



OHIO AUDITOR OF STATE
KEITH FABER



**DELHI TOWNSHIP
HAMILTON COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Delhi Township
Hamilton County
934 Neeb Road
Cincinnati, Ohio 45233

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Delhi Township, Hamilton County, Ohio (the Township) as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2018 and 2017, and the respective changes in financial position thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements by fund type, and the related notes of Delhi Township, Hamilton County, Ohio, as of December 31, 2018 and 2017, and for the years then ended, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, as described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2020 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State

Columbus, Ohio

January 9, 2020

Delhi Township*Hamilton County, Ohio**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2018*

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$451,710	\$8,866,600	\$0	\$9,318,310
Intergovernmental	335,038	1,987,634	0	2,322,672
Special Assessments	14,989	43,751	0	58,740
Licenses, Permits and Fees	416,734	681,422	0	1,098,156
Charges for Services	0	65,865	0	65,865
Fines and Forfeitures	15,386	6,157	0	21,543
Earnings on Investments	301,511	0	0	301,511
Miscellaneous	18,806	4,668,908	0	4,687,714
<i>Total Cash Receipts</i>	<u>1,554,174</u>	<u>16,320,337</u>	<u>0</u>	<u>17,874,511</u>
Cash Disbursements				
Current:				
Security of Persons and Property	1,159,043	53,997	0	1,213,040
Public Safety	0	9,154,762	0	9,154,762
Public Works	32,947	1,198,449	0	1,231,396
Health	0	550	0	550
Conservation-Recreation	0	718,031	0	718,031
Other	0	2,696,473	0	2,696,473
Capital Outlay	0	562,513	0	562,513
Debt Service:				
Principal Retirement	0	8,151	800,122	808,273
Interest and Fiscal Charges	0	0	123,938	123,938
<i>Total Cash Disbursements</i>	<u>1,191,990</u>	<u>14,392,926</u>	<u>924,060</u>	<u>16,508,976</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>362,184</u>	<u>1,927,411</u>	<u>(924,060)</u>	<u>1,365,535</u>
Other Financing Receipts (Disbursements)				
Sale of Capital Assets	731	46,795	0	47,526
Transfers In	0	29,000	924,077	953,077
Transfers Out	(29,000)	(924,077)	0	(953,077)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(28,269)</u>	<u>(848,282)</u>	<u>924,077</u>	<u>47,526</u>
<i>Net Change in Fund Cash Balances</i>	333,915	1,079,129	17	1,413,061
<i>Fund Cash Balances, January 1</i>	<u>7,694,702</u>	<u>10,275,987</u>	<u>8</u>	<u>17,970,697</u>
Fund Cash Balances, December 31				
Nonspendable	0	0	0	0
Restricted	0	11,355,116	25	11,355,141
Committed	0	0	0	0
Assigned	28,561	0	0	28,561
Unassigned (Deficit)	8,000,056	0	0	8,000,056
<i>Fund Cash Balances, December 31</i>	<u>\$8,028,617</u>	<u>\$11,355,116</u>	<u>\$25</u>	<u>\$19,383,758</u>

See accompanying notes to the basic financial statements

Delhi Township*Hamilton County, Ohio**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Proprietary Fund Types**For the Year Ended December 31, 2018*

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$2,649	\$1,205,537	\$1,208,186
<i>Total Operating Cash Receipts</i>	<u>2,649</u>	<u>1,205,537</u>	<u>1,208,186</u>
Operating Cash Disbursements			
Employee Fringe Benefits	0	321,524	321,524
Claims	0	870,902	870,902
Other	1,754	4,989	6,743
<i>Total Operating Cash Disbursements</i>	<u>1,754</u>	<u>1,197,415</u>	<u>1,199,169</u>
<i>Operating Income (Loss)</i>	<u>895</u>	<u>8,122</u>	<u>9,017</u>
<i>Fund Cash Balances, January 1</i>	<u>25,243</u>	<u>61,333</u>	<u>86,576</u>
<i>Fund Cash Balances, December 31</i>	<u>\$26,138</u>	<u>\$69,455</u>	<u>\$95,593</u>

See accompanying notes to the basic financial statements

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Delhi Township, Hamilton County, (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, police and fire protection, and emergency medical services.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Townships uses funds to maintain 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:

Police District Fund – This fund receives property tax money to provide police protection to the Township.

