,492	42,582	-	-	54,074
<i>Total Cash Disbursements</i>	<u>600,534</u>	<u>223,203</u>	<u>1,201,120</u>	<u>-</u>	<u>2,024,857</u>
<i>Net Change in Fund Cash Balances</i>	369,133	474,309	14	95	843,551
<i>Fund Cash Balances, January 1</i>	<u>1,647,220</u>	<u>1,360,986</u>	<u>1,481</u>	<u>10,530</u>	<u>3,020,217</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$2,016,353</u></u>	<u><u>\$1,835,295</u></u>	<u><u>\$1,495</u></u>	<u><u>\$10,625</u></u>	<u><u>\$3,863,768</u></u>

See accompanying notes to the financial statement

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2022

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.

Jointly Governed Organizations and Public Entity Risk Pool

The Township participates in two jointly governed organizations and a public entity risk pool. Notes 6 and 11 to the financial statement provides additional information for these entities. The Township's management believes this financial statement presents all activities for which the Township is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Township's financial statement consists 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 Statement
For the Year Ended December 31, 2022

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 Debt Service Fund:

Columbus Outlets TIF The Columbus Outlets TIF fund accounts for and reports the on behalf receipts and disbursements of TIF money to the Berkshire Landing New Community Authority 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 Funds:

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

Berkshire Township Park Land Development Fund The Berkshire Township park land development fund accounts for and reports the receipt of funds and transfers for the purpose of developing and maintaining the Berkshire Township parks.

Basis of Accounting

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Township 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).

This statement includes 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 (C) permit.

Budgetary Process

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

Appropriations Budgetary expenditures (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.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

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 2022 budgetary activity appears in Note 3.

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 statement does 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 statement does 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 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.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as restricted or committed. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ended December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$726,902	\$969,667	\$242,765
Special Revenue	608,488	697,512	89,024
Debt Service	1,201,120	1,201,134	14
Capital Projects	2	95	93
Total	<u>\$2,536,512</u>	<u>\$2,868,408</u>	<u>\$331,896</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,356,800	\$600,534	\$1,756,266
Special Revenue	1,671,082	549,127	1,121,955
Debt Service	1,985,378	1,909,282	76,096
Capital Projects	9,850	0	9,850
Total	<u>\$6,023,110</u>	<u>\$3,058,943</u>	<u>\$2,964,167</u>

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments

To improve cash management, cash received by the Township is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Township’s deposit and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits:	\$1,259,486
Government Insurance Deposit Program	1,423,797
Total deposits	2,683,283
Investments:	
STAR Ohio	1,180,485
Total investments	1,180,485
Total carrying amount of deposits and investments	\$3,863,768

The Township does not use a separate payroll clearing account. The disbursements included in the accompanying financial statement reflects net payroll plus all remitted payroll withholdings. At December 31, 2022, the Township does not have any unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation, 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 Statement
For the Year Ended December 31, 2022

Note 6 – Risk Management

Risk Pool Membership

The Township is a member of the Ohio Township Association Risk Management Authority (The Pool). 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, 2022:

	<u>2022</u>
Cash and investments	\$ 32,288,098
Actuarial liabilities	\$ 9,146,434

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 postretirement 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, 2022.

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, 2022.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2022

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 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4% during calendar year 2022.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Contingent Liabilities

Amounts grantor agencies pay to the township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the balances of these amounts were as follows:

Fund Balances	Special Revenue	Debt Service
Outstanding Encumbrances	\$ 325,924	\$ 708,162

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. These restricted, committed, and assigned amounts in the special revenue, debt service, and capital projects funds, would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Berkshire Township
Delaware County
Notes to the Financial Statement
For the Year Ended December 31, 2022

Note 11 – Jointly Governed Organizations/Intergovernmental Agreements

Berkshire Township and the City of Delaware have entered into two Joint Economic Development District (JEDD) agreements. The City of Delaware is the fiscal agent and collects both JEDD levied income taxes and distributes to the appropriate members. Each JEDD Board consists of (i) one member representing the City of Delaware, (ii) one member representing the Township, (iii) one member representing the owners of business located within the JEDD, (iv) one member representing the persons working within the JEDD, and (v) one member selected by the above members.

1. Berkshire Township-City of Delaware JEDD
2. Berkshire JEDD No. 2

Note 12 – COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During 2022, the Township received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. The impact on the Township's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

Note 13 – Tax Increment Financing Agreements

The Township is a party to various Tax Increment Financing (TIF) Agreements. These agreements vary, however, in general these service payments finance public infrastructure costs in the designated area. The receipts related to these TIF agreements are recorded in the Payment in Lieu of Tax line item in the designated fund.

Note 14 – Compliance

The Township did not properly record on-behalf payments, in noncompliance with Ohio Revised Code 5705.42 and 5705.41.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

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

To the Members of the Board of Trustees:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the cash balances, receipts, and disbursements for each governmental fund type of Berkshire Township, Delaware County, Ohio, as of and for the years ended December 31, 2023, and 2022 and the related notes to the financial statements and have issued our report thereon dated July 26, 2024, wherein we noted Berkshire Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Berkshire Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Berkshire Township's internal control. Accordingly, we do not express an opinion on the effectiveness of Berkshire Township's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Berkshire Township's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Berkshire Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and responses as item 2023-002.


