

313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358



# PERRY & Associates

Certified Public Accountants, A.C.

**DELHI TOWNSHIP  
HAMILTON COUNTY  
Regular Audit**

**For the Years Ended December 31, 2016 and 2015**

[www.perrycpas.com](http://www.perrycpas.com)

*...“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 •





# 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, 2015 through December 31, 2016. 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

August 3, 2017

**This page intentionally left blank.**

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2016 .....	3
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary Fund Types - For the Year Ended December 31, 2016 .....	4
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2015 .....	5
Combined Statement of Receipts, Disbursements, and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary Fund Types - For the Year Ended December 31, 2015 .....	6
Notes to the Financial Statements .....	7
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	16
Schedule of Audit Findings .....	18
Schedule of Prior Audit Findings.....	19

**This page intentionally left blank.**



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market St., Suite 300  
Wheeling, WV 26003  
304.232.1358

## INDEPENDENT AUDITOR'S REPORT

June 26, 2017

Delhi Township  
Hamilton County  
934 Neeb Road  
Cincinnati, Ohio 45233

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the cash balances, receipts, and disbursements by fund type, and related notes of **Delhi Township**, Hamilton County, (the Township) as of and for the years ended December 31, 2016 and 2015.

### ***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 opinions.

[www.perrycpas.com](http://www.perrycpas.com)  
...*"bringing more to the table"*