Tax Increment Equivalent Fund – This fund receives payments in lieu of taxes from real property parcels enrolled in the tax increment financing program. These monies are used to finance the costs of public improvements and are distributed to local school districts.

Fire District Fund – This fund receives property tax money to provide fire protection to the Township.

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

General Bond Retirement Fund – This fund receives transfers from the Tax Increment Equivalent Fund which are used to pay bonds and loans.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

Greenwell Fire Station – This fund received funds from a private placement of general obligation bonds for the construction of a new fire station.

Internal Service Fund – This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Self-Insurance Medical Fund – This fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the Township's health insurance plan.

Enterprise Funds – These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of provided goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose. The Township had the following significant Enterprise Fund:

Concession Stand Fund – This fund receives concession stand proceeds from the Township parks.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations – Budgetary 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) unencumbered plus cash as of January 1. The County Budget Commission must approve estimated resources.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

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 reappropriated in the subsequent year.

A summary of 2018 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.

Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2018 as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,381,544	\$ 1,879,901	\$ 498,357
Special Revenue	15,277,147	16,396,130	1,118,983
Debt Service	924,077	924,077	-
Capital Projects	-	-	-
Enterprise	5,000	2,650	(2,350)
Internal Service	1,278,135	1,205,537	(72,598)
Total	\$ 18,865,903	\$ 20,408,295	\$ 1,542,392

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,791,790	\$ 1,574,746	\$ 217,044
Special Revenue	16,653,175	15,503,092	1,150,083
Debt Service	924,077	924,061	16
Capital Projects	-	-	-
Enterprise	9,143	1,754	7,389
Internal Service	1,339,468	1,199,770	139,698
Total	\$ 20,717,653	\$ 19,203,423	\$ 1,514,230

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 4 – Deposits and Investments

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

	2018
Demand deposits	\$ 139,546
Certificates of Deposit	12,398
Total deposits	151,944
Commercial Paper	6,041,929
Federal Agency Notes	11,825,361
ICS (Money market)	1,460,116
Total investments	19,327,406
Total deposits and investments	\$ 19,479,350

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution or collateralized by the financial institution's public entity deposit pool.

Investments: The Federal Reserve holds the Township's Federal Agency Notes in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

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.

Note 6 – Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 6 – Risk Management (Continued)

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2017, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 30% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 764 and 762 members as of December 31, 2017 and 2016 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<u>2017</u>	<u>2016</u>
Assets	\$14,853,620	\$14,765,712
Liabilities	<u>(9,561,108)</u>	<u>(9,531,506)</u>
Members’ Equity	<u>\$5,292,512</u>	<u>\$5,234,206</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Self-Insurance

The Township provides health, vision, dental and life insurance to its employees. Dental, vision and life benefits are paid via traditional premium insurance. Medical benefits are provided through a benefits management agreement by and between the Township and Custom Design Benefits in 2018. Custom Design Benefits secures Stop Loss Insurance. The plan is funded by employee payroll deductions and Township contributions. Actual claims are then processed and paid. Monthly premiums are paid in addition to funding a self-insurance portion. The self-insurance portion is funded by both the Township and the employee and is deposited into the self-insurance fund, from which claims are then paid.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township’s employees, with the exception of full time fire department personnel, 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, 2018.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 7 – Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Pension Fund

The Township’s certified fire fighters belong to the Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time firefighter’s wages. The Township has paid all contributions required through December 31, 2018.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer 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. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
Greenwell Ave. Firestation Bonds	\$ 1,722,177	2.26%
General Obligation Bonds	1,725,000	Varies
OPWC - CB13F	63,898	0%
OPWC - CB22F	19,376	0%
Total	\$ 3,530,451	

The Township issued general obligation bonds in June 2016 for the purpose of advance funding to finance the construction of a new firehouse on Greenwell Avenue. The bond payments are payable on a semi-annual basis in the amount of \$154,272.97 with an interest rate of 2.26%. The last payment is due December 2024. Payments are made from a Debt Service Fund.

The Township issued general obligation bonds in March 2011 for the purpose of advance refunding the 2001 Public Safety General Obligation Bonds issued to finance the purchase of a new firehouse, related equipment and the renovation of an existing firehouse. The bonds were issued in denominations of \$5,000 for \$5,135,000 par value payable beginning December 2011 and maturing through December 2021 at varying interest rates between 2.0% and 4.0%. The Township’s taxing authority collateralized the bonds. The 2001 bonds were redeemed at 100% of par plus accrued interest with funds escrowed from the 2011 issue. Payments are made from a Debt Service Fund.

