



**Auditor of State  
Betty Montgomery**



**VILLAGE OF DELTA  
FULTON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

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, Fulton County, (the Village) as of and for the years ended December 31, 2003 and 2002. 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, 2003 and 2002, 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 26, 2004 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.

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

**Betty Montgomery**  
Auditor of State

February 26, 2004

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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, 2003**

	Governmental Fund Types	
	General	Special Revenue
<b>Cash Receipts:</b>		
Property Tax and Other Local Taxes	\$ 458,614	\$ 143,053
Special Assessments	-	32
Intergovernmental Receipts	180,605	179,011
Charges for Services	90,744	18,349
Fines, Licenses, and Permits	48,748	1,499
Earnings on Investments	47,556	96
Miscellaneous	12,798	1,206
Total Cash Receipts	<u>839,065</u>	<u>343,246</u>
<b>Cash Disbursements:</b>		
Current:		
Security of Persons and Property	504,834	35,140
Public Health Services	19,078	-
Leisure Time Activities	332	69,569
Community Environment	20,550	-
Basic Utility Services	73,771	-
Transportation	63,391	130,313
General Government	207,914	-
Debt Service:		
Principal Payments	-	30,000
Interest Payments	-	-
Capital Outlay	4,636	38,819
Total Cash Disbursements	<u>894,506</u>	<u>303,841</u>
Total Receipts Over/(Under) Disbursements	<u>(55,441)</u>	<u>39,405</u>
<b>Other Financing Receipts and (Disbursements):</b>		
Sale of Bonds or Notes	-	-
Other Sources	150	672
Transfers In	-	-
Transfers-Out	(986)	-
Total Other Financing Receipts/(Disbursements)	<u>(836)</u>	<u>672</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(56,277)	40,077
Fund Cash Balances, January 1	<u>102,358</u>	<u>256,032</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$ 46,081</u></u>	<u><u>\$ 296,109</u></u>
Reserves for Encumbrances, December 31	<u><u>\$ 1,968</u></u>	<u><u>\$ 4,181</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT



Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$ -	\$ 128,066	\$ -	\$ 729,733
-	15,414	-	15,446
-	-	-	359,616
-	-	-	109,093
-	-	-	50,247
-	-	32	47,684
18,787	-	2,775	35,566
<u>18,787</u>	<u>143,480</u>	<u>2,807</u>	<u>1,347,385</u>
-	-	-	539,974
-	-	-	19,078
-	-	-	69,901
-	-	-	20,550
-	-	-	73,771
-	-	-	193,704
-	-	-	207,914
63,293	76,500	-	169,793
67,116	12,962	-	80,078
-	255,066	2,740	301,261
<u>130,409</u>	<u>344,528</u>	<u>2,740</u>	<u>1,676,024</u>
<u>(111,622)</u>	<u>(201,048)</u>	<u>67</u>	<u>(328,639)</u>
-	251,639	-	251,639
-	-	-	822
112,111	986	-	113,097
-	(24,311)	-	(25,297)
<u>112,111</u>	<u>228,314</u>	<u>-</u>	<u>340,261</u>
489	27,266	67	11,622
<u>14,185</u>	<u>49,399</u>	<u>8,858</u>	<u>430,832</u>
<u>\$ 14,674</u>	<u>\$ 76,665</u>	<u>\$ 8,925</u>	<u>\$ 442,454</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,149</u>

**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, 2003

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 936,725
Miscellaneous	975
	937,700
Total Operating Cash Receipts	937,700
<b>Operating Cash Disbursements:</b>	
Personal Services	557,592
Contractual Services	130,128
Supplies and Materials	155,986
Capital Outlay	90,121
	933,827
Total Operating Cash Disbursements	933,827
Operating Income	3,873
<b>Non-Operating Cash Receipts:</b>	
Property Tax and Other Local Taxes	236,923
Other Non-Operating Receipts	(1,510)
	235,413
Total Non-Operating Cash Receipts	235,413
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	191,218
	191,218
Total Non-Operating Cash Disbursements	191,218
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers	48,068
Transfers-In	178,201
Transfers-Out	(266,001)
	(39,732)
Net Receipts (Under) Disbursements	(39,732)
Fund Cash Balances, January 1	830,152
<b>Fund Cash Balances, December 31</b>	<b>\$ 790,420</b>
Reserve for Encumbrances, December 31	\$ 2,607

