

**DELAWARE COUNTY TRANSPORTATION
IMPROVEMENT DISTRICT**
(A COMPONENT UNIT OF DELAWARE COUNTY)
DELAWARE COUNTY, OHIO

REGULAR AUDIT

**FOR THE YEAR ENDED
DECEMBER 31, 2023**



65 East State Street
Columbus, Ohio 43215
ContactUs@ohioauditor.gov
800-282-0370

Members of the Board of Trustees
Delaware County Transportation Improvement District
140 North Sandusky Street
Delaware, Ohio 43015

We have reviewed the *Independent Auditor's Report* of the Delaware County Transportation Improvement District, prepared by Julian & Grube, Inc., for the audit period January 1, 2023 through December 31, 2023. 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. The Delaware County Transportation Improvement District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

June 17, 2024

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**DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A COMPONENT UNIT OF DELAWARE COUNTY)
DELAWARE COUNTY, OHIO**

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Independent Auditor's Report

Delaware County Transportation Improvement District
Delaware County
140 North Sandusky Street
Delaware, Ohio 43015

To the Members of the Board of Trustees:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Delaware County Transportation Improvement District, Delaware County, Ohio, a component unit of Delaware County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Delaware County Transportation Improvement District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund, of the Delaware County Transportation Improvement District, as of December 31, 2023 and the respective changes in financial position, thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Delaware County Transportation Improvement District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Delaware County Transportation Improvement District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Delaware County Transportation Improvement District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Delaware County Transportation Improvement District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2024 on our consideration of the Delaware County Transportation Improvement District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Delaware County Transportation Improvement District's 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 Delaware County Transportation Improvement District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
May 29, 2024

**DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Year Ended December 31, 2023**

The management's discussion and analysis of the Delaware County Transportation Improvement District's (the District) financial performance provides an overall review of the District's financial activities for the period ended December 31, 2023. While the intent of this discussion and analysis is to look at the District's financial performance, readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's fiscal performance.

FINANCIAL HIGHLIGHTS

Key highlights for 2023:

- ❑ The District began operations on May 17, 2018, by resolution authorized by the Delaware County Board of Commissioners.
- ❑ During 2023, the District was involved in four active projects. The Home Road and Sawmill Parkway improvements project was completed and design continued on Interstate 71/U.S 36/Sunbury Parkway Interchange infrastructure improvements. In addition, the District participated in a joint project with the City of Delaware for Sawmill Parkway Phase G improvements and funded the design of a roundabout at the intersection of SR-37 and County Line Road.

USING THIS ANNUAL REPORT

This annual report consists of two parts – management's discussion and analysis and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the District. These statements are as follows:

- *Government-Wide Financial Statements* – These statements provide both long-term and short-term information about the District's overall financial status.
- *Fund Financial Statements* – These statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide statements.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities. All current year revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how it has changed. Net position (the difference between the District's assets and liabilities) is one way to measure the District's financial health or condition.

**DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Year Ended December 31, 2023**

Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively. The government-wide financial statements of the District reflect the following category for its activities:

Governmental Activities – The District's programs and services are reported as governmental activities and include general governmental operations.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

Governmental Funds – All of the District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements when there are differences. Currently, the District's governmental funds consists of a General Fund and a Capital Projects Fund.

DISTRICT SUMMARY

Financial Analysis

Net position may serve over time as a useful indicator of financial position. In the case of the District, assets exceeded liabilities by a total of \$2.9 million at December 31, 2023.

The following table provides a summary of the District's net position at December 31, 2023 and 2022:

	2023	2022
Assets:		
Current and other assets	\$ 3,632,686	\$ 4,282,114
Liabilities:		
Other liabilities	751,740	2,086,392
Net position:		
Unrestricted	\$ 2,880,946	\$ 2,195,722

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Year Ended December 31, 2023

During 2022, the District had two active projects (the Home Road and Sawmill Parkway infrastructure improvements project and the Interstate 71/U.S. 36/Sunbury Parkway Interchange project), with \$2.0 million in unearned revenue at year-end 2022. During 2023, the District finalized the Home Road and Sawmill Parkway infrastructure improvements project and continued work on the Interstate 71/U.S. 36/Sunbury Parkway Interchange project. The decrease in assets and liabilities was due to spending \$805,000 of the remaining available advanced funds on these projects and recognizing the associated unearned revenue as revenue, as well as returning \$1.1 million in unused project funds to the Delaware County Commissioners.

