

**CITY OF DELTA, UTAH
INDEPENDENT AUDITORS' REPORT
GENERAL-PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS REPORT IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*
INDEPENDENT AUDITORS' REPORT
ON LEGAL COMPLIANCE
FOR THE YEAR ENDED JUNE 30, 2001**

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JUNE 30, 2001**

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INDEPENDENT AUDITORS' REPORT

August 16, 2001

The Honorable Mayor, and
Members of the City Council
City of Delta, Utah

Mayor and Council Members:

We have audited the accompanying general-purpose financial statements of the City of Delta, Utah, as of and for the year ended June 30, 2001, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the management of the City of Delta, Utah. Our responsibility is to express an opinion on these general-purpose 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 general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Delta, Utah, as of June 30, 2001, and the results of its operations and cash flows for the proprietary fund types and non-expendable trust funds for the year then ended in conformity with generally accepted accounting principles.

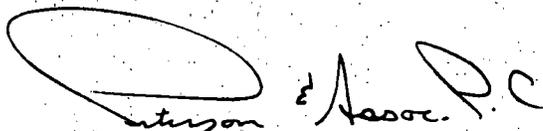
In accordance with *Government Auditing Standards*, we have also issued a report dated August 16, 2001, on our consideration of Delta City's internal control over

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financial reporting and on 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.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules, listed as Supplementary Information and Schedules, in the Table of Contents are presented for the purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Delta, Utah. The information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Peterson & Associates, P.C.", is written over a large, faint, circular watermark or stamp.

Peterson & Associates, P.C.
Certified Public Accountants



GENERAL-PURPOSE FINANCIAL STATEMENTS

CITY OF DELTA, UTAH
 COMBINED BALANCE SHEET--
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2001
 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2000)

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS			TOTALS	
	General	Debt Service	Capital Projects	Enterprise	Trusts	General	Fixed Assets	Term Debt	(Memorandum Only)		
									2001	2000	
ASSETS AND OTHER DEBITS											
ASSETS											
Cash and Cash Equivalents	\$ 118,814	\$	\$	\$ 156,078	\$ 29,761	\$	\$	\$	\$ 304,653	\$ 273,229	
Prepaid Expenses	6,637								6,637	1,956	
Receivables:											
Utility Billings				74,036							
Other	142,015								74,036	67,647	
Due From Other Funds	4,289			3,980					142,015	141,261	
Inventory			11,589	30,716					8,269	67,481	
Restricted Assets:									42,305	49,303	
Cash and Cash Equivalents	99,068	33,941	317,290	633,438	37,818				1,121,555	1,245,070	
Investments		760,070							760,070	749,250	
Interest Receivable									28,305	24,305	
Property and Equipment (Net, Where Applicable, of Depreciation):											
Land											
Buildings and Systems				25,534					154,738	178,272	
Improvements Other than Buildings				2,351,133					1,317,216	3,668,349	
Machinery and Equipment				16,880					436,338	453,218	
Office Furniture and Equipment				186,088					339,678	528,766	
Vehicles				8,430					125,145	117,203	
Water Rights				282,534					387,525	395,955	
Other Debits											
Amount Available in Debt Service Fund											
Amount to be Provided for Retirement of Long-Term Debt									818,316	818,316	
TOTAL ASSETS AND OTHER DEBITS	\$ 370,823	\$ 818,316	\$ 328,879	\$ 3,766,847	\$ 67,579	\$ 2,760,640	\$ 949,019	\$ 130,703	\$ 9,062,103	\$ 9,193,126	187,455

The Notes to the Financial Statements are an integral part of this statement.

CITY OF DELTA, UTAH
 COMBINED BALANCE SHEET--
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2001
 (WITH COMPARATIVE TOTALS AS OF JUNE 30, 2000)

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		TOTALS	
	General	Debt Service	Capital Projects	Enterprise	Trusts	General	Fixed Assets	General Long-Term Debt	2001	(Memorandum Only) 2000
LIABILITIES AND FUND EQUITY										
LIABILITIES										
Accrued Liabilities	\$ 57,430	\$	\$	\$	\$	\$	\$	\$	\$ 57,430	\$ 93,050
Due to Other Funds	3,980		4,126	163					8,269	67,481
Customer Deposits	5,120			9,675					14,795	3,306
Current Portion of Bonds Payable				11,077					11,077	11,077
Revenue Bonds Payable				147,873				810,019	957,892	1,023,890
General Obligation Bonds Payable								139,000	139,000	143,990
TOTAL LIABILITIES	66,530		4,126	168,788				949,019	1,188,463	1,342,794
FUND EQUITY										
Contributed Capital				2,717,807					2,717,807	2,778,057
Investment in General							2,760,640		2,760,640	2,716,606
Fixed Assets										
Retained Earnings:										
Reserved for:										
Bond Requirements				633,438					633,438	626,948
Unreserved				246,814					246,814	147,644
Fund Balances:										
Reserved for:										
Road Improvements	85,571								85,571	185,827
Fire Department	13,497								13,497	26,690
Debt Service		818,316							818,316	807,496
Library										35,599
Capital Projects			313,164		37,818				313,164	322,113
Inventories			11,589						11,589	18,478
Unreserved	205,225				29,761				234,986	184,874
TOTAL FUND EQUITY	304,293	818,316	324,753	3,598,059	67,579		2,760,640		7,873,640	7,850,332
TOTAL LIABILITIES AND FUND EQUITY	\$ 370,823	\$ 818,316	\$ 328,879	\$ 3,766,847	\$ 67,579		\$ 2,760,640	\$ 949,019	\$ 9,062,103	\$ 9,193,126

The Notes to the Financial Statements are an integral part of this statement.

CITY OF DELTA, UTAH
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE--ALL GOVERNMENTAL FUND TYPES
 AND EXPENDABLE TRUST FUNDS
 FOR THE YEAR ENDED JUNE 30, 2001
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000)

	GOVERNMENTAL FUND TYPES			FIDUCIARY	TOTALS	
	General	Debt Service	Capital Projects	FUND	(Memorandum Only)	
				Expendable Trust	2001	2000
REVENUES						
Taxes	\$ 959,209	\$ 9,310	\$	\$	\$ 968,519	\$ 936,965
Licenses and Permits	33,513				33,513	26,847
Intergovernmental	222,908				222,908	428,208
Charges for Services	186,566				186,566	179,942
Fines and Forfeitures	33,783				33,783	25,758
Interest	12,282	78,347	16,586	1,951	109,166	83,760
Miscellaneous	55,075				55,075	49,521
TOTAL REVENUES	1,503,336	87,657	16,586	1,951	1,609,530	1,731,001
EXPENDITURES						
General Government	393,381				393,381	372,239
Public Safety	336,663				336,663	306,044
Public Works	577,640				577,640	456,317
Parks and Public Property	166,315				166,315	165,869
Capital Outlay			107,424	7,416	114,840	599,045
Debt Service						
Principal		45,933			45,933	39,180
Interest and Fees		43,113			43,113	40,556
TOTAL EXPENDITURES	1,473,999	89,046	107,424	7,416	1,677,885	1,979,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	29,337	(1,389)	(90,838)	(5,465)	(68,355)	(248,249)
OTHER FINANCING SOURCES (USES)						
Transfers In		12,209	75,000		87,209	82,874
Transfers Out	(87,209)				(87,209)	(82,874)
TOTAL OTHER FINANCING SOURCES (USES)	(87,209)	12,209	75,000			
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(57,872)	10,820	(15,838)	(5,465)	(68,355)	(248,249)
FUND BALANCE - JULY 1	362,165	807,496	340,591	35,226	1,545,478	1,793,727
FUND BALANCE - JUNE 30	\$ 304,293	\$ 818,316	\$ 324,753	\$ 29,761	\$ 1,477,123	\$ 1,545,478

The Notes to the Financial Statements are an integral part of this statement.

