

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2000 AND 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Village of Anna
Anna, Ohio

We have reviewed the independent auditor's report of the Village of Anna, Shelby County, prepared by E.S. Evans and Company, Certified Public Accountants, for the audit period January 1, 1999 through December 31, 2000. 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 Anna is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

June 28, 2001

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VILLAGE OF ANNA
SHELBY COUNTY, OHIO

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VILLAGE OF ANNA
SHELBY COUNTY, OHIO

ELECTED OFFICIALS
December 31, 2000

<u>Official</u>	<u>Term Expires</u>	<u>Surety</u>	<u>Amount</u>
Mayor			
Julie Ehemann	12-31-2003	(A)	\$ 5,000
Council Members			
Richard Eshleman	12-31-2003	(A)	5,000
John Aselage	12-31-2001		
Melissa Brunswick	12-31-2001		
Ronald Dunn	12-31-2001		
Thomas Monfort	12-31-2003		
Terry Sharp	12-31-2001		
Clerk/Treasurer			
Kathleen Eshleman	03-31-2004	(A)	10,000

(A) Ohio Government Risk Management Plan

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

INDEX OF FUNDS

GOVERNMENTAL FUND TYPES:

General Fund Type:

General Fund

Special Revenue Fund Types:

Street Construction, Maintenance and Repair Fund

State Highway Improvement Fund

Parks and Recreation Fund

DUI Enforcement & Education Fund

Mayors Court Computer Fund

Community Reinvestment Area Fund

Fire Fund

Capital Projects Fund Types:

North Second Street Assessment Fund

South Second Street Assessment Fund

Toland Ditch Assessment Fund

Capital Improvement Fund

Street Lighting Assessment Fund

Pike Street Water Line Improvement Fund

Meadowview Assessment Fund

Well #5 Fund

PROPRIETARY FUND TYPES:

Enterprise Fund Types:

Water Fund

Sanitary Sewer Fund

Refuse Fund

Water Tower Fund

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

INDEX OF FUNDS – (continued)

PROPRIETARY FUND TYPES: - (continued)

Enterprise Fund Types: - (continued)

Water Mortgage Revenue Fund

Utilities Deposit Fund

Wastewater Treatment Plant Improvement Fund

FIDUCIARY FUND TYPES:

Expendable Trust Fund Types:

Local Income Tax Fund

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E.S. Evans and Company

Certified Public Accountants and Consultants

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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

May 10, 2001

INDEPENDENT AUDITOR'S REPORT

Village of Anna
Shelby County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

We have audited the accompanying combined financial statements of the Village of Anna, as of and for the years ended December 31, 2000 and 1999. These combined financial statements are the responsibility of the Village of Anna's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with Generally Accepted Auditing Standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. 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 combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village of Anna prepares its combined 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 combined financial statements referred to above present fairly, in all material respects, the combined cash, investments, and combined fund cash balances of the Village of Anna, as of December 31, 2000 and 1999, and its combined cash receipts and disbursements and its combined budgeted and actual receipts and budgeted and actual disbursements and encumbrances, 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 10, 2001 on our consideration of the Village of Anna's internal control over financial reporting and on our tests of its' compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the 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 specific parties.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH, INVESTMENTS,
AND FUND CASH BALANCES - ALL FUND TYPES

December 31, 2000 and 1999

	<u>2000</u>	<u>1999</u>
<u>POOLED CASH AND INVESTMENTS</u>		
Cash	\$ <u>1,659,824</u>	\$ <u>2,113,231</u>

POOLED CASH AND INVESTMENT BALANCES BY FUND TYPE

Governmental Funds:

General Fund	\$ 130,590	\$ 166,367
Special Revenue Funds	315,781	813,282
Capital Projects Funds	167,078	181,991

Proprietary Funds:

Enterprise Funds	969,615	863,561
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Fiduciary Funds:

Expendable Trust Funds	<u>76,760</u>	<u>88,030</u>
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Total	\$ <u>1,659,824</u>	\$ <u>2,113,231</u>
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The accompanying notes are an integral part
of these financial statements.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES -
GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS

For the Year Ended December 31, 2000

	<u>Governmental Fund Type</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Project</u>
<u>Revenue Receipts:</u>			
Local Taxes	\$ 25,304	\$ -	\$ -
Intergovernmental Revenues	73,131	44,617	107,312
Special Assessments	-	-	41,827
Charges for Services	38,006	-	-
Fines, Licenses, and Permits	9,647	1,065	-
Interest Income	63,969	652	-
Miscellaneous	21,169	50	-
Total Revenue Receipts	<u>231,226</u>	<u>46,384</u>	<u>149,139</u>
<u>Expenditure Disbursements:</u>			
Current -			
Security of Persons and Property	96,697	60,188	30,305
Public Health and Welfare	2,754	-	-
Leisure Time Activities	1,200	4,648	-
Community Environment	20	13	-
Transportation	66,975	25,285	-
General Government	90,911	-	1,992
Capital Outlay	12,746	656,117	201,355
Debt Service	-	92,010	-
Total Expenditure Disbursements	<u>271,303</u>	<u>838,261</u>	<u>233,652</u>
Total Revenue Receipts Over/(Under) Expenditure Disbursements	<u>(40,077)</u>	<u>(791,877)</u>	<u>(84,513)</u>
<u>Other Financing Sources (Uses):</u>			
Operating Transfers-In	162,400	294,376	78,281
Operating Transfers-Out	(158,100)	-	(8,681)
Other Uses	-	-	-
Total Other Financing Sources (Uses)	<u>4,300</u>	<u>294,376</u>	<u>69,600</u>
Excess of Receipts and Other Sources Over/ (Under) Disbursements and Other Uses	<u>(35,777)</u>	<u>(497,501)</u>	<u>(14,913)</u>
<u>Fund Cash Balance - January 1, 2000</u>	<u>166,367</u>	<u>813,282</u>	<u>181,991</u>
<u>Fund Cash Balance - December 31, 2000</u>	<u>\$ 130,590</u>	<u>\$ 315,781</u>	<u>\$ 167,078</u>

The accompanying notes are an integral part
of these financial statements.

<u>Fiduciary Fund</u> <u>Expendable</u> <u>Trust</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
\$ 400,137	\$ 425,441
-	225,060
-	41,827
-	38,006
-	10,712
-	64,621
-	21,219
400,137	826,886
-	187,190
-	2,754
-	5,848
-	33
-	92,260
12,055	104,958
-	870,218
-	92,010
12,055	1,355,271
388,082	(528,385)
-	535,057
(384,665)	(551,446)
(14,687)	(14,687)
(399,352)	(31,076)
(11,270)	(559,461)
88,030	1,249,670
\$ 76,760	\$ 690,209

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES -
GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS
For the Year Ended December 31, 1999

	Governmental Fund Type		
	General	Special Revenue	Capital Project
<u>Revenue Receipts:</u>			
Local Taxes	\$ 24,408	\$ -	\$ -
Intergovernmental Revenues	81,863	43,113	54,000
Special Assessments	-	-	52,107
Charges for Services	40,084	-	-
Fines, Licenses, and Permits	7,459	765	-
Interest Income	49,049	12,780	-
Sale of Fixed Assets	37,215	-	-
Miscellaneous	18,724	10,389	-
Total Revenue Receipts	<u>258,802</u>	<u>67,047</u>	<u>106,107</u>
<u>Expenditure Disbursements:</u>			
Current -			
Security of Persons and Property	111,034	288,724	28,700
Public Health and Welfare	2,777	-	-
Leisure Time Activities	1,200	5,629	-
Community Environment	2,656	16	-
Transportation	70,554	53,307	-
General Government	110,120	-	1,917
Capital Outlay	-	104,262	149,637
Debt Service	-	22,977	-
Total Expenditure Disbursements	<u>298,341</u>	<u>474,915</u>	<u>180,254</u>
Total Revenue Receipts Over/(Under)			
Expenditure Disbursements	<u>(39,539)</u>	<u>(407,868)</u>	<u>(74,147)</u>
<u>Other Financing Sources (Uses):</u>			
Proceeds from Sale of Bonds/Notes	-	1,011,950	-
Operating Transfers-In	97,424	164,347	71,234
Operating Transfers-Out	(42,718)	(5,006)	(73,914)
Advances-Out	-	(20,000)	-
Advances-In	-	-	20,000
Other Uses	-	-	-
Total Other Financing Sources (Uses)	<u>54,706</u>	<u>1,151,291</u>	<u>17,320</u>
Excess of Receipts and Other Sources Over/ (Under) Disbursements and Other Uses	15,167	743,423	(56,827)
<u>Fund Cash Balance - January 1, 1999 - Restated</u>	<u>151,200</u>	<u>69,859</u>	<u>238,818</u>
<u>Fund Cash Balance - December 31, 1999</u>	<u>\$ 166,367</u>	<u>\$ 813,282</u>	<u>\$ 181,991</u>

The accompanying notes are an integral part
of these financial statements.

<u>Fiduciary Fund</u> <u>Expendable</u> <u>Trust</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
\$ 317,375	\$ 341,783
-	178,976
-	52,107
-	40,084
-	8,224
-	61,829
-	37,215
-	29,113
<u>317,375</u>	<u>749,331</u>
-	428,458
-	2,777
-	6,829
-	2,672
-	123,861
8,246	120,283
-	253,899
-	22,977
<u>8,246</u>	<u>961,756</u>
<u>309,129</u>	<u>(212,425)</u>
-	1,011,950
-	333,005
(232,346)	(353,984)
-	(20,000)
-	20,000
<u>(11,896)</u>	<u>(11,896)</u>
<u>(244,242)</u>	<u>979,075</u>
64,887	766,650
23,143	483,020
<u>\$ 88,030</u>	<u>\$ 1,249,670</u>

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

**COMBINED STATEMENT OF CASH RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCE - PROPRIETARY FUND TYPE**

For the Years Ended December 31, 2000 and 1999

	Proprietary Fund Types	
	Enterprise	
	2000	1999
<u>Operating Receipts:</u>		
Charges for Services	\$ 452,586	\$ 427,419
Subsidy Payments	78,000	89,000
Miscellaneous	1,711	11,000
Total Operating Receipts	<u>532,297</u>	<u>527,419</u>
<u>Operating Disbursements:</u>		
Personnel Services	109,819	84,598
Travel Transportation	518	1,198
Contractual Services	171,764	189,082
Material and Supplies	30,532	16,155
Capital Outlay	54,937	122,828
Total Operating Disbursements	<u>367,570</u>	<u>413,861</u>
Excess of Cash Operating Receipts Over/ (Under) Operating Disbursements	<u>164,727</u>	<u>113,558</u>
<u>Non-Operating Receipts/(Disbursements):</u>		
Miscellaneous	1	278
Sale of Fixed Assets	4,263	590
Debt Service	(77,707)	(69,454)
Other Non-Operating Expenses	(1,619)	(1,714)
Total Non-Operating Receipts/(Disbursements)	<u>(75,062)</u>	<u>(70,300)</u>
Excess of Cash Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	<u>89,665</u>	<u>43,258</u>
Operating Transfers-In	16,389	348,982
Operating Transfers-Out	-	(328,003)
Total Transfers and Advances	<u>16,389</u>	<u>20,979</u>
Excess of Net Cash Receipts Over/(Under) Disbursements	106,054	64,237
<u>Fund Cash Balance</u> - January 1,	<u>863,561</u>	<u>799,324</u>
<u>Fund Cash Balance</u> - December 31,	<u>\$ 969,615</u>	<u>\$ 863,561</u>

