



Dave Yost • Auditor of State

VILLAGE OF ANSONIA
DARKE COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Ansonia
Darke County
202 North Main Street
Ansonia, Ohio 45303

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Ansonia, Darke County, Ohio, (the Village) as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2015 and 2014 or changes in financial position or cash flows thereof for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Ansonia, Darke County as of December 31, 2015 and 2014, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2017, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Dave Yost
Auditor of State
Columbus, Ohio

March 16, 2017

Village of Ansonia

Darke County

Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)

All Governmental Fund Types

For the Year Ended December 31, 2015

	General	Special Revenue	Debt Service	Capital Projects	(Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$66,637				\$66,637
Municipal Income Tax	130,203				130,203
Intergovernmental	48,525	\$68,852		\$28,427	145,804
Special Assessments	26,721				26,721
Charges for Services	8,596	62,528			71,124
Fines, Licenses and Permits	290	86			376
Earnings on Investments	266				266
Miscellaneous	15,978	344			16,322
<i>Total Cash Receipts</i>	<u>297,216</u>	<u>131,810</u>	<u>0</u>	<u>28,427</u>	<u>457,453</u>
Cash Disbursements					
Current:					
Security of Persons and Property	129,865	35,274			165,139
Public Health Services	4,752				4,752
Leisure Time Activities	14,357				14,357
Transportation		47,097			47,097
General Government	136,497				136,497
Capital Outlay	548	22,516		28,427	51,491
Debt Service:					
Principal Retirement			\$44,300		44,300
Interest and Fiscal Charges			4,931		4,931
<i>Total Cash Disbursements</i>	<u>286,019</u>	<u>104,887</u>	<u>49,231</u>	<u>28,427</u>	<u>468,564</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>11,197</u>	<u>26,923</u>	<u>(49,231)</u>	<u>0</u>	<u>(11,111)</u>
Other Financing Receipts (Disbursements)					
Transfers In		20,000	49,231		69,231
Transfers Out	(49,231)	(20,000)			(69,231)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(49,231)</u>	<u>0</u>	<u>49,231</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(38,034)</u>	<u>26,923</u>	<u>0</u>	<u>0</u>	<u>(11,111)</u>
<i>Fund Cash Balances, January 1</i>	<u>83,564</u>	<u>154,270</u>	<u>0</u>	<u>0</u>	<u>237,834</u>
Fund Cash Balances, December 31					
Restricted	0	181,193	0	0	181,193
Assigned	32,858	0	0	0	32,858
Unassigned (Deficit)	12,672	0	0	0	12,672
<i>Fund Cash Balances, December 31</i>	<u>\$45,530</u>	<u>\$181,193</u>	<u>\$0</u>	<u>\$0</u>	<u>\$226,723</u>

See accompanying notes to the basic financial statements

Village of Ansonia

Darke County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*

All Proprietary Fund Types

For the Year Ended December 31, 2015

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$381,265</u>
<i>Total Operating Cash Receipts</i>	<u>381,265</u>
Operating Cash Disbursements	
Personal Services	112,482
Transportation	511
Contractual Services	69,249
Supplies and Materials	90,229
Capital Outlay	<u>24,907</u>
<i>Total Operating Cash Disbursements</i>	<u>297,378</u>
<i>Operating Income (Loss)</i>	<u>83,887</u>
Non-Operating Receipts (Disbursements)	
Redemption of Principal	(116,947)
Interest and Other Fiscal Charges	<u>(4,707)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(121,654)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(37,767)
Transfers In	64,000
Transfers Out	<u>(64,000)</u>
<i>Net Change in Fund Cash Balances</i>	(37,767)
<i>Fund Cash Balances, January 1</i>	<u>206,893</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$169,126</u></u>

See accompanying notes to the basic financial statements

Village of Ansonia*Darke County**Combined Statement of Receipts, Disbursements**and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2014*