CITY OF DELTA, UTAH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES --
BUDGET AND ACTUAL -- ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	GENERAL FUND			DEBT SERVICE			CAPITAL PROJECTS			EXPENDABLE TRUST FUNDS		
	Budget	Actual	Variance-- Favorable (Unfavorable)	Budget	Actual	Variance-- Favorable (Unfavorable)	Budget	Actual	Variance-- Favorable (Unfavorable)	Budget	Actual	Variance-- Favorable (Unfavorable)
REVENUES												
TAXES AND ASSESSMENTS:												
Property Taxes	\$ 299,050	\$ 308,985	\$ 9,905	\$ 9,310	\$ 9,310	\$	\$	\$	\$	\$	\$	\$
General Sales and Use Taxes	490,000	516,078	26,078									
Franchise Taxes	118,000	134,176	16,176									
TOTAL TAXES	907,050	959,209	52,159	9,310	9,310							
LICENSES AND PERMITS:												
Business Licenses	19,865	19,865										
Building Permits	10,639	10,639										
Animal Licenses	3,000	3,009	9									
TOTAL LICENSES AND PERMITS	33,504	33,513	9									
INTERGOVERNMENTAL REVENUE:												
Federal Revenue	168,435	168,612	177									
State Revenue	54,296	54,296										
TOTAL INTERGOVERNMENTAL REVENUE	222,731	222,908	177									
CHARGES FOR SERVICES:												
Sanitation	133,000	133,014	14									
Administrative Charges and Reimburse	44,627	44,628	1									
Rentals and Fees	7,290	8,924	1,634									
TOTAL CHARGES FOR SERVICES	184,917	186,566	1,649									
FINES AND FORFEITURES	33,960	33,783	(177)									
INTEREST EARNINGS	12,080	12,282	202	67,527	78,347	10,820	16,534	16,586	52	1,958	1,951	(7)
MISCELLANEOUS:												
Reimbursements	24,910	24,910										
Rents	17,088	17,880	792									
Other	12,100	13,285	1,185									
TOTAL MISCELLANEOUS	54,098	55,075	977									
TOTAL REVENUE	1,448,340	1,503,336	54,996	76,837	87,657	10,820	16,534	16,586	52	1,958	1,951	(7)

The Notes to the Financial Statements are an integral part of this statement.

CITY OF DELTA, UTAH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES --
BUDGET AND ACTUAL -- ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	GENERAL FUND		DEBT SERVICE		CAPITAL PROJECTS		EXPENDABLE TRUST FUNDS		
	Budget	Actual	Variance-- Favorable (Unfavorable)	Budget	Actual	Variance-- Favorable (Unfavorable)	Budget	Actual	Variance-- Favorable (Unfavorable)
EXPENDITURES									
GENERAL GOVERNMENT:									
Mayor and Council	42,081	37,925	4,156						
Judicial	37,081	35,766	1,315						
Treasurer	41,293	41,158	135						
Recorder	111,474	111,221	253						
Attorney	82,469	79,822	2,647						
City Hall	90,539	87,489	3,050						
TOTAL GENERAL GOVERNMENT	404,937	393,381	11,556						
PUBLIC SAFETY:									
Law Enforcement	240,407	239,472	935						
Fire Department	75,524	75,363	161						
Building Inspection	51,245	49,921	2,024						
Animal Control	17,894	16,907	987						
TOTAL PUBLIC SAFETY	385,070	381,663	3,407						
PUBLIC WORKS:									
Streets	441,348	436,207	5,141						
Sanitation	133,000	131,041	1,959						
Irrigation	13,334	10,302	3,032						
TOTAL HIGHWAYS AND PUBLIC IMPROVEMENTS	587,682	577,640	10,042						
PARKS AND PUBLIC PROPERTY:									
Parks	36,585	32,970	3,615						
Library	99,212	94,300	4,912						
Airport	12,232	11,556	676						
Celebrations	29,890	27,489	2,401						
TOTAL PARKS AND PUBLIC PROPERTY	177,919	166,315	11,604						
CAPITAL OUTLAY									
				100,931	107,424	(6,493)	7,416	7,416	
DEBT SERVICE:									
Principal				45,933	45,933				
Interest and Fees				43,113	43,113				
TOTAL DEBT SERVICE				89,046	89,046				
TOTAL EXPENDITURES	1,509,488	1,473,999	35,489	89,046	89,046	(6,493)	7,416	7,416	

The Notes to the Financial Statements are an integral part of this statement.

CITY OF DELTA, UTAH
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES --
BUDGET AND ACTUAL -- ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	GENERAL FUND			DEBT SERVICE			CAPITAL PROJECTS			EXPENDABLE TRUST FUNDS		
	Budget	Actual	Variance-- Favorable (Unfavorable)	Budget	Actual	Variance-- Favorable (Unfavorable)	Budget	Actual	Variance-- Favorable (Unfavorable)	Budget	Actual	Variance-- Favorable (Unfavorable)
EXPENDITURES (Continued)												
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(61,148)	29,337	90,485	(12,209)	(1,389)	10,820	(84,397)	(90,838)	(6,441)	(5,458)	(5,465)	(7)
OTHER FINANCING SOURCES (USES)												
Operating Transfers In:												
Operating Transfers Out:	(87,209)	(87,209)		12,209	12,209		75,000	75,000				
TOTAL OTHER FINANCING SOURCES (USES)	(87,209)	(87,209)		12,209	12,209		75,000	75,000				
EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(\$ 148,357)	(57,872)	\$ 90,485	\$	10,820	\$ 10,820	(\$ 9,397)	(15,838)	(\$ 6,441)	(\$ 5,458)	(5,465)	(\$ 7)
FUND BALANCES - JULY 1		362,165			807,496			340,591			35,226	
FUND BALANCE - JUNE 30		\$ 304,293			\$ 818,316			\$ 324,753			\$ 29,761	

CITY OF DELTA, UTAH
COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS--
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000)