The Ohio Public Works (OPWC) loans were issued in 2003 to finance the reconstruction of specific Township road projects. Payments are made from the Tax Increment Financing Fund.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018
(Continued)**

Note 9 – Debt (Continued)

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

Year ending December 31:	Greenwell Ave. Firestation Bonds	General Obligation Bonds	OPWC CB13F	OPWC CB22F
2019	\$ 308,546	\$ 611,806	\$ 12,780	\$ 3,523
2020	308,546	615,806	12,780	3,523
2021	308,546	620,400	12,780	3,523
2022	308,546	-	12,780	3,523
2023	308,546	-	6,338	3,523
2024	308,546	-	-	1,761
Total	<u>\$ 1,851,276</u>	<u>\$ 1,848,012</u>	<u>\$ 57,458</u>	<u>\$ 19,376</u>

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 – Component Unit

The Delhi Township Community Improvement Corporation (CIC) is a non-profit 501(c)(3) that was created by the Delhi Township Trustees and certified by the State of Ohio, Secretary of State in December 2014. The CIC was created in order to work cooperatively for the health, safety, morals and general welfare of the citizens of Delhi Township to promote economic development and job growth within the Township. The CIC has been designated by the Delhi Township Board of Trustees as the Economic Development agent for Delhi Township. Delhi Township contributed \$3,000 to the CIC in 2018 to support economic development grant programs.

Note 12 - Transfers

During 2018, the following transfers were made:

	Transfers In	Transfers Out
General Fund	\$ -	\$ (29,000)
Tax Increment Financing	-	(924,077)
Underground Storage Tank	1,000	
Park	8,000	-
Recycling Incentive Fund	20,000	-
General Bond Retirement	924,077	-
Total	<u>\$ 953,077</u>	<u>\$ (953,077)</u>

During 2018, the Township transferred money from the Tax Increment Financing Fund to the General Bond Retirement Fund in order to pay debt payments from the appropriate funds. In addition, transfers were made from the General Fund to provide additional resources for current operations.

The transfers were determined to be appropriate and in compliance with the Ohio Revised Code.

Delhi Township

Hamilton 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, 2017

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$249,799	\$8,763,966	\$0	\$0	\$9,013,765
Intergovernmental	325,342	1,967,623	0	0	2,292,965
Special Assessments	90,861	43,959	0	0	134,820
Licenses, Permits and Fees	389,377	606,516	0	0	995,893
Charges for Services	0	90,980	0	0	90,980
Fines and Forfeitures	19,403	33,553	0	0	52,956
Earnings on Investments	155,473	0	0	0	155,473
Miscellaneous	54,591	4,258,683	0	0	4,313,274
<i>Total Cash Receipts</i>	<u>1,284,846</u>	<u>15,765,280</u>	<u>0</u>	<u>0</u>	<u>17,050,126</u>
Cash Disbursements					
Current:					
Security of Persons and Property	997,568	47,215	0	0	1,044,783
Public Safety	0	8,134,501	0	0	8,134,501
Public Works	31,557	1,385,945	0	0	1,417,502
Health	600	0	0	0	600
Conservation-Recreation	0	665,340	0	0	665,340
Other	0	2,787,295	0	0	2,787,295
Capital Outlay	0	1,762,500	0	12,175	1,774,675
Debt Service:					
Principal Retirement	0	16,303	784,231	0	800,534
Interest and Fiscal Charges	0	0	144,276	0	144,276
<i>Total Cash Disbursements</i>	<u>1,029,725</u>	<u>14,799,099</u>	<u>928,507</u>	<u>12,175</u>	<u>16,769,506</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>255,121</u>	<u>966,181</u>	<u>(928,507)</u>	<u>(12,175)</u>	<u>280,620</u>
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	0	79,349	0	0	79,349
Transfers In	0	37,000	928,515	0	965,515
Transfers Out	(37,000)	(928,515)	0	0	(965,515)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(37,000)</u>	<u>(812,166)</u>	<u>928,515</u>	<u>0</u>	<u>79,349</u>
<i>Net Change in Fund Cash Balances</i>	218,121	154,015	8	(12,175)	359,969
<i>Fund Cash Balances, January 1</i>	<u>7,476,581</u>	<u>10,121,972</u>	<u>0</u>	<u>12,175</u>	<u>17,610,728</u>
Fund Cash Balances, December 31					
Nonspendable					0
Restricted	0	10,275,987	8	0	10,275,995
Committed	0	0	0	0	0
Assigned	22,390	0	0	0	22,390
Unassigned (Deficit)	7,672,312	0	0	0	7,672,312
<i>Fund Cash Balances, December 31</i>	<u>\$7,694,702</u>	<u>\$10,275,987</u>	<u>\$8</u>	<u>\$0</u>	<u>\$17,970,697</u>

See accompanying notes to the basic financial statements.

