

**VILLAGE OF ANSONIA**

DAYTON REGION, DARKE COUNTY

**REGULAR AUDIT**

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002





**Auditor of State  
Betty Montgomery**

Members of Council  
Village of Ansonia

We have reviewed the Independent Auditor's Report of the Village of Ansonia, Darke County, prepared by Vanderhorst & Manning CPAs, LLC for the audit period January 1, 2002 through December 31, 2003. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

July 2, 2004



**VILLAGE OF ANSONIA  
DARKE COUNTY**

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**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, 2003 and 2002. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our 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, 2003 and 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 19, 2004, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report 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

May 19, 2004

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**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, 2003

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	
<b>Cash Receipts:</b>				
Local Taxes	\$ 230,310	\$ 68	\$ 0	\$ 230,378
Intergovernmental Revenues	75,387	46,364	0	121,751
Special Assessments	8,849	0	0	8,849
Charges for Services	1,700	45,499	0	47,199
Fines, Licenses and Permits	360	110	0	470
Interest	1,292	685	0	1,977
Miscellaneous	37,466	838	0	38,304
Total Cash Receipts	355,364	93,564	0	448,928
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	\$ 117,288	\$ 20,112	\$ 0	\$ 137,400
Public Health Services	8,747	0	0	8,747
Leisure Time Activities	6,087	0	0	6,087
Community Environment	37	0	0	37
Transportation	0	27,656	0	27,656
General Government	170,197	0	0	170,197
Capital Outlay	114,646	26,840	0	141,486
Debt Service: Principal	7,566	7,508	4,000	19,074
Interest	353	3,854	5,537	9,744
Total Cash Disbursements	424,921	85,970	9,537	520,428
Total Receipts Over/(Under) Disbursements	(69,557)	7,594	(9,537)	(71,500)
<b>Other Financing Sources/(Uses):</b>				
Proceeds Sale of Bonds	100,500	0	0	100,500
Sale of Fixed Asset	0	601	0	601
Transfers-In	0	5,000	9,537	14,537
Transfers-Out	(9,537)	(5,000)	0	(14,537)
Other Uses	(3,438)	0	0	(3,438)
Total Other Financing Receipts (Disbursements)	87,525	601	9,537	97,663
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	17,968	8,195	0	26,163
Fund Cash Balances, January 1, 2003	49,183	142,437	0	191,620
<b>Fund Cash Balances, December 31, 2003</b>	\$ 67,151	\$ 150,632	\$ 0	\$ 217,783
Reserve for Encumbrances, December 31, 2003	\$ 1,541	\$ 1,162	\$ 0	\$ 2,703

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, 2003

	<b><u>Proprietary Fund Types</u></b>
	<b><u>Enterprise</u></b>
<b>Operating Cash Receipts:</b>	
Charges for Services	\$ 275,160
Total Operating Cash Receipts	<u>275,160</u>
<b>Operating Cash Disbursements:</b>	
Personal Service	\$ 83,106
Travel Transportation	49
Contractual Services	110,777
Supplies and Materials	23,737
Capital Outlay	<u>3,478</u>
Total Operating Cash Disbursements	<u>221,147</u>
Operating Income/ (Loss)	<u>54,013</u>
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental Receipts	525
Interest and Other Fiscal Charges	978
Sale of Fixed Assets	500
Proceeds of Notes	<u>52,000</u>
Total Non-Operating Cash Receipts	<u>54,003</u>
<b>Non-Operating Cash Disbursements:</b>	
Debt Service: Principal	124,060
Interest	<u>8,654</u>
Total Non-Operating Cash Disbursements	<u>132,714</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(24,698)
Transfers-In	57,210
Transfers-Out	(57,210)
Advances-In	2,000
Advances-Out	<u>(2,000)</u>
Net Revenues Over/(Under) Expenses	(24,698)
Fund Cash Balances, January 1, 2003	<u>106,208</u>
<b>Fund Cash Balances, December 31, 2003</b>	<b><u>\$ 81,510</u></b>
Reserve for Encumbrances, December 31, 2003	<b><u>\$ 2,267</u></b>

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, 2002

	<u>Governmental Fund Types</u>			<b>Total (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
<b>Cash Receipts:</b>				
Local Taxes	\$ 223,152	\$ 34	\$ 0	\$ 223,186
Intergovernmental Revenues	142,757	41,303	0	184,060
Special Assessments	3,062	0	0	3,062
Charges for Services	3,608	38,719	0	42,327
Fines, Licenses and Permits	450	135	0	585
Interest	4,253	1,255	0	5,508
Miscellaneous	10,191	10,438	0	20,629
<b>Total Cash Receipts</b>	<u>387,473</u>	<u>91,884</u>	<u>0</u>	<u>479,357</u>
<b>Cash Disbursements:</b>				
Current:				
Security of Persons and Property	\$ 114,821	\$ 22,125	\$ 0	\$ 136,946
Public Health Services	11,566	0	0	11,566
Leisure Time Activities	5,721	0	0	5,721
Community Environment	88	0	0	88
Transportation	76,496	42,246	0	118,742
General Government	128,838	0	0	128,838
Capital Outlay	23,691	98,873	0	122,564
Debt Service: Principal	7,031	10,052	3,700	20,783
Interest	888	4,078	6,518	11,484
<b>Total Cash Disbursements</b>	<u>369,140</u>	<u>177,374</u>	<u>10,218</u>	<u>556,732</u>
<b>Total Receipts Over/(Under) Disbursements</b>	<u>18,333</u>	<u>(85,490)</u>	<u>(10,218)</u>	<u>(77,375)</u>
<b>Other Financing Sources/(Uses):</b>				
Transfers-In	0	60,000	10,218	70,218
Transfers-Out	(10,218)	(60,000)	0	(70,218)
Other Uses	(1,545)	0	0	(1,545)
<b>Total Other Financing Receipts (Disbursements)</b>	<u>(11,763)</u>	<u>0</u>	<u>10,218</u>	<u>(1,545)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements				
	6,570	(85,490)	0	(78,920)
Fund Cash Balances, January 1, 2002	<u>42,613</u>	<u>227,927</u>	<u>0</u>	<u>270,540</u>
<b>Fund Cash Balances, December 31, 2002</b>	<u>\$ 49,183</u>	<u>\$ 142,437</u>	<u>\$ 0</u>	<u>\$ 191,620</u>
Reserve for Encumbrances, December 31, 2002	<u>\$ 776</u>	<u>\$ 693</u>	<u>\$ 0</u>	<u>\$ 1,469</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, 2002

	<b><u>Proprietary Funds Types</u></b>
	<b><u>Enterprise</u></b>
<b>Operating Cash Revenues:</b>	
Charges for Services	\$ 271,209
Total Operating Cash Receipts	<u>271,209</u>
<b>Operating Cash Disbursements:</b>	
Personal Service	\$ 90,620
Travel Transportation	197
Contractual Services	126,863
Supplies and Materials	41,102
Capital Outlay	<u>86,217</u>
Total Operating Cash Disbursements	<u>344,999</u>
Operating Income/ (Loss)	<u>(73,790)</u>
<b>Non-Operating Cash Receipts:</b>	
Intergovernmental Revenues	31,252
Interest and Other Fiscal Charges	4,307
Proceeds of Notes	<u>84,333</u>
Total Non-Operating Cash Receipts	<u>119,892</u>
<b>Non-Operating Cash Disbursements:</b>	
Debt Service: Principal	126,700
Interest	<u>8,372</u>
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(88,970)
Transfers-In	57,807
Transfers-Out	(57,807)
Advances-In	25,000
Advances-Out	<u>(25,000)</u>
Net Revenues Over/(Under) Expenses	(88,970)
Fund Cash Balances, January 1, 2002	<u>195,178</u>
<b>Fund Cash Balances, December 31, 2002</b>	<b><u>\$ 106,208</u></b>
Reserve for Encumbrances, December 31, 2002	<u><u>\$ 461</u></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, 2003 AND 2002

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**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, 2003 AND 2002

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**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. 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 fro 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.

**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.

**VILLAGE OF ANSONIA  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**E. Budgetary Process**

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

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The 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 2003 and 2002 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. 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, 2003 AND 2002

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**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>2003</u>	<u>2002</u>
Demand Deposits	\$ 160,451	\$ 160,404
Certificates of Deposit	<u>10,000</u>	<u>10,000</u>
Total Deposits	<u>170,451</u>	<u>170,404</u>
STAR Ohio	<u>128,842</u>	<u>127,424</u>
Total Deposits and Investments	<u>\$ 299,293</u>	<u>\$ 297,828</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, 2003 follows:

**2003 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 462,707	\$ 455,864	\$ (6,843)
Special Revenue	89,366	99,165	9,799
Debt Service	10,500	9,537	(963)
Enterprise	<u>385,974</u>	<u>388,373</u>	<u>2,399</u>
Total	<u>\$ 948,547</u>	<u>\$ 952,939</u>	<u>\$ 4,392</u>

**2003 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 503,932	\$ 439,437	\$ 64,495
Special Revenue	220,941	92,132	128,809
Debt Service	10,500	9,537	963
Enterprise	<u>488,137</u>	<u>415,338</u>	<u>72,799</u>
Total	<u>\$1,223,510</u>	<u>\$ 956,444</u>	<u>\$ 267,066</u>



**VILLAGE OF ANSONIA  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**3. BUDGETARY ACTIVITY (Continued)**

**2002 Budgeted vs. Actual Receipts**

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 391,162	\$ 387,473	\$ (3,689)
Special Revenue	147,825	151,884	4,059
Debt Service	11,450	10,218	(1,232)
Enterprise	<u>471,785</u>	<u>473,908</u>	<u>2,123</u>
Total	<u>\$1,022,222</u>	<u>\$1,023,483</u>	<u>\$ 1,261</u>