	General	Special Revenue	Debt Service	(Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$66,256			\$66,256
Municipal Income Tax	133,925			133,925
Intergovernmental	44,441	\$57,287		101,728
Special Assessments	28,098			28,098
Charges for Services	8,708	59,981		68,689
Fines, Licenses and Permits	120	233		353
Earnings on Investments	285			285
Miscellaneous	18,391	3,181		21,572
<i>Total Cash Receipts</i>	<u>300,224</u>	<u>120,682</u>	<u>0</u>	<u>420,906</u>
Cash Disbursements				
Current:				
Security of Persons and Property	130,592	45,283		175,875
Public Health Services	4,840			4,840
Leisure Time Activities	10,895			10,895
Transportation		53,217		53,217
General Government	126,935			126,935
Capital Outlay	640	24,971		25,611
Debt Service:				
Principal Retirement			\$42,400	42,400
Interest and Fiscal Charges			6,782	6,782
<i>Total Cash Disbursements</i>	<u>273,902</u>	<u>123,471</u>	<u>49,182</u>	<u>446,555</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>26,322</u>	<u>(2,789)</u>	<u>(49,182)</u>	<u>(25,649)</u>
Other Financing Receipts (Disbursements)				
Transfers In		20,000	49,182	69,182
Transfers Out	(49,182)	(20,000)		(69,182)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(49,182)</u>	<u>0</u>	<u>49,182</u>	<u>0</u>
<i>Net Change in Fund Cash Balances</i>	<u>(22,860)</u>	<u>(2,789)</u>	<u>0</u>	<u>(25,649)</u>
<i>Fund Cash Balances, January 1</i>	<u>106,424</u>	<u>157,059</u>	<u>0</u>	<u>263,483</u>
Fund Cash Balances, December 31				
Restricted	0	154,270	0	154,270
Assigned	41,409	0	0	41,409
Unassigned (Deficit)	42,155	0	0	42,155
<i>Fund Cash Balances, December 31</i>	<u>\$83,564</u>	<u>\$154,270</u>	<u>\$0</u>	<u>\$237,834</u>

See accompanying notes to the basic financial statements

Village of Ansonia

Darke County

*Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)*

All Proprietary Fund Types

For the Year Ended December 31, 2014

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$377,113</u>
<i>Total Operating Cash Receipts</i>	<u>377,113</u>
Operating Cash Disbursements	
Personal Services	110,191
Transportation	37
Contractual Services	70,899
Supplies and Materials	97,241
Capital Outlay	<u>24,864</u>
<i>Total Operating Cash Disbursements</i>	<u>303,232</u>
<i>Operating Income (Loss)</i>	<u>73,881</u>
Non-Operating Receipts (Disbursements)	
Redemption of Principal	(116,235)
Interest and Other Fiscal Charges	<u>(5,420)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(121,655)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(47,774)
Transfers In	64,000
Transfers Out	<u>(64,000)</u>
<i>Net Change in Fund Cash Balances</i>	(47,774)
<i>Fund Cash Balances, January 1</i>	<u>254,667</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$206,893</u></u>

See accompanying notes to the basic financial statements

**VILLAGE OF ANSONIA
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Ansonia, Darke County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general governmental services, including water and sewer utilities, refuse services, park operations (leisure time activities), fire and police services

The Village participates in a public entity risk pool (Ohio Plan Risk Management, Inc). Note 8 to the financial statements provides additional information for this entity.

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

B. Accounting Basis

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Council recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

C. Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively. The Village has a Certificate of Deposit.

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 accounts for and reports all financial resources not accounted for and reported in another fund.

2. Special Revenue Funds

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

**VILLAGE OF ANSONIA
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Brown, Richland, and York Townships.

Fire Truck Fund – This fund receives transfers from the Fire Fund in order to build up revenue to maintain/ purchase fire trucks.

Education and Enforcement Fund – This fund receives money from DUI and Drug fines and is to be used for education enforcement.

3. Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

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

4. Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project fund:

State Route 47/Safe Route to School Project Fund – This fund received grant proceeds for engineering costs for an upcoming street and sidewalk project.

5. Enterprise Funds

These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

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

VILLAGE OF ANSONIA
DARKE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Sewer Improvement Fund - This fund receives surcharges on the utility billings, which is used for sewer improvements.

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. Appropriations lapse at year end.

2. Estimated Resources

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

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

1. Nonspendable

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

2. Restricted

Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

**VILLAGE OF ANSONIA
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Committed

Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

4. Assigned

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the general fund report all fund balances as *assigned* unless they are restricted or committed. In the general fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

5. Unassigned

Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

G. Property, Plant, and Equipment

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

H. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2015	2014
Demand deposits	\$385,849	\$434,727
Certificates of deposit	10,000	10,000
Total deposits	\$395,849	\$444,727

**VILLAGE OF ANSONIA
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS (Continued)

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

3. Budgetary Activity

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$297,188	\$297,216	\$28
Special Revenue	149,396	151,810	2,414
Debt Service	49,231	49,231	0
Capital Projects	28,427	28,427	0
Enterprise	445,265	445,265	0
Total	\$969,507	\$971,949	\$2,442