	PROPRIETARY FUND TYPES	FIDUCIARY FUND TYPES	TOTALS	
	Enterprise Funds	Nonexpendable Trust Funds	(Memorandum Only)	
			2001	2000
OPERATING REVENUES				
Charges for Services	\$ 548,736	\$	\$ 548,736	\$ 535,664
Miscellaneous	7,379		7,379	7,501
TOTAL OPERATING REVENUES	556,115		556,115	543,165
OPERATING EXPENSES				
Salaries	161,490		161,490	161,609
Employee Benefits	60,043		60,043	62,399
Professional Services	12,425		12,425	8,754
Materials and Supplies	47,812		47,812	47,409
Repairs and Maintenance	29,637		29,637	87,385
Office Supplies	8,119		8,119	5,456
Utilities	46,221		46,221	44,842
Telephone	4,007		4,007	6,893
Travel and Training	1,454		1,454	1,296
Insurance	11,483		11,483	9,940
Depreciation	84,448		84,448	71,371
Administrative Charges	29,901		29,901	29,900
Rent	4,600		4,600	4,600
Bad Debt	1,568		1,568	75
TOTAL OPERATING EXPENSES	503,208		503,208	541,929
OPERATING INCOME	52,907		52,907	1,236
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	44,504	2,219	46,723	50,044
Interest Expense and Service Fees	(16,080)		(16,080)	(11,681)
TOTAL NON-OPERATING REVENUES	28,424	2,219	30,643	38,363
NET INCOME	81,331	2,219	83,550	39,599
Transfer of depreciation on fixed assets acquired with contributed capital from contributed capital to retained earnings	64,998		64,998	64,998
INCREASE IN RETAINED EARNINGS /FUND BALANCE	146,329	2,219	148,548	104,597
RETAINED EARNINGS/FUND BALANCE - JULY 1	733,923	35,599	769,522	664,925
RETAINED EARNINGS/FUND BALANCE - JUNE 30	\$ 880,252	\$ 37,818	\$ 918,070	\$ 769,522

The Notes to the Financial Statements are an integral part of this statement.

CITY OF DELTA, UTAH
COMBINED STATEMENT OF CASH FLOWS--
ALL PROPRIETARY FUND TYPES AND
NONEXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000)

	PROPRIETARY	FIDUCIARY	TOTALS	
	FUND TYPES	FUND TYPES	(Memorandum Only)	
	Enterprise Funds	Non- Expendable Trust Funds	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating Income	\$ 52,907	\$	\$ 52,907	\$ 1,236
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation Expense	84,448		84,448	71,371
(Increase) Decrease in Accounts Receivable	(6,389)		(6,389)	(3,981)
(Increase) Decrease in Due From Other Funds	(3,980)		(3,980)	69,000
(Increase) Decrease in Inventories	142		142	(1,983)
Increase (Decreases) in Due to Other Funds	(18,321)		(18,321)	(47,003)
Increase (Decrease) in Accrued Liabilities				(1,184)
Increase (Decrease) in Customer Deposits	7,669		7,669	(2,029)
NET CASH PROVIDED BY OPERATING ACTIVITIES	116,476		116,476	85,427
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Paid on Revenue Bonds	(25,056)		(25,056)	(72,727)
Interest Paid on Revenue Bonds	(16,080)		(16,080)	(11,681)
Acquisition of Property and Equipment	(126,933)		(126,933)	(21,912)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(168,069)		(168,069)	(106,320)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Income	44,504	2,219	46,723	50,044
NET CASH PROVIDED BY INVESTING ACTIVITIES	44,504	2,219	46,723	50,044
NET INCREASE (DECREASE) IN CASH	(7,089)	2,219	(4,870)	29,151
CASH AT BEGINNING OF YEAR	796,605	35,599	832,204	803,053
CASH AT END OF YEAR	\$ 789,516	\$ 37,818	\$ 827,334	\$ 832,204
Cash and Cash Equivalents				
Unrestricted	\$ 156,078	\$	\$ 156,078	\$ 164,703
Restricted	633,438	37,818	671,256	667,501
	\$ 789,516	\$ 37,818	\$ 827,334	\$ 832,204

The Notes to the Financial Statements are an integral part of this statement.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2001

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Delta City is a political subdivision of the State of Utah. The City is governed by a mayor and an elected board of five council members. The financial statements of Delta City include those of separately administered organizations that are controlled by or are dependent on the City. Control or dependence is determined on the basis of financial interdependence, selection of governing authority, designation of management ability to significantly influence operations and accountability for fiscal matters. Using these criteria no potential component units are included in the City's financial statements.

The accounting policies of Delta City, Utah, conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant of such policies.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the activities for which they are to be spent and the means by which spending activities are controlled.

The City has the following fund types and account groups:

Governmental funds are used to account for the City's general City activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after the end of the year.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the state at year-end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Property taxes are based on the assessments against property owners. Tax levies on such assessed values are certified to Millard County prior to the commencement of the fiscal year. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30 of each year. Property taxes are collected by the Millard County Treasurer and remitted to the City shortly after collection.

Sales taxes are collected by the Utah State Tax Commission and are remitted to the City monthly.

Governmental funds used by Delta City include the following fund types:

The *general fund* is the general operating fund of the City. It is used for all financial resources except those required to be accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital improvements (other than those financed by enterprise and similar trust funds).

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

Proprietary funds used by Delta City include the following fund type:

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of which is to have the costs of providing goods and services to the general public on a continuing basis financed or recovered primarily through user charges.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

The *expendable trust fund* is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

The *nonexpendable trust fund* is accounted for in essentially the same manner as the proprietary funds, using the same measurement focus and basis of accounting. Nonexpendable trust funds account for assets of which the principal may not be spent.

Account Groups. The *general fixed assets account group* is used to account for fixed assets not accounted for in proprietary or trust funds. The *general long-term debt account group* is used to account for general long-term debt and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. **Applicable Accounting Standards**

The financial statements of the City have been prepared in conformity with generally accepted accounting principles as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, the City has adopted GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." The City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The City has elected not to apply FASB Statements and Interpretations issued after November 30, 1989 for proprietary activities.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

D. Assets, Liabilities and Equity

1. Deposits and Investments

The City considers cash and cash equivalents to be cash on hand, demand deposits, and all short-term investments with original maturities within three months or less from the date of acquisition. All short-term cash surpluses are maintained in a cash and investment pool and allocated to each fund based on deposit and investment balances. All investments are stated at fair value based on market prices as of year-end.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables/payables" (i.e., the current portion of interfund loans) or advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds."

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

3. Inventories

Inventory is valued at the lower of cost or market value and the City uses the first-in, first-out (FIFO) flow assumption determined by the moving weighted average method. The cost is recorded as an expenditure at the time individual inventory items are purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

4. Restricted Assets

Restricted assets consist of various cash balances that are restricted as to their use. Certain cash balances are restricted by provisions of bond resolutions. Customer deposits are restricted in the enterprise funds. Amounts held in the trust fund and Capital Project funds are restricted to be used for future project expenditures.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

5. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

Fixed assets used in governmental fund types are recorded in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. No depreciation has been provided on general fixed assets.