**2002 Budgeted vs. Actual Budgetary Basis Expenditures**

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 421,861	\$ 381,679	\$ 40,182
Special Revenue	352,680	238,067	114,613
Debt Service	11,450	10,218	1,232
Enterprise	<u>663,488</u>	<u>563,339</u>	<u>100,149</u>
Total	<u>\$1,449,479</u>	<u>\$1,193,303</u>	<u>\$ 256,176</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, 2003 AND 2002

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**5. DEBT**

Debt outstanding at December 31, 2003 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission	\$ 522,900	0%
Ohio Water Development Authority Loan	7,500	0%
Ohio Water Development Authority Loan	92,250	4.65%
Various Purpose Bond, series 2003	67,700	1.75%
Osgood Bank, Land Acquisition	92,300	5.75%
Greenville National Bank, Fire	66,800	5.25%
Second National Bank, Land Acquisition	<u>70,000</u>	4.00%
Total	<u>\$ 919,450</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. 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 Loan is collateralized by water and sewer receipts.

The Village issued various purpose bonds, series 2003 for the purpose of paying costs of constructing a water treatment plant and acquiring and installing explosive gas monitoring probes in the amount of \$85,000. Debt payments are to be made from water and sewer revenues. Interest on the bond is payable on June 1 and December 1 of each year. Commencing on June 1, 2003 along with a fixed principal payment. Interest rate is 1.75% first year and graduates up to 4.05% by year 2012.

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%.

The Village issued Taxable Land Acquisition Bond, series 2003 in the principal amount of \$70,000 for the purpose of acquiring real property. Interest on the bond is payable on November 1 each year, commencing November 2004 along with a fixed principal payment. Interest rate is 4.0% for the first year and 2.5% plus one year fixed rate advance as reported by the Federal Home Loan Bank of Cincinnati, Ohio.

**VILLAGE OF ANSONIA  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

**5. DEBT (Continued)**

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

Year Ending December 31:	OPWC Loan	OWDA Loans	Water Improvement Bond	Real Estate Bond	Fire Truck Bond	Land Acquisition
2004	\$ 18,675	\$ 7,268	\$ 16,354	\$ 9,707	\$ 10,407	\$ 6,162
2005	37,350	12,036	16,986	9,754	10,444	6,260
2006	37,350	12,036	17,541	9,884	10,462	6,316
2007	37,350	9,536	3,479	9,991	10,457	6,264
2008	37,350	9,536	3,648	10,075	10,432	6,308
2009-13	186,750	47,680	15,646	52,149	31,319	31,460
2014-18	<u>168,075</u>	<u>33,370</u>	<u>0</u>	<u>33,313</u>	<u>0</u>	<u>31,570</u>
Total	<u>\$ 522,900</u>	<u>\$ 131,462</u>	<u>\$ 73,654</u>	<u>\$ 134,873</u>	<u>\$ 83,521</u>	<u>\$ 94,340</u>

**6. RETIREMENT SYSTEMS**

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

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants' gross salaries for 2003 and 2002. The Village has paid all contributions required through December 31, 2003.

**7. RISK MANAGEMENT**

**Risk Pool Management**

The Village is a member of the Ohio Municipal League Joint Self Insurance Pool (the Pool), an unincorporated non-profit association available to municipal corporations and their instrumentalities.

Pursuant to Section 2744.081 of the Ohio Revised Code, the Plan is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty excess-of-loss contracts at December 31, 2002 and 2001 (latest information available) generally protect against individual losses over \$150,000 for policies issued prior to April 1, 2000; \$100,000 for policies issued between April 1, 2000 and March 31, 2002; and \$125,000 for policies issued April 1, 2002 or later.

**VILLAGE OF ANSONIA  
DARKE COUNTY**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

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**7. RISK MANAGEMENT** (continued)

**Risk Pool Management** (continued)

Property coverage contracts protects against losses, subject to a deductible of \$50,000, limited to an annual aggregate loss of the greater of \$300,000 or 1% of total coverage. The Pool cedes reinsurances or excess reinsurers. The Pool is contingently liable should any reinsurer become unable to meet its obligations under the reinsurance agreements. The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained (deficit) earnings at December 31, 2002 and 2001 (the latest information available):

	<u>2002</u>	<u>2001</u>
Assets	\$ 1,852,060	\$ 3,354,251
Liabilities	<u>(3,627,321)</u>	<u>(4,851,866)</u>
Retained (deficit) earnings	<u>\$(1,775,261)</u>	<u>\$(1,497,615)</u>

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

**8. RELATED PARTY TRANSACTION**

The Village sold assets to a related party in the amount of \$1,101. The sale was advertised to highest bidder. Two bids were received. The sale went to highest bidder.

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**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, 2003, and 2002, and have issued our report thereon dated May 19, 2004. 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 May 19, 2004.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the 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 May 19, 2004.

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

May 19, 2004







**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**VILLAGE OF 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  
JULY 20, 2004**