The following table provides a summary of the changes in the District's net position for the years ended December 31, 2023 and 2022:

Table 2
Change in Net Position

	2023	2022
Program revenues:		
Charges for services	\$ 75,720	\$ 165,316
Capital grants and contributions	2,330,905	3,582,404
Total program revenue	2,406,625	3,747,720
General revenues:		
Unrestricted grants and contributions	1,000,000	362,981
Interest earnings	117,884	63,836
Total general revenues	1,117,884	426,817
Total revenue	3,524,509	4,174,537
Expenses:		
General government	8,380	8,347
Public works	2,830,905	4,987,093
Total expenses	2,839,285	4,995,440
Change in net position	685,224	(820,903)
Net position - beginning of year	2,195,722	3,016,625
Net position - end of year	\$ 2,880,946	\$ 2,195,722

The District's activities during the year included:

- Completion of the Home Road and Sawmill Parkway improvements project. The total project costs were \$3,037,127 and administrative fees of \$75,720.
- Continued design on Phase A on the Interstate 71/U.S. 36/Sunbury Parkway Interchange improvements project with an estimated cost of \$3,000,000.
- Commencing design of a roundabout at SR-37 and County Line Road. Estimated design costs are \$524,000.
- Contributing \$500,000 to the City of Delaware for a joint project to construct Sawmill Parkway Phase G1 improvements, including paving and stormwater retention facilities.

**DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Year Ended December 31, 2023**

The District's Funds

The District established the General Fund during 2018 with start-up funds. During 2019, the District established the Capital Projects Fund to account for the capital funding received from Delaware County for the transportation projects. The activity in the Capital Projects Fund included the work on the projects previously discussed. The activity in the General Fund was primarily the administrative fees earned on the completion of projects and collection of special assessments associated with infrastructure improvements at Riverby Estates.

ECONOMIC FACTORS AND FUTURE TRENDS

As noted above, the District was formed in May 2018 to facilitate transportation and related infrastructure improvement through a coordinated, cooperative, multi-jurisdictional approach. The District was involved in four projects during 2023 and will continue to work with the County Engineer, State and local governments, and other stakeholders to identify other opportunities within Delaware County for collaboration.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, customers, taxpayers, creditors, investors and elected officials with an overview of the District's finances and to show accountability for the money it receives. If you have any questions about this report or need additional information, contact the District's Secretary-Treasurer, 140 North Sandusky Street, Delaware, Ohio 43015.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>
Assets:	
Cash	\$ 2,337,060
Receivables:	
Due from other governments	923,269
Special assessments	<u>372,357</u>
Total assets	<u><u>3,632,686</u></u>
 Liabilities:	
Accounts payable	628,933
Unearned revenue	<u>122,807</u>
Total liabilities	<u>751,740</u>
 Net position:	
Unrestricted	<u>2,880,946</u>
Total net position	<u><u>\$ 2,880,946</u></u>

See accompanying notes to the basic financial statements

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Activities
For the Year Ended December 31, 2023

	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position	
		Charges for Services	Operating Grants & Contributions		Capital Grants & Contributions
<u>Governmental Activities</u>				<u>Governmental Activities</u>	
General government	\$ 8,380	\$ 75,720	\$ -	\$ -	\$ 67,340
Public works	2,830,905	-	-	2,330,905	(500,000)
Total	<u>\$ 2,839,285</u>	<u>\$ 75,720</u>	<u>\$ -</u>	<u>\$ 2,330,905</u>	(432,660)
General Revenues:					
Grants and contributions not restricted to specific programs				1,000,000	
Interest earnings				117,884	
Total general revenues				<u>1,117,884</u>	
Change in net position				685,224	
Net position - beginning of year				<u>2,195,722</u>	
Net position - end of year				<u>\$ 2,880,946</u>	

See accompanying notes to the basic financial statements

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Balance Sheet
Governmental Funds
December 31, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds
Assets:			
Cash	\$ 2,238,025	\$ 99,035	\$ 2,337,060
Receivables:			
Due from other governments	-	923,269	923,269
Special assessments	372,357	-	372,357
Total assets	<u>\$ 2,610,382</u>	<u>\$ 1,022,304</u>	<u>\$ 3,632,686</u>
Liabilities:			
Accounts payable	\$ -	\$ 628,933	\$ 628,933
Unearned revenue	-	122,807	122,807
Total liabilities	<u>-</u>	<u>751,740</u>	<u>751,740</u>
Deferred inflows of resources:			
Unavailable revenue	<u>372,357</u>	<u>-</u>	<u>372,357</u>
Fund balances:			
Assigned for road projects	-	270,564	270,564
Unassigned	<u>2,238,025</u>	<u>-</u>	<u>2,238,025</u>
Total fund balances	<u>\$ 2,238,025</u>	<u>\$ 270,564</u>	<u>\$ 2,508,589</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,610,382</u>	<u>\$ 1,022,304</u>	<u>\$ 3,632,686</u>

