



**Auditor of State
Betty Montgomery**

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Delhi Township Park District
Hamilton County
5125 Foley Road
Cincinnati, Ohio 45238

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Delhi Township Park District, Hamilton County, Ohio (the District), as of and for the ten months ended October 31, 2003 and for the year ended December 31, 2002. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the District as of October 31, 2003 and December 31, 2002, and its cash receipts and disbursements for the ten months and year then ended, respectively on the basis of accounting described in Note 1.

As discussed in Note 8, the Delhi Township Park District dissolved and merged with Delhi Township as of October 8, 2003.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2003 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 30, 2003

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND
FOR THE YEAR ENDED OCTOBER 31, 2003**

Cash Receipts:	
General Property Tax - Real Estate	\$299,716
Tangible Personal Property Tax	2,271
Intergovernmental Receipts	29,451
Interest Income	2,395
Fees	42,780
Sales	4,220
Other Receipts	<u>12,382</u>
 Total Cash Receipts	 <u>393,215</u>
 Cash Disbursements:	
Current:	
Salaries - Employees	111,715
Supplies	29,169
Contracts - Repair	38,510
Contracts - Services	61,110
Public Employees Retirement	14,922
Workers' Compensation	4,783
Debt:	
Payment of Principal/Interest	32,401
Other	<u>71,425</u>
 Total Cash Disbursements	 <u>364,035</u>
 Total Receipts Over Disbursements	 <u>29,180</u>
 Fund Cash Balances, January 1	 <u>212,573</u>
 Fund Cash Balances, October 31	 <u><u>\$241,754</u></u>
 Reserve for Encumbrances, October 31	 <u><u>\$14,311</u></u>

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

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:	
General Property Tax - Real Estate	\$297,924
Tangible Personal Property Tax	8,966
Intergovernmental Receipts	52,420
Interest Income	5,211
Fees	41,820
Sales	4,171
Other Receipts	<u>12,332</u>
 Total Cash Receipts	 <u>422,844</u>
Cash Disbursements:	
Current:	
Salaries - Employees	131,002
Supplies	36,373
Contracts - Repair	439,730
Contracts - Services	77,960
Public Employees Retirement	17,498
Workers' Compensation	2,185
Debt:	
Payment of Principal/Interest	26,119
Other	<u>80,565</u>
 Total Cash Disbursements	 <u>811,432</u>
 Total Receipts Under Disbursements	 <u>(388,588)</u>
Other Financing Receipts:	
Proceeds from Debt	<u>250,000</u>
 Total Other Financing Receipts	 <u>250,000</u>
 Cash Receipts and Other Financing Receipts Under Cash Disbursements	 (138,588)
 Fund Cash Balances, January 1	 <u>351,161</u>
 Fund Cash Balances, December 31	 <u>\$212,573</u>
 Reserve for Encumbrances, December 31	 <u>\$16</u>

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

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND OCTOBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Delhi Township Park District, Hamilton County, Ohio (the District), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a five-member Board of Commissioners appointed by the Delhi Township Board of Trustees. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare. A clerk appointed by the Board of Park Commissioners is responsible for the fiscal control of the resources of the District.

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

B. Basis of Accounting

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

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

C. Cash and Investments

The District has its pooled cash in a checking and savings account. There were no investments other than STAR Ohio during the fiscal years ended October 31, 2003 and December 31, 2002. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

D. Fund Accounting

The General Fund is the general operating fund. The District has no other funds that are restricted as to use.

E. Budgetary Process

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

1. 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. Appropriation Authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND OCTOBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

3. Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2003	2002
Demand deposits	\$183,041	\$79,596
STAR Ohio	58,712	132,978
Total deposits and investments	\$241,754	\$212,573

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending October 31, 2003 and December 31, 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$426,000	\$393,215	(\$32,785)

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND OCTOBER 31, 2003
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$441,116	\$378,346	\$62,770

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$419,500	\$672,844	\$253,344

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$567,140	\$811,448	(\$244,309)

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority by \$244,309 for the year ended December 31, 2002.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by the Board of Park Commissioners. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the District.

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

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

5. DEBT

Debt outstanding at October 31, 2003:

	Principal	Interest Rate
Pontius Road Loan	\$62,477	4.00%
Greenwell Road Loan	233,968	4.00%
Total	\$296,445	

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND OCTOBER 31, 2003
(Continued)**

5. DEBT (Continued)

In October 1995, the Park District received loan proceeds of \$105,000 for the purchase of land on Pontius Road. In April 2002, the Park District received loan proceeds of \$250,000 for the purchase of land on Greenwell Road. In August 2003, both loans were amended. The balance outstanding at the time of the consolidation for this debt was \$63,853 and \$236,297 for the Pontius and Greenwell Road properties respectively. Both carried an interest rate of 4.00%, but are paid separately. Beginning in September 2003, monthly payments for the Pontius Road Property are \$855 with a maturity date of October 31, 2005 at which time a balloon payment is due for the total amount outstanding at that time. Monthly payments for the Greenwell Road Property are \$1,872 with a maturity date of April 25, 2007 at which time payment is due for the total amount outstanding at that time.

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

	<u>Mortgage Agreement</u>
Year ending December 31:	
2003 (November and December)	\$5,456
2004	32,735
2005	77,364
2006	22,473
2007	<u>192,281</u>
Total	<u><u>\$330,309</u></u>

6. RETIREMENT SYSTEM

The District's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 8.13% of participants' gross salaries through October 31, 2003. The District has paid all contributions required through October 31, 2003.

7. RISK MANAGEMENT

Commercial Insurance

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Public official's liability.

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND OCTOBER 31, 2003
(Continued)**

8. DISSOLUTION

On October 8, 2003, the Delhi Township Board of Trustees passed a resolution to dissolve the Park District and merge with Delhi Township per Ohio Revised Code Section 511.181. The Township assumed all cash resources of the Park District as of October 8, 2003 and the Park District will be reported as a Special Revenue fund on the Township's financial statements. Park District debt will be reported as part of the Township debt in the notes to the financial statements. The Township will be responsible for the maintenance of the parks throughout the boundaries of the Township. The Park District no longer existed after October 8, 2003. However, for the purpose of this financial report, financial statements are presented through October 31, 2003.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Delhi Township Park District
Hamilton County
5125 Foley Road
Cincinnati, Ohio 45238

To the Board of Park Commissioners:

We have audited the accompanying financial statements of Delhi Township Park District, Hamilton County, Ohio (the District), as of and for the ten months ended October 31, 2003 and for the year ended December 31, 2002, and have issued our report thereon dated December 30, 2003, wherein we noted the District dissolved and merged with Delhi Township as of October 8, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2003-001. We also noted an immaterial instance of noncompliance that we have reported to management of the District in a separate letter dated December 30, 2003.

Internal Control Over Financial Reporting

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

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

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

December 30, 2003

**DELHI TOWNSHIP PARK DISTRICT
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND OCTOBER 31, 2003**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2003-001

Noncompliance Citation

Ohio Rev. Code, Section 5705.41 (B), states no subdivision or taxing unit is to expend money unless it has been appropriated. We noted actual expenditures exceeding appropriations in 2002 by the amount of \$244,308. This is due primarily to an audit adjustment made to account for the \$250,000 Provident Bank loan received in 2002 for the Greenwell Property. We recommend that the District post any new mortgages as both a receipt for debt proceeds, and as an expense for the purchase of the property, and that estimated receipts and appropriations be amended as appropriate.



**Auditor of State
Betty Montgomery**

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800-282-0370

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DELHI TOWNSHIP PARK DISTRICT

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 3, 2004**