



**DELHI TOWNSHIP
HAMILTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DELHI TOWNSHIP
HAMILTON COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Delhi Township
Hamilton County
934 Neeb Road
Cincinnati, Ohio 45238

We have audited the accompanying financial statements of Delhi Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township as of December 31, 2000 and 1999, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2001 on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management and the Board and other officials authorized to receive this report under § 117.26, of the Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 15, 2001

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DELHI TOWNSHIP
HAMILTON COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Types</u>					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Fiduciary Fund	
Cash Receipts:						
Property Tax and Other Local Taxes	\$245,973	\$4,201,124	\$0	\$0	\$0	\$4,447,097
Fines & Forfeitures	34,853	20,812	0	0	0	55,665
Special Assessments	0	24,419	0	0	0	24,419
Intergovernmental Receipts	1,538,577	2,499,013	0	0	0	4,037,590
Charges for Services	0	346,644	0	0	0	346,644
Fees, Licenses, and Permits	0	17,322	0	0	0	17,322
Earnings on Investments	454,187	3,302	0	34,864	21	492,374
Miscellaneous	253,847	83,467	0	0	51	337,365
Total Cash Receipts	<u>2,527,437</u>	<u>7,196,103</u>	<u>0</u>	<u>34,864</u>	<u>72</u>	<u>9,758,476</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	203,107	4,898,044	0	0	0	5,101,151
Public Health Services	24,038	0	0	0	0	24,038
Leisure Time Activities	0	33,118	0	0	0	33,118
Public Works	73,289	1,195,301	0	0	0	1,268,590
General Government	998,417	120,764	0	0	0	1,119,181
Miscellaneous	0	1,356,961	0	0	0	1,356,961
Debt Service:						
Principal Payments	0	0	13,125	0	0	13,125
Interest Payments	0	0	4,266	0	0	4,266
Capital Outlay	4,281	262,341	0	428,571	0	695,193
Total Cash Disbursements	<u>1,303,132</u>	<u>7,866,529</u>	<u>17,391</u>	<u>428,571</u>	<u>0</u>	<u>9,615,623</u>
Total Receipts Over/(Under) Disbursements	<u>1,224,305</u>	<u>(670,426)</u>	<u>(17,391)</u>	<u>(393,707)</u>	<u>72</u>	<u>142,853</u>
Other Financing Receipts/(Disbursements):						
Sale of Bonds or Notes	0	0	0	4,950,000	0	4,950,000
Transfers-In	0	1,067,500	17,391	0	0	1,084,891
Advances-In	73,900	157,233	0	0	0	231,133
Transfers-Out	(1,084,891)	0	0	0	0	(1,084,891)
Advances-Out	(157,233)	(73,900)	0	0	0	(231,133)
Total Other Financing Receipts/(Disbursements)	<u>(1,168,224)</u>	<u>1,150,833</u>	<u>17,391</u>	<u>4,950,000</u>	<u>0</u>	<u>4,950,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	56,081	480,407	0	4,556,293	72	5,092,853
Fund Cash Balances, January 1	3,674,764	3,344,278		0	2,735	7,021,777
Fund Cash Balances, December 31	<u>\$3,730,845</u>	<u>\$3,824,685</u>	<u>\$0</u>	<u>\$4,556,293</u>	<u>\$2,807</u>	<u>\$12,114,630</u>
Reserves for Encumbrances, December 31	\$14,624	\$163,315	\$0	\$1,378,625	\$0	\$1,556,564

The notes to the financial statements are an integral part of this statement.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>Governmental Fund Types</u>				Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Fiduciary Fund</u>	
Cash Receipts:					
Property Tax and Other Local Taxes	\$208,092	\$3,996,038	\$0	\$0	\$4,204,130
Fines & Forfeitures	29,763	23,208	0	0	52,971
Special Assessments	0	24,120	0	0	24,120
Intergovernmental Receipts	1,977,418	3,073,234	0	0	5,050,652
Charges for Services	0	152,848	0	0	152,848
Fees, Licenses, and Permits	0	14,135	0	0	14,135
Earnings on Investments	326,643	1,569	0	6	328,218
Miscellaneous	203,343	122,776	0	2,639	328,758
Total Cash Receipts	<u>2,745,259</u>	<u>7,407,928</u>	<u>0</u>	<u>2,645</u>	<u>10,155,832</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	302,485	4,375,540	0	0	4,678,025
Public Health Services	24,266	0	0	0	24,266
Leisure Time Activities	0	17,311	0	111	17,422
Public Works	85,158	1,112,362	0	0	1,197,520
General Government	908,462	101,865	0	0	1,010,327
Miscellaneous	0	1,307,380	0	0	1,307,380
Debt Service:					
Principal Payments	0	0	13,125	0	13,125
Interest Payments	0	0	5,119	0	5,119
Capital Outlay	20,945	212,008	0	0	232,953
Total Cash Disbursements	<u>1,341,316</u>	<u>7,126,466</u>	<u>18,244</u>	<u>111</u>	<u>8,486,137</u>
Total Receipts Over/(Under) Disbursements	<u>1,403,943</u>	<u>281,462</u>	<u>(18,244)</u>	<u>2,534</u>	<u>1,669,695</u>
Other Financing Receipts/(Disbursements):					
Other Financing Sources	4,400	0	0	0	4,400
Transfers-In	0	281,727	18,244	0	299,971
Transfers-Out	(278,244)	(21,727)	0	0	(299,971)
Total Other Financing Receipts/(Disbursements)	<u>(273,844)</u>	<u>260,000</u>	<u>18,244</u>	<u>0</u>	<u>4,400</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	<u>1,130,099</u>	<u>541,462</u>	<u>0</u>	<u>2,534</u>	<u>1,674,095</u>
Fund Cash Balances, January 1	<u>2,544,665</u>	<u>2,802,816</u>	<u>0</u>	<u>201</u>	<u>5,347,682</u>
Fund Cash Balances, December 31	<u>\$3,674,764</u>	<u>\$3,344,278</u>	<u>\$0</u>	<u>\$2,735</u>	<u>\$7,021,777</u>
Reserves for Encumbrances, December 31	<u>\$17,843</u>	<u>\$32,605</u>	<u>\$0</u>	<u>\$0</u>	<u>\$50,448</u>