Fixed assets used in proprietary fund type operations (i.e., the Water and Sewer funds) are accounted for within their respective funds. Annual depreciation is provided using the straight-line method over the following estimated useful lives:

Buildings	40 Years
Improvements other than buildings	15-40 Years
Machinery and Equipment	5-40 Years
Autos and Trucks	3-7 Years
Office Furniture	5-15 Years

Donated fixed assets are recorded at the estimated fair market value at the date of donation. Assets acquired through a capital lease are recorded at the fair market value at the lease inception date. Public domain general fixed assets or infrastructure are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay associated with governmental funds are accrued and reported in the general long-term debt account group. No expenditure is reported for these amounts.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

7. Long-term Obligations

The City reports long-term debt of the governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

8. Fund Equity

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

9. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

10. Memorandum Only Total Columns

Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns is not intended to and does not present financial position in conformity with generally accepted accounting principles, neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

11. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. Certain amounts presented in the prior year data have been reclassified in order to be consistent with current year's presentation.

Contributed Capital amounts have been reclassified for prior years to reflect depreciation on contributed assets that had not been applied. Adjustments of \$360,598 and \$659,682 were made to beginning retained earnings to reflect the changes in the water and sewer funds, respectively.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgetary procedures for the City have been established by Utah State statute in the Fiscal Procedures Act for Utah Cities. The basis of accounting applied to each fund budget is the same basis as the related fund's financial statements. In accordance with State law, all appropriations lapse at the end of the budget year. Accordingly, no encumbrances are recorded. At its option, the City may permit its expenditure accounts to remain open for a period of 30 days after the close of its fiscal year for the payment of approved invoices for goods received or services rendered prior to the close of the fiscal year.

The City prepares a budget for each fund including the operation of the enterprise funds.

Under Utah Code, the City's budget establishes maximum legal authorization for expenditures during the fiscal year. Expenditures are not to exceed the budgeted amounts, including revisions, except as allowed by the Code for certain events.

B. Area of Non-Compliance

Expenditures in Excess of Budget

State law requires that departmental expenditures be kept within budgeted amounts. The following department exceeded budget as of June 30, 2001, by the following amount:

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

<u>Fund/Department</u>	<u>Amount</u>
Capital Projects Fund:	
Capital Outlay	\$ 6,493

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. CASH AND INVESTMENTS

The City follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depositing of City funds in a "qualified depository." The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Act also defines the types of securities allowed as appropriate temporary investments for the City and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

Certain assets are restricted by provisions of the revenue bond resolutions. The resolutions also describe how these restricted assets may be deposited and invested. Restricted cash may only be deposited in state or national banks meeting certain minimum net worth requirements or invested in securities representing direct obligations of or obligations guaranteed by the U.S. government, agencies of the U.S. government, any state within the territorial United States of America, repurchase agreements or interest bearing time deposits with state or national banks meeting certain minimum net worth requirements, or certain other investments.

The Utah Public Treasurers' Investment Fund (UPTIF) is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are subject to the same market risks as any similar investment in money market funds. The market value of the fund approximated cost at June 30, 2001.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

Cash

The City maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the City funds. For the years ended June 30, 2001 and 2000, the City's carrying amount of deposits was \$102,260 and \$59,454 and the bank balance was \$209,652 and \$211,767, respectively. Of the bank balance, \$134,027 and \$134,064 was covered by Federal Depository Insurance. Deposits are not collateralized nor are they required to be by State statute.

Investments

The City's investments are categorized as follows to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealers trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agency, but not in the City's name.

	<u>CATEGORY</u>			Carrying Amount and <u>Fair Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Investments:				
U.S. Government Securities	\$ <u>760,070</u>	—	—	\$ <u>760,070</u>
Total Categorized Investments	\$ <u>760,070</u>	\$ —	\$ —	760,070
Investments Not Subject to Categorization:				
Utah Public Treasurer's Investment Fund				<u>1,323,623</u>
Total Investments				2,083,693
Deposits with Banks				102,260
Cash on Hand				<u>325</u>
Total Cash and Investments				<u>\$ 2,186,278</u>
Amounts shown on combined balance sheet:				
Cash and Cash Equivalents				\$ 304,653
Restricted Assets				
Cash and Cash Equivalents				1,121,555
Investments				<u>760,070</u>
Total				<u>\$ 2,186,278</u>

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

B. FIXED ASSETS

The following is a summary of the fixed assets and accumulated depreciation of the Enterprise Funds at June 30, 2001.

	<u>Balance</u>	<u>Accumulated Depreciation</u>	<u>Net of Depreciation</u>
Land	\$ 23,534	\$	\$ 23,534
Buildings and Systems	4,521,656	2,170,523	2,351,133
Other improvements	31,128	14,248	16,880
Machinery and equipment	347,097	161,009	186,088
Vehicles	88,948	80,518	8,430
Water rights	<u>282,534</u>	<u>-</u>	<u>282,534</u>
Total	<u>\$5,294,897</u>	<u>\$2,426,298</u>	<u>\$2,868,599</u>

Activity in the General Fixed Assets Account Group was as follows:

	<u>Balance July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2001</u>
Land	\$ 154,738	\$	\$	\$ 154,738
Buildings	1,285,625	31,591		1,317,216
Other improvements	431,837	4,501		436,338
Office furniture and Equipment	117,203	7,942		125,145
Machinery and Equipment	339,678			339,678
Vehicles	<u>387,525</u>	<u>-</u>	<u>-</u>	<u>387,525</u>
Total	<u>\$2,716,606</u>	<u>\$ 44,034</u>	<u>\$ -</u>	<u>\$2,760,640</u>

C. LONG-TERM DEBT

At June 30, 2001, long-term obligations reported in the general long-term debt account group included the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance</u>
Road Improvement Bonds, (Original Amount \$1,300,000)	4.5%	July, 2015	\$ 810,019
General Obligation Bonds, (Original Amount \$143,990)	3.0%	July, 2020	<u>139,000</u>
Total			<u>\$ 949,019</u>

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

The road improvement bonds are paid by income from restricted investments and by Class C road funds from the State.

Changes in General Long-Term Liabilities

During the year ended June 30, 2001, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2001</u>
Revenue Bonds	\$ 850,961	\$	\$ 40,942	\$ 810,019
G.O. Bonds	<u>143,990</u>	<u>-</u>	<u>4,990</u>	<u>\$ 139,000</u>
Total	<u>\$ 994,951</u>	<u>\$ -</u>	<u>\$45,932</u>	<u>\$ 949,019</u>

Annual debt service requirements to maturity for the bonds is as follows:

<u>Fiscal Year Ending</u> <u>June 30</u>	<u>General Long-term</u> <u>Debt Account Group</u>
2002	\$ 88,546
2003	89,406
2004	89,226
2005	89,046
2006	88,866
2007-2021	<u>857,616</u>
Total Commitment	1,302,707
Less: Interest Portion	<u>(353,688)</u>
Total	<u>\$ 949,019</u>

Revenue bonds outstanding at June 30, 2001, in the enterprise funds are as follows:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance</u>
Water Revenue Bonds Series 1975, (Original Amount \$400,000)	5%	July, 2016	\$ 158,950

