



OHIO AUDITOR OF STATE
KEITH FABER



**DELHI TOWNSHIP
HAMILTON COUNTY**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Delhi Township
Hamilton County
934 Neeb Road
Cincinnati, Ohio 45233

To the Board of Trustees:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of Delhi Township, Hamilton County, Ohio (the Township), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type combined total as of and for the year ended December 31, 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2021, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2022, or the changes in financial position thereof for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Township, 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.

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

As described in Note 2 of the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Township. We did not modify our opinion regarding this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible 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 Township'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 GAAS and the financial audit standards in the Comptroller General of the United States' *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 GAAS 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 Township'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 Township'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.

Supplementary Information

Our audit was conducted to opine on the financial statements as a whole.

The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements.

The schedule is the responsibility of management and derives from and relates directly to the underlying accounting and other records used to prepare the financial statements. We subjected this schedule to the auditing procedures we applied to the financial statements. We also applied certain additional procedures, including comparing and reconciling the schedule directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2023, 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. 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 Township'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 Township's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio
August 11, 2023

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DELHI TOWNSHIP
HAMILTON COUNTY

Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2022

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts					
Property and Other Local Taxes	\$299,619	\$10,905,446	\$0	\$0	\$11,205,065
Charges for Services	0	97,599	0	0	97,599
Licenses, Permits and Fees	416,311	825,595	0	0	1,241,906
Fines and Forfeitures	17,205	21,628	0	0	38,833
Intergovernmental	407,623	3,774,898	0	0	4,182,521
Special Assessments	56,853	37,512	0	0	94,365
Earnings on Investments	187,048	0	0	81,169	268,217
Miscellaneous	39,952	5,287,313	0	0	5,327,265
	<u>1,424,611</u>	<u>20,949,991</u>	<u>0</u>	<u>81,169</u>	<u>22,455,771</u>
<i>Total Cash Receipts</i>					
Cash Disbursements					
Current:					
General Government	1,418,929	59,479	0	0	1,478,408
Public Safety	0	13,491,046	0	0	13,491,046
Public Works	33,175	1,272,667	0	0	1,305,842
Health	0	550	0	0	550
Conservation-Recreation	0	813,300	0	0	813,300
Other	0	2,669,778	0	0	2,669,778
Capital Outlay	109,615	2,011,363	0	6,501,832	8,622,810
Debt Service:					
Principal Retirement	0	16,303	290,059	0	306,362
Interest and Fiscal Charges	0	0	914,736	0	914,736
	<u>1,561,719</u>	<u>20,334,486</u>	<u>1,204,795</u>	<u>6,501,832</u>	<u>29,602,832</u>
<i>Total Cash Disbursements</i>					
	<u>(137,108)</u>	<u>615,505</u>	<u>(1,204,795)</u>	<u>(6,420,663)</u>	<u>(7,147,061)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>					
Other Financing Receipts (Disbursements)					
Sale of Capital Assets	306	84,392	0	0	84,698
Transfers In	200,000	550	1,856,232	0	2,056,782
Transfers Out	(200,550)	(439,674)	0	(1,416,557)	(2,056,781)
	<u>(244)</u>	<u>(354,732)</u>	<u>1,856,232</u>	<u>(1,416,557)</u>	<u>84,699</u>
<i>Total Other Financing Receipts (Disbursements)</i>					
	<u>(137,352)</u>	<u>260,773</u>	<u>651,437</u>	<u>(7,837,220)</u>	<u>(7,062,362)</u>
<i>Net Change in Fund Cash Balances</i>					
	<u>\$6,574,407</u>	<u>\$18,505,149</u>	<u>\$14</u>	<u>\$29,489,206</u>	<u>\$54,568,776</u>
<i>Fund Cash Balances, January 1</i>					
	<u>\$6,437,055</u>	<u>\$18,765,922</u>	<u>\$651,451</u>	<u>\$21,651,986</u>	<u>\$47,506,414</u>
<i>Fund Cash Balances, December 31</i>					

See accompanying footnotes to the basic financial statements

Delhi Township

Hamilton County

Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Cash Basis)

All Proprietary Fund Types

For the Year Ended December 31, 2022

	<u>Enterprise</u>	<u>Internal Service</u>	<u>Totals (Memorandum Only)</u>
Operating Cash Receipts			
Charges for Services	\$1,458	\$1,663,589	\$1,665,047
<i>Total Operating Cash Receipts</i>	<u>1,458</u>	<u>1,663,589</u>	<u>1,665,047</u>
Operating Cash Disbursements			
Claims	0	1,562,878	1,562,878
Other	870	0	870
<i>Total Operating Cash Disbursements</i>	<u>870</u>	<u>1,562,878</u>	<u>1,563,748</u>
<i>Operating Income (Loss)</i>	<u>588</u>	<u>100,711</u>	<u>101,299</u>
<i>Fund Cash Balances, January 1</i>	<u>\$28,480</u>	<u>\$580,426</u>	<u>\$608,906</u>
<i>Fund Cash Balances, December 31</i>	<u>\$29,068</u>	<u>\$681,137</u>	<u>\$710,205</u>

See accompanying footnotes to the basic financial statements

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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

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

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

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

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

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

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

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

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 (C). 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 (C) permit.

Budgetary Process

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

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

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

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

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 2022 budgetary activity appears in Note 3.

Deposits and Investments

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

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

Capital Assets

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

Accumulated Leave

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

Fund Balance

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

Nonspendable – The Township classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balances includes unclaimed monies that are required to be held for five years before they may be utilized by the Township and the nonspendable portion of the corpus in permanent funds.

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*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrance outstanding at year end.

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.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 2 – Summary of Significant Accounting Policies (Continued)

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. For regulatory purposes, limited disclosures related to fund balance is included in Note 14.

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2022 as follows:

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 995,060	\$ 1,624,917	\$ 629,857
Special Revenue	20,319,942	21,034,933	714,991
Debt Service	1,856,232	1,856,232	-
Capital Projects	1,729,719	81,169	(1,648,550)
Enterprise	5,000	1,458	(3,542)
Internal Service	1,845,355	1,663,589	(181,766)
Total	<u>\$ 26,751,308</u>	<u>\$ 26,262,298</u>	<u>\$ (489,010)</u>

2022 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 3,533,407	\$ 2,442,439	\$ 1,090,968
Special Revenue	26,697,896	24,368,026	2,329,870
Debt Service	1,204,795	1,204,795	-
Capital Projects	29,880,558	28,590,240	1,290,318
Enterprise	4,000	870	3,130
Internal Service	1,798,000	1,563,208	234,792
Total	<u>\$ 63,118,656</u>	<u>\$ 58,169,578</u>	<u>\$ 4,949,078</u>

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:

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 4 – Deposits and Investments (Continued)

	2022
Demand deposits	\$ 2,526,707
Certificates of Deposit	2,012,441
Total deposits	4,539,148
Commercial Paper	20,605,807
Federal Agency Notes	12,421,408
Money market	10,650,256
Total investments	43,677,471
Total deposits and investments	\$ 48,216,619

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. At December 31, 2022, \$4,539,148 of deposits were not at risk.

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. The carrying values of the investments are at cost. At December 31, 2022, the amount of investments at risk are \$43,677,471.

Note 5 – Property Taxes

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

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

Note 6 – Risk Management

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

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

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 6 – Risk Management (Continued)

OPRM coverage programs are developed specific to each member’s risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member’s exposure to loss. The treaty reimburses the OPRM 55% for losses between \$200,000 and \$1,000,000. The reimbursement is based on the amount of loss between \$200,000 and \$1,000,000. Effective November 1, 2020, the OPRM’s property retention was 55%, however the Plan assumed 100% of the first \$250,000 casualty treaty. Effective November 1, 2021, the OPRM’s property retention increased from 55% to 65%, while the casualty treaty remains unchanged and still assumes 100%

of the first \$250,000 casualty treaty. OPRM had 769 and 771 members of December 31, 2021 and 2020 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, 2021 and 2020 (the latest information available).

