



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF DELTA
FULTON COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Village Council:

We have audited the accompanying financial statements of the Village of Delta (the Village) as of and for the years ended December 31, 2001 and 2000. 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 audit provides 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, 2001 and 2000 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 February 21, 2002 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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.

Jim Petro
Auditor of State

February 21, 2002

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**VILLAGE OF DELTA
FULTON COUNTY**

**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, 2001**

	Governmental Fund Types	
	General	Special Revenue
Cash Receipts:		
Property Tax and Other Local Taxes	\$422,497	\$130,309
Special Assessments		
Intergovernmental Receipts	319,812	171,744
Charges for Services	68,554	15,331
Fines, Licenses, and Permits	27,196	1,090
Miscellaneous	91,269	3,704
	929,328	322,178
Cash Disbursements:		
Current:		
Security of Persons and Property	434,713	39,265
Public Health Services	30,704	
Leisure Time Activities	4,245	75,938
Community Environment	9,698	
Basic Utility Services	83,684	
Transportation	75,174	113,085
General Government	213,253	
Debt Service:		
Principal Payments		
Interest Payments		
Financing and Other Debt-Service Related	155,186	
Capital Outlay		89,052
	1,006,657	317,340
Total Cash Disbursements		
	1,006,657	317,340
Total Receipts Over/(Under) Disbursements	(77,329)	4,838
Other Financing Receipts/(Disbursements):		
Sale of Bonds or Notes		
Transfers-In		
Transfers-Out	(157)	
Other Uses	(325)	
	(482)	
Total Other Financing Receipts/(Disbursements)		
	(482)	
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(77,811)	4,838
Fund Cash Balances, January 1	260,719	198,888
Fund Cash Balances, December 31	\$182,908	\$203,726
Reserves for Encumbrances, December 31		

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>	
	\$124,095		\$676,901
	11,918		11,918
	9,652		501,208
			83,885
			28,286
<u>\$18,502</u>		<u>\$2,750</u>	<u>116,225</u>
<u>18,502</u>	<u>145,665</u>	<u>2,750</u>	<u>1,418,423</u>
			473,978
			30,704
			80,183
			9,698
			83,684
			188,259
			213,253
101,424	5,000		106,424
73,428	7,075		80,503
			155,186
	<u>113,217</u>	<u>1,022</u>	<u>203,291</u>
<u>174,852</u>	<u>125,292</u>	<u>1,022</u>	<u>1,625,163</u>
<u>(156,350)</u>	<u>20,373</u>	<u>1,728</u>	<u>(206,740)</u>
50,000			50,000
110,760	157		110,917
	(22,960)		(23,117)
			(325)
<u>160,760</u>	<u>(22,803)</u>		<u>137,475</u>
4,410	(2,430)	1,728	(69,265)
<u>8,541</u>	<u>168,132</u>	<u>3,399</u>	<u>639,679</u>
<u>\$12,951</u>	<u>\$165,702</u>	<u>\$5,127</u>	<u>\$570,414</u>
	<u>\$5,162</u>		<u>\$5,162</u>

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**VILLAGE OF DELTA
FULTON COUNTY**

**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, 2001**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$982,938		\$982,938
Miscellaneous	480		480
Total Operating Cash Receipts	<u>983,418</u>		<u>983,418</u>
Operating Cash Disbursements:			
Personal Services	513,031		513,031
Travel Transportation	588		588
Contractual Services	125,029		125,029
Supplies and Materials	137,631		137,631
Capital Outlay	92,627		92,627
Total Operating Cash Disbursements	<u>868,906</u>		<u>868,906</u>
Operating Income	<u>114,512</u>		<u>114,512</u>
Non-Operating Cash Receipts:			
Property Tax and Other Local Taxes	223,613		223,613
Other Non-Operating Receipts	4,221		4,221
Total Non-Operating Cash Receipts	<u>227,834</u>		<u>227,834</u>
Non-Operating Cash Disbursements:			
Debt Service:			
Principal Payments	93,747		93,747
Interest Payments	77,306		77,306
Total Non-Operating Cash Disbursements	<u>171,053</u>		<u>171,053</u>
Excess of Receipts Over Disbursements Before Interfund Transfers	171,293		171,293
Transfers-In	165,945		165,945
Transfers-Out	(253,745)		(253,745)
Net Receipts Over Disbursements	83,493		83,493
Fund Cash Balances, January 1	807,912	\$12,946	820,858
Fund Cash Balances, December 31	<u><u>\$891,405</u></u>	<u><u>\$12,946</u></u>	<u><u>\$904,351</u></u>
Reserve for Encumbrances, December 31			