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

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2016 and 2015, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of Delhi Township, Hamilton County as of December 31, 2016 and 2015, 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 2.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2017, 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 (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>					
Property and Other Local Taxes	\$ 278,128	\$ 8,361,917	\$ -	\$ -	\$ 8,640,045
PILOT (Payment in Lieu of Taxes)	-	4,041,862	-	-	4,041,862
Charges for Services	-	607,809	-	-	607,809
Licenses, Permits and Fees	386,419	100,536	-	-	486,955
Fines and Forfeitures	22,302	10,071	-	-	32,373
Intergovernmental	446,835	2,188,882	-	-	2,635,717
Special Assessments	89,786	42,431	-	-	132,217
Earnings on Investments	44,507	1,173	-	-	45,680
Miscellaneous	61,102	195,864	-	-	256,966
<i>Total Cash Receipts</i>	<u>1,329,079</u>	<u>15,550,545</u>	<u>-</u>	<u>-</u>	<u>16,879,624</u>
<b>Cash Disbursements</b>					
Current:					
General Government	1,312,167	3,606	-	-	1,315,773
Public Safety	-	7,920,770	-	-	7,920,770
Public Works	30,728	2,025,779	-	-	2,056,507
Health	27,676	-	-	-	27,676
Payment to Schools	-	2,329,116	-	-	2,329,116
Conservation-Recreation	-	653,683	-	-	653,683
Other	1,354	80,288	-	-	81,642
Capital Outlay	-	1,058,847	-	2,487,825	3,546,672
Debt Service:					
Principal Retirement	-	16,302	758,470	-	774,772
Interest and Fiscal Charges	-	-	153,881	-	153,881
<i>Total Cash Disbursements</i>	<u>1,371,925</u>	<u>14,088,391</u>	<u>912,351</u>	<u>2,487,825</u>	<u>18,860,492</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(42,846)</u>	<u>1,462,154</u>	<u>(912,351)</u>	<u>(2,487,825)</u>	<u>(1,980,868)</u>
<b>Other Financing Receipts (Disbursements)</b>					
Sale of Bonds	-	-	-	2,500,000	2,500,000
Transfers In	-	168,000	912,351	-	1,080,351
Transfers Out	(168,000)	(912,351)	-	-	(1,080,351)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(168,000)</u>	<u>(744,351)</u>	<u>912,351</u>	<u>2,500,000</u>	<u>2,500,000</u>
<i>Net Change in Fund Cash Balances</i>	<u>(210,846)</u>	<u>717,803</u>	<u>-</u>	<u>12,175</u>	<u>519,132</u>
<i>Fund Cash Balances, January 1</i>	<u>7,687,426</u>	<u>9,404,171</u>	<u>-</u>	<u>-</u>	<u>17,091,597</u>
<b>Fund Cash Balances, December 31</b>					
Restricted	-	10,121,974	-	12,175	10,134,149
Assigned	80,634	-	-	-	80,634
Unassigned	7,395,946	-	-	-	7,395,946
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,476,580</u>	<u>\$ 10,121,974</u>	<u>\$ -</u>	<u>\$ 12,175</u>	<u>\$ 17,610,729</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 (REGULATORY CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Enterprise	Internal Service	Totals (Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 725	\$ 270,470	\$ 271,195
Miscellaneous	-	-	-
<i>Total Operating Cash Receipts</i>	<u>725</u>	<u>270,470</u>	<u>271,195</u>
<b>Operating Cash Disbursements</b>			
Purchased Services	-	76,160	76,160
Claims	-	18,993	18,993
Other	1,670	-	1,670
<i>Total Operating Cash Disbursements</i>	<u>1,670</u>	<u>95,153</u>	<u>96,823</u>
<i>Operating Income/(Loss)</i>	<u>(945)</u>	<u>175,317</u>	<u>174,372</u>
<i>Fund Cash Balances, January 1</i>	<u>25,765</u>	<u>-</u>	<u>25,765</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 24,820</u></u>	<u><u>\$ 175,317</u></u>	<u><u>\$ 200,137</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 (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 274,565	\$ 8,203,636	\$ -	\$ 8,478,201
PILOT (Payment in Lieu of Taxes)	-	3,907,465	-	3,907,465
Charges for Services	-	573,842	-	573,842
Licenses, Permits and Fees	374,165	94,121	-	468,286
Fines and Forfeitures	16,467	30,239	-	46,706
Intergovernmental	315,940	2,193,173	-	2,509,113
Special Assessments	67,625	41,129	-	108,754
Earnings on Investments	101,413	3,320	-	104,733
Miscellaneous	44,319	251,666	-	295,985
<i>Total Cash Receipts</i>	<u>1,194,494</u>	<u>15,298,591</u>	<u>-</u>	<u>16,493,085</u>
<b>Cash Disbursements</b>				
Current:				
General Government	1,130,261	3,682	-	1,133,943
Public Safety	-	7,684,881	-	7,684,881
Public Works	30,111	1,462,937	-	1,493,048
Health	29,215	-	-	29,215
Payment to Schools	-	2,259,191	-	2,259,191
Conservation-Recreation	-	644,945	-	644,945
Other	1,304	75,703	-	77,007
Capital Outlay	53	843,954	-	844,007
Debt Service:				
Principal Retirement	-	64,868	500,000	564,868
Interest and Fiscal Charges	-	4,010	118,844	122,854
<i>Total Cash Disbursements</i>	<u>1,190,944</u>	<u>13,044,171</u>	<u>618,844</u>	<u>14,853,959</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>3,550</u>	<u>2,254,420</u>	<u>(618,844)</u>	<u>1,639,126</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	313,413	520,208	833,621
Transfers Out	(313,413)	(520,208)	-	(833,621)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(313,413)</u>	<u>(206,795)</u>	<u>520,208</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(309,863)	2,047,625	(98,636)	1,639,126
<i>Fund Cash Balances, January 1</i>	<u>7,997,289</u>	<u>7,356,546</u>	<u>98,636</u>	<u>15,452,471</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	-	9,404,171	-	9,404,171
Assigned	83,192	-	-	83,192
Unassigned	7,604,234	-	-	7,604,234
<i>Fund Cash Balances, December 31</i>	<u>\$ 7,687,426</u>	<u>\$ 9,404,171</u>	<u>\$ -</u>	<u>\$ 17,091,597</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 (REGULATORY CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 335
Miscellaneous	<u>2,500</u>
<i>Total Operating Cash Receipts</i>	<u>2,835</u>
<b>Operating Cash Disbursements</b>	
Other	<u>439</u>
<i>Total Operating Cash Disbursements</i>	<u>439</u>
<i>Operating Income</i>	2,396
<i>Fund Cash Balances, January 1</i>	<u>23,369</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 25,765</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, 2016 AND 2015**

**Note 1 – Reporting Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Delhi Township, Hamilton County, (the Township) as a body corporate and politic. A publicly-elected three-member Board of Trustees directs the Township. The Township provides road and bridge maintenance, police and fire protection, and emergency medical services.

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

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

**Note 2 – Summary of Significant Accounting Policies**

***Basis of Presentation***

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

***Fund Accounting***

The Townships uses funds to maintain financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Township are presented below:

***General Fund*** – The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Township for any purpose provided it is expended or transferred according to the general laws of Ohio.

***Special Revenue Funds*** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Township had the following significant Special Revenue Funds:

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

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

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

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

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Accounting (Continued)***

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

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

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

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

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

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

***Basis of Accounting***

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

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

***Budgetary Process***

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

***Appropriations*** – Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

***Estimated Resources*** – Estimated resources include estimates of cash to be received (budgeted receipts) unencumbered plus cash as of January 1. The County Budget Commission must approve estimated resources.

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

**Encumbrances** – The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year-end are carried over, and need not be reappropriated in the subsequent year.

