

DELAWARE TOWNSHIP

DELAWARE COUNTY, OHIO

AGREED-UPON PROCEDURES

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

OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
Delaware Township
2590 Liberty Road
Delaware, Ohio 43015

We have reviewed the *Independent Accountant's Report on Applying Agreed-Upon Procedures* of Delaware Township, Delaware County, prepared by Julian & Grube, Inc., for the period January 1, 2022 through December 31, 2023. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Delaware Township is responsible for compliance with these laws and regulations.

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

Keith Faber
Auditor of State
Columbus, Ohio

June 15, 2024

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Delaware Township
Delaware County
2590 Liberty Road
Delaware, Ohio 43015

We have performed the procedures enumerated below on the Delaware Township's (the Township) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Township. The Township is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Township.

The Board of Trustees and the management of the Township have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing assistance in the evaluation of the Township's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2023 and 2022, and certain compliance requirements related to these transactions and balances. Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash and Investments

1. We recalculated the December 31, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2021 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2022 balances in the Cash Summary by Fund Report. We found no exceptions.
3. We agreed the 2023 and 2022 Bank Reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2023 and 2022 to the total fund cash balances reported in the Cash Summary by Fund Report and the financial statements filed by the Township in the Hinkle System. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, and determined the debits were dated prior to December 31. We found no exceptions.

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6. We selected the 2 reconciling credits (such as deposits in transit) from the December 31, 2023 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Revenue Ledger Report and determined they were dated prior to December 31. We found no exceptions.
7. We traced interbank account transfers occurring in December of 2023 and 2022 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
8. We inspected investments held at December 31, 2023 and December 31, 2022 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code §§ 135.13, 135.14, 135.144 or 135.145. We found no exceptions.
 - b. Mature within the prescribed time limits noted in Ohio Rev. Code § 135.13 or 135.14. We found no exceptions.

Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected a total of 5 receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the County Auditor Vendor Report for 2023 and a total of 5 from 2022:
 - a. We compared the amount from the above named reports to the amount recorded in the Revenue Ledger Report. The amounts agreed.
 - b. We inspected the Revenue Ledger Report to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05 and 5705.10. We found no exceptions.
 - c. We inspected the Revenue Ledger Report to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Revenue Ledger Report to determine whether it included 2 real estate tax receipts for 2023 and 2022. The Revenue Ledger Report included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the total amount paid on behalf from the Ohio Public Works Commission (OPWC) to the Township during 2023 with the OPWC. We also confirmed the total amount paid from Norfolk Southern Railway Company to the Township during 2023 with the Company. We found the Township did not record the on-behalf grant payment from OPWC in the amount of \$427,000.
 - a. We inspected the Revenue Ledger Report to determine whether these receipts were allocated to the proper fund(s). We found the above OPWC receipt was not recorded.
 - b. We inspected the Revenue Ledger Report to determine whether the receipts were recorded in the proper year. We found the above OPWC receipt was not recorded.

Other Receipts

1. We selected 10 other receipts from the year ended December 31, 2022 and:
 - a. Agreed the receipt amount recorded in the Revenue Ledger Report to supporting documentation. The amounts agreed.
 - b. Confirmed the amounts charged complied with rates in force during the period, when applicable. We found no exceptions.
 - c. Inspected the Revenue Ledger Report to determine the receipt was posted to the proper funds and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loan was outstanding as of December 31, 2021.
 - a. These amounts agreed to the Township's January 1, 2022 balances on the summary we used in procedure 3.

- b. We inspected the debt’s project grant/loan agreement for all outstanding debt, and we confirmed the Township was not in compliance with the listed covenant as the Township made all four required payments for the OPWC CQ03L during 2023 and 2022, however all four payments were after the due dates.

Issue	Principal outstanding as of December 31, 2021:	Debt Covenant
OPWC CQ03L Loan	\$122,692	Appendix C-2: Principal and interest shall be due and payable in equal consecutive semi-annual installments commencing on the next January 1 or July 1. If recipient shall fail to make any payment hereunder when due, and the same is not corrected within thirty (30) days, then the amount of such default shall bear interest thereafter at the rate of eight percent (8%) per annum (the “Default Rate”) from the date of the default until the date of the payment thereof.

- 2. We inquired of management and inspected the Revenue Ledger Report and Appropriation Ledger Report for evidence of debt issued during 2023 or 2022 or debt payment activity during 2023 or 2022. All debt payment activity agreed to the summary we used in procedure 3. There were no new debt issuances during 2023 or 2022.
- 3. We obtained a summary of loan debt activity for 2023 and 2022 and agreed principal and interest payments from the related debt amortization schedule to general bond note retirement fund payments reported in the Appropriation Ledger Report. We also compared the date the debt service payments were due to the date the Township made the payments. We noted the Township made all four required payments for the OPWC CQ03L during 2023 and 2022, however all four payments were after the due dates, but no additional interest or fees were imposed or paid.

Payroll Cash Disbursements

- 1. We selected 1 payroll check for 5 employees from 2023 and 1 payroll check for 5 employees from 2022 from the Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
 - b. We inspected the fund and account codes to which the check was posted to determine the posting was allowable based on the employees’ duties as documented in the employees’ personnel files and/or minute record or as required by statute. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.
- 2. We selected the 1 new employee from 2023 and 3 employees from 2022 and:
 - a. We inspected the employees’ personnel files and/or minute record for the Retirement system, Federal, State & Local income tax withholding authorization.
 - b. We agreed the items in a above to the Wage Withholding Detail Report. We found no exceptions.
- 3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2023 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer’s share where applicable, during the final withholding period of 2023. We observed the following:

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Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2024	12/28/2023	\$1,487	\$1,487
State income taxes	January 15, 2024	12/28/2023	\$351	\$351
City of Delaware	January 30, 2024	12/28/2023	\$146	\$146
Cardington-Lincoln Local School District	January 30, 2024	12/28/2023	\$4	\$4
OPERS retirement	January 30, 2024	1/18/2024	\$3,384	\$3,384

We found no exceptions.