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

**VILLAGE OF DELTA
FULTON COUNTY**

**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, 2000**

	Governmental Fund Types	
	General	Special Revenue
Cash Receipts:		
Property Tax and Other Local Taxes	\$448,720	\$82,866
Special Assessments		
Intergovernmental Receipts	260,577	171,887
Charges for Services	65,725	12,060
Fines, Licenses, and Permits	32,991	552
Miscellaneous	58,518	4,629
	<u>866,531</u>	<u>271,994</u>
Total Cash Receipts		
Cash Disbursements:		
Current:		
Security of Persons and Property	443,774	25,634
Public Health Services	29,243	
Leisure Time Activities	500	74,524
Community Environment	10,673	
Basic Utility Services	63,153	
Transportation	84,689	102,544
General Government	206,994	2,817
Debt Service:		
Principal Payments		
Interest Payments		
Capital Outlay	42,971	115,409
	<u>881,997</u>	<u>320,928</u>
Total Cash Disbursements		
Total Receipts Over/(Under) Disbursements	<u>(15,466)</u>	<u>(48,934)</u>
Other Financing Receipts/(Disbursements):		
Sale of Bonds or Notes		
Transfers-In		
Transfers-Out	(297)	
Other Uses	(1,110)	
	<u>(1,407)</u>	<u></u>
Total Other Financing Receipts/(Disbursements)		
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(16,873)	(48,934)
Fund Cash Balances, January 1	277,592	247,822
	<u>277,592</u>	<u>247,822</u>
Fund Cash Balances, December 31	<u>\$260,719</u>	<u>\$198,888</u>
Reserves for Encumbrances, December 31	<u></u>	<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>	
	\$137,309		\$668,895
	12,106		12,106
	3,249		435,713
			77,785
			33,543
<u>\$10,904</u>		<u>\$3,372</u>	<u>77,423</u>
<u>10,904</u>	<u>152,664</u>	<u>3,372</u>	<u>1,305,465</u>
			469,408
			29,243
1,546			76,570
			10,673
			63,153
			187,233
563	704		211,078
122,982	5,000		127,982
76,488	7,403		83,891
	298,477	4,197	461,054
<u>201,579</u>	<u>311,584</u>	<u>4,197</u>	<u>1,720,285</u>
<u>(190,675)</u>	<u>(158,920)</u>	<u>(825)</u>	<u>(414,820)</u>
70,000	230,798		300,798
107,719	297		108,016
	(22,392)		(22,689)
			(1,110)
<u>177,719</u>	<u>208,703</u>		<u>385,015</u>
(12,956)	49,783	(825)	(29,805)
21,497	118,349	4,224	669,484
<u>\$8,541</u>	<u>\$168,132</u>	<u>\$3,399</u>	<u>\$639,679</u>
	<u>\$85,254</u>		<u>\$85,254</u>

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**VILLAGE OF DELTA
FULTON COUNTY**

**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, 2000**

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Nonexpendable Trust</u>	
Operating Cash Receipts:			
Charges for Services	\$1,073,700		\$1,073,700
Miscellaneous	993		993
Total Operating Cash Receipts	<u>1,074,693</u>		<u>1,074,693</u>
Operating Cash Disbursements:			
Personal Services	525,596		525,596
Travel Transportation	287		287
Contractual Services	128,586		128,586
Supplies and Materials	175,586		175,586
Capital Outlay	131,066		131,066
Total Operating Cash Disbursements	<u>961,121</u>		<u>961,121</u>
Operating Income	<u>113,572</u>		<u>113,572</u>
Non-Operating Cash Receipts:			
Property Tax and Other Local Taxes	240,650		240,650
Other Non-Operating Receipts	278		278
Total Non-Operating Cash Receipts	<u>240,928</u>		<u>240,928</u>
Non-Operating Cash Disbursements:			
Debt Service:			
Principal Payments	135,510		135,510
Interest Payments	85,769		85,769
Total Non-Operating Cash Disbursements	<u>221,279</u>		<u>221,279</u>
Excess of Receipts Over Disbursements Before Interfund Transfers	133,221		133,221
Transfers-In	165,945		165,945
Transfers-Out	<u>(251,272)</u>		<u>(251,272)</u>
Net Receipts Over Disbursements	47,894		47,894
Fund Cash Balances, January 1	<u>760,018</u>	<u>12,946</u>	<u>772,964</u>
Fund Cash Balances, December 31	<u>\$807,912</u>	<u>\$12,946</u>	<u>\$820,858</u>
Reserve for Encumbrances, December 31	<u>\$2,419</u>		<u>\$2,419</u>

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

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**VILLAGE OF DELTA
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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 publicly-elected six-member Council. The Village provides water and sewer utilities, park operations, and police services. The Village contracts with Fulton, Pike, Swancreek and York Townships to provide fire protection services. The Village appropriates general fund money to support a volunteer fire department.

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

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.

Certificates of deposit and repurchase agreements are valued at cost. Money market mutual funds (including STAR Ohio) are recorded at share values reported by the mutual fund.

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.

**VILLAGE OF DELTA
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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:

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

Park and Recreation Fund - This fund receives property tax, income tax and fees to fund the construction maintenance and repair of recreational facilities.

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 fund:

Water Tower Fund - This fund receives transfers in from the Enterprise Water Fund for payment of debt service

Restroom Fund - This fund receives proceeds from sale of note for construction of public restrooms at the Delta 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 funds:

Capital Improvement Fund - This fund receives income taxes. The proceeds are used for street construction, repair and maintenance of the administration building.

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.

**VILLAGE OF DELTA
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

6. Fiduciary Funds (Trust and Agency 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. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary funds:

Wiley Trust Fund - This expendable trust fund receives interest income for the Village of Delta fire department.

Cemetery Trust Fund - This nonexpendable trust fund is used to maintain the Village Cemetery.

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 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 2001 and 2000 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's basis of accounting.

**VILLAGE OF DELTA
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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:

	2001	2000
Demand deposits	\$285,621	\$358,076
Certificates of deposit	345,700	590,743
Total deposits	631,321	948,819
Repurchase agreements	313,499	
STAR Ohio	529,945	511,718
Total investments	843,444	511,718
Total deposits and investments	\$1,474,765	\$1,460,537

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Village, or (3) 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.

At the close of each day, the Village's financial institution provides for the investment of excess available checking account funds. The Village's financial institution transfers securities to the Village's agent to collateralize repurchase agreements. The securities are not in the Village's name.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 2001 follow:

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$785,140	\$929,328	\$144,188
Special Revenue	363,955	322,178	(41,777)
Debt Service	181,400	179,262	(2,138)
Capital Projects	646,452	145,822	(500,630)
Enterprise	1,449,549	1,377,197	(72,352)
Fiduciary	3,800	2,750	(1,050)
Total	\$3,430,296	\$2,956,537	(\$473,759)

**VILLAGE OF DELTA
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$1,044,681	\$1,007,139	\$37,542
Special Revenue	400,140	317,340	82,800
Debt Service	188,198	174,852	13,346
Capital Projects	686,434	153,414	533,020
Enterprise	1,430,701	1,293,704	136,997
Fiduciary	3,500	1,022	2,478
Total	<u>\$3,753,654</u>	<u>\$2,947,471</u>	<u>\$806,183</u>

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$729,610	\$866,531	\$136,921
Special Revenue	251,732	271,994	20,262
Debt Service	199,100	188,623	(10,477)
Capital Projects	527,633	383,759	(143,874)
Enterprise	1,325,770	1,481,566	155,796
Fiduciary	4,200	3,372	(828)
Total	<u>\$3,038,045</u>	<u>\$3,195,845</u>	<u>\$157,800</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$908,896	\$883,404	\$25,492
Special Revenue	353,056	320,928	32,128
Debt Service	209,132	201,579	7,553
Capital Projects	527,640	419,230	108,410
Enterprise	1,567,747	1,436,091	131,656
Fiduciary	5,150	4,197	953
Total	<u>\$3,571,621</u>	<u>\$3,265,429</u>	<u>\$306,192</u>

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.

