



Mary Taylor, CPA  
Auditor of State



**DELHI TOWNSHIP  
HAMILTON COUNTY**

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# Mary Taylor, CPA

Auditor of State

Delhi Township  
Hamilton County  
934 Neeb Road  
Cincinnati, Ohio 45233-4101

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Mary Taylor, CPA**  
Auditor of State

April 4, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Delhi Township  
Hamilton County  
934 Neeb Road  
Cincinnati, Ohio 45233-4101

To the Board of Trustees:

We have audited the accompanying financial statements of Delhi Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Township has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Township's larger (i.e. major) funds separately. While the Township does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require townships to reformat their statements. The Township has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Township as of December 31, 2006 and 2005, or its changes in financial position or cash flows for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Township, as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Township has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

**Mary Taylor, CPA**  
Auditor of State

April 4, 2008



**DELHI TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>					
Local Taxes	\$416,878	\$6,947,799	\$0	\$0	\$7,364,677
Intergovernmental	1,172,329	1,792,560		359,534	3,324,423
Payment in Lieu of Taxes (PILOT)		2,712,803			2,712,803
Special Assessments		32,715			32,715
Charges for Services		526,995			526,995
Licenses, Permits, and Fees	229,175	15,148			244,323
Fines, Forfeitures, and Penalties	20,078	7,401			27,479
Earnings on Investments	255,022	8,533			263,555
Other Revenue	11,782	252,453			264,235
	<u>2,105,264</u>	<u>12,296,407</u>	<u>0</u>	<u>359,534</u>	<u>14,761,205</u>
<b>Total Cash Receipts</b>					
<b>Cash Disbursements:</b>					
Current:					
General Government	1,113,363	150,752			1,264,115
Public Safety	1,555	6,086,267			6,087,822
Public Works	25,026	879,144			904,170
Health	26,990				26,990
Conservation - Recreation	15,100	451,360			466,460
Payments to Schools		1,550,545			1,550,545
Debt Service:					
Redemption of Principal		81,927	330,000		411,927
Interest and Fiscal Charges		15,904	327,815		343,719
Capital Outlay	145	1,120,224		325,734	1,446,103
	<u>1,182,179</u>	<u>10,336,123</u>	<u>657,815</u>	<u>325,734</u>	<u>12,501,851</u>
<b>Total Cash Disbursements</b>					
<b>Total Receipts Over/(Under) Disbursements</b>	<u>923,085</u>	<u>1,960,284</u>	<u>(657,815)</u>	<u>33,800</u>	<u>2,259,354</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Transfers-In		147,100	657,900		805,000
Transfers-Out	(147,100)	(657,900)			(805,000)
	<u>(147,100)</u>	<u>(510,800)</u>	<u>657,900</u>	<u>0</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>					
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	775,985	1,449,484	85	33,800	2,259,354
<b>Fund Cash Balances, January 1</b>	<u>1,349,716</u>	<u>2,433,549</u>	<u>450</u>	<u>35,621</u>	<u>3,819,336</u>
<b>Fund Cash Balances, December 31</b>	<u><b>\$2,125,701</b></u>	<u><b>\$3,883,033</b></u>	<u><b>\$535</b></u>	<u><b>\$69,421</b></u>	<u><b>\$6,078,690</b></u>
<b>Reserve for Encumbrances, December 31</b>	<u><b>\$81,085</b></u>	<u><b>\$114,131</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$195,216</b></u>

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

DELHI TOWNSHIP  
HAMILTON COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006

