

428 Second St.  
Marietta, OH 45750  
740.373.0056

1035 Murdoch Ave  
Parkersburg, WV 26101  
304.422.2203

121 E Main St  
St. Clairsville, OH 43950  
740.695.1569



Certified Public Accountants, A.C.

**DELHI TOWNSHIP  
HAMILTON COUNTY  
Regular Audit**

**For the Years Ended December 31, 2014 and 2013**

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Tax– Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll  
Litigation Support – Financial Investigations

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- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •





# Dave Yost • Auditor of State

Board of Trustees  
Delhi Township  
934 Neeb Road  
Cincinnati, Ohio 45233

We have reviewed the *Independent Auditor's Report* of Delhi Township, Hamilton County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2013 through December 31, 2014. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

December 7, 2015

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**DELHI TOWNSHIP  
HAMILTON COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

August 31, 2015

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 and related notes of **Delhi Township**, Hamilton County, (the Township) as of and for the years ended December 31, 2014 and 2013.

### ***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 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 opinion.



***...“bringing more to the table”***

Tax—Accounting—Audit—Review—Compilation—Agreed Upon Procedure—Consultation—Bookkeeping—Payroll  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1B 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, 2014 and 2013, or changes in financial position and cash flows 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 combined cash balances of Delhi Township, Hamilton County as of December 31, 2014 and 2013, and its combined cash receipts and disbursements 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, described in Note 1B.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2015, 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.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 296,746	\$ 7,216,072	\$ -	\$ 7,512,818
PILOT (Payment in Lieu of Taxes)	-	4,052,378	-	4,052,378
Charges for Services	-	598,363	-	598,363
Licenses, Permits and Fees	364,390	89,911	-	454,301
Fines and Forfeitures	19,420	21,128	-	40,548
Intergovernmental	309,674	2,170,938	-	2,480,612
Special Assessments	75,221	40,115	-	115,336
Earnings on Investments	120,323	4,410	-	124,733
Miscellaneous	22,543	225,889	-	248,432
<i>Total Cash Receipts</i>	<u>1,208,317</u>	<u>14,419,204</u>	<u>-</u>	<u>15,627,521</u>
<b>Cash Disbursements</b>				
Current:				
General Government	968,565	1,435	-	970,000
Public Safety	-	7,853,557	-	7,853,557
Public Works	30,165	1,471,704	-	1,501,869
Health	28,401	-	-	28,401
Payment to Schools	-	2,392,108	-	2,392,108
Conservation-Recreation	-	663,631	-	663,631
Other	1,630	58,199	-	59,829
Capital Outlay	769	1,114,992	-	1,115,761
Debt Service:				
Principal Retirement	-	145,133	485,000	630,133
Interest and Fiscal Charges	-	6,173	128,544	134,717
<i>Total Cash Disbursements</i>	<u>1,029,530</u>	<u>13,706,932</u>	<u>613,544</u>	<u>15,350,006</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>178,787</u>	<u>712,272</u>	<u>(613,544)</u>	<u>277,515</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	457,340	613,544	1,070,884
Transfers Out	(457,340)	(613,544)	-	(1,070,884)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(457,340)</u>	<u>(156,204)</u>	<u>613,544</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(278,553)	556,068	-	277,515
<i>Fund Cash Balances, January 1</i>	<u>8,275,842</u>	<u>6,800,478</u>	<u>98,636</u>	<u>15,174,956</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	7,356,546	98,636	7,455,182
Assigned	8,666	-	-	8,666
Unassigned	7,988,623	-	-	7,988,623
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,997,289</u>	<u>\$ 7,356,546</u>	<u>\$ 98,636</u>	<u>\$ 15,452,471</u>

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



**DELHI TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 14,131
Miscellaneous	<u>2,650</u>
<i>Total Operating Cash Receipts</i>	<u>16,781</u>
<b>Operating Cash Disbursements</b>	
Salaries	5,531
Employee Fringe Benefits	843
Supplies and Materials	4,630
Other	<u>91</u>
<i>Total Operating Cash Disbursements</i>	<u>11,095</u>
<i>Operating Income</i>	5,686
<i>Fund Cash Balances, January 1</i>	<u>17,683</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 23,369</u></u>