Delhi Township*Hamilton County**Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)**All Proprietary Fund Types**For the Year Ended December 31, 2017*

	Proprietary Fund Types		Totals
	Enterprise	Internal Service	(Memorandum Only)
Operating Cash Receipts			
Charges for Services	\$1,805	\$754,329	\$756,134
<i>Total Operating Cash Receipts</i>	<u>1,805</u>	<u>754,329</u>	<u>756,134</u>
Operating Cash Disbursements			
Employee Fringe Benefits	0	868,825	868,825
Other	1,382	3,388	4,770
<i>Total Operating Cash Disbursements</i>	<u>1,382</u>	<u>872,213</u>	<u>873,595</u>
<i>Operating Income (Loss)</i>	<u>423</u>	<u>(117,884)</u>	<u>(117,461)</u>
Non-Operating Receipts (Disbursements)			
Miscellaneous Receipts	0	3,900	3,900
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>0</u>	<u>3,900</u>	<u>3,900</u>
<i>Total Non Operating Receipts (Disbursements)</i>	423	(113,984)	(113,561)
<i>Net Change in Fund Cash Balances</i>	423	(113,984)	(113,561)
<i>Fund Cash Balances, January 1</i>	<u>24,820</u>	<u>175,317</u>	<u>200,137</u>
<i>Fund Cash Balances, December 31</i>	<u>\$25,243</u>	<u>\$61,333</u>	<u>\$86,576</u>

See accompanying notes to the basic financial statements.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

Note 1 – Reporting Entity

The constitution and laws of the State of Ohio establish the rights and privileges of Delhi Township, Hamilton County, (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, police and fire protection, and emergency medical services.

The Township participates in a public entity risk pool. Note 6 to the financial statements provides additional information for this entity.

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

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

The Townships uses funds to maintain 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:

Police District Fund – This fund receives property tax money to provide police protection to the Township.

Tax Increment Equivalent Fund – This fund receives payments in lieu of taxes from real property parcels enrolled in the tax increment financing program. These monies are used to finance the costs of public improvements and are distributed to local school districts.

Fire District Fund – This fund receives property tax money to provide fire protection to the Township.

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

General Bond Retirement Fund – This fund receives transfers from the Tax Increment Equivalent Fund which are used to pay bonds and loans.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

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

Greenwell Fire Station – This fund received funds from a private placement of general obligation bonds for the construction of a new fire station.

Internal Service Fund – This fund accounts for services provided by one department to other departments of the government unit. The Township had the following Internal Service Fund:

Self-Insurance Medical Fund – This fund receives insurance premium payments from other funds to pay medical claims of employees enrolled in the Township's health insurance plan.

Enterprise Funds – These funds account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of provided goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose. The Township had the following significant Enterprise Fund:

Concession Stand Fund – This fund receives concession stand proceeds from the Township parks.

Basis of Accounting

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

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

Budgetary Process

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

Appropriations – Budgetary 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) unencumbered plus cash as of January 1. The County Budget Commission must approve estimated resources.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

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 reappropriated in the subsequent year.

A summary of 2017 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.

Money market mutual funds are recorded at share values the mutual funds report.