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

Non-Payroll Cash Disbursements

- We selected 10 disbursements from the Appropriation Ledger Report for the year ended December 31, 2023 and 10 from the year ended 2022 and determined whether:
 - The disbursements were for a proper public purpose. We found no exceptions.
 - The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Appropriation Ledger Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - The payment was posted to a fund consistent with the restricted purpose for which the fund’s cash can be used. We found no exceptions.
 - The fiscal officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code § 5705.41(D). We found 1 instance in 2022 and 2 instances in 2023 where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

- Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments including outstanding encumbrances) from exceeding appropriations. We compared total expenditures to total approved appropriations (Ohio Rev. Code §§ 5705.38 and 5705.40) plus any carryover appropriations for the years ended December 31, 2023 and 2022 for the General, Gasoline Tax and Road and Bridge funds as recorded in the Appropriation Status Report. Expenditures did not exceed appropriations.
- We inspected the 2 interfund transfers from 2023 and the 1 from 2022 Revenue Status Reports and Appropriation Status Reports for compliance with Ohio Rev. Code §§ 5705.14 - .16. We found no evidence of transfers these Sections prohibit, or for which Ohio Rev. Code § 5705.16 would require approval by the Tax Commissioner.
- We inspected the Cash Summary by Fund Report for the years ended December 31, 2023 and 2022 for negative cash fund balances. Ohio Rev. Code § 5705.10 (I) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. No funds had a negative cash fund balance.

Sunshine Law Compliance

1. We obtained and inspected the Township’s Public Records Policy to determine the policy was in accordance with Ohio Rev. Code §§ 149.43(E)(2) and 149.43(B)(7)(c) and did not limit the number of responses that may be made to a particular person, limit the number of responses during a specified period of time, or establish a fixed period of time before it will respond unless that period is less than eight hours. We found no exceptions.
2. We selected 5 public records requests from the engagement period and inspected each request to determine the following:
 - a. The Township was compliant and responded to the request in accordance with their adopted policy as required by Ohio Rev. Code § 149.43(B)(1). For 1 of the 5 public records requests selected, the Township did not respond to the request in accordance with their adopted policy. See the table below.

Date Request Received	Date Request Fulfilled	Policy Response Time (in Business days)	Actual Response Time (in Business days)
7/8/2023	8/7/2023	A Reasonable Amount of Time	20

- b. The Township did not have any denied public records requests during the engagement period.
 - c. The Township did not have any public records requests with redactions during the engagement period.
3. We inquired whether the Township had a records retention schedule and observed that it was readily available to the public as required by Ohio Rev. Code § 149.43(B)(2). We found no exceptions.
4. We inspected written evidence that the Public Records Policy was provided to the records custodian/manager as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
5. We inspected the Township’s policy manual and determined the public records policy was included as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
6. We observed that the Township’s poster describing their Public Records Policy was displayed conspicuously in all branches of the Township as required by Ohio Rev. Code § 149.43(E)(2). We found no exceptions.
7. We inquired with Township management and determined that the Township did not have any applications for record disposal submitted to the Records Commission, noting the Township’s Records Commission did not meet during the engagement period.
8. We inspected individual proof of attendance and determined whether each elected official in accordance with Ohio Rev. Code § 149.43(E)(1) (or his/her designee) successfully attended a certified three-hour Public Records Training for each term of office as required by Ohio Rev. Code § 109.43(B). We found no exceptions.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Township notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio Rev. Code § 121.22(F). We found no exceptions.
10. We inspected the minutes of public meetings during the engagement period in accordance with Ohio Rev. Code § 121.22(C) and determined whether they were:
 - a. Prepared – a file is created following the date of the meeting
 - b. Filed – placed with similar documents in an organized manner
 - c. Maintained - retained, at a minimum, for the engagement period
 - d. Open to public inspection – available for public viewing or request.
 We found no exceptions.

11. We inspected the minutes from the engagement period in accordance with Ohio Rev. Code § 121.22(G) and determined the following:
 - a. Executive sessions were only held at regular or special meetings.
 - b. The purpose for the meetings and going into an executive session (when applicable) correlated with one of the matters listed in Ohio Rev. Code § 121.22(G).
 - c. Formal governing board actions were adopted in open meetings.We found no exceptions.

Contract Compliance:

1. We inspected the Minutes/Appropriation Ledger Report and identified the Township had expenditures subject to competitive bidding. We found no exceptions.
2. We selected 1 contract subject to competitive bidding requirements for 2022 and
 - a. We inspected the contract and other bids for the contracted expenditure and determined:
 - i. The Township accepted the lowest bid and met the requirements of Ohio Rev. Code § 5575.01.
 - ii. No bid splitting occurred
 - iii. No deliberate attempts to evade bid limitations occurred, such as successive contracts just under the bid amount, occurred.
 - iv. No apparent interest in the contract by a public official occurred.We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 117.38 requires townships to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Township filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy, within the allotted timeframe for the years ended December 31, 2023 and 2022 in the Hinkle system. We found no exceptions.
2. We inquired of the fiscal officer(s) and inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether both fiscal officers obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. During 2023, the newly appointed fiscal officer obtained 5 of the required 6 hours on the initial education programs before or during the first year of office. During 2022, the previous elected fiscal officer obtained the required training.

We were engaged by the Township to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Township's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Township and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Julian & Grube, Inc.
May 27, 2024

OHIO AUDITOR OF STATE KEITH FABER



DELAWARE 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 6/27/2024

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