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

COMBINED STATEMENT OF RECEIPTS - BUDGET AND ACTUAL

For the Years Ended December 31, 2000 and 1999

	2000		Variance Favorable (Unfavorable)
	Budget	Actual	
<u>Fund Types/Funds:</u>			
<u>Governmental:</u>			
General	\$ 466,928	\$ 231,226	\$ (235,702)
Special Revenue	1,075,345	46,384	(1,028,961)
Capital Projects	374,783	149,139	(225,644)
<u>Fiduciary:</u>			
Expendable Trust	430,030	400,137	(29,893)
<u>Proprietary:</u>			
Enterprise	1,081,299	536,561	(544,738)
<u>Total (Memorandum Only)</u>	\$ 3,428,385	\$ 1,363,447	\$ (2,064,938)
	1999		Variance Favorable (Unfavorable)
	Budget	Actual	
<u>Governmental:</u>			
General	\$ 452,704	\$ 258,802	\$ (193,902)
Special Revenue	1,049,661	1,078,997	29,336
Capital Projects	432,690	106,107	(326,583)
<u>Fiduciary:</u>			
Expendable Trust	406,469	317,375	(89,094)
<u>Proprietary:</u>			
Enterprise	1,688,718	528,287	(1,160,431)
<u>Total (Memorandum Only)</u>	\$ 4,030,242	\$ 2,289,568	\$ (1,740,674)

The accompanying notes are an integral part
of these financial statements.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

**COMBINED STATEMENT OF DISBURSEMENTS AND
ENCUMBRANCES COMPARED WITH EXPENDITURE AUTHORITY**

For the Years Ended December 31, 2000 and 1999

<u>Fund Types/Funds:</u>	<u>Prior Year Carryover Appropriation</u>	<u>2000 Appropriation</u>	<u>Total</u>
<u>Governmental:</u>			
General	\$ 7,611	\$ 447,373	\$ 454,984
Special Revenue	15,321	1,013,008	1,028,329
Capital Projects	-	271,965	271,965
<u>Fiduciary:</u>			
Expendable Trust	-	366,030	366,030
<u>Proprietary:</u>			
Enterprise	<u>19,914</u>	<u>529,324</u>	<u>549,238</u>
<u>Total (Memorandum Only)</u>	<u>\$ 42,846</u>	<u>\$ 2,627,700</u>	<u>\$ 2,670,546</u>

<u>Fund Types/Funds:</u>	<u>Prior Year Carryover Appropriation</u>	<u>1999 Appropriation</u>	<u>Total</u>
<u>Governmental:</u>			
General	\$ -	\$ 380,491	\$ 380,491
Special Revenue	-	736,070	736,070
Capital Projects	-	281,224	281,224
<u>Fiduciary:</u>			
Expendable Trust	-	265,243	265,243
<u>Proprietary:</u>			
Enterprise	<u>-</u>	<u>1,523,244</u>	<u>1,523,244</u>
<u>Total (Memorandum Only)</u>	<u>\$ -</u>	<u>\$ 3,186,272</u>	<u>\$ 3,186,272</u>

The accompanying notes are an integral part
of these financial statements.

<u>2000 Actual Disbursements</u>	<u>Encumbrances Outstanding at 12-31-00</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 271,303	\$ 828	\$ 272,131	\$ 182,853
838,261	6,311	844,572	183,757
233,652	-	233,652	38,313
26,742	-	26,742	339,288
<u>446,896</u>	<u>4,210</u>	<u>451,106</u>	<u>98,132</u>
<u>\$ 1,816,854</u>	<u>\$ 11,349</u>	<u>\$ 1,828,203</u>	<u>\$ 842,343</u>

<u>1999 Actual Disbursements</u>	<u>Encumbrances Outstanding at 12-31-99</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 298,341	\$ 7,611	\$ 305,952	\$ 74,539
474,915	15,321	490,236	245,834
180,254	-	180,254	100,970
20,142	-	20,142	245,101
<u>485,029</u>	<u>19,914</u>	<u>504,943</u>	<u>1,018,301</u>
<u>\$ 1,458,681</u>	<u>\$ 42,846</u>	<u>\$ 1,501,527</u>	<u>\$ 1,684,745</u>

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The Village of Anna is a political and corporate body established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village operates under a council/mayor form of government and provides the following services: public safety, street maintenance, water and sewer facilities, and general administrative services.

The Village's management believes the financial statements included in this report represent all of the funds of the Village over which the Village has the ability to exercise direct operating control.