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance	\$ 2,508,589
Certain long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.	<u>372,357</u>
Net position of governmental activities	<u>\$ 2,880,946</u>

See accompanying notes to the basic financial statements

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Intergovernmental	\$ 1,000,000	\$ 2,330,905	\$ 3,330,905
Charges for services	75,720	-	75,720
Special assessments	29,495	-	29,495
Interest earnings	117,884	-	117,884
Total revenue	<u>1,223,099</u>	<u>2,330,905</u>	<u>3,554,004</u>
Expenditures:			
Current:			
General government	8,380	-	8,380
Public works	-	2,830,905	2,830,905
Total expenditures	<u>8,380</u>	<u>2,830,905</u>	<u>2,839,285</u>
Net change in fund balance	1,214,719	(500,000)	714,719
Fund balance - beginning of year	1,023,306	770,564	1,793,870
Fund balance - end of year	<u>\$ 2,238,025</u>	<u>\$ 270,564</u>	<u>\$ 2,508,589</u>

**Amounts reported for governmental activities in the statement of activities
are different because:**

Net change in fund balance - total governmental funds	\$ 714,719
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(29,495)</u>
Change in net position of governmental activities	<u>\$ 685,224</u>

See accompanying notes to the basic financial statements

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

NOTE 1—REPORTING ENTITY

The Delaware County Transportation Improvement District (the District) is a body corporate and politic established to facilitate transportation and related infrastructure improvements through a coordinated, cooperative, multi-jurisdictional approach. The District was formed under Ohio Revised Code Chapter 5540.02 by Resolution No. 18-536 of the Delaware County Board of Commissioners on May 17, 2018.

The District is governed by a seven-member Board of Trustees appointed as follows: five voting members appointed by the Delaware County Board of Commissioners, one non-voting member appointed by the Speaker of the House of Representatives of the Ohio General Assembly, and one non-voting member appointed by the President of the Senate of the Ohio General Assembly.

The officers of the District include the Chairperson, Vice-Chairperson and Secretary-Treasurer, who shall be elected from among the members of the Board annually. The Chairperson presides at all meetings of the Board and is chief officer of the District. The Vice-Chairperson performs the duties of the Chairperson during their absence. The Secretary-Treasurer serves as the fiscal officer of the District.

The District's management believes these financial statements present all the activities for which the District is financially accountable. The District is a component unit of Delaware County.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies are described as follows.

Basis of Presentation

The District's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements. The Statement of Net Position and the Statement of Activities display information about the District, as a whole. These statements include the financial activities of the primary government.

The Statement of Net Position presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore are clearly identifiable to a particular function.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements. During the year, the District segregates transactions related to certain District functions or activities into separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at a more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District only utilizes one category of funds; governmental funds.

Governmental Funds. Governmental funds are those through which all of the governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund form which they will be paid. The difference between governmental fund assets and liabilities plus deferred inflows of resources is reported as fund balance. The District's major funds are:

General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Capital Projects Fund is used to account for capital contributions received from the Delaware County Commissioners and other sources for various projects undertaken by the District.

Measurement Focus

Government-wide Financial Statements. The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

Fund Financial Statements. The fund financial statements report detailed information about the District's governmental funds. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and liabilities and deferred inflows of resources are generally included on the Balance Sheet.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (e.g., revenues and other financing sources) and uses (e.g., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore will include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds, as needed.

Classification of Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District's fund balances will fall under five classifications based primarily on the extent to which the District must observe constraints imposed upon the use of its governmental fund resources. The five classifications are:

1. Nonspendable

The District classifies a fund balance as *nonspendable* when amounts are not in a spendable form or are legally or contractually required to be maintained 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

The District's Board can *commit* amounts via formal action (resolution). The District must adhere to these commitments unless the District's Board amends 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 the District's Board 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.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The District 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.

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenses/Expenditures. On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Cash

Cash balances of the District's funds are pooled and deposited with the District's bank in order to provide improved cash management. Individual fund integrity is maintained through District records.

Unearned Revenue

Unearned revenue includes transportation project funds that have been collected but the corresponding expenses/expenditures have not been incurred.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Deferred Inflows of Resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resource until that time. For the District, deferred inflows of resources include unavailable revenue. Unavailable revenue is reported only on the governmental funds' balance sheet and represents special assessments receivables that will not be collected within the available period (sixty days of the year-end).

