

VILLAGE OF ANSONIA

DARKE COUNTY, OHIO

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022





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

We have reviewed the *Independent Auditor's Report* of the Village of Ansonia, Darke County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2023. 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.

Keith Faber
Auditor of State
Columbus, Ohio

August 26, 2024

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VILLAGE OF ANSONIA
DARKE COUNTY

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INDEPENDENT AUDITOR'S REPORT

Village of Ansonia
Darke County
202 North Main Street
Ansonia, Ohio 43205

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of Ansonia, Darke County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

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* section of our report, the accompanying financial statements 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, 2023 and 2022, or the changes in financial position or cash flows thereof for the years then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 2 of the financial statements, the financial statements are prepared by Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, 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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's 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.



Charles E. Harris & Associates, Inc.
June 24, 2024

**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, 2023**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 78,162	\$ -	\$ 78,162
Municipal Income Tax	186,854	-	186,854
Intergovernmental	64,197	112,283	176,480
Special Assessments	6,915	-	6,915
Charges for Services	10,429	69,934	80,363
Fines, Licenses, Royalties and Permits	505	167	672
Earnings on Investments	590	-	590
Miscellaneous	15,010	5,709	20,719
<i>Total Cash Receipts</i>	<u>362,662</u>	<u>188,093</u>	<u>550,755</u>
Cash Disbursements			
Current:			
Security of Persons and Property	135,412	41,969	177,381
Public Health Services	11,422	-	11,422
Leisure Time Activities	10,908	-	10,908
Transportation	-	90,582	90,582
General Government	145,857	52,195	198,052
Capital Outlay	4,725	78,250	82,975
Debt Service:			
Principal Retirement	3,202	875	4,077
<i>Total Cash Disbursements</i>	<u>311,526</u>	<u>263,871</u>	<u>575,397</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>51,136</u>	<u>(75,778)</u>	<u>(24,642)</u>
Other Financing Receipts (Disbursements)			
Transfers In	-	20,000	20,000
Transfers Out	-	(20,000)	(20,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	51,136	(75,778)	(24,642)
<i>Fund Cash Balances, January 1</i>	<u>233,138</u>	<u>427,449</u>	<u>660,587</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 284,274</u>	<u>\$ 351,671</u>	<u>\$ 635,945</u>

See accompanying notes to the financial statements

**VILLAGE OF ANSONIA
DARKE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 454,686
<i>Total Operating Cash Receipts</i>	454,686
Operating Cash Disbursements	
Personal Services	96,335
Contractual Services	106,355
Supplies and Materials	100,296
<i>Total Operating Cash Disbursements</i>	302,986
<i>Operating Income (Loss)</i>	151,700
Non-Operating Receipts (Disbursements)	
Capital Outlay	(623,093)
Redemption of Principal	(82,879)
Interest and Other Fiscal Charges	(737)
Intergovernmental Receipts	620,093
<i>Total Non-Operating Receipts (Disbursements)</i>	(86,616)
<i>Income (Loss) before Transfers</i>	65,084
Transfers In	80,700
Transfers Out	(80,700)
<i>Net Change in Fund Cash Balances</i>	65,084
<i>Fund Cash Balances, January 1</i>	471,291
<i>Fund Cash Balances, December 31</i>	\$ 536,375

See accompanying notes to the financial statements

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 1 – Reporting Entity

The Village of Ansonia (the Village), Darke County, is a body politic and corporate 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, park operations (leisure time activities), police and fire services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 6 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village’s financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types, which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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:

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 received transfers from the Fire Fund in order to build up revenue to maintain/purchase fire trucks.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies *(continued)*

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

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.

Sewer Improvement Fund - This fund receives transfers from the sewer account, which is used for sewer improvement.

Basis of Accounting

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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.

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

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies *(continued)*

A summary of 2023 budgetary activity appears in Note 3.

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 as its only investment.

Capital Assets

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

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.