The notes to the financial statements are an integral part of this statement.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Delhi Township, Hamilton County, (the Township) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees. The Township provides general governmental services, including road and bridge maintenance, fire protection and emergency medical services.

The Township's management believes these financial statements present all activities for which the Township is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit and liquid asset management accounts are valued at cost. The investment in StarOhio (the State Treasurer's investment pool) is valued at amount reported by the State Treasurer. Investments in Federal Securities and Money Market are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Fire District - This fund receives proceeds from property tax money for providing safety to the Township

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Police District - This fund receives property tax money and is used for police protection with in the township.

3. Debt Service Funds

The Debt Service Fund is used to accumulate resources for the payment of bonds and note indebtedness. The Township had the following significant Debt Service Fund:

General Note Retirement - General Fund money is transferred into this fund for payment of the Township note.

4. Capital Project Fund

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Township had the following Capital Project Fund:

Permanent Improvement - The Township received proceeds of a debt issue for projects within the Township.

5. Fiduciary Fund (Expendable Trust Fund)

Trust funds are used to account for receipts restricted by legally binding trust agreements. Other trust funds are classified as expendable. The Township had the following expendable trust fund:

Land Conservancy Fund - This fund receives donations for the construction and maintenance of Township parks.

E. Budgetary Process

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

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

2. 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 also approve estimated resources.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. 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 reappropriated.

A summary of 2000 and 1999 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2000</u>	<u>1999</u>
Demand deposits	\$40,616	\$266,207
Certificates of deposit	1,139,944	261,560
Total deposits	1,180,560	527,767
Money Market Investments	671,630	5,939
Federal Securities	9,328,136	5,161,245
STAROhio	934,304	1,326,825
Total investments	10,934,070	6,494,010
Total deposits and investments	\$12,114,630	\$7,021,777

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

Investments: Federal Agency Securities and Money Market Investments are held in book-entry form by the Federal Reserve in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities. Investments in STAROhio are not evidenced by securities that exist in the physical or book-entry form.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 2000 follows:

2000 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,825,541	\$2,601,337	\$775,796
Special Revenue	8,029,987	8,420,836	390,849
Debt Service	17,391	17,391	0
Capital Projects	5,330,000	4,984,864	(345,136)
Expendable Trust	0	72	72
Total	<u>\$15,202,919</u>	<u>\$16,024,500</u>	<u>\$821,581</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,815,298	\$2,559,880	\$255,418
Special Revenue	8,909,879	8,103,744	806,135
Debt Service	17,391	17,391	0
Capital Project	2,481,992	1,807,196	674,796
Expendable Trust	50	0	50
Total	<u>\$14,224,609</u>	<u>\$12,488,211</u>	<u>\$1,736,399</u>

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,418,925	\$2,749,659	\$330,734
Special Revenue	7,608,541	7,689,655	81,114
Debt Service	18,244	18,244	0
Expendable Trust	0	2,645	2,645
Total	<u>\$10,045,710</u>	<u>\$10,460,203</u>	<u>\$414,493</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,939,893	\$1,637,403	\$302,490
Special Revenue	7,838,056	7,180,798	657,258
Debt Service	18,244	18,244	0
Expendable Trust	130	111	19
Total	<u>\$9,796,323</u>	<u>\$8,836,556</u>	<u>\$959,767</u>

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, 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.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

5. RETIREMENT SYSTEMS

The Township's certified Fire Fighters belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PFDPF contributed 10% of their wages to the PFDPF. The Township contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries through June 2000, and 8.13% thereafter. The Township has paid all contributions required through December 31, 2000.

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Township also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

8. SUBSEQUENT EVENTS

The Township authorized the issuance and sale of Bond Anticipation Notes, Series 2001, in the amount of \$3,500,000 in March, 2001. The proceeds of the notes are to be used for the construction of a new Township fire station.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Delhi Township
Hamilton County
934 Neeb Road
Cincinnati, Ohio 45238

To the Board of Trustees:

We have audited the accompanying financial statements of Delhi Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 15, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on determination of financial statement amounts. 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 no instance of noncompliance that is required to be reported under *Government Auditing Standards*. We did note certain immaterial instances of noncompliance that we have reported to the management of the Township in a separate letter dated June 15, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Township in a separate letter dated June 15, 2001.

Delhi Township
Hamilton County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
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This report is intended for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

June 15, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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DELHI TOWNSHIP

HAMILTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 12, 2001**