<b>Operating Cash Receipts:</b>	
Charges for Services	<u>\$19,107</u>
Total Operating Cash Receipts	<u>19,107</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	8,792
Fringe Benefits	1,192
Supplies and Materials	10,786
Other	<u>2,255</u>
Total Operating Cash Disbursements	<u>23,025</u>
Operating Income/(Loss)	<u>(3,918)</u>
Fund Cash Balances, January 1	<u>27,613</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$23,695</u></u></b>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>					
Local Taxes	\$283,898	\$4,382,292	\$0	\$0	\$4,666,190
Intergovernmental	1,349,112	1,665,133		472,627	3,486,872
Payment in Lieu of Taxes (PILOT)		2,262,680			2,262,680
Special Assessments		32,779			32,779
Charges for Services		510,756			510,756
Licenses, Permits, and Fees		15,401			15,401
Fines, Forfeitures, and Penalties	20,720	13,839			34,559
Earnings on Investments	140,704	5,318			146,022
Other Revenue	252,658	326,833			579,491
	<u>2,047,092</u>	<u>9,215,031</u>	<u>0</u>	<u>472,627</u>	<u>11,734,750</u>
<b>Cash Disbursements:</b>					
Current:					
General Government	906,035	279,824			1,185,859
Public Safety	1,941	5,308,995			5,310,936
Public Works	23,492	1,571,313			1,594,805
Health	26,366				26,366
Conservation - Recreation	8,115	478,318			486,433
Payments to Schools		1,379,420			1,379,420
Debt Service:					
Redemption of Principal		81,927	320,000		401,927
Interest and Fiscal Charges		15,904	337,895		353,799
Capital Outlay	288	367,950		430,335	798,573
	<u>966,237</u>	<u>9,483,651</u>	<u>657,895</u>	<u>430,335</u>	<u>11,538,118</u>
Total Receipts Over/(Under) Disbursements	<u>1,080,855</u>	<u>(268,620)</u>	<u>(657,895)</u>	<u>42,292</u>	<u>196,632</u>
<b>Other Financing Receipts and (Disbursements):</b>					
Transfers-In		912,363	657,895		1,570,258
Advances-In		100,000			100,000
Transfers-Out	(900,000)	(657,895)	0	(12,363)	(1,570,258)
Advances-Out		(100,000)			(100,000)
	<u>(900,000)</u>	<u>254,468</u>	<u>657,895</u>	<u>(12,363)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	180,855	(14,152)	0	29,929	196,632
Fund Cash Balances, January 1	1,168,861	2,447,701	450	5,692	3,622,704
<b>Fund Cash Balances, December 31</b>	<b><u>\$1,349,716</u></b>	<b><u>\$2,433,549</u></b>	<b><u>\$450</u></b>	<b><u>\$35,621</u></b>	<b><u>\$3,819,336</u></b>
Reserve for Encumbrances, December 31	<u>\$1,197</u>	<u>\$87,453</u>	<u>\$0</u>	<u>\$0</u>	<u>\$88,650</u>

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

DELHI TOWNSHIP  
HAMILTON COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ENTERPRISE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005

<b>Operating Cash Receipts:</b>	
Charges for Services	<u>\$24,169</u>
Total Operating Cash Receipts	<u>24,169</u>
<b>Operating Cash Disbursements:</b>	
Personal Services	12,415
Fringe Benefits	1,775
Supplies and Materials	14,832
Other	<u>1,602</u>
Total Operating Cash Disbursements	<u>30,624</u>
Operating Income/(Loss)	<u>(6,455)</u>
Fund Cash Balances, January 1	<u>34,068</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$27,613</u></u></b>
Reserve for Encumbrances, December 31	<u><u>\$0</u></u>

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of Delhi Township, Hamilton County, Ohio (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 protection, fire protection and emergency medical services.

The Township participates in the Ohio Government Risk Management Plan public entity risk pool. Note 7 to the financial statements provide additional information for this entity. The organization is:

Public Entity Risk Pool:

The Township belongs to the Ohio Government Risk Management Plan (the Ohio Plan), a risk-sharing pool available to Ohio local governments. The Ohio Plan provides property and casualty coverage for its members. The Ohio Plan is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund The Ohio Plan. The Ohio Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Township 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 Auditor of State prescribes or permits.

**C. Cash and Investments**

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

The Township values certificates of deposit and U.S. Treasury Notes at cost. Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**D. Fund Accounting**

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Police District Fund - This fund receives property tax money for providing police protection to the Township.

Fire District Fund - This fund receives property tax money for providing fire protection to the Township.

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

**3. Debt Service Fund**

This fund receives transfers from the General Fund and the Public Improvement Tax Increment Equivalent Fund which are used to repay bonds and loans.

**4. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Township had the following significant capital project funds:

Delshire/Cottillian Village Grant Fund – This fund received an Ohio Public Works grant for reconstruction of Delshire/Cottillian Village.

**5. Enterprise Fund**

This fund accounts for operations that are similar to a private business enterprise, where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Township had the following Enterprise Fund:

Concession Stand Fund – This fund receives concession stand proceeds from Township Parks.