The bond agreements include various restrictive covenants including the maintenance of various reserve and sinking fund accounts. The water revenue and subordinated water revenue bonds are paid by revenues from the enterprise funds.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

Revenue bond debt service requirements to maturity for the enterprise funds is as follows:

Fiscal Year Ending	<u>Enterprise Fund</u>
<u>June 30</u>	
2002	\$ 23,136
2003	23,136
2004	23,136
2005	23,136
2006	23,136
2007-2016	<u>131,340</u>
Total Commitment	247,020
Less: Interest Portion	<u>(88,070)</u>
Net Commitment	158,950
Less: Current portion	<u>(11,077)</u>
Total	<u>\$ 147,873</u>

D. SEGMENT INFORMATION B ENTERPRISE FUNDS

The City maintains two enterprise funds which are intended to be self-supporting through user fees charged for services to the public. Financial segment information as of and for the year ended June 30, 2001, is presented below:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating Revenues	\$ 362,355	\$ 193,760	\$ 556,115
Operating Expenses	299,242	203,966	503,208
Operating Income (Loss)	63,113	(10,206)	52,907
Depreciation Expense	40,901	43,547	84,448
Net Income (Loss)	79,786	1,545	81,331
Property, Plant and Equipment:			
Additions	64,093	62,840	126,933
Total Assets	2,158,181	1,608,666	3,766,847
Net Working Capital	637,801	239,695	877,496
Revenue Bonds Payable	158,950		158,950
Total Equity	1,989,393	1,608,666	3,598,059

E. COMMITMENTS AND CONTINGENCIES

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of the

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2001

City's management, the potential for a material liability due to future audit disallowance is remote.

F. CONTRIBUTED CAPITAL

The changes in contributed capital were as follows:

	<u>Water</u>	<u>Sewer</u>
Beginning Balance	\$1,143,905	\$1,634,151
Contributions From:		
Connection Fees	4,750	-
Government Entities		
Total Contributions	-	-
Less:		
Depreciation of Contributed Assets	<u>(24,330)</u>	<u>(40,668)</u>
Ending Balance	<u>\$1,124,325</u>	<u>\$1,593,483</u>

G. RETIREMENT PLANS

Utah State Retirement

Plan Description

The City of Delta contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Office Act, in Chapter 49, provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, and Local Governmental Noncontributory Retirement System for employers with social security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

CITY OF DELTA, UTAH
NOTES TO THE FINANCIAL STATEMENTS (CONCLUDED)
JUNE 30, 2001

Funding Policy

Plan members in the Local Governmental Contributory Retirement System are required to contribute 6% of their annual covered salary (all or part may be paid by the employer for the employee) and Delta City is required to contribute 6.31% of their annual covered salary. In the Local Governmental Noncontributory Retirement System, Delta City is required to contribute 10.32% of their annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Delta City contributions to the Local Governmental Contributory Retirement System for the years ending June 30, 2001, 2000, and 1999 were \$621, \$4,244, and \$4,167, respectively. For the Noncontributory Retirement System the contributions for June 30, 2001, 2000, and 1999 were \$34,703, \$32,556, and \$34,485, respectively. The contributions were equal to the required contributions for each year.

401(k) Plan

The employees of Delta City also participate in a 401(k) deferred compensation plan. The amount of the employees' contributions for the year ended June 30, 2001 was \$13,282. The amount of the employer's contributions for the year ended June 30, 2001 was \$10,505.

457 Deferred Compensation Plan

The Utah Retirement Systems (URS) have adopted Governmental Accounting Standards Board Statement 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This resulted in reporting the 457 Plans as a "Trust Fund" of URS rather than previously reported as an "Agency Fund" of Delta City. The assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants of their beneficiaries and are not the assets of the employer.

H. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has purchased insurance policies through various companies. A list of insurance and bonding coverage can be found in the bond covenant section of the bond report.



SUPPLEMENTARY INFORMATION

CITY OF DELTA, UTAH
 COMBINING BALANCE SHEET--
 CAPITAL PROJECT FUNDS
 JUNE 30, 2001

	Equipment Acquisition	Streets and Drainage	County Revenue Sharing	Library Expansion	Municipal Airport Improvements	Complex Renovation	Total
ASSETS							
Inventory	\$	\$ 11,589	\$	\$	\$	\$	\$ 11,589
Restricted Assets:							
Cash and Cash Equivalents	53,399	74,282	82,761	44,385	30,977	31,486	317,290
TOTAL ASSETS	\$ 53,399	\$ 85,871	\$ 82,761	\$ 44,385	\$ 30,977	\$ 31,486	\$ 328,879
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Due to Other Funds	\$	\$	\$	\$ 4,126	\$	\$	\$ 4,126
TOTAL LIABILITIES				4,126		\$	4,126
FUND EQUITY							
Reserved For:							
Capital Projects	53,399	74,282	82,761	40,259	30,977	31,486	313,164
Inventories		11,589					11,589
TOTAL FUND EQUITY	53,399	85,871	82,761	40,259	30,977	31,486	324,753
TOTAL LIABILITIES AND FUND EQUITY	\$ 53,399	\$ 85,871	\$ 82,761	\$ 44,385	\$ 30,977	\$ 31,486	\$ 328,879

CITY OF DELTA, UTAH
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES--
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Equipment Acquisition	Streets and Drainage	County Revenue Sharing	Library Expansion	Municipal Airport Improvements	Complex Renovation	Total
REVENUES							
Interest Income	\$ 1,627	\$ 3,301	\$ 6,246	\$ 2,906	\$ 659	\$ 1,847	\$ 16,586
TOTAL REVENUES	1,627	3,301	6,246	2,906	659	1,847	16,586
EXPENDITURES							
Capital Outlay:							
Public Works		51,758	27,363				79,121
Parks and Public Property			12,165	16,138			28,303
TOTAL EXPENDITURES		51,758	39,528	16,138			107,424
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,627	(48,457)	(33,282)	(13,232)	659	1,847	(90,838)
OTHER FINANCING SOURCES (USES)							
Transfers In	20,000	40,000			15,000		75,000
TOTAL OTHER FINANCING SOURCES (USES)	20,000	40,000			15,000		75,000
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	21,627	(8,457)	(33,282)	(13,232)	15,659	1,847	(15,838)
FUND BALANCE - JULY 1	31,772	94,328	116,043	53,491	15,318	29,639	340,591
FUND BALANCE - JUNE 30	\$ 53,399	\$ 85,871	\$ 82,761	\$ 40,259	\$ 30,977	\$ 31,486	\$ 324,753