Berkshire Township
Delaware County
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Berkshire Township's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Berkshire Township's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. Berkshire Township's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on these responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Berkshire Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Berkshire Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Julian & Grube, Inc.
July 26, 2024

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS	
Finding Number	2023-001

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 Uniform Accounting Network (UAN) reports to ensure activity is reported in the correct line items and fund balances are properly classified.

The following adjustments were made to the financial statements for the years ended December 31, 2023 and 2022, respectively.

2023:

- Reclassification of on-behalf TIF receipts from Miscellaneous to Payment in Lieu of Taxes in the Columbus Outlets TIF Fund (Debt Service Fund Type) in the amount of \$2,139,608.
- Record on-behalf TIF activity. Increase Payment in Lieu of Taxes receipts and General Government disbursements in the amount of \$267,086, in the NW Berkshire Township TIF Fund (Debt Service Fund Type).
- Reclassification of on-behalf TIF receipts from Miscellaneous to Payment in Lieu of Taxes in the NW Berkshire Township TIF Fund (Debt Service Fund Type) in the amount of \$261,462.
- Reclassification of TIF receipts from Miscellaneous to Payment in Lieu of Taxes in the Commercial Public Improvement TIF Fund (Capital Projects Fund Type) in the amount of \$24,162.
- Reclassification of TIF receipts from Miscellaneous to Payment in Lieu of Taxes in the Berkshire Twp Incentive II District TIF Fund (Capital Projects Fund Type) in the amount of \$136,678.
- Reclassification of office renovations and playground and park pavilion disbursements from General Government to Capital Outlay in the American Rescue Plan Fund (Special Revenue Fund Type) in the amount of \$201,581.

2022:

- Record on-behalf TIF activity. Increase Payment in Lieu of Taxes receipts and general government disbursements in the amount of \$485,377 in the NW Berkshire Township TIF Fund (Debt Service Fund Type).
- Reclassification on-behalf TIF receipts from Miscellaneous to Payment in Lieu of Taxes in the Columbus Outlets TIF Fund (Debt Service Fund Type) in the amount of \$715,743.

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

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

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND REPOSSES
DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2023-001 (Continued)

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, to 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 certain complex/unique receipts or disbursements.

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

Finding Number	2023-002
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Material Weakness/Noncompliance – On-Behalf Payments

Ohio Rev. Code § 5705.42 states when the United States government or the state or any department, division, agency, authority, or unit thereof makes a grant or loan of money to any political subdivision of this state to aid in paying the cost of any program, activity, or function of such subdivision, or enters into an agreement with the subdivision for the making of any such grant or loan of money, the amount thereof is deemed appropriated for such purpose by the taxing authority of the subdivision as provided by law and shall be recorded as such by the fiscal officer of the subdivision, and is deemed in process of collection within the meaning of section 5705.41 of the Revised Code. In addition, Auditor of State (AOS) Bulletin 2000-008 indicates that when a local government enters into an on-behalf-of program agreement with another local government or the state, whereby the local government or its residents are the beneficiaries under the agreement, the cash value benefit of the program received under the agreement should be recorded as memorandum receipts and disbursements in the year on-behalf-of disbursements are made.

The Township entered into a TIF agreement with Ciminello’s Inc. and Brookdoc Investments, LLC (Developer) during the year ending December 31, 2017. Under this agreement, the County will collect and disburse the TIF payments directly to US Bank to cover bond payments. The County will notify the Township of the amounts collected and disbursed. Upon receipt of this notice, the Township shall record a receipt and disbursement in the appropriate fund equal to the amount collected and disbursed by the County.

In 2023 and 2022, the Township did not record certain on-behalf TIF payments. See Finding 2023-001.

The failure to record TIF activity results in understated receipts and disbursements on the financial statements.

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND REPOSES
DECEMBER 31, 2023 AND 2022**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS – (CONTINUED)	
Finding Number	2023-002 (Continued)

To improve accurate financial reporting, the Township should establish procedures to account for all on-behalf receipts and payments to help ensure that the financial statements reflect the receipts and disbursement activity.

Client Response: The Fiscal Officer will work to add additional procedures to help ensure on-behalf receipts/disbursements are timely and accurately posted in the year the activity takes place.

**BERKSHIRE TOWNSHIP
DELAWARE COUNTY, OHIO**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2023 AND 2022**

Finding Number	Year Initially Occurred	Finding Summary	Status	Additional Information
2021-001	2015	<u>Material Weakness – Financial Statement Presentation</u> – Accurate financial reporting is required in order to provide management and other stakeholders with objective and timely information to enable well-informed decisions. Presentation of materially correct financial statements and the related footnotes is the responsibility of management. Adjustments to the financial statements and related notes were necessary to properly report financial activity of the Township. Certain adjustments were made to the financial statements to properly record significant transactions for the years ending December 31, 2021 and 2020.	Not Corrected	Repeated as 2023-001; as adjustments to the financial statements and related notes were necessary to properly state financial activity.
2021-001	2021	<u>Material Weakness/Noncompliance – On-Behalf Payments</u> – Ohio Revised Code Sections 5705.41 and 5705.42 require on-behalf-of payments to be recorded as memorandum receipts and disbursements in the year the on-behalf-of disbursements are made. Certain on-behalf payments were not properly recorded for the years ending December 31, 2021 and 2020.	Not Corrected	Repeated as 2023-002; as on-behalf payments were not recorded.

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 10/10/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov