

VILLAGE OF ANSONIA

DAYTON REGION, DARKE COUNTY

REGULAR AUDIT

JANUARY 1, 2000 THROUGH DECEMBER 31, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P. O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490
www.auditor.state.oh.us

Village Council
Village of Ansonia
202 North Main Street
Ansonia, Ohio 45303

We have reviewed the Independent Auditor's Report of the Village of Ansonia, Darke County, prepared by Vanderhorst & Manning CPA, LLC, for the audit period January 1, 2000 through December 31, 2001. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Ansonia is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

August 22, 2002

This Page is Intentionally Left Blank.

**VILLAGE OF ANSONIA
DARKE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Auditors’	1
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Governmental Funds - For the Year Ended December 31, 2001	3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – Proprietary Fund Type - For the Year Ended December 31, 2001	4
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – All Governmental Funds - For the Year Ended December 31, 2000	5
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances – Proprietary Fund Type - For the Year Ended December 31, 2000	6
Notes to the Financial Statements	7 - 14
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	15 – 16
Schedule of Findings	17

This Page is Intentionally Left Blank.

Vanderhorst & Manning CPAs, LLC
6105 North Dixie Drive
Dayton, Ohio 45414

REPORT OF INDEPENDENT AUDITORS'

Village Council
Village of Ansonia
202 North Main Street
Ansonia, Ohio 45303

We have audited the accompanying financial statements of the Village of Ansonia, Darke County, Ohio (the Village), as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

As described 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 reserve for encumbrances of the Village of Ansonia, Darke County, as of December 31, 2001 and 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 2, 2002, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report on considering the results of our audit.

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

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

August 2, 2002

**VILLAGE OF ANSONIA
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Governmental Fund Types</u>			Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>	
Cash Receipts:				
Local Taxes	\$ 207,105	\$ 0	\$ 0	\$ 207,105
Intergovernmental Revenues	79,499	39,445	0	118,944
Special Assessments	2,593	0	0	2,593
Charges for Services	2,800	28,903	0	31,703
Fines, Licenses and Permits	391	195	0	586
Interest	18,562	607	0	19,169
Miscellaneous	13,843	11,359	0	25,202
Total Cash Receipts	<u>324,793</u>	<u>80,509</u>	<u>0</u>	<u>405,302</u>
Cash Disbursements:				
Current:				
Security of Persons and Property	\$ 124,396	\$ 14,502	\$ 0	\$ 138,898
Public Health Services	10,262	0	0	10,262
Leisure Time Activities	6,792	0	0	6,792
Community Environment	236	0	0	236
Transportation	0	49,234	0	49,234
General Government	150,077	0	0	150,077
Capital Outlay	202,740	18,703	557	222,000
Total Cash Disbursements	<u>494,503</u>	<u>82,439</u>	<u>557</u>	<u>577,499</u>
Total Receipts Over/(Under) Disbursements	<u>(169,710)</u>	<u>(1,930)</u>	<u>(557)</u>	<u>(172,197)</u>
Other Financing Sources/(Uses):				
Proceeds Sale of Bonds	100,000	80,000	0	180,000
Transfers-In	0	2,596	0	2,596
Transfers-Out	(9,495)	0	0	(9,495)
Other Uses	(5,574)	0	0	(5,574)
Total Other Financing Receipts (Disbursements)	<u>84,931</u>	<u>82,596</u>	<u>0</u>	<u>167,527</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(84,779)	80,666	(557)	(4,670)
Fund Cash Balances, January 1, 2001	<u>127,392</u>	<u>147,261</u>	<u>557</u>	<u>275,210</u>
Fund Cash Balances, December 31, 2001	<u>\$ 42,613</u>	<u>\$ 227,927</u>	<u>\$ 0</u>	<u>\$ 270,540</u>
Reserve for Encumbrances, December 31, 2001	<u>\$ 520</u>	<u>\$ 533</u>	<u>\$ 0</u>	<u>\$ 1,053</u>

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Proprietary Fund Types</u>
	<u>Enterprise</u>
Operating Cash Receipts:	
Charges for Services	\$ 271,087
Total Operating Cash Receipts	<u>271,087</u>
Operating Cash Disbursements:	
Personal Service	\$ 55,015
Contractual Services	94,476
Supplies and Materials	28,655
Capital Outlay	<u>308,789</u>
Total Operating Cash Disbursements	<u>486,935</u>
Operating Income/ (Loss)	<u>(215,848)</u>
Non-Operating Cash Receipts:	
Intergovernmental Revenues	197,523
Proceeds of Notes	<u>155,326</u>
Total Non-Operating Cash Receipts	<u>352,849</u>
Non-Operating Cash Disbursements:	
Debt Service	<u>151,703</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(14,702)
Transfers-In	64,274
Transfers-Out	<u>(57,375)</u>
Net Revenues Over/(Under) Expenses	(7,803)
Fund Cash Balances, January 1, 2001	<u>202,981</u>
Fund Cash Balances, December 31, 2001	<u>\$ 195,178</u>
Reserve for Encumbrances, December 31, 2001	<u>\$ 4,166</u>

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Governmental Fund Types</u>				Total (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	
Cash Receipts:					
Local Taxes	\$ 206,450	\$ 2,760	\$ 0	\$ 0	\$ 209,210
Intergovernmental Revenues	82,211	37,023	0	0	119,234
Special Assessments	9,137	0	0	0	9,137
Charges for Services	4,150	28,351	0	0	32,501
Fines, Licenses and Permits	291	75	0	0	366
Interest	22,609	1,659	0	0	24,268
Miscellaneous	8,812	52,753	0	0	61,565
Total Cash Receipts	<u>333,660</u>	<u>122,621</u>	<u>0</u>	<u>0</u>	<u>456,281</u>
Cash Disbursements:					
Current:					
Security of Persons and Property	\$ 113,963	\$ 13,822	\$ 0	\$ 0	\$ 127,785
Public Health Services	12,918	0	0	0	12,918
Leisure Time Activities	5,186	0	0	0	5,186
Community Environment	420	0	0	0	420
Transportation	0	47,280	0	0	47,280
General Government	130,003	0	0	0	130,003
Capital Outlay	137,370	15,651	0	0	153,021
Total Cash Disbursements	<u>399,860</u>	<u>76,753</u>	<u>0</u>	<u>0</u>	<u>476,613</u>
Total Receipts Over/(Under) Disbursements	<u>(66,200)</u>	<u>45,868</u>	<u>0</u>	<u>0</u>	<u>(20,332)</u>
Other Financing Receipts/(Disbursements):					
Transfers-In	20,726	12,468	0	0	33,194
Advances-In	0	0	0	0	0
Transfers-Out	(11,488)	(10,000)	(20,726)	0	(42,214)
Advances-Out	0	0	0	0	0
Other Sources	0	0	0	0	0
Other Uses	(1,064)	0	0	0	(1,064)
Total Other Financing Receipts (Disbursements)	<u>8,174</u>	<u>2,468</u>	<u>(20,726)</u>	<u>0</u>	<u>(10,084)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(58,026)	48,336	(20,726)	0	(30,416)
Fund Cash Balances, January 1, 2000	<u>185,418</u>	<u>98,925</u>	<u>20,726</u>	<u>557</u>	<u>305,626</u>
Fund Cash Balances, December 31, 2000	<u>\$ 127,392</u>	<u>\$ 147,261</u>	<u>\$ 0</u>	<u>\$ 557</u>	<u>\$ 275,210</u>
Reserve for Encumbrances, December 31, 2000	<u>\$ 1,145</u>	<u>\$ 582</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,727</u>

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2000

	<u>Proprietary Funds Types</u>
	<u>Enterprise</u>
Operating Cash Revenues:	
Charges for Services	\$ 248,254
Total Operating Cash Receipts	<u>248,254</u>
Operating Cash Disbursements:	
Personal Service	\$ 42,663
Travel Transportation	93
Contractual Services	86,213
Supplies and Materials	41,921
Capital Outlay	<u>34,469</u>
Total Operating Cash Disbursements	<u>205,359</u>
Operating Income/ (Loss)	<u>42,895</u>
Non-Operating Cash Receipts:	
Intergovernmental Revenues	10,377
Proceeds of Notes	<u>100,000</u>
Total Non-Operating Cash Receipts	<u>110,377</u>
Non-Operating Cash Disbursements:	
Debt Service	<u>157,161</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(3,889)
Transfers-In	65,525
Transfers-Out	<u>(56,505)</u>
Net Revenues Over/(Under) Expenses	5,131
Fund Cash Balances, January 1, 2000	<u>197,850</u>
Fund Cash Balances, December 31, 2000	<u>\$ 202,981</u>
Reserve for Encumbrances, December 31, 2000	<u>\$ 293</u>

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Ansonia, Darke 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 general governmental services, including water and sewer utilities, refuse services, park operations (leisure time activities), police and fire services.

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

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

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use.

The Village classifies its funds into the following types:

1. General Fund

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

2. Special Revenue Funds

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

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

State Highway Fund – This fund receives state money for constructing, maintaining, and repairing Village streets in conjunction with the state highways in the Village.

Fire Fund – This fund receives the proceeds of contractual services for providing fire protection to Twin and Van Buren Townships and the Village of Ithaca.

3. Debt Service Funds

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

Bond Retirement Fund – This fund is used to accumulate resources for the payment of bond and note indebtedness.

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:

Lake Street Improvement Fund – This fund is used for the repair and improvement to Lake Street.

Storm Sewer Improvement Fund – This fund is used for the renovation of storm sewers within the Village.

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 water services to residents.

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (Continued)

5. Enterprise Funds (Continued)

Water Improvement Fund – This fund receives a portion of water receipts, which is used for water system improvements.

Household Waste Fund – This fund receives charges for services from residents for refuse collection.

E. Budgetary Process

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

1. Appropriations

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

2. Estimated Resources

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

3. Encumbrances

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

A summary of 2001 and 2000 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

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

G. Unpaid Vacation and Sick Leave

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

2. EQUITY IN POOLED CASH AND INVESTMENTS

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

	<u>2001</u>	<u>2000</u>
Demand Deposits	\$ 151,285	\$ 112,139
Certificates of Deposit	<u>109,104</u>	<u>145,496</u>
Total Deposits	<u>260,389</u>	<u>257,635</u>
STAR Ohio	<u>205,329</u>	<u>220,556</u>
Total Deposits and Investments	<u>\$ 465,718</u>	<u>\$ 478,191</u>

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

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2001 follows:

2001 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 424,338	\$ 424,793	\$ 455
Special Revenue	83,375	163,105	79,730
Capital Projects	0	0	0
Enterprise	<u>709,309</u>	<u>688,210</u>	<u>(21,099)</u>
Total	<u>\$1,217,022</u>	<u>\$1,276,108</u>	<u>\$ 59,086</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 550,255	\$ 510,092	\$ 40,163
Special Revenue	218,922	82,972	135,950
Capital Projects	557	557	0
Enterprise	<u>892,668</u>	<u>700,179</u>	<u>192,489</u>
Total	<u>\$1,662,402</u>	<u>\$1,293,800</u>	<u>\$ 368,602</u>

**VILLAGE OF ANSONIA
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

3. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 342,476	\$ 354,386	\$ 11,910
Special Revenue	135,871	135,089	(782)
Debt Service	0	0	0
Capital Projects	0	0	0
Enterprise	<u>421,500</u>	<u>424,156</u>	<u>2,656</u>
Total	<u>\$ 899,847</u>	<u>\$ 913,631</u>	<u>\$ 13,784</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 504,034	\$ 413,557	\$ 90,477
Special Revenue	182,310	87,335	94,975
Debt Service	20,726	20,726	0
Capital Projects	557	0	557
Enterprise	<u>614,803</u>	<u>419,318</u>	<u>195,485</u>
Total	<u>\$1,322,430</u>	<u>\$ 940,936</u>	<u>\$ 381,494</u>

4. PROPERTY TAX

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

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.

**VILLAGE OF ANSONIA
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

5. DEBT (Continued)

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission	\$ 597,600	0%
Ohio Water Development Authority Loan	12,500	0%
Ohio Water Development Authority Loan	80,326	4.65%
Water Improvement Notes	75,000	4.30%
Osgood Bank	100,000	7.75%
Greenville National Bank	<u>80,000</u>	5.25%
Total	<u>\$ 945,426</u>	

The Ohio Public Works Commission (OPWC) loan relates to a water treatment plant construction project. The OPWC has approved an interest free loan of \$747,000 to the Village for this project. The loan will be repaid in semi-annual installments of \$18,675 over 20 years. The loan is collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) loan relates to a water plant improvement project. The ODWA has approved an interest free loan of \$25,000 to the Village for this project. The loan will be repaid in annual installments of \$2,500, over 10 years. The loan is collateralized by water and sewer receipts.

OWDA has authorized a second loan for the water plant lagoon improvement project in the amount of \$102,159. This project is currently under construction. Total funds distributed at December 31, 2001 are \$80,326. The loans principal and interest will be repaid semi-annual payments over 15 year period with an interest rate of 4.65%, commencing July, 2002. The schedule of payments will be adjusted to reflect any revisions in the actual amounts borrowed

Water Improvement Notes were issued in anticipation of the issuance of bonds for the purpose of paying costs of constructing a water treatment plant. The notes were in the amount of \$75,000, dated March 4, 2001, with a maturity date of March 2, 2002. Debt payments are to be made from water and system revenues.

The Village issued Taxable Land Acquisition Bond, series 2001 in the principal amount of \$100,000 for the purpose of acquiring real property. Interest on the bond is payable on February and August 1 each year, commencing February 2002 along with a fixed principal payment. Interest rate is 7.75% for the first year and 0.75% plus prime for subsequent years.

Fire Truck Improvement Bond was issued for the amount of \$80,000 for the purpose of refurbishing and equipping a pumper truck for the Village Fire Department. Interest is payable on June and December 1, commencing June 2002 along with a fixed principal payment. Interest rate is 5.75%.

**VILLAGE OF ANSONIA
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

5. DEBT (Continued)

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

Year Ending December 31:	OPWC Loan	OWDA Loans	Water Improvement Notes	Real Estate Bond	Fire Truck Bond
2002	\$ 18,675	\$ 7,305	\$ 78,421	\$ 10,272	\$ 10,507
2003	37,350	12,110	0	11,463	10,454
2004	37,350	12,110	0	11,553	10,407
2005	37,350	12,110	0	11,512	10,445
2006	37,350	12,110	0	11,548	10,462
2007-11	186,750	24,027	0	57,583	52,206
2012-16	186,750	13,054	0	57,485	0
2017	<u>56,025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 597,600</u>	<u>\$ 92,826</u>	<u>\$ 78,421</u>	<u>\$ 171,416</u>	<u>\$ 104,481</u>

6. CAPITAL LEASES

(1) Case Credit Corporation – municipal lease agreement with purchase option for a back loader in the amount of \$47,593 with payments of \$2,725, including interest, to be made four times a year over five years and (2) Ford Motor Credit – lease purchase agreement for police cruiser in the amount of \$23,756 with 12 installments of \$1,980, including interest, to be made over three years.

Year Ending December 31:	Case Credit Corporation	Ford Motor Credit
2002	\$ 10,900	\$ 7,920
2003	2,725	7,920
2004	0	0
2005	<u>0</u>	<u>0</u>
Total	<u>\$ 13,625</u>	<u>\$ 15,840</u>

7. RETIREMENT SYSTEMS

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

**VILLAGE OF ANSONIA
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

7. RETIREMENT SYSTEMS (Continued)

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PFDPF members contributed 10% of their gross salaries. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed an amount equal to 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, the Village contributed 8.13%. For 2001 the Village contributed 13.55%. The Village has paid all contributions required through December 31.

8. RISK MANAGEMENT

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool may assess supplemental premiums. The following risks are covered by the Pool:

- General liability and casualty
- Public official's liability
- Vehicle
- Law Enforcement
- Property
- Inland Marine

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

Vanderhorst & Manning CPAs, LLC
6105 North Dixie Drive
Dayton, Ohio 45414

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

Members of Council
Village of Ansonia
202 North Main Street
Ansonia, Ohio 45303

We have audited the financial statements of the Village of Ansonia, Darke County (the Village), as of and for the years ended December 31, 2001, and 2000, and have issued our report thereon dated August 2, 2002. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However we noted certain immaterial instances of noncompliance that we have reported to the management of the Village in a separate letter dated August 2, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the specific 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 do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated August 2, 2002.

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

Vanderhorst & Manning CPAs, LLC
Dayton, Ohio

August 2, 2002

**VILLAGE OF ANSONIA
DARKE COUNTY**

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

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected: Significantly Different Corrective Action Taken; of Finding No Longer Valid; Explain:
1999-30319-001	No subdivision shall make any contract or order any expenditure unless the certificate of the fiscal officer is attached.	Yes	Then and Now certificates are used for contracts or expenditures where a purchase order was not obtained. All expenditures involved were less than \$1,000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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 ANSONIA

DARKE 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
SEPTEMBER 3, 2002**