CITY OF DELTA, UTAH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES--BUDGET AND ACTUAL--
CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Equipment Acquisition			Streets and Drainage			County Revenue Sharing			Library Expansion			Municipal Airport Improvements			Complex Renovation			Totals		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	
REVENUES																					
Interest Income	\$ 1,605	\$ 1,627	\$ 22	\$ 3,285	\$ 3,301	\$ 16	\$ 6,230	\$ 6,246	\$ 16	\$ 2,917	\$ 2,906	\$ (11)	\$ 641	\$ 659	\$ 18	\$ 1,856	\$ 1,847	\$ (9)	\$ 16,534	\$ 16,586	\$ 52
TOTAL REVENUES	1,605	1,627	22	3,285	3,301	16	6,230	6,246	16	2,917	2,906	(11)	641	659	18	1,856	1,847	(9)	16,534	16,586	52
EXPENDITURES																					
Capital Outlay:																					
Public Works																					
Parks and Public Property																					
TOTAL EXPENDITURES	44,869	51,758	(6,889)	44,869	51,758	(6,889)	27,363	27,363	0	16,533	16,138	395	16,533	16,138	395	72,232	79,121	(6,889)	72,232	79,121	(6,889)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,605	1,627	22	(41,584)	(48,457)	(6,873)	(33,299)	(33,282)	17	(13,616)	(13,232)	384	641	659	18	1,856	1,847	(9)	(84,397)	(90,838)	(6,441)
OTHER FINANCING SOURCES (USES)																					
Transfers to	20,000	20,000	0	40,000	40,000	0	15,000	15,000	0	15,000	15,000	0	15,000	15,000	0	75,000	75,000	0	75,000	75,000	0
TOTAL OTHER FINANCING SOURCES (USES)	20,000	20,000	0	40,000	40,000	0	15,000	15,000	0	15,000	15,000	0	15,000	15,000	0	75,000	75,000	0	75,000	75,000	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	\$ 21,605	21,627	\$ 22	\$ (1,894)	(8,457)	\$ (6,873)	\$ (33,299)	(33,282)	\$ 17	(13,616)	(13,232)	\$ 384	\$ 15,641	15,659	\$ 18	\$ 1,856	1,847	\$ (9)	\$ (9,397)	(15,838)	\$ (6,441)
FUND BALANCE--JULY 1		31,772			94,328		116,043		53,491		29,639									340,591	
FUND BALANCE--JUNE 30		\$ 53,399			\$ 85,871		\$ 82,761		\$ 40,259		\$ 30,977									\$ 324,753	

CITY OF DELTA, UTAH
COMBINING BALANCE SHEET--
ENTERPRISE FUNDS
JUNE 30, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 122,558	\$ 33,520	\$ 156,078
Receivables:			
Utility Billings	53,388	20,648	74,036
Due From Other Funds		3,980	3,980
Inventory	23,975	6,741	30,716
Restricted Assets:			
Cash and Cash Equivalents	458,632	174,806	633,438
TOTAL CURRENT ASSETS	658,553	239,695	898,248
PROPERTY AND EQUIPMENT			
Land	11,767	11,767	23,534
Buildings and Systems	2,099,302	2,422,354	4,521,656
Accumulated Depreciation Buildings and Systems	(993,429)	(1,177,094)	(2,170,523)
Improvements other than Buildings	15,160	15,968	31,128
Accumulated Depreciation Improvements	(6,879)	(7,369)	(14,248)
Machinery and Equipment	154,576	192,521	347,097
Accumulated Depreciation Machinery and Equipment	(64,412)	(96,597)	(161,009)
Vehicles	44,221	44,727	88,948
Accumulated Depreciation Vehicles	(43,212)	(37,306)	(80,518)
Water Rights	282,534		282,534
NET PROPERTY AND EQUIPMENT	1,499,628	1,368,971	2,868,599
TOTAL ASSETS	\$ 2,158,181	\$ 1,608,666	\$ 3,766,847
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Customer Deposits	9,675		9,675
Current Portion of Bonds Payable	11,077		11,077
TOTAL CURRENT LIABILITIES	20,752		20,752
LONG-TERM LIABILITIES			
Due to Other Funds	163		163
Revenue Bonds Payable	147,873		147,873
TOTAL LONG-TERM LIABILITIES	148,036		148,036
TOTAL LIABILITIES	168,788		168,788
EQUITY			
Contributed Capital	1,124,324	1,593,483	2,717,807
Retained Earnings:			
Reserved for:			
Bond Requirements	458,632	174,806	633,438
Unreserved	406,437	(159,623)	246,814
Total Retained Earnings	865,069	15,183	880,252
TOTAL EQUITY	1,989,393	1,608,666	3,598,059
TOTAL LIABILITIES AND EQUITY	\$ 2,158,181	\$ 1,608,666	\$ 3,766,847

CITY OF DELTA, UTAH
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS--
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Water	Sewer	Total
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 356,601	\$ 192,135	\$ 548,736
Miscellaneous	5,754	1,625	7,379
TOTAL OPERATING REVENUES	362,355	193,760	556,115
<u>OPERATING EXPENSES</u>			
Salaries	95,307	66,183	161,490
Employee Benefits	33,941	26,102	60,043
Professional Services	9,643	2,782	12,425
Materials and Supplies	26,981	20,831	47,812
Repairs and Maintenance	12,715	16,922	29,637
Office Supplies	7,371	748	8,119
Utilities	38,680	7,541	46,221
Telephone	2,187	1,820	4,007
Travel and Training	1,454		1,454
Insurance	6,846	4,637	11,483
Depreciation	40,901	43,547	84,448
Administrative Charges	17,481	12,420	29,901
Rent	4,600		4,600
Bad Debt	1,135	433	1,568
TOTAL OPERATING EXPENSES	299,242	203,966	503,208
OPERATING INCOME (LOSS)	63,113	(10,206)	52,907
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	32,753	11,751	44,504
Interest Expense and Service Fees	(16,080)		(16,080)
TOTAL NON-OPERATING REVENUES	16,673	11,751	28,424
NET INCOME	79,786	1,545	81,331
Transfer of depreciation on fixed assets acquired with contributed capital from contributed capital to retained earnings	24,330	40,668	64,998
INCREASE IN RETAINED EARNINGS	104,116	42,213	146,329
RETAINED EARNINGS - JULY 1	760,953	(27,030)	733,923
RETAINED EARNINGS - JUNE 30	\$ 865,069	\$ 15,183	\$ 880,252

CITY OF DELTA, UTAH
COMBINING STATEMENT OF CASH FLOWS--
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Operating Income	\$ 63,113	(\$ 10,206)	\$ 52,907
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities:			
Depreciation Expense	40,901	43,547	84,448
(Increase) Decrease in Accounts Receivable	(6,231)	(158)	(6,389)
(Increase) Decrease in Due From Other Funds		(3,980)	(3,980)
(Increase) Decrease in Inventories	(334)	476	142
Increase (Decrease) in Due to Other Funds	(18,145)	(176)	(18,321)
Increase (Decrease) in Customer Deposits	7,669		7,669
NET CASH PROVIDED BY OPERATING ACTIVITIES	86,973	29,503	116,476
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal Paid on Revenue Bonds	(25,056)		(25,056)
Interest Paid on Revenue Bonds	(16,080)		(16,080)
Acquisition of Property and Equipment	(64,093)	(62,840)	(126,933)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(105,229)	(62,840)	(168,069)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest Income	32,753	11,751	44,504
NET CASH PROVIDED BY INVESTING ACTIVITIES	32,753	11,751	44,504
NET INCREASE (DECREASE) IN CASH	14,497	(21,586)	(7,089)
CASH AT BEGINNING OF YEAR	566,693	229,912	796,605
CASH AT END OF YEAR	\$ 581,190	\$ 208,326	\$ 789,516
Cash and Cash Equivalents			
Unrestricted	\$ 122,558	\$ 33,520	\$ 156,078
Restricted	458,632	174,806	633,438
	\$ 581,190	\$ 208,326	\$ 789,516

CITY OF DELTA, UTAH
COMBINING BALANCE SHEET--TRUST FUNDS
JUNE 30, 2001

	NON- EXPENDABLE TRUST FUND	EXPENDABLE TRUST FUNDS		Total
	Library Trust	Street Lighting	Fire Department	
ASSETS				
Cash and Cash Equivalents	\$	\$ 29,761	\$	\$ 29,761
Restricted Assets:				
Cash and Cash Equivalents	37,818			37,818
TOTAL ASSETS	\$ 37,818	\$ 29,761	\$	\$ 67,579
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Due to Other Funds	\$	\$	\$	\$
TOTAL LIABILITIES				
FUND EQUITY				
Reserved for:				
Library Trust	37,818			37,818
Unreserved		29,761		29,761
TOTAL FUND EQUITY	37,818	29,761		67,579
TOTAL LIABILITIES AND FUND EQUITY	\$ 37,818	\$ 29,761	\$	\$ 67,579



SCHEDULES

CITY OF DELTA, UTAH
COMBINING STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE--EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	<u>Street Lighting</u>	<u>Fire Department</u>	<u>Total</u>
REVENUES			
Interest Income	\$ 1,747	\$ 204	\$ 1,951
TOTAL REVENUES	<u>1,747</u>	<u>204</u>	<u>1,951</u>
EXPENDITURES			
Capital Outlay		7,416	7,416
TOTAL EXPENDITURES		<u>7,416</u>	<u>7,416</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	1,747	(7,212)	(5,465)
FUND BALANCE - JULY 1	<u>28,014</u>	<u>7,212</u>	<u>35,226</u>
FUND BALANCE - JUNE 30	<u>\$ 29,761</u>	<u>\$</u>	<u>\$ 29,761</u>

CITY OF DELTA, UTAH
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE--BUDGET AND ACTUAL--
EXPENDABLE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2001

	Street Lighting		Fire Department		Totals	
	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES						
Interest Income	\$ 1,754	\$ 1,747	\$ 204	\$ 204	\$ 1,958	\$ 1,951
TOTAL REVENUES	<u>1,754</u>	<u>1,747</u>	<u>204</u>	<u>204</u>	<u>1,958</u>	<u>1,951</u>
EXPENDITURES						
Capital Outlay:						
TOTAL EXPENDITURES			<u>7,416</u>	<u>7,416</u>	<u>7,416</u>	<u>7,416</u>
EXCESS (DEFICIENCY)						
OF REVENUES OVER						
EXPENDITURES	<u>\$ 1,754</u>	<u>1,747</u>	<u>(\$ 7,212)</u>	<u>(7,212)</u>	<u>(\$ 5,458)</u>	<u>(5,465)</u>
FUND BALANCE-JULY 1		<u>28,014</u>		<u>7,212</u>		<u>35,226</u>
FUND BALANCE-JUNE 30		<u>\$ 29,761</u>		<u>\$</u>		<u>\$ 29,761</u>



GOVERNMENT AUDITING STANDARDS REPORT



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN
AUDIT OF GENERAL-PURPOSE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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August 16, 2001

The Honorable Mayor, and
Members of the City Council
City of Delta, Utah

Mayor and Council Members:

We have audited the accompanying general-purpose financial statements of the City of Delta, Utah (herein referred to as the "City"), as of and for the year ended June 30, 2001, and have issued our report thereon dated August 16, 2001. We conducted our audit 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 City's general-purpose financial statements are free of material misstatement, we performed tests of the 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 City in a separate letter dated August 16, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City'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 general-purpose 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 operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the City in a separate letter dated August 16, 2001.

This report is intended solely for the information and use of management, others within the organization, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Peterson & Associates, P.C.
Certified Public Accountants



STATE COMPLIANCE REPORT



INDEPENDENT AUDITORS' REPORT ON LEGAL COMPLIANCE WITH APPLICABLE UTAH STATE LAWS AND REGULATIONS

August 16, 2001

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The Honorable Mayor, and
Members of the City Council
City of Delta, Utah

297 N. Hwy. 6
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Mayor and Council Members:

We have audited the general-purpose financial statements of the City of Delta, Utah, as of and for the year ended June 30, 2001, and have issued our report thereon dated August 16, 2001. As part of our audit, we have audited the City of Delta's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended June 30, 2001. The City received the following major State assistance programs from the State of Utah:

Class "C" Road
Liquor Law Enforcement

Our audit also included test work on the City's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Public Debt
Purchasing Requirements
Truth in Taxation & Property Tax Limitations
Other General Compliance Requirements
Impact Fees and Other Development Fees

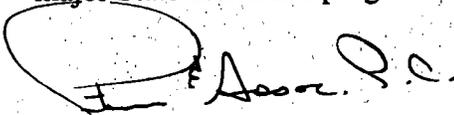
Cash Management
Budgetary Compliance
Justice Courts Compliance
Department of Commerce

The management of the City of Delta, Utah, is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in a separate management letter dated August 16, 2001. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of Delta, Utah, complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2001.



Peterson & Associates, P.C.
Certified Public Accountants

**CITY OF DELTA, UTAH
MANAGEMENT LETTER
JUNE 30, 2001**



August 16, 2001

The Honorable Mayor, and
Members of the City Council
City of Delta, Utah

Mayor and Council Members:

765 N. MAIN
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The primary purpose of our audit of the financial statements of the City of Delta, Utah, for the year ended June 30, 2001, was to enable us to form an opinion as to the financial position of the City at that date and the results of its operations for the year then ended.

In planning and performing our audit, we considered the City'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 operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have included in this separate letter.

We appreciate the cooperation and assistance we have received from the City's personnel in connection with our audit.

We would be pleased to discuss any of these matters with you and your representatives at your convenience and, if desired, to assist you in implementing any of these suggestions.

This report is intended solely for the use of management of Delta City. This restriction is not intended to limit the distribution of this report, which upon acceptance by Delta City, is a matter of public record.

Peterson & Associates, P.C.
Certified Public Accountants

CURRENT YEAR FINDINGS

STATE COMPLIANCE FINDINGS

FINDING - EXPENDITURES IN EXCESS OF BUDGET

State law requires that departmental expenditures be kept within budgeted amounts. The following department exceeded budget as of June 30, 2001, by the following amount:

<u>Fund/Department</u>	<u>Amount</u>
Capital Projects Fund:	
Capital Outlay	\$ 6,493

RECOMMENDATION

We recommend the City make the necessary adjustments at year-end to ensure departmental expenditures are within budgeted amounts.