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

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

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

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

Assigned – Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Township Trustees or a Township official delegated that authority by resolution, or by State Statute.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 2 – Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

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

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2017 as follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,495,120	\$ 1,584,801	\$ 89,681
Special Revenue	15,505,053	15,881,667	376,614
Debt Service	928,515	928,515	-
Capital Projects	-	-	-
Enterprise	7,500	1,805	(5,695)
Internal Service	1,024,179	758,229	(265,950)
Total	\$ 18,960,367	\$ 19,155,017	\$ 194,650

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,589,841	\$ 1,389,114	\$ 200,727
Special Revenue	17,251,384	15,928,291	1,323,093
Debt Service	928,515	928,507	8
Capital Projects	12,175	12,175	-
Enterprise	7,000	1,524	5,476
Internal Service	912,657	896,888	15,769
Total	\$ 20,701,572	\$ 19,156,499	\$ 1,545,073

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 4 – Deposits and Investments

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

	2017
Demand deposits	\$ 550,540
Certificates of Deposit	12,385
Total deposits	562,925
Commercial Paper	2,000,027
Federal Agency Notes	11,675,232
MMA	3,819,087
Total investments	17,494,346
Total deposits and investments	\$ 18,057,271

Deposits: Deposits are insured by the Federal Depository Insurance Corporation, collateralized by securities specifically pledged by the financial institution or collateralized by the financial institution's public entity deposit pool.

Investments: The Federal Reserve holds the Township's Federal Agency Notes in book-entry form by, in the name of the Township's financial institution. The financial institution maintains records identifying the Township as owner of these securities.

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.

Note 6 – Risk Management

The Township belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 6 – Risk Management (Continued)

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 762 members as of December 31, 2015 and 2016 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member’s covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014 (the latest information available).

	<u>2016</u>	<u>2015</u>
Assets	\$14,765,712	\$14,643,667
Liabilities	(9,531,506)	(9,112,030)
Members’ Equity	<u>\$5,234,206</u>	<u>\$5,531,637</u>

You can read the complete audited financial statements for OPRM at the Plan’s website, www.ohioplan.org.

Self-Insurance

The Township provides health, vision, dental and life insurance to its employees. Dental, vision and life benefits are paid via traditional premium insurance. Medical benefits are provided through a benefits management agreement by and between the Township and MedBen since October 1, 2016. The plan is funded by employee payroll deductions and Township contributions. Actual claims are then processed and paid. Monthly premiums are paid in addition to funding a self-insurance portion. The self-insurance portion is funded by both the Township and the employee and is deposited into the self-insurance fund, from which claims are then paid. The Township has a Stop Loss insurance policy through the administrator.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Township’s employees, with the exception of full time fire department personnel, 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, 2017.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 7 – Defined Benefit Pension Plans (Continued)

Ohio Police and Fire Pension Fund

The Township’s certified fire fighters belong to the Police and Fire Pension Fund (OP&F). OP&F 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. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time firefighter’s wages. The Township has paid all contributions required through December 31, 2017.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer 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. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2017 was as follows:

	Principal	Interest Rate
Greenwell Ave. Firestation Bonds	\$ 1,987,299	2.26%
General Obligation Bonds	2,260,000	Varies
OPWC - CB13F	70,288	0%
OPWC - CB22F	21,138	0%
Total	\$ 4,338,725	

The Township issued general obligation bonds in June 2016 for the purpose of advance funding to finance the construction of a new firehouse on Greenwell Avenue. The bond payments are payable on a semi-annual basis in the amount of \$154,272.97 with an interest rate of 2.26%. The last payment is due December 2024. Payments are made from a Debt Service Fund.

The Township issued general obligation bonds in March 2011 for the purpose of advance refunding the 2001 Public Safety General Obligation Bonds issued to finance the purchase of a new firehouse, related equipment and the renovation of an existing firehouse. The bonds were issued in denominations of \$5,000 for \$5,135,000 par value payable beginning December 2011 and maturing through December 2021 at varying interest rates between 2.0% and 4.0%. The Township’s taxing authority collateralized the bonds. The 2001 bonds were redeemed at 100% of par plus accrued interest with funds escrowed from the 2011 issue. Payments are made from a Debt Service Fund.

The Ohio Public Works (OPWC) loans were issued in 2003 to finance the reconstruction of specific Township road projects. Payments are made from the Tax Increment Financing Fund.