Basis of Accounting

The Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Consequently, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligation is incurred. A general fixed asset group and long-term debt group of accounts are not recorded on the financial statements by the Village under the basis of accounting used. 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.

Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations or limitations. The Village uses the following major fund types:

Governmental Funds

General Fund

The General Fund accounts for all the revenues and expenditures of the Village that are not required to be accounted for in other funds.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 1 - Summary of Significant Accounting Policies - (continued)

Fund Accounting - (continued)

Special Revenue Fund

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than capital projects and expendable trusts), the expenditures for which are legally restricted to for specific purposes.

Capital Project Fund

The Capital Project Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary and Trust Funds).

Proprietary Funds

Enterprise Funds

Enterprise Funds are used to account for the operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Fiduciary Funds

Expendable Trust Funds

Expendable Trust Funds are trust funds that are used to account for resources restricted by legally binding trust agreements in which the Village is not required to maintain the corpus of the trust.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 1 - Summary of Significant Accounting Policies - (continued)

Budgets

The Village is required by state law to adopt annual budgets for all funds. Each budget is presented on the cash basis of accounting. The tax budget of estimated cash receipts and disbursements is required to be submitted to the County Auditor, as secretary of the County Budget Commission, by July 15 of each year, for the following year.

Estimated Resources

The County Budget Commission certifies its actions to the Village by September 1. As part of this certification, the Village receives the official certificate of estimated resources which states the projected receipts of each fund. On or about January 1, this certificate is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Village must revise its budget so that the total contemplated expenditures from a fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. Budget receipts as shown in the accompanying financial statements do not include January 1, 1999 or January 1, 2000 unencumbered fund balances. However, those fund balances are available for appropriations.

Appropriations

A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year for the period January to March. An annual appropriation measure must be passed by April 1 of each year for the period January 1 to December 31. The appropriation measure may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources.

Encumbrances

The Village is required to use the encumbrance method of accounting by virtue of Ohio law. Under this system, purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve the portion of the applicable appropriation. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be reappropriated.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 1 - Summary of Significant Accounting Policies - (continued)

Property, Plant and Equipment

Fixed assets acquired or constructed for general governmental service are recorded as expenditures. Depreciation is not recorded for these fixed assets.

Total Columns on Financial Statements

Total columns on the financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. This data is not comparable to a consolidation. Interfund-type eliminations have not been made in the aggregation of this data.

Note 2 - Cash and Investments

The Village maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the Combined Statement of Cash and Investments as "Pooled Cash and Investments Balances By Fund Type".

Legal Requirements

Statutes require the classification of moneys held by the Village into three categories:

Category 1 - consists of "active" moneys, those moneys required to be kept in a "cash" or "near-cash" status for immediate use by the Village. Such moneys must be maintained either as cash in the Village's treasury or in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts.

Category 2 - consists of "inactive" moneys, those moneys not required for use within the current two year period of designation of depositories. Inactive moneys may be deposited or invested only as certificates of deposit maturing not later than the end of the current period of designation of depositories.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 2 - Cash and Investments – (continued)

Category 3 - consists of "interim" moneys, those moneys which are not needed for immediate use but which will be needed before the end of the current period of depositories. Interim moneys may be invested or deposited in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bonds, notes, debentures, or other obligations or securities issued by any federal government agency, or the Export-Import Bank of Washington;
3. Repurchase agreements in the securities enumerated above;
4. Interim deposits in the eligible institutions applying for interim moneys;
5. Bonds and other obligations of the State of Ohio; and
6. The State Treasurer's investment pool.

Deposits

At December 31, 2000 and 1999, the carrying amount of the Village of Anna's deposits were \$1,659,824 and \$2,113,231, and the bank balances were \$1,704,830 and \$2,139,728, respectively. The Village was insured for \$200,000 by the federal depository insurance. The remaining balance was covered by collateral deposit of securities with qualified trustee as pledged to the Village.

Note 3 - Property Tax

Real property taxes become a lien on all non-exempt real property located in the county on January 1. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20 of the following year. Under certain circumstances, state statute permits later payment dates to be established.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 3 - Property Tax – (continued)

The full tax rate applied to real property for the calendar years ended December 31, 2000 and 1999 was \$2.00 per \$1,000 of assessed valuation. After adjustment of the rate for inflationary increases in property values, the effective tax rate was \$2.00 per \$1,000 of assessed valuation for real property classified as residential/agricultural and \$2.00 per \$1,000 of assessed valuation for all other real property. Real property owners' tax bills are further reduced by homestead and rollback deductions, when applicable. The amount of these homestead and rollback reductions is reimbursed to the Village by the State of Ohio, and are reflected in the financial statements as intergovernmental receipts.

Owners of tangible personal property are required to file a list of such property including costs, by April 30 of each year. The property is assessed for tax purposes at varying statutory percentages of cost. The tax rate applied to tangible personal property for the calendar years ended December 31, 2000 and 1999 was \$2.00 per \$1,000 of assessed valuation.

	2000	1999
Real Property - Valuation		
Residential/Agricultural	\$ 11,343,010	\$ 11,193,140
Commercial/Industrial	1,728,580	1,292,530
Public Utilities	4,380	5,900
Tangible Personal Property		
General - Valuation	1,044,490	1,098,700
Public Utilities	688,620	766,940
Total Valuation	\$ 14,809,080	\$ 14,357,210

The Shelby County Treasurer collects property tax on behalf of all taxing districts within the County. The Shelby County Auditor periodically remits to the taxing districts their portions of the taxes collected.

Note 4 - Local Income Tax

The Village of Anna levies income taxes of one and three-quarters percent of gross salaries, wages and other personal service compensation earned by residents and to earnings of nonresidents employed within the Village. The income tax also applies to net income of businesses operating within the Village.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 5 - Debt Obligations

Debt outstanding at December 31, 2000 and 1999 consisted of the following:

	2000	1999
Water Mortgage Revenue Bonds – 6% -payable monthly over a 20 year term -final payment due 9/1/2016	\$438,666	\$ 466,667
Ohio Water Development Authority Loan – 6.85% -payable semi-annually over a 40 year term -final payment due 1/1/2012	94,745	100,611
Water Meter Master Lease-Purchase – 6.25% -payable monthly over a 5 year term -final payment due 6/5/2005	65,489	-
Fire Truck Master Lease-Purchase – 4.79% -payable semi-annually over a 10 year term -final payment due 6/15/2009	186,187	203,565
Fire Station Building Improvement Bonds – 5.25% -payable semi-annually over a 20 year term -final payment due 6/15/2019	764,453	788,457

The annual requirements to amortize all debt outstanding as of December 31, 2000, including interest payments of \$703,493 are as follows:

Year Ending December 31,	Water Mortgage Bonds	OWDA Loan	Water Meter Master Lease	Fire Truck Master Lease	Fire Station Building Improve Bond
2001	\$ 53,820	\$ 12,154	\$ 16,956	\$ 26,923	\$ 65,087
2002	51,870	12,154	16,956	26,923	65,087
2003	50,190	12,154	16,956	26,923	65,087
2004	48,510	12,154	16,956	26,923	65,087
2005	46,830	12,154	7,065	26,923	65,087
Thereafter	360,274	72,924	-	94,231	878,675
	\$ 611,494	\$ 133,694	\$ 74,889	\$ 228,846	\$ 1,204,110

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 6 - Pension and Retirement Plans

Public Employees Retirement System (PERS)

The Public Employees Retirement System of Ohio (PERS) is a state operated cost sharing, multiple employer public employee retirement system. Full-time permanent employees of the Village of Anna belong to Public Employees Retirement System. Public Employees Retirement System provides retirement benefits to employees who are eligible to retire based upon years of service. Public Employees Retirement System also provides survivor and disability benefits to vested employees.

Employees contribute 8.5 percent of gross salary. The employer matching share was 13.55 percent from January 1, 1999 through June 30, 2000, and was 8.13 percent from July 1, 2000 through December 31, 2000. The pension contribution requirement for the Village, for the year ended December 31, 2000, was \$33,710 which consisted of \$15,292 from employees and \$18,418 from the employer, and for the year ended December 31, 1999, the Village contribution was \$37,943 which consisted of \$14,858 from employees and \$23,085 from the employer. The Village has paid all required contributions through December 31, 2000.