**VILLAGE OF DELTA
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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

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.

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5% percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

6. DEBT

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission Loan	\$16,167	5.25%
Ohio Water Development Authority Loan- Waterline	59,791	8.26%
Ohio Water Development Authority Loan- Water Tower	1,213,538	5.54%
Special Assessment Bonds	95,000	6.8%- 7.2%
General Obligation Notes	50,000	4.90%
Waste Water Plant Mortgage Revenue Bonds	874,854	5.60%
Water Works Mortgage Revenue Bonds	244,000	7.13%
Delta Industrial Development Association Loan	27,000	0.00%
Total	<u>\$2,580,350</u>	

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

The Ohio Water Development Authority (OWDA) loans relate to waterline and water tower projects. The loans are collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The General Obligation notes were issued to finance the construction of the Village's park restrooms. The notes 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.

**VILLAGE OF DELTA
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

Special Assessment Bonds were issued for street improvements and waste water plant construction. Special Assessments on residents residing within the Village limits are used to repay this debt.

The Mortgage Revenue Bonds were issued for construction of a new waste water treatment plant and construction of a reservoir for the Village's Water Works. The bonds are secured by a mortgage against the waste water treatment plant and reservoir. The Village has agreed to set utility rates sufficient to cover outstanding bond requirements. As required by the mortgage revenue bond covenants, the Village has established and funded debt service reserve funds. The balances in the funds at December 31, 2001 are \$66,600 and \$98,800.

The Delta Industrial Development Association Loan was a interest free loan to the Village for the construction of a road extension.

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

Year ending December 31:	OPWC Loan	OWDA	General Obligation Notes	Special Assessment Bonds	Mortgage Revenue Bonds	Delta Industrial Developmen t loan
2002	\$4,246	\$61,770	\$22,450	\$11,740	\$174,459	\$9,000
2003	8,492	110,504	31,470	16,400	178,540	9,000
2004	4,245	110,504		15,710	177,051	9,000
2005		110,504		15,010	166,349	
2006		110,505		14,300	102,074	
2007-2011		500,378		60,785	510,369	
2012-2016		487,341			204,148	
2017-2021		487,341				
2022-2023		185,930				
Total	<u>\$16,983</u>	<u>\$2,164,777</u>	<u>\$53,920</u>	<u>\$133,945</u>	<u>\$1,512,990</u>	<u>\$27,000</u>

7. RETIREMENT SYSTEMS

The Village's law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. OP&F 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 2001 and 2000, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. PERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of PERS participants' gross salaries through June 30, 2000. Commencing July 1, 2000, PERS temporarily reduced employer contributions to 8.13%.

The Village had a \$11,656 contribution to the OP&F and a \$11,968 contribution to PERS still outstanding at December 31, 2001.

**VILLAGE OF DELTA
FULTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

8. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles;
- Errors and omissions; and
- Inland Marine

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

9. CONTINGENT LIABILITIES

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Amounts which may be disallowed, if any, are not presently determinable. However, based on prior experience, management believes such refunds, if any, would not be material.



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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 North Main Street
Delta, Ohio 43515-1399

To the Village Council:

We have audited the accompanying financial statements of the Village of Delta (the Village) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated February 21, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated February 21, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the 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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated February 21, 2002.

This report is intended solely 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.

Jim Petro
Auditor of State

February 21, 2002

**VILLAGE OF DELTA
FULTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2001 AND 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-30126-001	Ohio Revised Code § 5705.41(B)	Yes	



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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
MARCH 21, 2002**