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

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
(Continued)**

Note 9 – Debt (Continued)

Year ending December 31:	Greenwell Ave. Firestation Bonds	General Obligation Bonds	OPWC CB13F	OPWC CB22F
2018	\$ 308,546	\$ 615,531	\$ 12,780	\$ 3,523
2019	308,546	611,806	12,780	3,523
2020	308,546	615,806	12,780	3,523
2021	308,546	620,400	12,780	3,523
2022	308,546		12,780	3,523
2023-2024	617,092	-	6,388	5,286
Total	<u>\$ 2,159,822</u>	<u>\$ 2,463,543</u>	<u>\$ 70,288</u>	<u>\$ 22,901</u>

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 – Component Unit

The Delhi Township Community Improvement Corporation (CIC) is a non-profit 501(c)(3) that was created by the Delhi Township Trustees and certified by the State of Ohio, Secretary of State in December 2014. The CIC was created in order to work cooperatively for the health, safety, morals and general welfare of the citizens of Delhi Township to promote economic development and job growth within the Township. The CIC has been designated by the Delhi Township Board of Trustees as the Economic Development agent for Delhi Township. Delhi Township contributed \$12,000 to the CIC in 2017 to support economic development grant programs.

Note 12 - Transfers

During 2017, the following transfers were made:

	Transfers In	Transfers Out
General Fund	\$ -	\$ (37,000)
Tax Increment Financing	-	(928,515)
Park	22,000	-
Recycling Incentive Fund	15,000	-
General Bond Retirement	928,515	-
Total	<u>\$ 965,515</u>	<u>\$ (965,515)</u>

During 2017, the Township transferred money from the Tax Increment Financing Fund to the General Bond Retirement Fund in order to pay debt payments from the appropriate funds. In addition, transfers were made from the General Fund to provide additional resources for current operations.

The transfers were determined to be appropriate and in compliance with the Ohio Revised Code.

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Delhi Township
Hamilton County
934 Neeb Road
Cincinnati, Ohio 45233

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental and proprietary fund types of Delhi Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements and have issued our report thereon dated January 9, 2020.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2018-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Township's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

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



Keith Faber
Auditor of State

Columbus, Ohio

January 9, 2020

**DELHI TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018-2017**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2018-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparisons and to allow the Trustees to make informed decisions regarding budgetary matters.

The appropriations resolution and subsequent amendments thereto establish the legal spending authority of the Township and the appropriations ledger provides the process by which the Township controls spending. It is therefore necessary that the amounts appropriated by the Trustees are precisely stated and accurately posted to the appropriations ledger.

The original certificate and amendments establish the amounts available for expenditures for the Township and the receipts ledger provides the process by which the Township controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

In comparing official budgetary documents to the amounts posted to the accounting system, the following errors were noted for 2017:

Estimated Resources	Amount Per Certificate of Estimated Resources	Amount Posted to Accounting System	Variance
1000 – General Fund & Zoning	\$1,495,120	\$1,165,873	(\$329,247)
2111 – Fire District	3,851,160	3,858,510	7,350
6001 - Self Insurance	1,024,178	839,167	(185,011)

Appropriations	Appropriations Per Appropriation Resolutions	Amount Posted to Accounting System	Variance
1000 – General Fund & Zoning	\$1,509,207	\$1,544,338	\$35,131
2081 – Police District	4,527,232	4,564,774	37,542
2111 – Fire District	3,922,089	3,962,315	40,226

In comparing official budgetary documents to the amounts reported in the notes to the financial statements, the following errors were noted for 2017:

**FINDING NUMBER 2018-001
 (Continued)**

Estimated Resources	Per Certificate of Estimated Resources	Amount per Budget Versus Actual Note	Variance
General Fund	\$1,495,120	\$1,507,673	\$12,553
Special Revenue Funds	15,505,053	15,513,293	8,240
Internal Service Fund	1,024,179	839,167	(185,012)

Appropriations	Amount Per Appropriation Resolutions	Amount per Budget Versus Actual Note	Variance
General Fund	\$1,589,841	\$1,544,338	(\$45,503)
Special Revenue Funds	17,251,384	17,220,594	(30,790)
Internal Service Fund	912,657	909,820	(2,837)

The Township did not have procedures in place to accurately post authorized budgetary measures to the accounting system. Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Township should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Trustees. In addition, the Township should report the correct amounts in the budgetary footnotes. The Township should then monitor budget versus actual reports to help ensure that amended certificates of resources and appropriations have been properly posted to the ledgers and review the budgetary footnotes for accuracy.

Officials' Response:

Errors occurred during transition of new personnel. The Township is aware of how the error occurred and takes responsibility for the error and will take precautions to avoid the misstatement in the future.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2017-2018

Finding Number	Finding Summary	Status	Additional Information
2016-001	Financial Statement Mispostings	Fully Corrected	

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OHIO AUDITOR OF STATE KEITH FABER



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
FEBRUARY 4, 2020**