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Fiduciary Fund Type	Totals (Memorandum Only)
Nonexpendable Trust	
\$ -	\$ 936,725
-	975
-	937,700
-	557,592
-	130,128
-	155,986
-	90,121
-	933,827
-	3,873
-	236,923
-	(1,510)
-	235,413
-	191,218
-	191,218
-	48,068
-	178,201
-	(266,001)
-	(39,732)
12,946	843,098
<b>\$ 12,946</b>	<b>\$ 803,366</b>
<b>\$ -</b>	<b>\$ 2,607</b>

**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, 2002**

	Governmental Fund Types	
	General	Special Revenue
<b>Cash Receipts:</b>		
Property Tax and Other Local Taxes	\$ 406,672	\$ 135,862
Special Assessments	-	1,286
Intergovernmental Receipts	214,227	172,164
Charges for Services	71,665	18,542
Fines, Licenses, and Permits	37,195	1,378
Earnings on Investments	75,086	91
Miscellaneous	14,163	2,550
Total Cash Receipts	<u>819,008</u>	<u>331,873</u>
<b>Cash Disbursements:</b>		
Current:		
Security of Persons and Property	477,758	36,664
Public Health Services	16,226	-
Leisure Time Activities	1,721	75,653
Community Environment	9,970	-
Basic Utility Services	60,409	-
Transportation	83,755	106,010
General Government	212,596	2,888
Debt Service:		
Principal Payments	-	-
Interest Payments	-	-
Capital Outlay	36,671	59,646
Total Cash Disbursements	<u>899,106</u>	<u>280,861</u>
Total Receipts Over/(Under) Disbursements	<u>(80,098)</u>	<u>51,012</u>
<b>Other Financing Receipts and (Disbursements):</b>		
Sale of Bonds or Notes	-	-
Transfers-In	-	-
Other Sources	-	1,294
Transfers-Out	(230)	-
Other Uses	(222)	-
Total Other Financing Receipts/(Disbursements)	<u>(452)</u>	<u>1,294</u>
Excess of Cash Receipts and Other Financing Sources Over/ (Under) Cash Disbursements and Other Financing Disbursements	(80,550)	52,306
Fund Cash Balances, January 1	<u>182,908</u>	<u>203,726</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$ 102,358</u></u>	<u><u>\$ 256,032</u></u>
Reserves for Encumbrances, December 31	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Governmental Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
Debt Service	Capital Projects	Expendable Trust	
\$ -	\$ 120,593	\$ -	\$ 663,127
-	11,510	-	12,796
-	26,020	-	412,411
-	-	-	90,207
-	-	-	38,573
-	-	77	75,254
21,300	250	3,654	41,917
<u>21,300</u>	<u>158,373</u>	<u>3,731</u>	<u>1,334,285</u>
-	-	-	514,422
-	-	-	16,226
-	-	-	77,374
-	-	-	9,970
-	-	-	60,409
-	-	-	189,765
1,468	593	-	217,545
61,769	14,000	-	75,769
69,854	6,740	-	76,594
-	445,713	-	542,030
<u>133,091</u>	<u>467,046</u>	<u>-</u>	<u>1,780,104</u>
<u>(111,791)</u>	<u>(308,673)</u>	<u>3,731</u>	<u>(445,819)</u>
-	217,365	-	217,365
113,025	230	-	113,255
-	-	-	1,294
-	(25,225)	-	(25,455)
-	-	-	(222)
<u>113,025</u>	<u>192,370</u>	<u>-</u>	<u>306,237</u>
1,234	(116,303)	3,731	(139,582)
<u>12,951</u>	<u>165,702</u>	<u>5,127</u>	<u>570,414</u>
<u>\$ 14,185</u>	<u>\$ 49,399</u>	<u>\$ 8,858</u>	<u>\$ 430,832</u>
<u>\$ -</u>	<u>\$ 5,317</u>	<u>\$ -</u>	<u>\$ 5,317</u>