	<u>2021</u>	<u>2020</u>
Assets	\$21,777,439	\$18,826,974
Liabilities	<u>(15,037,383)</u>	<u>(13,530,267)</u>
Members’ Equity	<u>\$6,740,056</u>	<u>\$5,296,707</u>

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

Self-Insurance

The Township provides health, vision, dental and life insurance to its employees. Dental, vision and life benefits are paid via traditional premium insurance. Medical benefits are provided through a benefits management agreement by and between the Township and Key Benefit Administrators in 2022. Hylant secures Stop Loss Insurance. The plan is funded by employee payroll deductions and Township contributions. Actual claims are then processed and paid. Monthly premiums are paid in addition to funding a self-insurance portion. The self-insurance portion is funded by both the Township and the employee and is deposited into the self-insurance fund, from which claims are then paid.

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Township employees, with the exception of fulltime 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.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 7 – Defined Benefit Pension Plans (Continued)

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, 2022.

Ohio Police and Fire Pension Fund

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

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Township contributed to OP&F an amount equal to 24% of full-time firefighters' and full-time police officers' wages, respectively. The Township has paid all contributions required through December 31, 2022.

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.

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. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 2 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 2.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Debt

Debt outstanding at December 31, 2022 was as follows:

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Principal	Interest Rate
Greenwell Ave. Firestation Bonds	\$ 600,045	2.26%
OPWC - CB13F	12,780	0%
OPWC - CB22F	7,046	0%
Pumper truck	359,715	2.19%
Ladder truck	946,650	1.99%
Series 2021A tax exempt bonds	18,500,000	2.375%- 4.00%
Series 2021B taxable bonds	10,000,000	2.253% - 4.00%
Total	<u>\$ 30,426,236</u>	

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 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.

On July 1, 2021, the Township entered a master lease agreement, for a pumper truck for the Fire department. The Township will pay quarterly lease payments beginning October 2021, with an annual interest rate of 1.99%

On October 15, 2021, the Township entered a master lease agreement, for a ladder truck for the Fire department. The Township will pay five annual lease payments beginning October 2022, with an annual interest rate of 1.99%

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

Year ending Dec 31,	Greenwell Ave. Firestation Bonds	OPWC CB13F	OPWC CB22F	Pumper Truck Lease	Ladder Truck Lease
2023	308,546	12,780	3,523	210,077	248,728
2024	308,546	-	3,523	157,558	248,728
2025	-	-	-	-	248,727
2026	-	-	-	-	248,727
Total	<u>\$ 617,092</u>	<u>\$ 12,780</u>	<u>\$ 7,046</u>	<u>\$ 367,635</u>	<u>\$ 994,910</u>

On November 30, 2021, the Township issued Series 2021A (tax exempt) and Series 2021B (taxable) long-term general obligation bonds in the amount of \$18,500,000 and \$10,000,000, respectively, for the development of Delhi Towne Square. Delhi Towne Square is a catalytic mixed-use project located in the heart of Delhi Township. Delhi Towne Square is both a public and private partnership with the township building and operating a new 89,711-sq. ft. building that will contain township offices (8,623-sq. ft.), community art galleries, classrooms and auditorium (21,390-sq. ft.), pre-K classrooms (8,282-sq. ft.), and a recreation center (44,033-sq. ft.). An additional future tenant space (7,383-sq. ft.) is also included within the building.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 9 – Debt (Continued)

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

Year ending Dec 31,	Series 2021A Tax Exempt	Series 2021B Taxable	Aggregate
2023	579,275	324,491	903,766
2024	909,125	504,291	1,413,416
2025	964,075	536,891	1,500,966
2026	1,077,075	597,891	1,674,966
2027	1,121,325	616,091	1,737,416
Thereafter	22,554,213	12,456,041	35,010,254
Total	<u>\$ 27,205,088</u>	<u>\$ 15,035,696</u>	<u>\$ 42,240,784</u>

Note 10 – Contingent Liabilities

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

Note 11 – Related Organization

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 \$85 to the CIC in 2022 to support economic development grant programs.

