

**DELAWARE COUNTY
TRANSPORTATION IMPROVEMENT DISTRICT**

**(A COMPONENT UNIT OF DELAWARE COUNTY)
DELAWARE COUNTY, OHIO**

**Basic Financial Statements
(Audited)**

**For the Years Ended
December 31, 2019 and 2018**



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

We have reviewed the *Independent Auditor's Report* of the Delaware County Transportation Improvement District, Delaware County, prepared by Julian & Grube, Inc., for the audit period May 17, 2018 through December 31, 2019. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Delaware County Transportation Improvement District is responsible for compliance with these laws and regulations

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

Keith Faber
Auditor of State
Columbus, Ohio

July 29, 2020

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

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Independent Auditor's Report

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

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Delaware County Transportation Improvement District, Delaware County, Ohio, a component unit of Delaware County, as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the Delaware County Transportation Improvement District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Delaware County Transportation Improvement District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Delaware County Transportation Improvement District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Delaware County Transportation Improvement District, Delaware County, Ohio, as of December 31, 2019, and 2018, and the respective changes in financial position thereof for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 6 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Delaware County Transportation Improvement District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2020, on our consideration of the Delaware County Transportation Improvement District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delaware County Transportation Improvement District's internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 20, 2020

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Year Ended December 31, 2019
Unaudited

The management's discussion and analysis of the Delaware County Transportation Improvement District's (the District) financial performance provides an overall review of the District's financial activities for the period ended December 31, 2019. While the intent of this discussion and analysis is to look at the District's financial performance, readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's fiscal performance.

FINANCIAL HIGHLIGHTS

Key highlights for 2019:

- The District began operations on May 17, 2018, by resolution authorized by the Delaware County Board of Commissioners.
- During 2019, the District received from Delaware County \$400,000 in funding for any District transportation projects and \$5,200,000 in funding for the Home Road extension project.

USING THIS ANNUAL REPORT

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

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

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

Government-wide Statements

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

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

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

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Year Ended December 31, 2019
 Unaudited

Fund Financial Statements

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

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

DISTRICT SUMMARY

Financial Analysis

Net position may serve over time as a useful indicator of financial position. In the case of the District, activity is beginning to ramp up, with assets and net position being comprised of start-up contributions and capital funds from Delaware County.

The following table provides a summary of the District's net position at December 31, 2019 and 2018:

Table 1
Net Position

	2019	2018
Assets:		
Cash	\$ 5,799,754	\$ 199,877
Liabilities:		
Unearned revenue	5,200,000	-
Net position:		
Unrestricted	\$ 599,754	\$ 199,877

The District began operations on May 17, 2018 and received \$200,000 in start-up contributions during 2018 from Delaware County.

During 2019, the District received \$5,200,000 in capital funding from Delaware County for the Home Road extension project. With no project activity during 2019, this funding was reported as unearned revenue and will be recognized as revenue as eligible project costs and administration fees are incurred. Any unspent funds will be returned back to Delaware County.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Year Ended December 31, 2019
 Unaudited

The following table provides a summary of the changes in the District's net position for the year ended December 31, 2019 and the period of inception from May 17, 2018 to December 31, 2018:

Table 2
Change in Net Position

	2019	2018
Program revenues:		
Capital grants and contributions	\$ 400,000	\$ -
General revenues:		
Unrestricted grants and contributions	-	200,000
Other revenue	123	-
Total general revenues	123	200,000
Total revenue	400,123	200,000
Expenses:		
General government	246	123
Change in net position	399,877	199,877
Net position - beginning of year	199,877	-
Net position - end of year	\$ 599,754	\$ 199,877

As noted earlier, the District began operation in 2018 with \$200,000 in start-up contributions. During 2019, the District received \$400,000 in funding from Delaware County for the planning, development, design, construction, maintenance or repair of any transportation project undertaken by the District.

The District's Funds

The District established the General Fund during 2018 with start-up funds. During 2019, the District established the Capital Projects Fund to account for the capital funding received from Delaware County for the transportation projects.

ECONOMIC FACTORS AND FUTURE TRENDS

As noted above, the District was formed in May 2018 to facilitate transportation and related infrastructure improvement through a coordinated, cooperative, multi-jurisdictional approach. The District identified its first project during 2019 and will continue to work with the County Engineer, State and local governments, and other stakeholders to identify other opportunities within Delaware County for collaboration.

