

DELAWARE TOWNSHIP

DELAWARE COUNTY, OHIO

AGREED-UPON PROCEDURES

**FOR THE YEARS ENDED
DECEMBER 31, 2021 & 2020**

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures of Delaware Township, Delaware County*, prepared by Julian & Grube, Inc., for the period January 1, 2020 through December 31, 2021. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Payroll Overpayment - Finding for Recovery Repaid Under Audit

Ohio Rev. Code § 507.09(A) indicates in calendar year 2018, the township fiscal officer shall be entitled to compensation as follows: (4) In townships having a budget of more than seven hundred fifty thousand but not more than one million five hundred thousand dollars, eighteen thousand seven hundred seventeen dollars; (5) In townships having a budget of more than one million five hundred thousand but not more than three million five hundred thousand dollars, twenty-one thousand eight hundred thirty-six dollars. **Ohio Rev. Code § 507.09(B)** indicates in calendar year 2019 and in each calendar year thereafter through calendar year 2028, the compensation determined under division (A) of this section shall be increased by one and three-quarters per cent.

Ohio Rev. Code § 505.24(A) indicates in calendar year 2018, each township trustee is entitled to compensation in an amount for each day of service in the business of the township, to be paid from the township treasury as follows: (4) In townships having a budget of more than seven hundred fifty thousand but not more than one million five hundred thousand dollars, fifty-six dollars and seventy-one cent per day for not more than two hundred days; (5) In townships having a budget of more than one million five hundred thousand but not more than three million five hundred thousand dollars, sixty-two dollars and thirty-nine cents per day for not more than two hundred days. **Ohio Rev. Code § 505.24(B)** indicates in calendar year 2019 and in each calendar year thereafter through calendar year 2028, the amounts paid as specified in division (A) of this section shall be increased by one and three-quarters per cent.

During 2020, the Township's budget increased in February, resulting in the Township moving up to a higher pay bracket. In addition, the Fiscal Officer, Barbara Thomas, was re-elected and started a new term on April 1, 2020. As a result of the changes in pay during the year, the Fiscal Officer and one Trustee, Kevin Hennessy, were errantly overpaid \$452 and \$98, respectively.

	January 2018 ORC Allowable Amount	February - March 2018 ORC Allowable Amount	April- December 2020 ORC Allowable Amount	Total Allowable Amount	Amount Actually Paid	Over payment
Barbara Thomas, Fiscal Officer	\$1,560	\$3,639	\$16,955	\$22,154	\$22,606	\$452

	January 2018 ORC Allowable Amount	February - December 2018 ORC Allowable Amount	Total Allowable Amount	Amount Actually Paid	Over payment
Kevin Hennessy, Trustee	\$979	\$11,841	\$12,820	\$12,918	\$98

In accordance with the foregoing facts and pursuant to **Ohio Rev. Code § 117.28**, a Finding for Recovery for public monies illegally expended is hereby issued against Fiscal Officer Barbara Thomas in the amount of \$452, and in favor of the Township's General Fund, and Trustee Kevin Hennessy in the amount of \$98, and in favor of the Township's General Fund.

On May 31, 2022, Ms. Thomas and Mr. Hennessy had the amounts of \$452 and \$98, respectively, withheld from their pay checks. As a result of these payments, the overpayment amounts are each considered repaid under audit.

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.



Keith Faber
 Auditor of State
 Columbus, Ohio

September 15, 2022

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, 2021 and 2020 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, 2021 and 2020 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, 2021 and 2020, 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, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2019 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2021 beginning fund balances for each fund recorded in the Cash Summary by Fund Report to the December 31, 2020 balances in the Cash Summary by Fund Report. We found no exceptions.
3. We agreed the 2021 and 2020 Bank Reconciliation adjusted UAN Balances and Adjusted Bank Balances as of December 31, 2021 and 2020 to the total fund cash balances reported in the Cash Summary by Fund Reports and the financial statements filed by the Township in the Hinkle System. The amounts agreed.
4. We confirmed the December 31, 2021 bank account balances with the Township's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2021 bank reconciliation without exception.

5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2021 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.
6. We inspected investments held at December 31, 2021 and December 31, 2020 to determine that they:
 - a. Were of a type authorized by Ohio Rev. Code § 135.13, 135.14 or 135.144. 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 five receipts from the *Statement of Semiannual Apportionment of Taxes*, State Distribution Transaction Lists (DTL), and the County Auditor Vendor Reports for 2021 and a total of five from 2020:
 - a. We compared the amount from the above named reports to the amount recorded in the Receipt Export Reports. The amounts agreed.
 - b. We inspected the Receipt Export Reports to determine these receipts were allocated to the proper funds as required by Ohio Rev. Code §§ 5705.05-.06 and 5705.10. We found no exceptions.
 - c. We inspected the Receipt Export Reports to determine whether the receipt was recorded in the proper year. The receipt was recorded in the proper year. We found no exceptions.
2. We inspected the Receipt Export Reports to determine whether it included two real estate tax receipts for 2021 and 2020. The Receipt Export Reports included the proper number of tax receipts for each year. We found no exceptions.
3. We confirmed the total amount paid from the Ohio Public Works Commission (OPWC) to the Township during 2021 with the OPWC WorksWise Portal. We found an on-behalf grant payment in the amount of \$203,413 was not recorded.
 - a. We inspected the Receipt Export Report to determine whether this receipt was allocated to the proper funds. We found the above receipt was not recorded.
 - b. We inspected the Receipt Export Report to determine whether the receipt was recorded in the proper year. We found the above receipt was not recorded.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loan was outstanding as of December 31, 2019. These amounts did not agree to the Townships January 1, 2020 balances as the Township did not prepare an annual summary for 2021 or 2020.