**VILLAGE OF FAYETTE  
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, 2002

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 938,951
Miscellaneous	669
	939,620
<b>Operating Cash Disbursements:</b>	
Personal Services	550,768
Contractual Services	129,414
Supplies and Materials	169,297
Capital Outlay	100,855
	950,334
Total Operating Cash Disbursements	950,334
Operating Loss	(10,714)
<b>Non-Operating Cash Receipts:</b>	
Property Tax and Other Local Taxes	223,095
Other Non-Operating Receipts	1,061
	224,156
Total Non-Operating Cash Receipts	224,156
<b>Non-Operating Cash Disbursements:</b>	
Debt Service	186,895
	186,895
Total Non-Operating Cash Disbursements	186,895
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	26,547
Transfers-In	174,459
Transfers-Out	(262,259)
	(61,253)
Net Receipts (Under) Disbursements	(61,253)
Fund Cash Balances, January 1	891,405
<b>Fund Cash Balances, December 31</b>	<b>\$ 830,152</b>
Reserve for Encumbrances, December 31	\$ 1,470

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Fiduciary Fund Type	Totals (Memorandum Only)
Nonexpendable Trust	
\$ -	\$ 938,951
-	669
-	939,620
-	550,768
-	129,414
-	169,297
-	100,855
-	950,334
-	(10,714)
-	223,095
-	1,061
-	224,156
-	186,895
-	186,895
-	26,547
-	174,459
-	(262,259)
-	(61,253)
12,946	904,351
<b>\$ 12,946</b>	<b>\$ 843,098</b>
<b>\$ -</b>	<b>\$ 1,470</b>

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**VILLAGE OF DELTA  
FULTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

**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 the York Township to provide security of persons and property. The Village has a special revenue fund 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 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:

**VILLAGE OF DELTA  
FULTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**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:

*Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing the 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 funds:

*Water Tower Fund* - This fund receives lease payments and transfers in from the Enterprise Water Fund for payment of debt service.

*Restroom Fund* - This fund receives proceeds from the 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 fund:

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

**VILLAGE OF DELTA  
FULTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**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* - 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.

**VILLAGE OF DELTA  
FULTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**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 2003 and 2002 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.

**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:

	2003	2002
Demand deposits	\$ 362,626	\$ 266,935
Certificates of deposit	313,005	669,768
Total deposits	675,631	936,703
STAR Ohio	570,189	337,227
Total deposits and investments	\$ 1,245,820	\$ 1,273,930

**VILLAGE OF DELTA  
FULTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

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

**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, 2002 and 2003 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 794,552	\$ 839,215	\$ 44,663
Special Revenue	351,220	343,918	(7,302)
Debt Service	132,850	130,898	(1,952)
Capital Projects	867,600	396,105	(471,495)
Enterprise	1,421,289	1,351,314	(69,975)
Fiduciary	3,800	2,807	(993)
Total	\$ 3,571,311	\$ 3,064,257	\$ (507,054)

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 913,890	\$ 897,460	\$ 16,430
Special Revenue	353,638	308,022	45,616
Debt Service	130,829	130,409	420
Capital Projects	845,746	368,839	476,907
Enterprise	1,473,682	1,393,653	80,029
Fiduciary	3,500	2,740	760
Total	\$ 3,721,285	\$ 3,101,123	\$ 620,162