A summary of 2016 and 2015 budgetary activity appears in Note 3.

**Deposits and Investments**

The Township's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Money market mutual funds (including STAR Ohio and Star Plus) are recorded at share values the mutual funds report.

**Capital Assets**

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

**Accumulated Leave**

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

**Fund Balance**

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

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

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

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

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 2 – Summary of Significant Accounting Policies (Continued)**

***Fund Balance (Continued)***

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

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

**Note 3 – Budgetary Activity**

Budgetary activity for the years ending December 31, 2016 and 2015 follows:

2016 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,451,153	\$ 1,329,079	\$ (122,074)
Special Revenue	15,383,811	15,718,545	334,734
Debt Service	912,351	912,351	-
Capital Projects	2,500,000	2,500,000	-
Enterprise	7,500	725	(6,775)
Internal Service	271,304	270,470	(834)
Total	\$ 20,526,119	\$ 20,731,170	\$ 205,051

2016 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,114,801	\$ 1,620,559	\$ 494,242
Special Revenue	17,016,402	15,913,864	1,102,538
Debt Service	912,351	912,351	-
Capital Projects	2,500,000	2,500,000	-
Enterprise	5,750	1,670	4,080
Internal Service	271,304	95,153	176,151
Total	\$ 22,820,608	\$ 21,043,597	\$ 1,777,011

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 1,419,781	\$ 1,194,494	\$ (225,287)
Special Revenue	15,503,593	15,612,004	108,411
Debt Service	520,208	520,208	-
Enterprise	7,250	2,835	(4,415)
Total	\$ 17,450,832	\$ 17,329,541	\$ (121,291)

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 3 – Budgetary Activity (Continued)**

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 2,054,315	\$ 1,587,549	\$ 466,766
Special Revenue	15,513,710	13,996,521	1,517,189
Debt Service	618,844	618,844	-
Enterprise	5,500	439	5,061
Total	\$ 18,192,369	\$ 16,203,353	\$ 1,989,016

**Note 4 – Deposits and Investments**

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

	2016	2015
Demand deposits	\$ 330,072	\$ 244,548
Certificates of Deposit	12,373	12,361
Total deposits	342,445	256,909
STAR Ohio	-	1,718,816
Federal Agency Notes	11,604,213	11,610,706
MMAX	5,864,208	3,530,931
Total investments	17,468,421	16,860,453
Total deposits and investments	\$ 17,810,866	\$ 17,117,362

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

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

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

**Note 5 – Property Taxes**

Real property taxes become a lien on January 1 preceding the October 1 date for which the Trustees adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 6 – Risk Management**

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

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

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 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, 2015 and 2014 (the latest information available).

	<u>2015</u>	<u>2014</u>
Assets	\$14,643,667	\$14,830,185
Liabilities	<u>(9,112,030)</u>	<u>(8,942,504)</u>
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

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

**Self-Insurance**

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

The Township’s employees, with the exception of full time fire department personnel, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Township contributed an amount equaling 14% of participants’ gross salaries. The Township has paid all contributions required through December 31, 2016.

***Ohio Police and Fire Pension Fund***

The Township’s certified fire fighters belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 11.5% of their wages from January 1, 2015 through June 30, 2015 and 12.25% of their wages from July 1, 2015 through December 31, 2016. The Township contributed to OP&F an amount equal to 24% of full-time firefighter’s wages. The Township has paid all contributions required through December 31, 2016.

**Note 8 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits, and OP&F contributes 0.5 percent to fund these benefits.

**Note 9 – 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%.

The prior audit did not properly disclose the outstanding balance on the lease. The correct outstanding balance as of December 31, 2014 was \$48,566. The Township paid the lease in full during May 2015.

**Note 10 – Debt**

Debt outstanding at December 31, 2016 was as follows:

	Principal	Interest Rate
Greenwell Ave. Firestation Bonds	\$ 2,246,530	2.26%
General Obligation Bonds	2,785,000	Varies
OPWC - CB13F	83,068	0%
OPWC - CB22F	24,661	0%
Total	\$ 5,139,259	

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 10 – Debt (Continued)**

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

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

The Ohio Public Works (OPWC) loans were issued in 2003 to finance the reconstruction of specific Township road projects. Payments are made from the Tax Increment Financing Fund. The prior audit report did not properly disclose the outstanding balance. The outstanding balance as of December 31, 2014 for OPWC – CB13F and OPWC – CB22F was \$108,627 and \$31,706, respectively.

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

Year ending December 31:	Greenwell Ave. Firestation Bonds	General Obligation Bonds	OPWC CB13F	OPWC CB22F
2017	\$ 308,546	\$ 619,969	\$ 12,780	\$ 3,523
2018	308,546	615,531	12,780	3,523
2019	308,546	611,806	12,780	3,523
2020	308,546	615,806	12,780	3,523
2021	308,546	620,400	12,780	3,523
2022-2024	925,638	-	19,168	7,046
Total	<u>\$ 2,468,368</u>	<u>\$ 3,083,512</u>	<u>\$ 83,068</u>	<u>\$ 24,661</u>

**Note 11 – Contingent Liabilities**

Amounts grantor agencies pay to the Township are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 12 – Component Unit**

The Delhi Township Community Improvement Corporation (CIC) is a non-profit 501(c)(3) that was created by the Delhi Township Trustees and certified by the State of Ohio, Secretary of State in December 2014. The CIC was created in order to work cooperatively for the health, safety, morals and general welfare of the citizens of Delhi Township to promote economic development and job growth within the Township. The CIC has been designated by the Delhi Township Board of Trustees as the Economic Development agent for Delhi Township. Delhi Township contributed \$200,000 to the CIC in 2016 and \$3,000 in 2015 to support economic development grant programs.

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

**Note 13 - Transfers**

During 2016, the following transfers were made:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ (168,000)
Tax Increment Financing	-	(912,351)
Park	158,000	-
Recycling Incentive Fund	10,000	-
General Bond Retirement	912,351	-
Total	<u>\$ 1,080,351</u>	<u>\$ (1,080,351)</u>

During 2015, the following transfers were made:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	-	(313,413)
Tax Increment Financing Fund	\$ -	\$ (520,208)
General Bond Retirement Fund	520,208	-
Recycling Incentive Fund	10,000	-
Police District Fund	55,269	-
Fire District Fund	77,073	-
Park Levy Fund	143,831	-
Motor Vehicle Permissive Fund	8,155	-
Road and Bridge Fund	19,085	-
Total	<u>\$ 833,621</u>	<u>\$ (833,621)</u>

During 2016 and 2015, the Township transferred money from the Tax Increment Financing Fund to the General Bond Retirement Fund in order to pay debt payments from the appropriate funds. In addition, transfers were made from the General Fund to provide additional resources for current operations.

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

**Note 14 – Subsequent Event**

In the November 2016 election, the voters of Delhi Township approved a .54 mil additional park and recreation tax levy. The estimated amount of resources for that levy, as provided by the Hamilton County Auditor, is expected to be \$240,736 per year throughout the life of the levy.



313 Second St.  
Marietta, OH 45750  
740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

104 South Sugar St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market St., Suite 300  
Wheeling, WV 26003  
304.232.1358

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

June 26, 2017

Delhi Township  
Hamilton County  
934 Neeb Road  
Cincinnati, Ohio 45233

To the Board of Trustees:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements by fund type of **Delhi Township**, Hamilton County, (the Township) as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2017, 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2016-001 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*.

***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, 2016 AND 2015**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2016-001**

**Material Weakness**

**Posting of Receipts and Disbursements**

The Township should have procedures and controls in place to help prevent and detect errors in financial reporting. The following posting errors were noted:

- Transfers-Out of the General Fund and Transfers-In to the Zoning Fund were not properly eliminated on the 2015 annual financial report when rolling up the Zoning Fund with the General Fund;
- Prior audit adjustment was improperly posted to current year revenues instead of beginning fund balance in 2015;
- Capital Outlay disbursements in the Tax Increment Fund were improperly classified as Principal Retirement in 2015;
- Public Works disbursements in the General Fund were improperly classified as General Government in 2016.

During 2016 and 2015, we noted the following receipts and disbursements were not properly classified, however, were immaterial to the financial statements and were not reclassified:

- Sale of Capital Assets were improperly recorded as Miscellaneous in 2016 and 2015 in various funds;
- Public Works disbursements were improperly recorded as General Government in 2015 in the General Fund;
- State receipts were improperly recorded as Miscellaneous in 2016 in the Police Fund.

Not posting receipts and disbursements accurately resulted in the financial statements requiring several reclassifications. The financial statements reflect all reclassifications.

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 disbursements are properly classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Township Handbook for proper classification of receipts and disbursements.

**Management's Response** – I have reviewed the material weakness of posting receipts and disbursements. These adjustments have been reviewed by the Trustees and we will make the necessary steps to avoid these errors in the future.

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2014-001	Posting Receipts and Fund Type Classification	No	Partially Corrected, Repeated as Finding 2016-001.

**This page intentionally left blank.**



# 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  
AUGUST 17, 2017**