REQUESTS FOR INFORMATION

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Net Position
December 31, 2019

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash	<u>\$ 5,799,754</u>
Liabilities:	
Unearned revenue	<u>5,200,000</u>
Net position:	
Unrestricted	<u><u>\$ 599,754</u></u>

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Activities
For the Year Ended December 31, 2019

		Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
<u>Governmental Activities</u>					
General government	\$ 246	\$ -	\$ -	\$ -	\$ (246)
Public works	-	-	-	400,000	400,000
Total	<u>\$ 246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>399,754</u>
		General Revenues:			
				Other revenue	<u>123</u>
				Change in net position	399,877
				Net position - beginning of year	199,877
				Net position - end of year	<u>\$ 599,754</u>

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Balance Sheet
Governmental Funds
December 31, 2019

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash	<u>\$ 199,754</u>	<u>\$ 5,600,000</u>	<u>\$ 5,799,754</u>
Liabilities:			
Unearned revenue	<u>\$ -</u>	<u>\$ 5,200,000</u>	<u>\$ 5,200,000</u>
Fund balances:			
Assigned	-	400,000	400,000
Unassigned	<u>199,754</u>	<u>-</u>	<u>199,754</u>
Total fund balances	<u>\$ 199,754</u>	<u>\$ 400,000</u>	<u>\$ 599,754</u>
Total liabilities and fund balances	<u>\$ 199,754</u>	<u>\$ 5,600,000</u>	<u>\$ 5,799,754</u>

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Intergovernmental - County contribution	\$ -	\$ 400,000	\$ 400,000
Other	123	-	123
Total revenue	<u>123</u>	<u>400,000</u>	<u>400,123</u>
Expenditures:			
General government	<u>246</u>	-	<u>246</u>
Net change in fund balance	(123)	400,000	399,877
Fund balance - beginning of year	<u>199,877</u>	-	<u>199,877</u>
Fund balance - end of year	<u>\$ 199,754</u>	<u>\$ 400,000</u>	<u>\$ 599,754</u>

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

NOTE 1—REPORTING ENTITY

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

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

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

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

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

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

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

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

Fund Accounting

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

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

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

Capital Projects Fund is used to account for capital contributions received from the Delaware County Commissioners for various projects undertaken by the District, including the Home Road extension project.

Measurement Focus

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

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (e.g., revenues and other financing sources) and uses (e.g., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore will include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds, as needed. For the year ended December 31, 2019, there were no differences in presentation that require a reconciliation.

Classification of Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the District's Board or by State statute.

5. Unassigned

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

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

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures, however, there were no differences between the accrual and modified accrual basis of accounting for this period.

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

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

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

Cash

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

Unearned Revenue

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

Net Position

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

Estimates

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

NOTE 3—DEPOSITS

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

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

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

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

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

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts; and with certain limitations including a requirement for maturity within a ten year form the date of settlement, bonds and other obligations of a political subdivision of the State of Ohio, if training requirements have been met;
6. No-load money market mutual funds consisting exclusively of obligations described in items 1 or 2, above, and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool State Treasury Asset Reserve of Ohio (STAR Ohio); and
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed forty percent of the interim monies available for investment at any one time if training requirements have been met.

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

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

Deposits

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

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

- Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State. For 2019, the District's financial institution was approved for a collateral rate of 102% through the OPCS.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Year Ended December 31, 2019

At year-end, the District's carrying balance and bank balance was \$5,799,754. Of the bank balance of \$5,799,754, \$5,549,754 was exposed to custodial credit risk and was collateralized with the OPCS, while \$250,000 was covered by the FDIC.

NOTE 4—RISK MANAGEMENT

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

NOTE 5—INTERGOVERNMENT AGREEMENTS

The Delaware County Commissioners and Delaware County Engineer's Office have committed to provide funding to the District to facilitate the development and implementation of the District's projects. For 2019, the Commissioners and Engineer's Office contributed \$400,000 to the District for planning, development, design, construction, maintenance or repair of any transportation project undertaken by the District reported as Intergovernmental – County contribution on the basic financial statements, and \$5,200,000 for construction plans of the Home Road Extension East of US 23, Phases 2 and 3 reported as unearned revenue.

NOTE 6—SUBSEQUENT EVENT

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 District. The impact on the District's future operating costs, receipts, and any recovery from emergency funding, either federal or state, cannot be estimated.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Period of Inception May 17, 2018 to December 31, 2018
Unaudited

The management's discussion and analysis of the Delaware County Transportation Improvement District's (the District) financial performance provides an overall review of the District's financial activities for the period ended December 31, 2018. While the intent of this discussion and analysis is to look at the District's financial performance, readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the District's fiscal performance.

FINANCIAL HIGHLIGHTS

Key highlights for 2018:

- The District began operations on May 17, 2018, by resolution authorized by the Delaware County Board of Commissioners.
- The District received \$200,000 during 2018 in start-up contributions from Delaware County.

USING THIS ANNUAL REPORT

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

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

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

Government-wide Statements

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

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

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

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Management's Discussion and Analysis
For the Period of Inception May 17, 2018 to December 31, 2018
Unaudited

Fund Financial Statements

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

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

DISTRICT SUMMARY

The District as a Whole

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the District assets and net position as of December 31, 2018 were \$199,877. The District was formed in May 2018, with the only financial activity occurring during the year being a \$200,000 start-up contribution from Delaware County and bank fees.

The District's Fund

The District's only fund established during 2018 was the General Fund, and with the minimal activity discussed above, ended the period with a fund balance of \$199,877.

ECONOMIC FACTORS AND FUTURE TRENDS

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

REQUESTS FOR INFORMATION

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Net Position
December 31, 2018

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash	\$ <u>199,877</u>
Net position:	
Unrestricted	\$ <u>199,877</u>

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Activities
For the Period of Inception May 17, 2018 to December 31, 2018

	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Governmental Activities</u>
<u>Governmental Activities</u>					
General government	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	\$ (123)
			General Revenues:		
			Grants and contributions not restricted to specific programs		<u>200,000</u>
					199,877
					-
					<u>\$ 199,877</u>

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Balance Sheet
Governmental Fund
December 31, 2018

	<u>General</u>
Assets:	
Cash	\$ <u>199,877</u>
Fund balance:	
Unassigned	\$ <u>199,877</u>

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the Period of Inception May 17, 2018 to December 31, 2018

	<u>General</u>
Revenues:	
Intergovernmental - County contribution	\$ <u>200,000</u>
Expenditures:	
General government	\$ <u>123</u>
Net change in fund balance	199,877
Fund balance - beginning of period	<u>-</u>
Fund balance - end of period	\$ <u>199,877</u>

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Period of Inception May 17, 2018 to December 31, 2018

NOTE 1—REPORTING ENTITY

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

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

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

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

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

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

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

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Period of Inception May 17, 2018 to December 31, 2018

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

Fund Accounting

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

Governmental Funds. Governmental funds are those through which all of the governmental functions are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The District only has one fund, the General Fund.

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

Measurement Focus

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

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

The Statement of Revenues, Expenditures, and Changes in Fund Balance reports on the sources (e.g., revenues and other financing sources) and uses (e.g., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore will include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds, as needed. For the year ended December 31, 2018, there were no differences in presentation that require a reconciliation.

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Period of Inception May 17, 2018 to December 31, 2018

Classification of Fund Balance

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

1. Nonspendable

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

2. Restricted

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

3. Committed

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

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as assigned unless they are restricted or committed. In the general fund, assigned amounts represent intended uses established by the District's Board or by State statute.

5. Unassigned

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

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Period of Inception May 17, 2018 to December 31, 2018

Basis of Accounting

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures, however, there were no differences between the accrual and modified accrual basis of accounting for this period.

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

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

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

Cash

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

Net Position

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

Estimates

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Period of Inception May 17, 2018 to December 31, 2018

NOTE 3—DEPOSITS

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

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

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

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

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

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

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

DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT
(A Component Unit of Delaware County)
Notes to the Basic Financial Statements
For the Period of Inception May 17, 2018 to December 31, 2018

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

Deposits

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

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

- Eligible securities pledged to the District and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105% of the deposits being secured; or
- Participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102% of the deposits being secured or a rate set by the Treasurer of State. For 2018, the District's financial institution was approved for a collateral rate of 102% through the OPCS.

At year-end, the carrying amount and bank balance of the District's deposits was \$199,877. The entire bank balance was covered by Federal depository insurance.

NOTE 4—RISK MANAGEMENT

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

NOTE 5—INTERGOVERNMENT AGREEMENTS

The Delaware County Commissioners and Delaware County Engineer's Office have committed to provide funding to the District to facilitate the development and implementation of the District's projects. For 2018, the Commissioners and Engineer's Office contributed \$200,000 to the District for start-up contributions reported as Intergovernmental – County contribution on the basic financial statements.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

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

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities and each major fund of the Delaware County Transportation Improvement District, Delaware County, Ohio, a component unit of Delaware County, as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the Delaware County Transportation Improvement District's basic financial statements and have issued our report thereon dated June 20, 2020, wherein we noted as discussed in Note 6 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Delaware County Transportation Improvement District's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Delaware County Transportation Improvement District's internal control. Accordingly, we have not opined on it.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Delaware County Transportation Improvement District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Delaware County Transportation Improvement District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Delaware County Transportation Improvement District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 20, 2020

OHIO AUDITOR OF STATE KEITH FABER



DELAWARE COUNTY TRANSPORTATION IMPROVEMENT DISTRICT

DELAWARE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 8/11/2020

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

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