Issue	Principal outstanding as of December 31, 2019:
OPWC CQ03L Loan	\$ 157,748

2. We inquired of management, and inspected the Receipt Export Reports and Payment Export Reports for evidence of debt issued during 2021 or 2020 or debt payment activity during 2021 or 2020. The Township did not prepare a summary however all debt agreed to the OPWC paydown summary.
3. We obtained a OPWC paydown summary of loan debt activity for 2021 and 2020 from OPWC WorksWise Portal and agreed principal and interest payments from the related debt amortization schedule to the general bond note retirement fund payments reported in the Payment Export Reports. We also compared the date the debt service payments were due to the date the Township made the payments. We found three of four OPWC CQ03L loan payments were made after the due date.

Payroll Cash Disbursements

1. We selected one payroll check for five employees from 2021 and one payroll check for five employees from 2020 from the Wage Detail Reports and:
 - a. We compared the hours and pay rate, or salary recorded in the Wage Detail Reports to supporting documentation (timecard, legislatively or statutorily-approved rate or salary).
 - i. We inspected the employees' personnel files for the Retirement system, Federal, and State income tax withholding authorization.
 - ii. We agreed these items to the information used to compute gross and net pay related to this check.
 We found that of the seven employees tested four only had federal forms, one only had OPERS forms, and two employees did not have any withholding forms.
 - 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. We found no exceptions.
 - c. We confirmed the payment was posted to the proper year. We found no exceptions.

2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2021 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 2021. We observed the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 18, 2022	January 11, 2022	\$ 1,227	\$1,227
State income taxes	January 18, 2022	January 11, 2022	\$ 260	\$ 260
OPERS retirement	January 31, 2022	January 17, 2022	\$ 3,286	\$ 3,286

We found no exceptions.

3. We compared total gross pay for the fiscal officer and each board member for 2021 and 2020 to the compensation permitted by Ohio Revised Code §§ 507.09 and 505.24, respectively. We found in 2021 one Trustee was under compensated by \$1,136. We found in 2020 one Trustee was over compensated by \$98 and two Trustees were under compensated by \$1,041 each. We found in 2020 the Fiscal Officer was over compensated by \$453. Both overpayments were repaid in 2022 via payroll deduction.

4. We inquired of management and inspected the Payment Export Reports for the years ended December 31, 2021 and 2020 to determine if township employees and/or trustees were reimbursed for out-of-pocket insurance premiums. No such reimbursements occurred

Non-Payroll Cash Disbursements

1. We selected 10 disbursements from the Payment Export Reports for the year ended December 31, 2021 and 10 from the year ended 2020 and determined whether:
 - a. The disbursements were for a proper public purpose. We found no exceptions.
 - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Payment Export Reports and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.
 - d. 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 five instances in 2021 and one in 2020 where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code § 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. Ohio Rev. Code § 5705.41(B) prohibits expenditures (disbursements plus certified commitments) 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, 2021 and 2020 for the General, Motor Vehicle License Tax, and Permissive Motor Vehicle License Tax fund as recorded in the Appropriation Status Reports. Expenditures did not exceed appropriations.
2. We inspected interfund transfers from 2021 and 2020 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.
3. We inspected the Cash Summary by Fund Reports for the years ended December 31, 2021 and 2020 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 balances.

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 five 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). We found no exceptions.
 - b. The Township did not have any denied public record requests during the engagement period.
 - c. The Township did not have any public records requests with redactions during the engagement period.

3. We inquired with Township management and determined that the Township did not have a records retention schedule during the engagement period and therefore could not make it readily available to the public as required by Ohio Rev. Code § 149.43(B)(2).
4. We 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 inquired with Township management and determined that the Township did have a public records policy during the engagement period but did not have it displayed in all the branches of the Township as required by Ohio Rev. Code § 149.43(E)(2).
7. We inquired with Township management and determined that the Township did not have any applications for record disposal submitted to the Records Commission, 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 one Trustee with a term ending December 31, 2021 did not complete the required training. We also found two Trustees sharing one seat with a term ending December 31, 2021 did not complete the required training.
9. We inspected the public notices for the public meetings held during the engagement period and determined the Township notified the general public and news media of when and where meetings during the engagement period were to be held as required by Ohio 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/Payment Export Reports and identified the Township had expenditures subject to competitive bidding. We found no exceptions.

2. We selected one contract over \$45,000 for 2021 and
 - a. We inspected the contract for the contracted expenditure and determined:
 - i. The Township met the joint purchasing contract exemption and met the requirements of Ohio Rev. Code §5575.01 and Ohio Rev. Code §9.48.
 - 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, 2021 and 2020 in the Hinkle system. We found no exceptions.
2. We inquired of the fiscal officer and inspected the Fiscal Integrity Act Portal (<http://www.ohioauditor.gov/fiscalintegrity/default.html>) to determine whether the fiscal officer obtained the training required by Ohio Rev. Code §§ 507.12 and 733.81. 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 26, 2022

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 9/27/2022

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov