



**VILLAGE OF DELTA
FULTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Delta
Fulton County
401 Main Street
Delta, Ohio 43515-1399

To the Village Council:

We have audited the accompanying financial statements of the Village of Delta, Fulton County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Village as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 26, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the finance committee, management, Village Council, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

July 26, 2000

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VILLAGE OF DELTA
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	Governmental Fund Types	
	General	Special Revenue
Cash Receipts:		
Property Tax and Other Local Taxes	\$411,260	\$106,176
Special Assessments	84	311
Intergovernmental Receipts	202,654	146,661
Charges for Services	65,381	13,064
Fines, Licenses, and Permits	28,744	602
Miscellaneous	85,623	571
Total Cash Receipts	793,746	267,385
Cash Disbursements:		
Current:		
Security of Persons and Property	383,151	16,853
Public Health Services	26,586	
Leisure Time Activities	500	59,305
Community Environment	9,840	
Basic Utility Services	55,801	
Transportation	94,326	99,290
General Government	170,017	
Debt Service:		
Principal Payments		
Interest Payments		
Capital Outlay	55,729	68,946
Total Cash Disbursements	795,950	244,394
Total Receipts Over/(Under) Disbursements	(2,204)	22,991
Other Financing Receipts/(Disbursements):		
Sale of Bonds or Notes		
Transfers-In		
Transfers-Out	(327)	
Other Sources	457	68,018
Total Other Financing Receipts/(Disbursements)	130	68,018
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(2,074)	91,009
Fund Cash Balances, January 1	279,666	156,813
Fund Cash Balances, December 31	\$277,592	\$247,822
Reserves for Encumbrances, December 31	\$2,250	\$5,798

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
	\$125,088		\$642,524
	12,396		12,791
	1,104,854		1,454,169
			78,445
			29,346
<u>\$13,759</u>		<u>\$2,800</u>	<u>102,753</u>
<u>13,759</u>	<u>1,242,338</u>	<u>2,800</u>	<u>2,320,028</u>
			400,004
			26,586
910			60,715
			9,840
			55,801
			193,616
			170,017
112,036	156,198		268,234
54,600	7,722		62,322
	<u>1,082,458</u>	<u>1,024</u>	<u>1,208,157</u>
<u>167,546</u>	<u>1,246,378</u>	<u>1,024</u>	<u>2,455,292</u>
<u>(153,787)</u>	<u>(4,040)</u>	<u>1,776</u>	<u>(135,264)</u>
90,000			90,000
65,226	327		65,553
	(16,492)		(16,819)
			68,475
<u>155,226</u>	<u>(16,165)</u>		<u>207,209</u>
1,439	(20,205)	1,776	71,945
20,058	138,554	2,448	597,539
<u>\$21,497</u>	<u>\$118,349</u>	<u>\$4,224</u>	<u>\$669,484</u>
	<u>\$281,840</u>		<u>\$289,888</u>

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VILLAGE OF DELTA
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$864,904		\$864,904
Miscellaneous	756		756
Total Operating Cash Receipts	<u>865,660</u>		<u>865,660</u>
Operating Cash Disbursements:			
Personal Services	476,972		476,972
Fringe Benefits	439		439
Contractual Services	105,065		105,065
Supplies and Materials	133,070		133,070
Capital Outlay	135,635		135,635
Total Operating Cash Disbursements	<u>851,181</u>		<u>851,181</u>
Operating Income	<u>14,479</u>		<u>14,479</u>
Non-Operating Cash Receipts:			
Property Tax and Other Local Taxes	224,687		224,687
Proceeds from Notes and Bonds	1,017,800		1,017,800
Other Non-Operating Receipts	3,387		3,387
Total Non-Operating Cash Receipts	<u>1,245,874</u>		<u>1,245,874</u>
Non-Operating Cash Disbursements:			
Debt Service	<u>1,234,265</u>		<u>1,234,265</u>
Total Non-Operating Cash Disbursements	<u>1,234,265</u>		<u>1,234,265</u>
Excess of Receipts Over Disbursements Before Interfund Transfers	26,088		26,088
Transfers-In	189,574		189,574
Transfers-Out	<u>(238,308)</u>		<u>(238,308)</u>
Net Disbursements Over Receipts	(22,646)		(22,646)
Fund Cash Balances, January 1	<u>782,664</u>	<u>\$12,946</u>	<u>795,610</u>
Fund Cash Balances, December 31	<u>\$760,018</u>	<u>\$12,946</u>	<u>\$772,964</u>
Reserve for Encumbrances, December 31	<u>\$40,690</u>		<u>\$40,690</u>

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

**VILLAGE OF DELTA
 COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
 FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR FIDUCIARY FUND TYPES
 FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>Governmental Fund Types</u>	
	<u>General</u>	<u>Special Revenue</u>
Cash Receipts:		
Property Tax and Other Local Taxes	\$389,272	\$131,219
Special Assessments	245	230
Intergovernmental Receipts	158,405	101,870
Charges for Services	56,627	16,991
Fines, Licenses, and Permits	31,336	1,022
Miscellaneous	76,599	1,061
	<u>712,484</u>	<u>252,393</u>
Total Cash Receipts		
Cash Disbursements:		
Current:		
Security of Persons and Property	346,464	14,742
Public Health Services	24,177	
Leisure Time Activities		57,825
Community Environment	9,740	
Basic Utility Services	30,751	
Transportation	66,792	86,427
General Government	167,248	3,055
Debt Service:		
Principal Payments		
Interest Payments		
Capital Outlay	11,825	109,684
	<u>656,997</u>	<u>271,733</u>
Total Cash Disbursements		
Total Receipts Over/(Under) Disbursements	<u>55,487</u>	<u>(19,340)</u>
Other Financing Receipts/(Disbursements):		
Sale of Bonds or Notes		
Transfers-In		
Transfers-Out	(387)	
Other Sources		
Other Uses	(25)	
	<u>(412)</u>	
Total Other Financing Receipts/(Disbursements)		
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	55,075	(19,340)
Fund Cash Balances January 1	<u>224,591</u>	<u>176,153</u>
Fund Cash Balances, December 31	<u>\$279,666</u>	<u>\$156,813</u>
Reserves for Encumbrances, December 31		<u><u>\$18,801</u></u>

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

<u>Governmental Fund Types</u>		<u>Fiduciary Fund Type</u>	<u>Totals (Memorandum Only)</u>
<u>Debt Service</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	
	\$115,266		\$635,757
	12,648		13,123
	50,000		310,275
			73,618
			32,358
		\$3,433	81,093
	177,914	3,433	1,146,224
			361,206
			24,177
\$1,514			59,339
			9,740
			30,751
			153,219
304	764	151	171,522
191,763	5,000		196,763
10,462	8,035		18,497
	259,060	8,125	388,694
204,043	272,859	8,276	1,413,908
(204,043)	(94,945)	(4,843)	(267,684)
105,000	150,000		255,000
91,264	387		91,651
	(24,264)		(24,651)
18,716			18,716
			(25)
214,980	126,123		340,691
10,937	31,178	(4,843)	73,007
9,121	107,376	7,291	524,532
\$20,058	\$138,554	\$2,448	\$597,539
	\$709		\$19,510

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VILLAGE OF DELTA
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals (Memorandum Only)</u>
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$823,335		\$823,335
Miscellaneous	1,809		1,809
Total Operating Cash Receipts	<u>825,144</u>		<u>825,144</u>
Operating Cash Disbursements:			
Personal Services	373,636		373,636
Fringe Benefits	609		609
Contractual Services	105,008		105,008
Supplies and Materials	126,918		126,918
Capital Outlay	58,851		58,851
Total Operating Cash Disbursements	<u>665,022</u>		<u>665,022</u>
Operating Income	<u>160,122</u>		<u>160,122</u>
Non-Operating Cash Receipts:			
Property Tax and Other Local Taxes	202,154		202,154
Other Non-Operating Receipts	12,300		12,300
Total Non-Operating Cash Receipts	<u>214,454</u>		<u>214,454</u>
Non-Operating Cash Disbursements:			
Debt Service	226,473		226,473
Other Non-Operating Cash Disbursements	15,052		15,052
Total Non-Operating Cash Disbursements	<u>241,525</u>		<u>241,525</u>
Excess of Receipts Over Disbursements Before Interfund Transfers	133,051		133,051
Transfers-In	194,260		194,260
Transfers-Out	<u>(261,260)</u>		<u>(261,260)</u>
Net Receipts Over Disbursements	66,051		66,051
Fund Cash Balances, January 1	<u>716,613</u>	<u>\$12,946</u>	<u>729,559</u>
Fund Cash Balances, December 31	<u>\$782,664</u>	<u>\$12,946</u>	<u>\$795,610</u>
Reserve for Encumbrances, December 31	<u>\$52,266</u>		<u>\$52,266</u>

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

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**VILLAGE OF DELTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Delta, Fulton County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a Council-Mayor form of government. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police services.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposits are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

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

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

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

VILLAGE OF DELTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Parks and Recreation Fund - This fund receives property tax revenues and charges for service fees to maintain the Village's park and pool.

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following significant debt service funds:

Sludge/Lagoon Bond Retirement Fund - Proceeds are used to pay off the reservoir debt

Restroom Note Debt Fund - Proceeds are used to pay for the construction of the new restroom at the park.

4. Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project fund:

Water Tower Construction Fund - This fund receives proceeds from the Ohio Water Development Authority (OWDA) for the construction of a new water tower.

5. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

6. Fiduciary Funds (Trust Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Village had the following significant fiduciary funds:

Wiley Trust Fund - To account for revenues and expenditures for the trust fund.

Cemetery Fund - To account for revenues and expenditures for the trust fund.

VILLAGE OF DELTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

VILLAGE OF DELTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

	<u>1999</u>	<u>1998</u>
Demand deposits	\$621,869	\$851,494
Certificates of deposit	<u>338,160</u>	<u>541,655</u>
Total deposits	<u>960,029</u>	<u>1,393,149</u>
STAR Ohio	<u>482,419</u>	<u> </u>
Total deposits and investments	<u><u>\$1,442,448</u></u>	<u><u>\$1,393,149</u></u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$712,563	\$794,203	\$81,640
Special Revenue	230,392	335,403	105,011
Debt Service	122,300	168,985	46,685
Capital Projects	1,580,435	1,242,665	(337,770)
Enterprise	1,236,874	2,301,108	1,064,234
Fiduciary	<u>4,500</u>	<u>2,800</u>	<u>(1,700)</u>
Total	<u><u>\$3,887,064</u></u>	<u><u>\$4,845,164</u></u>	<u><u>\$958,100</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$809,547	\$798,527	\$11,020
Special Revenue	339,258	250,192	89,066
Debt Service	176,140	167,546	8,594
Capital Projects	1,573,658	1,544,710	28,948
Enterprise	1,418,906	2,364,444	(945,538)
Fiduciary	<u>3,000</u>	<u>1,024</u>	<u>1,976</u>
Total	<u><u>\$4,320,509</u></u>	<u><u>\$5,126,443</u></u>	<u><u>(\$805,934)</u></u>