Police and Firemen's Disability and Pension Fund

The Village of Anna uniformed full-time police employees participating in the police and firemen's disability and pension fund is a multi-employer cost sharing public employees retirement system created by the State of Ohio. The fund provides pension disability and health care to qualified police personnel and survivors and death benefits to qualified spouses, children and dependent parents.

Employees contribute 10% of gross salaries and the employer contributes 19.5% of gross salaries. The required contribution for the Village for the year ended December 31, 2000 was \$11,130 which consisted of \$3,773 from the employees and \$7,357 from the employer. For the year ended December 31, 1999, the required contribution was \$843 of which \$286 was from the employees and \$557 was from the employer. The Village has paid all required contributions through December 31, 2000.

Note 7 - Accrued Vacation and Sick Pay

Accumulated unpaid vacation and sick pay is not accrued under the cash basis of accounting described in Note 1. At December 31, 2000 and 1999, management estimated that the accrued vacation and sick pay was \$5,966 and \$3,934, respectively. All leave will either be absorbed by time off from work, or within certain limitations, be paid to employees. It is not practical to determine the actuarial value of the benefits at December 31, 2000 or 1999.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 8 - Risk Management

The Village maintains comprehensive insurance coverage with private insurers for all real and personal property, including automobile coverage for the following risks: general liability, auto liability, wrongful acts, uninsured motorists, property coverage, wrongful acts coverage, law enforcement, inland marine, EDP coverage, fire vehicle RC, public officials liability, and employee benefits company coverage.

The Village also provides medical, dental and life insurance coverage for full-time employees through a commercial insurer.

Note 9 - Contingencies

Pending Litigation

The Village is a defendant in a lawsuit. In this action, the plaintiffs allege, among other things, numerous violations of the Federal Clean Water Act in connection with the Village's operation of its wastewater treatment plant. The Village has retained a legal firm to vigorously represent the interests of the Village in this litigation.

Plaintiffs have alleged damages against the Village in excess of ten million dollars and have also requested attorney fees. There is presently no trial date set in this matter. If the outcome is unfavorable to the Village, the amount of penalties imposed upon the Village could exceed one million and has the potential to exceed ten million dollars. The Village is vigorously defending the federal litigation.

Although the outcome of this suit is not presently determinable, the resolution of these matters could have a material effect on the Village's financial statements, should the Courts rule against the Village.

In connection with the above actions, other parties may have the right to similar claims as the Plaintiffs did against the Village under the Federal Clean Water Act.

VILLAGE OF ANNA
SHELBY COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2000 and 1999

Note 10 – Prior Year Restatement

In the prior year, the Village operated an expendable trust fund (Mayor's Court) which has been reclassified to the general fund. Another adjustment is the reclassification of the Street Lighting Assessment Fund which in the prior year was operated as a special revenue and has since been reclassified to a Capital Projects fund. The effect of these changes are as follows on the December 31, 1998 balances:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Expendable Trust Fund</u>
As Previously Reported	\$ 150,774	\$ 71,187	\$ 237,490	\$ 23,569
Restatements	<u>426</u>	<u>(1,328)</u>	<u>1,328</u>	<u>(426)</u>
Restated Balances	<u>\$ 151,200</u>	<u>\$ 69,859</u>	<u>\$ 238,818</u>	<u>\$ 23,143</u>



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Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1999)

May 10, 2001

**REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Village of Anna
Shelby County, Ohio

and

Auditor of State of Ohio
Columbus, Ohio

We have audited the combined financial statements of the Village of Anna, Shelby County, Ohio as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 10, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Anna'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, which we have reported to management of the Village of Anna in a separate letter dated May 10, 2001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Anna's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Village of Anna in a separate letter dated May 10, 2001.

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

A handwritten signature in red ink, appearing to read "E. J. ...", is located in the lower right quadrant of the page.



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OFFICE OF THE AUDITOR

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VILLAGE OF ANNA

SHELBY 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 17, 2001**