CLIENT RESPONSE

The City will make the necessary adjustments in the future to ensure expenditures are within budgeted amounts.

FINDING - DEPOSITS NOT MADE TIMELY

State law requires that deposits be made daily or at least within three business days. During our test-work it was noted that deposits from the Library are occasionally deposited just once a week.

RECOMMENDATION

We recommend the Library make deposits daily.

CLIENT RESPONSE

The Library will begin making deposits within the time required by state law.

STATUS OF PRIOR YEAR FINDINGS

STATE COMPLIANCE FINDINGS

FINDING - EXPENDITURES IN EXCESS OF BUDGET

State law requires that departmental expenditures be kept within budgeted amounts. The following department exceeded budget as of June 30, 2000, by the following amount:

<u>Fund/Department</u>	<u>Amount</u>
General Fund:	
Public Works	
Streets	\$28,269
Capital Projects Fund:	
Capital Outlay	\$ 8,018

RECOMMENDATION

We recommend the City make the necessary adjustments at year-end to ensure departmental expenditures are within budgeted amounts.

STATUS

See current.

FINDING - DEPOSITS NOT MADE TIMELY

State law requires that deposits be made daily or at least within three business days. During our test-work it was noted that deposits from the Justice Court are occasionally deposited just once a week.

RECOMMENDATION

We recommend the Justice Court make deposits daily.

STATUS

See current year findings.

FINDING – TREASURER’S BOND BELOW REQUIRED AMOUNT

The Treasurer’s bond is less than the amount required to be held by State law.

RECOMMENDATION

We recommend that the Treasurer’s bond be increased to comply with State law.

STATUS

The Treasurer’s bond is in compliance with State law.

INTERNAL CONTROL FINDINGS

FINDING – UTILITY ACCOUNT

During our testwork of various utility accounts it was noted that one customer was not charged double even though two homes exist on the lot.

RECOMMENDATION

We recommend that City correct the error and perform a review of customer charges to ensure that billings are being made correctly on all accounts.

STATUS

No problems were noted in utility accounts during current audit.

**CITY OF DELTA, UTAH
BOND COMPLIANCE
YEAR ENDED JUNE 30, 2001**

**CITY OF DELTA, UTAH
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2001**

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Connection Fees, Connections, and Billings	2
Water Rates	3
Insurance and Bonding Coverage	4



REPORT ON BOND COMPLIANCE

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August 16, 2001

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The Honorable Mayor, and
Members of the City Council
City of Delta, Utah

We have audited the general-purpose financial statements of the City of Delta, Utah, as of and for the year ended June 30, 2001, and have issued our report thereon dated August 16, 2001. As part of our audit, we reviewed your compliance with the requirements of your bond issues. Based on our review, we are not aware of any areas of non-conformance.

Peterson & Associates, P.C.
Certified Public Accountants

**CITY OF DELTA, UTAH
CONNECTION FEES, CONNECTIONS, AND BILLINGS
JUNE 30, 2001**

WATER FEES

INSTALLATION COST SCHEDULE

<u>Meter Size</u>	<u>Installation Fee</u>
3/4"	\$ 275
1"	400
1 1/2"	750
2"	1,050
Greater than 2"	Negotiated

CAPITAL IMPROVEMENT FEES

<u>Proposed Use</u>	<u>Capital Improvement Fee</u>
Single family dwellings	\$ 400
Multiple family dwellings - 2 & 3 units	250 per unit
Multiple family dwellings - 4 or more units	192 per unit
Mobile Home spaces within approved park	220 per space
Travel trailer & RV spaces	160 per space
Hotels & motels	100 per unit
Commercial and office space	100 per 1000 sq. ft. of floor space
Industrial, warehouse and agricultural uses	Determined by City Council

WATER RIGHTS ACQUISITION AND DEVELOPMENT FEES

<u>Proposed Use</u>	<u>Acre ft.</u>	<u>Water Rights Fee</u>
Single family unit - 9,999 sq. ft. lot or less	3/4 AF	\$ 720
Single family unit - 10,000 sq. ft. lot to 1/2 acre	1 AF	960
Single family unit - 1/2 acre to 3/4 acre lot	1-1/4 AF	1,200
Single family unit - 3/4 acre to 1 acre lot	1-1/2 AF	1,440
Single family unit - 1 acre to 1-1/2 acre lot	1-3/4 AF	1,680
Single family unit - 1-1/2 acre to 2 acre lot	2 AF	1,920
Single family unit - each additional acre thereafter	2-1/2 AF	2,400
Mobile home unit - in park	1/2 AF	480
Multi-family unit with two or more bedrooms	1/2 AF	480
Travel trailer unit - in park	1/4 AF	240
Hotel or motel rooms, studio or 1 bedroom apt.	1/4 AF	240
Commercial development	1/2 AF	480
Industrial, warehouse and agricultural uses	Determined by Public Works Director	
For uses not described above	Determined by City Council	

* An administration fee of \$50.00 per transaction will be charged.

WATER CONNECTIONS

	<u>Connections</u>	<u>Inactive Connections</u>
Water	1,074	22

WATER BILLINGS

	<u>Billings</u>
Water	\$ 351,101

**CITY OF DELTA, UTAH
WATER RATES
JUNE 30, 2001**

WATER RATES

<u>Proposed Use</u>	<u>Rate</u>
Single family residences	\$14 on first 8,000 gallons \$0.45 each additional 1,000
Single family residences-outside city	\$28 on first 8,000 gallons \$0.90 each additional 1,000
Hotels and motels	\$14 first licensed unit, \$0.90 each additional unit on first 8,000 gallons, \$0.45 each additional 1,000 gallons
Travel trailers and RV	\$14 first licensed space, \$0.90 each additional space on first 8,000 gallons, \$0.45 each additional 1,000 gallons
Office buildings, retail establishments, etc.	\$14 on first 8,000 gallons \$0.45 each additional 1,000
Multiple family residential dwellings	\$13.40 per unit, \$0.45 for each 1,000 gallons
Commercial, family or mobile homes-outside city	Twice the applicable in city rate

**CITY OF DELTA, UTAH
INSURANCE AND BONDING COVERAGE
JUNE 30, 2001**

<u>COMPANY</u>	<u>COVERAGE AMOUNT</u>	<u>COVERAGE</u>	<u>EXPIRATION DATE</u>
The Hartford	\$ 1,000,000	Public Entity General Liability	July 1, 2001
The Hartford	\$ 1,000,000	Public Officials Errors or Emissions	July 1, 2001
The Hartford	\$ 2,291,666	Blanket Building and Business Personal Property	July 1, 2001
National Union Fire Insurance Company	\$ 5,000,000	Commercial General Liability Aviation	July 1, 2001
The Hartford	\$ 500,000	Commercial Auto Liability	July 1, 2001
Western Surety Company	\$ 160,000	Treasurer Bond	July 1, 2002
Western Surety Company	\$ 450,000	Recorder Bond	March 26, 2002