VILLAGE OF DELTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$653,535	\$712,484	\$58,949
Special Revenue	261,967	252,393	(9,574)
Debt Service	201,272	214,980	13,708
Capital Projects	1,071,535	328,301	(743,234)
Enterprise	1,249,028	1,233,858	(15,170)
Fiduciary	3,500	3,433	(67)
Total	<u>\$3,440,837</u>	<u>\$2,745,449</u>	<u>(\$695,388)</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$707,425	\$657,409	\$50,016
Special Revenue	337,449	290,534	46,915
Debt Service	209,430	204,043	5,387
Capital Projects	1,193,203	297,832	895,371
Enterprise	1,283,193	1,220,073	63,120
Fiduciary	9,050	8,276	774
Total	<u>\$3,739,750</u>	<u>\$2,678,167</u>	<u>\$1,061,583</u>

In 1999, expenditures exceed appropriations by \$ 945,538, in the Enterprise Fund Type.

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

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

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

VILLAGE OF DELTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Ohio Water Development Authority Loan	\$74,180	4.56%
Ohio Public Works Commission Loan	31,102	4.00%
General Obligation Bonds	321,000	5.25%
General Obligation Notes	130,000	5.25%
Special Assessment Bonds	105,000	5.00%
Mortgage Revenue Bonds	972,722	7.25%
Total	\$1,634,004	

The Ohio Water Development Authority (OWDA) loan and the Long-term Note Payable relates to a water tower plant project over a period of 20 years. The scheduled payment will be adjusted to reflect any revisions in amounts actually borrowed. In 1999 the OWDA provided a loan for the construction of a Water Tower in the amount of \$1,035,000 at 5.5% over a period of 20 years. The construction project is not completed, therefore; the loan is not included in the amortization schedule below. The loans are collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

General Obligation Bonds are direct obligations of the Village for which its full faith, credit and resources are pledged and are payable from taxes levied on all taxable property within the Village

Special Assessment Bonds consist were issued for street improvements and wastewater plant construction. Property and revenue of the Village has been pledged to repay these debts.

The Ohio Public Works Commission (OPWC) loans are for street improvements. Revenue of the Village is used to repay this debt.

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

Year ending December 31:	OPWC Loan	OWDA	General Obligation Bonds	General Obligation Note	Special assessment Bonds	Mortgage Revenue Bonds
2000	\$8,492	\$13,036	\$63,871	\$134,650	\$12,403	\$102,074
2001	8,492	13,036	63,950		12,075	102,074
2002	8,492	13,036	63,815		11,740	102,074
2003	8,492	13,036	64,466		16,400	102,074
2004		13,036	63,833		15,710	102,074
Subsequent		39,109	91,838		91,095	918,664
Total	\$33,968	\$104,289	\$411,773	\$134,650	\$159,423	\$1,429,034

VILLAGE OF DELTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

6. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions
- Inland marine

The Village also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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STATE OF OHIO
OFFICE OF THE AUDITOR

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Village of Delta
Fulton County
401 Main Street
Delta, Ohio 43515-1399

To the Village Council:

We have audited the accompanying financial statements of the Village of Delta, Fulton County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated July 26, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 1999-30126-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated July 26, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a certain matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Village in a separate letter dated July 26, 2000.

Village of Delta
Fulton County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the finance committee, management, and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

July 26, 2000

**VILLAGE OF DELTA
SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

FINDING NUMBER 1999-30126-001

Noncompliance Citation

Ohio Revised Code § 5705.41 (B) states no subdivision or taxing unit is to expend money unless it has been appropriated. The Waste Water Debt Fund had expenditures exceeding appropriations at the fund level:

	<u>Expenditures</u>	<u>Appropriations</u>
Fiscal Year 1999	<u>\$1,112,378</u>	<u>\$102,074</u>

This was caused by the roll-over of debt not reported on the financial statements and subsequent budgeting of the activity. We recommend management compare appropriations to expenditures throughout the year at the fund and legal level of control. In addition, management should review the accounting requirements for roll-over of debt. Auditor of State Bulletin 97-010 provides guidance in budgeting for debt roll overs.



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VILLAGE OF DELTA

FULTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 22, 2000**