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2006 and 2005 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

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

**G. 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.

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**2. Equity in Pooled Cash and Investments**

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

	2006	2005
Demand deposits	\$38,072	\$116,489
Certificates of deposit	11,000	11,000
Total deposits	49,072	127,489
STAR Ohio	804,760	592,031
Federal Agency Notes	5,248,553	3,127,429
Total investments	6,053,313	3,719,460
Total deposits and investments	\$6,102,385	\$3,846,949

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

**Investments:** The Township invests in Federal Agency Notes, and a Mutual Fund.

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

Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form. These mutual funds are valued at fair market value.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$2,065,340	\$2,105,264	\$39,924
Special Revenue	12,412,736	12,443,504	30,768
Debt Service	657,815	657,900	85
Capital Projects	433,800	359,534	(74,266)
Proprietary	19,107	19,107	0
Total	\$15,588,798	\$15,585,309	(\$3,489)



**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**3. Budgetary Activity (Continued)**

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$1,516,285	\$1,410,364	\$105,921
Special Revenue	12,193,347	11,108,151	1,085,196
Debt Service	657,900	657,815	85
Capital Projects	400,000	325,734	74,266
Proprietary	33,400	23,025	10,375
Total	\$14,800,932	\$13,525,089	\$1,275,843

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$1,999,926	\$2,047,092	\$47,166
Special Revenue	10,217,973	10,127,394	(90,579)
Debt Service	657,895	657,895	0
Capital Projects	635,192	472,627	(162,565)
Proprietary	24,169	24,169	0
Total	\$13,535,155	\$13,329,177	(\$205,978)

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$2,034,438	\$1,867,434	\$167,004
Special Revenue	11,025,486	10,228,999	796,487
Debt Service	657,895	657,895	0
Capital Projects	609,353	442,698	166,655
Proprietary	40,250	30,624	9,626
Total	\$14,367,422	\$13,227,650	\$1,139,772

**4. Property Tax**

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

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

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**4. Property Tax (Continued)**

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

**5. Debt**

Debt outstanding at December 31, 2006 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
General Obligation Bonds	\$6,915,000	varies
Mortgage Loans	194,762	4%
Ohio Public Works Loans	277,144	0%
Total	<u>\$7,386,906</u>	

The Township issued general obligation bonds to finance the purchase of a new firehouse, related equipment and the renovation of an existing firehouse. The Township's taxing authority collateralized the bonds.

The Mortgage Loans were assumed by the Township after the dissolution of the Delhi Township Park District on October 31, 2003. These notes were issued for park operations.

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

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

Year ending December 31:	<u>General Obligation Bonds</u>	<u>Mortgage Loans</u>	<u>Ohio Public Works Loans</u>
2007	\$656,926	\$197,291	\$16,303
2008	655,026		16,303
2009	657,076		16,303
2010	657,840		16,303
2011	657,640		16,303
2012 – 2016	3,283,798		81,515
2017 – 2021	3,279,750		81,515
2022 – 2024			34,367
Total	<u>\$9,848,056</u>	<u>\$197,291</u>	<u>\$278,910</u>

**6. Retirement Systems**

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

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**6. Retirement Systems (Continued)**

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OP&F participants contributed 10% of their wages. For 2006 and 2005, the Township contributed to OP&F an amount equal to 19.5% of full-time police members' wages and 24% of full-time fire fighters' wages, respectively. For 2006 and 2005, OPERS members contributed 9 and 8.5%, respectively, of their gross salaries and the Township contributed an amount equaling 13.7 and 13.55%, respectively, of participants' gross salaries. The Township has paid all contributions required through December 31, 2006.

**7. Risk Management**

**Commercial Insurance**

The Township has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Risk Pool Membership**

The Township belongs to 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 over 550 Ohio governments ("Members").

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is a separate legal entity. The Plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages, modified for each Member's needs. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the Member's deductible.

The Plan issues its own policies and reinsures the Plan with A- VII or better rated carriers, except for the 15% casualty and the 10% property portions the Plan retains. The Plan retains the lesser of 15% or \$37,500 of casualty losses and the lesser of 10% or \$100,000 of property losses. Individual Members are only responsible for their self-retention (deductible) amounts, which vary from member to member.

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 retained earnings at December 31, 2006 and 2005:

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**7. Risk Management (Continued)**

	<b>2006</b>	<b>2005</b>
Assets	\$9,620,148	\$8,219,430
Liabilities	<u>(3,329,620)</u>	<u>(2,748,639)</u>
Members' Equity	<u>\$6,290,528</u>	<u>\$5,470,791</u>

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

**8. Noncompliance**

Contrary to ORC 5705.36(A)(4), for the year ended December 31, 2006, actual receipts were below estimated receipts, and the deficiency reduced available resources below the current level of appropriations in the following fund by the following amount: Cottillion Village Fund (\$74,266). For the year ended December 31, 2005, actual receipts were below estimated receipts, and the deficiency reduced available resources below the current level of appropriations in the following funds by the following amounts: Cottillion Village Fund (\$139,797) and Greenwell Fund (\$22,768).



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' 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 45233-4101

To the Township Board of Trustees:

We have audited the financial statements of Delhi Township, Hamilton County, Ohio (the Township), as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated April 4, 2008, wherein we noted the Township followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Township's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Township's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Township's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Township's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Township's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2006-002.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Township's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe the significant deficiency described above (finding number 2006-002) is also a material weakness.

We also noted certain internal control matters that we reported to the Township's management in a separate letter dated April 4, 2008.

### **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, providing an opinion 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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2006-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Township's management in a separate letter dated April 4, 2008.

We intend this report solely for the information and use of the financial advisory board, management, and Board of Trustees. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

April 4, 2008

**DELHI TOWNSHIP  
HAMILTON COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2006 AND 2005**

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

**FINDING NUMBER 2006-001**

**Noncompliance Citation**

**Ohio Rev. Code, Section 5705.36(A)(4)**, requires that upon determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

As of December 31, 2006, actual receipts were below estimated receipts, and the deficiency reduced available resources below the current appropriations in the following fund:

Fund	Available Resources plus Beginning Cash Fund Balance	Current Year Appropriations Plus Prior Year Carryover Appropriations	Variance
Cottillion Village (40)	\$325,734	\$400,000	\$(74,266)

As of December 31, 2005, actual receipts were below estimated receipts, and the deficiency reduced available resources below the current appropriations in the following fund:

Fund	Available Resources plus Beginning Cash Fund Balance	Current Year Appropriations Plus Prior Year Carryover Appropriations	Variance
Cottillion Village (40)	\$415,203	\$555,000	\$(139,797)
Greenwell (41)	0	22,768	(22,768)

We recommend that the Township periodically review and compare estimated and actual receipts and make necessary amendments thereto, to reduce the risk of appropriations exceeding available resources and the potential for negative fund balances.

**FINDING NUMBER 2006-002**

**Material Weakness**

**Accounting for Revenues and Expenditures**

Monitoring controls are procedures and supervisory activities performed by management to help ensure that management's objectives are being achieved, including the objective of assuring accurate and reliable financial reports for external reporting purposes. Effective monitoring controls should enable management to identify misclassifications, errors and omissions in financial reports.

The following exceptions were noted during review of the financial statements:

- 10K exemption revenues in the amount of \$20,340 for the year 2006 and \$32,091 for the year 2005 were improperly posted to tax revenues. These revenues should have been posted to intergovernmental revenues.
- Inheritance tax revenues in the General fund in the amount of \$6,396 for the year 2006 and \$6,789.58 for the year 2005 were posted net of fees. These revenues should have been posted at the gross amount and the related fees should have been posted separately.
- Tax increment financing revenues in the Tax increment equivalent fund in the amount of \$2,712,803 for the year 2006 and \$2,262,680 for the year 2005 were improperly posted to tax revenues. These revenues should have been posted to payments in lieu of taxes.
- Local highway revenues in the Gasoline Tax fund in the amount of \$28,561 for the year 2006 and \$32,822 for the year 2005 were improperly posted to other miscellaneous revenues. These revenues should have been posted to intergovernmental revenues.
- Debt principal payments in the Tax increment equivalent fund in the amount of \$27,913 for the year 2006 and \$81,927 for the year 2005 were improperly posted to other expenditures. These payments should have been posted to payments of principal.
- Interest expenditures in the Tax increment equivalent fund in the amount of \$16,191 for the year 2006 and \$15,903 for the year 2005 were improperly posted to other expenditures. These expenditures should have been posted to payments of interest.

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 sources of revenues and expenditures are properly identified and classified on the financial statements. Adjustments have been made to the financial statements to properly reflect these transactions.

**We did not receive a response from officials to the findings reported above.**





**Mary Taylor, CPA**  
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  
MAY 8, 2008**