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 291,827	\$ 6,488,741	\$ -	\$ -	\$ 6,780,568
PILOT (Payment in Lieu of Taxes)	-	3,547,268	-	-	3,547,268
Charges for Services	-	544,905	-	-	544,905
Licenses, Permits and Fees	335,539	103,679	-	-	439,218
Fines and Forfeitures	13,324	4,297	-	-	17,621
Intergovernmental	1,558,123	2,015,655	-	192,870	3,766,648
Special Assessments	78,100	37,408	-	-	115,508
Earnings on Investments	237,286	7,000	-	-	244,286
Miscellaneous	8,457	196,537	-	-	204,994
<i>Total Cash Receipts</i>	<u>2,522,656</u>	<u>12,945,490</u>	<u>-</u>	<u>192,870</u>	<u>15,661,016</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,510,704	184,621	-	-	1,695,325
Public Safety	183,033	6,848,529	-	-	7,031,562
Public Works	26,990	1,342,178	-	-	1,369,168
Health	28,501	55,150	-	-	83,651
Payment to Schools	-	2,063,433	-	-	2,063,433
Conservation-Recreation	-	556,906	-	-	556,906
Other	901	94,794	-	-	95,695
Capital Outlay	509	533,786	-	546,330	1,080,625
Debt Service:					
Principal Retirement	-	141,278	475,000	-	616,278
Interest and Fiscal Charges	-	10,028	138,044	-	148,072
<i>Total Cash Disbursements</i>	<u>1,750,638</u>	<u>11,830,703</u>	<u>613,044</u>	<u>546,330</u>	<u>14,740,715</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>772,018</u>	<u>1,114,787</u>	<u>(613,044)</u>	<u>(353,460)</u>	<u>920,301</u>
<b>Other Financing Receipts (Disbursements)</b>					
Transfers In	46,895	108,635	613,044	-	768,574
Transfers Out	(108,635)	(613,044)	-	(46,895)	(768,574)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(61,740)</u>	<u>(504,409)</u>	<u>613,044</u>	<u>(46,895)</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	710,278	610,378	-	(400,355)	920,301
<i>Fund Cash Balances, January 1 (Restated, See Note 8)</i>	<u>7,565,564</u>	<u>6,190,100</u>	<u>98,636</u>	<u>400,355</u>	<u>14,254,655</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	6,800,478	98,636	-	6,899,114
Assigned	50,058	-	-	-	50,058
Unassigned	8,225,784	-	-	-	8,225,784
<i>Fund Cash Balances, December 31</i>	<u>\$ 8,275,842</u>	<u>\$ 6,800,478</u>	<u>\$ 98,636</u>	<u>\$ -</u>	<u>\$ 15,174,956</u>

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES (CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 15,085
Miscellaneous	<u>2,200</u>
<i>Total Operating Cash Receipts</i>	<u>17,285</u>
 <b>Operating Cash Disbursements</b>	
Salaries	5,762
Employee Fringe Benefits	836
Supplies and Materials	5,893
Other	<u>1,199</u>
<i>Total Operating Cash Disbursements</i>	<u>13,690</u>
 <i>Operating Income</i>	 3,595
 <i>Fund Cash Balances, January 1</i>	 <u>14,088</u>
 <i>Fund Cash Balances, December 31</i>	 <u><u>\$ 17,683</u></u>

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the 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 8 to the financial statements provides additional information on the public entity risk pool.

Public Entity Risk Pool:

Ohio Plan Risk Management, Inc. (ORPM) – 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.

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

**B. Accounting Basis**

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.

**C. 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.

The Township values Federal Agency Notes at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**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:

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**2. 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.

Fire District Fund - This fund receives property tax money to provide fire 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.

**3. 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.

**4. Capital Project Funds**

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

Rapid Run Phase I – This fund receives funds from Ohio Emergency Management Agency (Ohio EMA) for the projects in areas identified in the name of the fund.

Rapid Run Phase II – This fund receives funds from Ohio Emergency Management Agency (Ohio EMA) for the projects in areas identified in the name of the fund.

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**5. 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 providing 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.

**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, 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.

**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 approve estimated resources.

**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 2014 and 2013 budgetary activity appears in Note 3.

**F. 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:

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Fund Balance (Continued)**

**1. Nonspendable**

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

**2. 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.

**3. 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.

**4. 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.

**5. 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.

**G. Property, Plant and Equipment**

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. 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.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Township maintains a deposit and investment pool that 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:

	2014	2013
Demand Deposits	\$2,218,769	\$2,044,280
Certificate of Deposit	12,349	12,336
Total Deposits	2,231,118	2,056,616
STAR Ohio	1,715,357	1,714,103
Federal Agency Notes	11,529,365	11,421,920
Total investments	13,244,722	13,136,023
Total deposits and investments	\$15,475,840	\$15,192,639

**Deposits:** Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Township, or (3) 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.

Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2014 and 2013 follows:

Fund Type	2014 Budgeted vs. Actual Receipts		
	Budgeted Receipts	Actual Receipts	Variance
General	\$ 952,641	\$ 1,185,613	\$ 232,972
Special Revenue	14,584,948	15,143,209	558,261
Debt Service	613,544	613,544	-
Enterprise	17,000	16,781	(219)
Total	\$ 16,168,133	\$ 16,959,147	\$ 791,014



**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**3. BUDGETARY ACTIVITY (Continued)**

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,637,177	\$ 1,476,000	\$ 161,177
Special Revenue	16,017,004	14,812,579	1,204,425
Debt Service	613,544	613,044	500
Enterprise	15,778	11,095	4,683
Total	\$ 18,283,503	\$ 16,912,718	\$ 1,370,785

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 2,407,490	\$ 2,549,588	\$ 142,098
Special Revenue	12,706,910	13,206,089	499,179
Debt Service	613,044	613,044	-
Capital Projects	650,884	192,870	(458,014)
Enterprise	20,000	17,285	(2,715)
Total	\$ 16,398,328	\$ 16,578,876	\$ 180,548

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 1,996,986	\$ 1,858,299	\$ 138,687
Special Revenue	14,106,368	12,812,228	1,294,140
Debt Service	613,044	613,044	-
Capital Projects	1,045,153	593,225	451,928
Enterprise	19,160	13,690	5,470
Total	\$ 17,780,711	\$ 15,890,486	\$ 1,890,225

For financial statement presentation the Zoning Fund is included in the General Fund. The Zoning Fund is budgeted and presented in this note as a special revenue fund.

**4. PROPERTY TAX**

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.

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**5. CAPITAL LEASE – LESSEE DISCLOSURE**

During 2008, the Township entered into an 84 month lease agreement with Fifth Third Bank for the acquisition of certain property located within the Township. The terms of the agreement provide options to purchase. Payments are \$11,250 per month with interest at 3.042%.

This lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee.

The following is a schedule of the future minimum lease payments.

Year Ending	Amount
December 31, 2015	\$ 135,003
Less: Amount representing imputed interest cost	(2,198)
Present value of minimum lease payments	\$ 132,805

**6. DEBT**

Debt outstanding at December 31, 2014 was as follows:

	Principal	Interest Rate
General Obligation Bonds	\$ 3,790,000	Varies
Ohio Public Works Commission	148,482	0.00%
Total	\$ 3,938,482	

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.

The Ohio Public Works loans were issued in 2003 to finance the reconstruction of specific Township road projects.

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**6. DEBT (Continued)**

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

Year ending December 31:	General Obligation Bonds	OPWC
2015	\$ 618,844	\$ 16,302
2016	612,594	16,302
2017	619,969	16,302
2018	615,531	16,302
2019	611,806	16,302
2020-2021	1,235,206	66,972
Total	\$ 4,313,950	\$ 148,482

**7. RETIREMENT SYSTEMS**

The Township's certified full-time Fire Fighters belong to the Police and Fire Pension Fund (OP&F). Other employees (with the exception of part-time firefighters) belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OP&F participants contributed the following: January 1, 2013 to June 30, 2013, 10%, July 1, 2013 to June 30, 2014, 10.75%; and July 1, 2014 to December 31, 2014, 11.5% of their wages. For 2014 and 2013, the Township contributed to OP&F an amount equal to 24% of full-time fire fighters' wages. For 2014 and 2013, OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants' gross salaries. For 2014 and 2013, sworn police officers contributed 13% and 12.6% of their wages, respectively, and the Township contributed an amount equaling 18.1% of participants' gross salaries. The Township has paid all contributions required through December 31, 2014.

**8. 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 YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**8. 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, except OPRM retains 41.5% (effective November 1, 2011) of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. The Plan's property retention remained unchanged from prior years. This change was made to balance the reinsurance market conditions. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 774 and 783 members as of December 31, 2013 and 2014 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, 2013 and 2014:

	<b>2013</b>	<b>2014</b>
Assets	\$13,774,304	\$14,830,185
Liabilities	(7,968,395)	(8,942,504)
Members' Equity	\$5,805,909	\$5,887,681

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**9. RESTATEMENT OF FUND BALANCE**

The restatement is due to the Zoning Fund being recorded as a Special Revenue Fund instead of being rolled into the General Fund in accordance with GASB 54. The Zoning Fund activity is recorded in the General Fund for 2014 and 2013.

	General Fund	Special Revenue Fund
Fund Balance at December 31, 2012	\$ 7,447,857	\$ 6,307,807
Change in Fund Balance	117,707	(117,707)
Adjusted Fund Balance at January 1, 2013	\$ 7,565,564	\$ 6,190,100

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**10. TRANSFERS**

During 2013, the following transfers were made:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 46,895	\$ 108,635
Road and Bridge	30,005	-
Tax Increment Financing	-	613,044
Park	75,000	-
Motor Vehicle Permissive	3,630	-
General Bond Retirement	613,044	-
Capital Projects	-	46,895
Total	<u>\$ 768,574</u>	<u>\$ 768,574</u>

During 2014, the following transfers were made:

	<u>Transfers In</u>	<u>Transfers Out</u>
Tax Increment Financing	\$ -	\$ 613,544
General Bond Retirement	613,544	-
General Fund	-	457,340
Road and Bridge Fund	42,082	
Police District Fund	117,962	
Fire District Fund	149,253	
Park Levy Fund	123,584	
Motor Vehicle Permissive Fund	21,459	
Recycling Incentive Fund	3,000	-
Total	<u>\$ 1,070,884</u>	<u>\$ 1,070,884</u>

During 2014 and 2013, 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. Also in 2013, the Township transferred money from the Capital Projects Fund to the General Fund to reimburse the General Fund for grant money previously spent from that fund. In addition, transfers were made from the General Fund to other funds to provide additional resources for current operations.

Transfers for both years were determined to be appropriate and in compliance with the Ohio Revised Code.



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Parkersburg, WV 26101  
304.422.2203

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St. Clairsville, OH 43950  
740.695.1569

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

August 31, 2015

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 **Delhi Township**, Hamilton County, (the Township) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated August 31, 2015, wherein we noted the Township followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of audit findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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. We consider finding 2014-001 described in the accompanying schedule of audit findings to be a material weakness.



**... "bringing more to the table"**

Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll  
Litigation Support – Financial Investigations

Members: American Institute of Certified Public Accountants

- Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners •
- Association of Certified Anti - Money Laundering Specialists •



**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*.

We did note a certain matter not requiring inclusion in this report that we reported to the Township's management in a separate letter dated August 31, 2015.

***Township's Response to Findings***

The Township's response to the finding identified in our audit is described in the accompanying schedule of audit findings. We did not audit the Township's response and, accordingly, we express no opinion on it.

**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 communication is not suitable for any other purpose.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

DELHI TOWNSHIP  
HAMILTON COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

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

FINDING NUMBER 2014-001

**Material Weakness**

**Posting Receipts and Fund Type Classification**

Receipts and fund types should be posted to the fund and line item accounts as established by the Ohio Township Handbook. Funds should be properly classified based on Governmental Accounting Standards Board Statement No. 54: *Fund Balance Reporting and Governmental Fund Type Definitions*. Receipts and fund types were not always classified correctly. The following posting errors were noted:

- Fund activity for the Zoning Fund was recorded as a Special Revenue Funds instead of the General Fund.
- In 2013, an intergovernmental receipt was posted in the General Fund rather than the Motor Vehicle Permissive Fund.

Not posting receipts accurately or classifying fund balances accurately resulted in the financial statements requiring several adjustments. The Township has agreed with and posted all adjustments to its accounting system. The financial statements reflect all adjustments.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all receipts and fund balances are properly classified on the financial statements.

We also recommend the Fiscal Officer refer to the Auditor of State Technical Bulletin 2011-004 for guidance to determine the proper fund type classifications and the Ohio Township Handbook and the Uniform Accounting Network manual for proper classification of receipts and disbursements.

**Management's Response** – Management understands the fund reclassification of the Zoning Fund to the General Fund and has reviewed the Auditor of State Technical Bulletin 2011-004.



**DELHI TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2012-DEL-01	Ohio Admin. Code Section 117-2-02(A)	No	Partially Corrected, Repeated as Finding 2014-001.

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# Dave Yost • Auditor of State

**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  
DECEMBER 17, 2015**