**VILLAGE OF DELTA  
FULTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 781,782	\$ 819,008	\$ 37,226
Special Revenue	341,165	333,167	(7,998)
Debt Service	135,350	134,325	(1,025)
Capital Projects	647,940	375,968	(271,972)
Enterprise	1,409,689	1,338,235	(71,454)
Fiduciary	3,800	3,731	(69)
Total	<u>\$ 3,319,726</u>	<u>\$ 3,004,434</u>	<u>\$ (315,292)</u>

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 914,983	\$ 899,558	\$ 15,425
Special Revenue	354,214	280,861	73,353
Debt Service	142,363	133,091	9,272
Capital Projects	733,302	497,588	235,714
Enterprise	1,482,036	1,400,958	81,078
Fiduciary	3,500	3,500	-
Total	<u>\$ 3,630,398</u>	<u>\$ 3,212,056</u>	<u>\$ 418,342</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 February 5. If the property owner elects to make semiannual payments, the first half is due February 5. The second half payment is due the following July 20.

**VILLAGE OF DELTA  
FULTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

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 either 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, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan- Waterline	\$ 42,927	8.26%
Ohio Water Development Authority Loan- Water Tower	1,154,643	5.54%
Special Assessment Bonds	80,000	6.8% - 7.2%
General Obligation Note- Adrian Street Resurfacing	87,500	3.75%
Waste Water Plant Mortgage Revenue Bonds	765,718	5.60%
Water Works Mortgage Revenue Bonds	126,000	7.13%
Delta Industrial Development Association Loan	9,000	0.00%
Total	<u>\$ 2,265,788</u>	

The Ohio Water Development Authority (OWDA) loans were made to finance a water line 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 note was issued to finance the Adrian Street resurfacing project. The note is a direct obligation 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, 2003 AND 2002  
(Continued)

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.

The Delta Industrial Development Association Loan was used to construct an extension road in the Village Industrial Park. 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:	OWDA Loan	General Obligation Notes	Special Assessment Bonds	Mortgage Revenue Bonds	Delta Industrial Development Loan
2004	\$ 108,717	\$ 90,790	\$ 15,710	\$ 177,051	\$ 9,000
2005	108,717	-	15,010	166,349	-
2006	108,717	-	14,300	102,074	-
2007	108,718	-	13,590	102,073	-
2008	95,681	-	12,875	102,074	-
2009 – 2013	478,406	-	34,320	510,369	-
2014 – 2018	478,405	-	-	-	-
2019 – 2023	478,406	-	-	-	-
2024 – 2028	47,841	-	-	-	-
Total	<u>\$ 2,013,608</u>	<u>\$ 90,790</u>	<u>\$ 105,805</u>	<u>\$ 1,159,990</u>	<u>\$ 9,000</u>

**7. OWDA LOAN**

The Village executed a loan agreement with The Ohio Water Development Authority (OWDA) in the amount of \$385,238 at 5.65 percent on February 28, 2002 for the construction of a new water plant. As of December 31, 2003 the Village loan outstanding to the OWDA is \$305,549. When the project is completed the OWDA will close the loan and issue the Village an amortization schedule. The loan will be secured by revenues from the Village's water system.



**VILLAGE OF DELTA  
FULTON COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)

**8. 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 Ohio Public Employees Retirement System (OPERS). OP&F and OPERS 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 2003 and 2002, OP&F participants contributed 10 percent of their wages. The Village contributed an amount equal to 19.5 percent of police participant wages. Members of OPERS contributed 8.5 percent of their wages for 2003 and 2002. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2003.

**9. RISK MANAGEMENT**

**Commercial Insurance**

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 coverage to full-time employees through a private carrier.

**10. 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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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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, Fulton County, (the Village) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated February 26, 2004. 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 a certain immaterial instance of noncompliance that we have reported to management of the Village in a separate letter dated February 26, 2004.

**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 a matter 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 26, 2004.

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.



**Betty Montgomery**  
Auditor of State

February 26, 2004



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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 30, 2004**