Note 12 – Transfers

During 2022, the following transfers were made:

	Transfers In	Transfers Out
General Fund	\$ 200,000	\$ (200,550)
Tax Increment Financing	-	(439,674)
Underground Storage Tank	550	
General Bond Retirement	1,856,232	-
Capital Projects		(1,416,557)
Total	<u>\$ 2,056,782</u>	<u>\$ (2,056,781)</u>

During 2022, the Township transferred money from the Tax Increment Financing Fund and Capital Projects Fund to the General Bond Retirement Fund in order to pay debt payments from the appropriate funds. In addition, transfers were made from the General Fund to provide additional resources for current operations.

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

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 13 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures may impact subsequent periods of the Township. The Township’s investment portfolio and the investments of the pension and other employee benefit plan in which the Township participates have not incurred a significant decline in fair value. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the Township’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

Note 14 – Fund Balances

Included in fund balances are amounts the Township cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods and services. Encumbrance accounting utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Internal Service</u>	<u>Capital Projects</u>	<u>Total</u>
Nonspendable:					
Unclaimed Monies					\$0
Outstanding Encumbrances	680,170	3,593,866	330	20,671,851	24,946,217
Total	<u>\$680,170</u>	<u>\$3,593,866</u>	<u>\$330</u>	<u>\$20,671,851</u>	<u>\$24,946,217</u>

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted, committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted. Committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**DELHI TOWNSHIP
HAMILTON COUNTY, OHIO**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDING DECEMBER 31, 2022**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF TREASURY			
Covid-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	n/a	<u>\$2,227,638</u>
Total U.S. Department of Treasury			<u>\$2,227,638</u>
U.S. Department of Homeland Security			
<i>Passed Through Hamilton County, Ohio</i> Building Resilient Infrastructure and Communities	97.047	FEMA-PDMC-FY-17	<u>\$384,681</u>
Total U.S. Department of Homeland Security			<u>\$384,681</u>
Total Expenditures of Federal Awards			<u><u>\$2,612,319</u></u>

The accompanying notes are an intergal part of this schedule.

**DELHI TOWNSHIP
HAMILTON COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022**

NOTE A - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Delhi Township, Hamilton County, Ohio (the Township), under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Township, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Township.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement.

NOTE C - INDIRECT COST RATE

The Township has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - MATCHING REQUIREMENTS

Certain federal programs require the Township to contribute non-federal funds (matching funds) to support the federally-funded programs. The Township has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

OHIO AUDITOR OF STATE KEITH FABER



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

Delhi Township
Hamilton County
934 Neeb Road
Cincinnati, Ohio 45233

To the Board of Trustees:

We have audited, in accordance with 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 (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type combined total of Delhi Township, Hamilton County, (the Township) as of and for the year ended December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated August 11, 2023, wherein we noted the Township followed financial reporting provisions Ohio Rev. Code §117.38 and Ohio Admin. Code 117-2-03(C) permit. We also noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Township.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township'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 Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township'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 Township'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 Township'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*.

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 Township'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 Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
August 11, 2023

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Delhi Township
Hamilton County
934 Neeb Road
Cincinnati, Ohio 45233

To the Board of Trustees:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Delhi Township's, Hamilton County, (the Township) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Delhi Township's major federal program for the year ended December 31, 2022. The Township's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, Delhi Township complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Township's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The Township's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to then Township's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Township's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Township's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Township's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Township's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio
August 11, 2023

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**DELHI TOWNSHIP
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Adverse under GAAP, unmodified under the regulatory basis
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	AL# 21.027 Coronavirus State and Local Fiscal Recovery Funds
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



DELHI TOWNSHIP

HAMILTON 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 8/24/2023

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
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