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$338,597	\$335,250	\$3,347
Special Revenue	125,686	124,887	799
Debt Service	49,231	49,231	0
Capital Projects	28,427	28,427	0
Enterprise	484,322	483,032	1,290
Total	\$1,026,263	\$1,020,827	\$5,436

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$296,220	\$300,224	\$4,004
Special Revenue	136,712	140,682	3,970
Debt Service	49,183	49,182	(1)
Enterprise	438,496	441,113	2,617
Total	\$920,611	\$931,201	\$10,590

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$337,293	\$323,084	\$14,209
Special Revenue	152,075	143,471	8,604
Debt Service	49,183	49,182	1
Enterprise	511,133	488,887	22,246
Total	\$1,049,684	\$1,004,624	\$45,060

**VILLAGE OF ANSONIA
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, 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.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. LOCAL INCOME TAX

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

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

6. DEBT

Debt outstanding at December 31, 2015 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Osgood Bank - Land Bond	\$10,700	7.75%
2nd National Bank - Land Bond	19,200	3.75%
Peoples - Main St. Improvement Bond	45,000	4.25%
OPWC CK230 - Sewer Separation Loan	229,167	0.00%
OPWC CK903 - Issue II	74,700	0.00%
OWDA #3476 - Sewer Loan	9,213	4.65%
OWDA #4202 - Water Improvement Loan	80,978	4.60%
OWDA #4701 - Sewer Separation Loan	208,234	0.00%
OWDA #4805 - CSO Phase 2	444,520	0.00%
OWDA #5347 - WPCLF Capitalization Grant	62,509	0.00%
Total	<u>\$1,184,221</u>	

Ohio Public Works Commission (OPWC) loan CK903 relates to a water treatment plant construction project. The OPWC 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. Final payment is due January 1, 2018. The loan is collateralized by water and sewer receipts.

**VILLAGE OF ANSONIA
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

6. DEBT (Continued)

Ohio Public Works Commission (OPWC) loan CK230 relates to a sanitary sewer separation project. The OPWC approved an interest free loan of \$250,000 to the Village for this project. The loan will be repaid in semi-annual installments of \$4,167 over 30 years. Final payment is due July 2043.

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 June 2002 along with a fixed principal payment. Interest rate is 7.75% for the first year and 0.75% plus prime for subsequent years. Final payment is due August 1, 2016.

The Village issued Taxable Land Acquisition Bond, series 2003 in the principal amount of \$70,000 for the purpose of acquiring real property. The 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. Current rate is 3.75%. Final payment is due November 1, 2018.

The Village issued street improvement bonds, series 2008 for the purpose of paying the costs of reconstructing Main Street in the amount of \$150,000. Debt payments are to be paid from property tax receipts. The bonds will be repaid in semi-annual installments over 10 years, commencing on December 1, 2009 with final payment due on December 1, 2018. Interest rate is 4.25%.

The Ohio Water Development Authority (OWDA) authorized a loan (#3476) for the water plant lagoon improvement project in the amount of \$102,159. The loan principal and interest will be repaid in semi-annual payments of \$4,768 over a 15 year period with an interest rate of 4.65%, commencing July 2002. Final payment is due January 1, 2017. The loan is collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) loan #4202 relates to a water project. The OWDA approved a loan in the amount of \$144,000 at 4.6% interest. The loan will be repaid in semi-annual installments of \$5,545 over 20 years, commencing July 1, 2005 with final payment due on January 1, 2025. The loan is collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) loan #4701 relates to the sewer separation project. The OWDA has approved a loan in the amount of \$380,254 at 0% interest of which \$362,146 has been disbursed to the Village. The loan will be repaid in semi-annual installments of \$9,054 over 20 years, commencing January 1, 2008 with final payment due on July 1, 2027. The loan is collateralized by water and sewer receipts.

The Ohio Water Development Authority (OWDA) loan #4805 relates to the sewer separation project. The OWDA approved a loan in the amount of \$697,641 at 0% interest of which \$658,549 has been disbursed to the Village. The loan will be repaid in semi-annual installments over 20 years, commencing January 1, 2010 with final payment due on July 1, 2029. The loan is collateralized by water and sewer receipts.

**VILLAGE OF ANSONIA
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

6. DEBT

The Ohio Water Development Authority (OWDA) loan #5347 relates to the sewer separation project and main sewer repair project. The OWDA approved a loan in the amount of \$86,219 at 0% interest. The loan will be repaid in semi-annual installments of \$2,155 over 19 years, commencing January 1, 2012 with final payment due on July 1, 2030. The loan is collateralized by water and sewer receipts.

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

Year ending December 31:	Principal	Interest
2016	\$121,890	\$3,716
2017	\$134,109	\$4,385
2018	\$111,429	\$3,346
2019	\$73,726	\$2,385
2020	\$72,414	\$2,048
2021-2025	\$363,013	\$4,596
2026-2030	\$203,473	
2031-2035	\$41,667	
2036-2040	\$41,667	
2041-2043	\$20,833	
Total	\$1,184,221	\$20,476

7. RETIREMENT SYSTEMS

The Village's certified Fire Fighters and full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2015 and 2014, OP&F participants contributed 11.5 and 10.75% of their wages. For 2015 and 2014, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2015 and 2014, OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

8. RISK MANAGEMENT

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) - formerly known as the Ohio Government Risk Management Plan, (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

**VILLAGE OF ANSONIA
DARKE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

8. RISK MANAGEMENT (Continued)

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

OPRM coverage programs are developed specific to each member's risk management needs and the related premiums for coverage are determined through the application of uniform underwriting criteria addressing the member's exposure to loss. Effective November 1, 2012 (and through October 2014) the plan increased its retention to 50% of the first \$250,000 casualty treaty. Effective November 1, 2014, the OPRM retained 47% of the premium and losses on the first \$250,000 casualty treaty and 10% of the first \$1,000,000 property treaty. Members are only responsible for their self-retention (deductible) amounts, which vary from member to member. OPRM had 772 and 783 members as of December 31, 2015 and 2014 respectively.

Plan members are responsible to notify the Plan of their intent to renew coverage by their renewal date. If a member chooses not to renew with the Plan, they have no other financial obligation to the Plan, but still need to promptly notify the Plan of any potential claims occurring during their membership period. The former member's covered claims, which occurred during their membership period, remain the responsibility of the Plan.

Settlement amounts did not exceed insurance coverage for the past three fiscal years.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2015 and 2014.

	2015	2014
Assets	\$14,643,667	\$14,830,185
Liabilities	(9,112,030)	(8,942,504)
Members' Equity	<u>\$5,531,637</u>	<u>\$5,887,681</u>

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Village of Ansonia
Darke County
202 North Main Street
Ansonia, Ohio 45303

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of Ansonia, Darke County, Ohio, (the Village) as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, and have issued our report thereon dated March 16, 2017, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2015-001 to be a material weakness.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

March 16, 2017

**VILLAGE OF ANSONIA
DARKE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2015 AND 2014**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2015-001

Material Weakness – Financial Statement Errors

The Village prepared its annual financial statements in accordance with accounting practices the Auditor of State prescribes or permits, the regulatory cash basis, in 2015 and 2014. The Village's financial statements for 2015 and 2014 contained errors which were material and resulted in reclassification or adjustment to the financial statements as follows:

- **Governmental Accounting Standards Board (GASB) Statement No. 54 par. 16, *Fund Balance Reporting and Governmental Fund Type Definitions*** (GASB codification 1800.176) requires that when the appropriation measure is adopted for the subsequent year, if a portion of existing fund balance is included as a budgetary resource, then that portion of fund balance should be classified as assigned. Stated differently, if appropriations (temporary or annual) exceed estimated receipts (not resources), the excess is to be assigned as it uses existing fund balance at year end. This would be applicable to the general fund as it is the only fund with a positive unassigned fund balance. The Village did not include the \$32,858 excess of 2016 appropriations over estimated receipts as assigned fund balance in the General Fund for 2015, and \$41,409 excess of 2015 appropriations over estimated receipts as assigned fund balance in the General Fund for 2014.
- In 2015 Ohio Department of Transportation receipts were erroneously posted as other financing sources in the Capital Projects Fund; thus, overstating Other Financing Sources receipts by \$28,427 and understating Intergovernmental receipts by \$28,427.
- In 2015 there was an Ohio Public Works Commission principal payment of \$4,167 that should have been paid out of the Sewer Fund instead of being paid out of the Water Improvement Fund. The Village posted the adjustment to their accounting system.

Failure to review the Village's annual financial statements could result in materially misstated financial statements and misleading financial information. The Village should implement procedures to review its annual financial statements to ensure that any significant errors are identified and corrected. The Village should review the requirements noted in GASB 54 and Auditor of State Bulletin 2011-004.

Official's Response:

Officials did not provide a response to this finding.

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Dave Yost • Auditor of State

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
APRIL 6, 2017