Net Position

Net position represents the difference between assets and liabilities plus deferred inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provision, enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Interfund Balances

On the District's fund financial statements, receivables and payables resulting from administrative fees associated with completed projects are classified as interfund receivables/payables. These amounts are eliminated in the governmental activities column on the statement of net position.

As a general rule, the effect of interfund (internal) activity has been eliminated from the government-wide statement of activities. Interfund services provided and used are not eliminated in the process of consolidation.

Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3—DEPOSITS

Monies held by the District are classified by State statute into three categories.

Active deposits are public deposits necessary to meet current demands upon the District. Active deposits must be maintained either as cash by the District, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the District has identified as not required for use within the current five-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Interim deposits are deposits of interim monies. Interim monies are those monies that are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the District can be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts; and with certain limitations including a requirement for maturity within a ten year form the date of settlement, bonds and other obligations of a political subdivision of the State of Ohio, if training requirements have been met;
6. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2, above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements have been met.

Protection of the District's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Secretary/Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Except as noted above, an investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the District, and must be purchased with the expectation that it will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Secretary/Treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Deposits

Custodial credit risk is the risk that in the event of bank failure, the District will not be able to recover deposits or collateral securities that are in the possession of an outside party. Although all statutory requirements for the deposit of money have been followed, noncompliance with Federal requirements could potentially subject the District to a successful claim by the Federal Deposit Insurance Corporation (FDIC).

The District has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by:

- Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State. For 2023, the District's financial institution was approved for a collateral rate of 102% through the OPCS.

At year-end, the District's carrying balance was \$2,337,060. Of the bank balance of \$2,503,671, \$2,253,671 was exposed to custodial credit risk and was collateralized with the OPCS, while \$250,000 was covered by the FDIC.

NOTE 4—RISK MANAGEMENT

The District is subjected to certain types of risk in the performance of its normal functions and is covered under the Delaware County's insurance policy.

NOTE 5—INTERGOVERNMENT AGREEMENTS

The Delaware County Commissioners and Delaware County Engineer's Office have committed to provide funding to the District to facilitate the development and implementation of the District's projects. These contributions are reported as intergovernmental revenues in the Capital Projects Fund in the basic financial statements. The District also earns a percentage on each agreement, as stipulated in each agreement, for administrative fees that are recorded as charges for services revenue in the General Fund in the basic financial statements. As part of the funding commitment agreements between the District, the Delaware County Commissioners, and the Delaware County Engineer's Office, the District is required to return all unspent monies associated with a project to the Delaware County Engineer's Office after the project has been completed and the District has received its share of administrative fees.

In 2023, the District completed the Home Road and Sawmill Parkway Improvement projects. The total project cost was \$3,037,127 and administrative fees were \$75,720. The District returned \$1,087,153 in unspent funds out of the total of \$3,800,000 that was advanced by the Delaware County Engineers Office in prior years, with ODOT funding in the amount of \$400,000 covering the balance of the project costs.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The District reported \$122,807 as unearned revenue at year-end on the basic financial statements. This balance is comprised of the amount remaining on the total of \$2,400,000 in funding that has been advanced from the Delaware County Commissioners for the Interstate 71/U.S. 36/Sunbury Parkway Interchange project (\$1,800,000 in 2022 and \$600,000 in 2023).

NOTE 6—RECEIVABLES

Receivables at December 31, 2023 consisted of amounts due from special assessments in the amount of \$372,357 for the completion of the Riverby Estates improvements. Special assessments reported in the General Fund are expected to be collected over the next 18 years as part of the property tax collections from residents at Riverby Estates.

NOTE 7—CONTINGENCIES

The District received financial assistance from State agencies in the form of grants. The disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claim resulting from such audits could become a liability of the general fund. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District.

**Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
*Government Auditing Standards***

Delaware County Transportation Improvement District
Delaware County
140 North Sandusky Street
Delaware, Ohio 43015

To the Members of the Board of Trustees:

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of the Delaware County Transportation Improvement District, Delaware County, Ohio, a component unit of Delaware County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Delaware County Transportation Improvement District’s basic financial statements, and have issued our report thereon dated May 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Delaware County Transportation Improvement District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Delaware County Transportation Improvement District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Delaware County Transportation Improvement District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Delaware County Transportation Improvement District’s financial statements will not be prevented, or detected and corrected, on a timely basis. 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 deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Delaware County Transportation Improvement District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Delaware County Transportation Improvement District
Delaware County
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Delaware County Transportation Improvement District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delaware County Transportation Improvement District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
May 29, 2024

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OHIO AUDITOR OF STATE KEITH FABER



DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 6/27/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov