

**CITY OF DELAWARE
FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
1 SOUTH SANDUSKY STREET
4:00 P.M.**

AGENDA

August 19, 2019

1. Roll Call
2. Approval of the Motion Summary for the meeting held June 17, 2019, as recorded and transcribed.
3. REVIEW of Annual Financial Statement 2018 Audit
4. DISCUSSION of 2020-2024 Capital Improvement Program
5. Staff Comments
6. Member Comments
7. Next Meeting Date
8. Adjournment

**FINANCE COMMITTEE
MOTION SUMMARY
June 17, 2019**

ITEM 1. Roll Call

Chairman Hellinger called the Finance Committee meeting to order at 3:35 p.m.

Members Present: Vice-Mayor Kent Shafer, Vice-Chairman Chris Jones and Chairman George Hellinger

Staff Present: Dean Stelzer, Finance Director and Tom Homan, City Manager

ITEM 2. Approval of the Motion Summary for the meeting held April 3, 2019 as recorded and transcribed.

Motion: Vice-Mayor Shafer moved to approve the Motion Summary from April 3, 2019, as recorded and transcribed, seconded by Vice-Chairman Jones. Motion approved by a 3-0 vote.

ITEM 3. DISCUSSION of Future Debt Financings

Mr. Stelzer discussed upcoming bond related measures that will be presented to Council. He provided updates on the bonds related to the recreational improvements. Mr. Stelzer discussed improvements made to the City Hall Annex Building and upcoming plans to make improvements to the City Hall Building, including security changes and moving offices/departments. The Committee was provided an update to the current RFP process for ERP Software.

ITEM 4. UPDATE on Southern New Community Authority Financials

Mr. Stelzer provided a background on the Southern NCA creation and the intent to fund Glenn Road. He informed the Committee that the board is expected to meet by August. He discussed that Transportation Impact Fees were added to each lot that was built in the area.

ITEM 5. DISCUSSION of 2020-2024 Capital Improvement Program

Mr. Homan discussed that he has been meeting with different departments heads on their CIP requests.

ITEM 6. UPDATE on Transportation Funding (Follow-up) from March Retreat

A discussion was held regarding the need for a levy for road improvements vs. new infrastructure. Chairman Hellinger voiced a concern over how roads can deteriorate at a faster rate if not maintained properly.

ITEM 7. DISCUSSION of Cemetery Master Plan

Mr. Stelzer discussed the purpose of the Master Plan and to look at the cemetery with a business perspective and how to run the cemetery cost effective. He discussed recent public meetings held to receive public input and recommendations to have improvements to the entrance, storm sewer, and new enhancements to the layout. He discussed how the public does currently use the cemetery as a public park.

ITEM 8. Staff Comments

ITEM 9. Member Comments

ITEM 10. Next Meeting Date

ITEM 11. Adjournment

Motion: Vice-Mayor Shafer moved to adjourn the Finance Committee meeting. The Finance Committee meeting adjourned at 5:02 p.m.

Chairman

Elaine McCloskey, Clerk

June 17, 2019

City of Delaware
Delaware County
One South Sandusky Street
Delaware, Ohio 43015

MANAGEMENT LETTER

To the City Council and Management:

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Delaware, Delaware County, (the City) in accordance with *Government Auditing Standards*, as of and for the year ended December 31, 2018, and have issued our report thereon dated June 17, 2019, wherein we noted the City adopted GASB Statement No. 75 “*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*” as disclosed in Note 2.

Government Auditing Standards also requires us to report significant internal control deficiencies and material weaknesses, fraud and illegal acts, (including noncompliance with laws and regulation), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated June 17, 2019, for the year ended December 31, 2018.

Uniform Guidance requires that we report all material (and certain immaterial) instances of noncompliance, and significant internal control deficiencies in internal control, related to major federal financial assistance programs. We have issued the required report dated June 17, 2019, for the year ended December 31, 2018.

We are also submitting the following comments for your consideration regarding the City’s compliance with applicable laws, regulations, grant agreements, contract provisions and internal control. These comments reflect matters that do not require inclusion in the report *Government Auditing Standards* require. Nevertheless, these comments represent matters for which we believe improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. However, these comments reflect our continuing desire to assist your government. If you have questions or concerns regarding these comments please feel free to contact us at your convenience.

NONCOMPLIANCE CITATION

Ohio Revised Code Section 5705.41 (D) requires that no orders or contracts involving the expenditure of monies are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

It was noted that during the year that the City incurred expenditures in which an invoice was dated prior to the purchase order as certified by the Finance Director or documentation did not exist to evidence certification of expenditures less than \$250 during the year. These expenditures tested were thus considered not to be certified in a timely manner.

**NONCOMPLIANCE CITATION
(Continued)**

Ohio Revised Code Section 5705.41(D) – (Continued)

Without timely certification, the City increases the risk that purchases may be made for an improper public purpose, expend more funds than are appropriated, or that are available in the treasury or in the process of collection. Thus a negative fund balance may result.

We recommend that all orders or contracts involving the expenditure of money be timely certified to verify all monies expended are lawfully appropriated and available in the treasury or in the process of collection. The City should consider using “Then and Now” certificates where applicable.

SUGGESTIONS FOR IMPROVING OPERATIONS

1. Cellular Telephone Allowance

The City’s cellular telephone policy has established the following tiers to determine cellular telephone usage reimbursement:

- Tier 1 Voice (occasional, but necessary City usage) - \$19.38/month;
- Tier 2 Voice/Text (necessary business usage) - \$29.38/month;
- Tier 3 Special circumstances, pre-arranged terms with City Manager require additional services at a level to be determined, generally \$31.59/bi-weekly.

As a result of the City having 27 payroll periods during 2018, tier 1 and 2 employees improperly received an additional \$8.94 and \$13.56, respectively.

We recommend the City develop procedures to monitor stipends and allowances in order to determine to when an extra payroll period occurs. In addition, we recommend the City review the policy to determine if any updates would be appropriate to align with current operations and practices.

2. Uniform Guidance Procurement Policies

2 CFR Section 200.320 describes the five methods of procurements – 1) micro-purchase (less than \$3,000), 2) simplified acquisition method (less than \$150,000), 3) sealed bids purchases (more than \$150,000), 4) competitive proposal purchases (more than \$150,000), and 5) noncompetitive purchases (special circumstances which are applicable for all purchase levels).

Provisions in Section 806 of the National Defense Authorization Act 2018 (Pub. L. 115-91, Sections 805 and 806) modified and revised the previous provisions, including raising the micro-purchase threshold to \$10,000 (previously \$3,000) and simplified acquisition threshold to \$250,000 (previously \$150,000).

The City has adopted policies on procurement, however, the policy is not current with the National Defense Authorization Act 2018. We recommend the City update its current procurement policies to address the specific requirements set forth under Section 806 of the National Defense Authorization Act 2018.

City of Delaware
Management Letter

These comments are intended solely for the information and use of the management, Finance Committee, City Council, the Auditor of State and federal awarding agencies and are not intended to be and should not be used by anyone other than these specified parties.

We appreciate the opportunity to be of service to your City. We are available to discuss this letter with you at any time. If you have any questions, please feel free to contact us at your convenience.

Wilson, Shannon & Snow, Inc.

Wilson, Shannon & Snow Inc.
Newark, Ohio

CITY OF DELAWARE
DELAWARE COUNTY
SINGLE AUDIT
JANUARY 1, 2018 – DECEMBER 31, 2018



**CITY OF DELAWARE
DELAWARE COUNTY**

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**CITY OF DELAWARE
DELAWARE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018**

Federal Grantor/ Pass Through Grantor/ Program Grant Title	Pass Through Entity Number	CFDA Number	Expenditures
U.S. Department of Justice			
Bulletproof Vest Partnership Program (Direct)	N/A	16.607	\$ 3,879
Community Oriented Policing Services (Direct)	N/A	16.111	<u>1,241</u>
Total Department of Justice			<u>5,120</u>
Administration (FAA)			
Airport Improvement Program (Direct)	3-39-0032-2017	20.106	<u>3,753</u>
Total Department of Transportation (FAA)			<u>3,753</u>
U.S. Department of Transportation; Federal Highway Administration			
<i>Passed through the Ohio Department of Transportation:</i>			
State and Community Highway Safety	DPD-00037	20.600	3,389
Repeat Offenders for Driving While Intoxicated	DPD-00037	20.608	4,878
<i>Highway Planning and Construction Cluster:</i>			
Highway Planning and Construction	95625	20.205	313,183
Highway Planning and Construction	103626	20.205	358,694
Highway Planning and Construction	107118	20.205	<u>297,747</u>
<i>Total Highway Planning and Construction Cluster:</i>			<u>969,624</u>
Total Department of Transportation (FHA)			<u>977,891</u>
U.S. Department of Housing and Urban Development			
<i>Passed through Ohio Development Services Agency:</i>			
Community Development Block Grant	A-C-15-2BE-1	14.228	<u>401</u>
Total Department of Housing and Urban Development			<u>401</u>
Total Expenditures of Federal Awards			<u>\$ 987,165</u>

The accompanying notes are an integral part of this schedule.

**CITY OF DELAWARE
DELAWARE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2018**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the City of Delaware, Delaware County (the City) under programs of the federal government for the year ended December 31, 2018. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE C - MATCHING REQUIREMENTS

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

NOTE D - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) AND HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS WITH REVOLVING LOAN CASH BALANCE

The City has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. The federal Department of Housing and Urban Development (HUD) grants money for these loans to the City, passed through the Ohio Development Services Agency. The initial loan of this money is recorded as a disbursement on the Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule. The current cash balance on the City's local program income account as of December 31, 2018 is \$270,186.

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

City of Delaware
Delaware County
One South Sandusky Street
Delaware, Ohio 43015

To City Council:

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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Delaware, Delaware County, (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 17, 2019, wherein we noted the City adopted GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" as disclosed in Note 2.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the City'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 City'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 City's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a significant deficiency. We consider finding 2018-001 to be a significant deficiency.

Compliance and Other Matters

As part of reasonably assuring whether the City'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*.

City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying corrective action plan. We did not subject the City's response to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Wilson, Shannon & Snow, Inc.

Newark, Ohio
June 17, 2019

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

City of Delaware
Delaware County
One South Sandusky Street
Delaware, Ohio 43015

To the City Council:

Report on Compliance for The Major Federal Program

We have audited the City of Delaware's (the City) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect the City of Delaware's major federal programs for the year ended December 31, 2018. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the City's major federal programs.

Management's Responsibility

The City's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the City's compliance for the City's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the City's major programs. However, our audit does not provide a legal determination of the City's compliance.

Opinion on The Major Federal Program

In our opinion, the City of Delaware complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended December 31, 2018.

Report on Internal Control over Compliance

The City's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the City's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have also audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Delaware (the City) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our unmodified report thereon dated June 17, 2019, wherein we noted the City adopted GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions" as disclosed in Note 2. We conducted our audit to opine on the City's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards presents additional analysis required by the Uniform Guidance and is not a required part of the basic financial statements. The schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records management used to prepare the basic financial statements. We subjected this schedule to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this schedule directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this schedule is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wilson, Shuman & Snow, Inc.

Newark, Ohio
June 17, 2019

**CITY OF DELAWARE
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515**

DECEMBER 31, 2018

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Highway Planning and Construction Cluster/CFDA #20.205
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: > \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520?	Yes

**CITY OF DELAWARE
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

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

Finding Number	2018-001
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Financial Reporting – Significant Deficiency

The compilation and presentation of the financial statements and the related footnotes is the responsibility of management. This responsibility remains intact if management decides to outsource this function for efficiency purposes or any other reason.

GASB Statement No. 62 “*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*” Paragraph No. 39(a) provides the issuance of long-term obligations issued for refinancing short-term obligations, issued after the date of the financial statements but before those financial statements are issued should be reported as long-term. Paragraph No. 43 provides if short-term obligations are repaid after the date of the financial statements that are matched to a specific long-term obligation, the short-term obligation should not be excluded from current liabilities.

On March 27, 2019, the City issued \$7,150,000 in general obligation bonds to refinance a portion of the \$10,265,000 various purpose notes outstanding. The City did not properly record the current and long-term portion of the bond anticipation notes payable that resulted in the following adjustments:

Opinion Unit	Account	Increase (Decrease) Assets/Liabilities
Governmental Activities	Liabilities - Notes Payable	\$3,115,000
Governmental Activities	Liabilities - Due in One Year	(3,115,000)
Governmental Activities	Net Position – Restricted for Capital Projects	(2,665,000)
Governmental Activities	Net Position – Unrestricted	2,665,000
Capital Improvement Fund	Liabilities – Notes Payable	450,000
Glenn Road South Construction Fund	Liabilities – Notes Payable	2,665,000
Capital Improvement Fund	Fund Balance – Committed	(450,000)
Glenn Road South Construction Fund	Fund Balance – Restricted	(2,665,000)

**CITY OF DELAWARE
DELAWARE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2018**

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

Finding Number	2018-001 (Continued)
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Financial Reporting – Significant Deficiency – (Continued)

In addition, the City incorrectly reported a transfers in and out between the Sewer Fund and the Nonmajor Governmental Funds. This error resulted in the following audit adjustments:

Opinion Unit	Account	Increase (Decrease) Revenues/Expenses
Governmental Activities	Revenues – Charges for Services	\$65,000
Governmental Activities	Revenues – Transfers In	(65,000)
Business-Type Activities	Expenses – Transfers Out	(65,000)
Business-Type Activities	Expenses – Services and Charges	65,000
Aggregate Remaining Fund Information	Revenues – Charges for Services	65,000
Aggregate Remaining Fund Information	Revenues – Transfers In	(65,000)
Sewer Fund	Expenses – Transfers Out	(65,000)
Sewer Fund	Expenses – Services and Charges	65,000

Although the City has developed monitoring procedures and has an understanding of the preparation of the basic financial statements, we recommend the City increase the level of monitoring which may prevent audit adjustments to the basic financial statements provided for audit.

3. FINDINGS FOR FEDERAL AWARDS

None.



**CITY OF DELAWARE
DELAWARE COUNTY**

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)**

DECEMBER 31, 2018

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2018-001	<p>The City will monitor future transactions to reduce the risk of improperly recording receipts and expenditures as transfers.</p> <p>The City will also follow GASB Statement No. 62 when recording and reporting future incurred debt obligations.</p>	12/31/2019	Dean Stelzer, Finance Director