SBITAs

The Village has entered into a noncancelable Subscription-Based Information Technology Arrangement (SBITA) contract (as defined by GASB 96) for software related to financial systems and various other software. Subscription disbursements are recognized when they are paid.

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:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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.

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

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 2 – Summary of Significant Accounting Policies *(continued)*

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2023 follows:

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$362,633	\$362,662	\$29
Special Revenue	268,800	208,093	(60,707)
Enterprise	1,155,479	1,155,479	0

2023 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$311,919	\$311,526	\$393
Special Revenue	283,940	283,871	69
Enterprise	1,090,438	1,090,395	43

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village’s deposit and investment accounts are as follows:

	2023
<i>Cash Management Pool:</i>	
Demand deposits	\$ 1,162,320
Total deposits	1,162,320
Certificate of Deposit	10,000
Total carrying amount of deposits and investments held in the Pool	\$ 1,172,320

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statements reflect gross payroll. The balance in the Village’s payroll clearing account is \$-0-.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Note 5 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Income Taxes

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.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 5 – Taxes *(continued)*

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.

Note 6 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

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.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022 (the latest information available).

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members' Equity	<u>\$ 3,503,940</u>

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2023 OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 7 – Defined Benefit Pension Plans *(continued)*

Ohio Police and Fire Retirement System

The Village’s full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2023 OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members’ wages. The Village has paid all contributions required through December 31, 2023.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission (CK230)	\$170,832	0.00%
Ohio Public Works Commission (CK05S)	\$860,108	0.00%
Ohio Water Development Authority Loan (4202)	\$10,719	4.60%
Ohio Water Development Authority Loan (4701)	\$63,376	0.00%
Ohio Water Development Authority Loan (4805/4554)	\$181,101	0.00%
Ohio Water Development Authority Loan (5347)	\$28,021	0.00%
Total	<u>\$1,314,157</u>	

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt *(continued)*

The OPWC Loan (CK230) was taken out to complete our Sewer Separation as mandated by EPA. This is an interest free loan. Final payment will be made in 2043. The loan was approved in the amount of \$250,000 and the Village will repay the loan in semiannual installments of \$4,167 over a period of thirty years.

The OPWC Loan (CK05S) was taken out for East Canal Street Project which started in 2016. This project included street reconstruction, sidewalk replacement/repair, water and sewer line upgrades/repairs. This is an interest free loan. Final payment will be made in 2047. The loan was approved in the amount of \$1,032,130 and the Village will repay the loan in semiannual installments of \$17,202 over a period of thirty years.

The Ohio Water Development Authority (OWDA) loan #4202 relates to a water project. The OWDA has 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 \$9,506 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 has 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.

The Ohio Water Development Authority (OWDA) loan #5347 relates to the sewer separation project and main sewer repair project. The OWDA has approved a loan in the amount of \$86,219 at 0% interest. The loan will be repaid in semi-annual installments over 19 years, commencing January 1, 2012 with final payment due on July 1, 2031. The loan is collateralized by water and sewer receipts.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2023

Note 9 – Debt *(continued)*

Amortization

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

Year Ending December 31:	OPWC CK230	OPWC CK05S	OWDA 4202	OWDA 4701	OWDA 4805/4554
2024	\$8,334	\$34,404	\$11,041	\$18,107	\$32,928
2025	8,334	34,404	0	18,107	32,928
2026	8,334	34,404	0	18,107	32,928
2027	8,334	34,404	0	9,055	32,928
2028	8,334	34,404	0	0	32,928
2029-2033	41,670	172,020	0	0	16,461
2034-2038	41,670	172,020	0	0	0
2039-2043	41,670	172,020	0	0	0
2044-2047	4,152	172,028	0	0	0
Total	<u>\$170,832</u>	<u>\$860,108</u>	<u>\$11,041</u>	<u>\$63,376</u>	<u>\$181,101</u>

Year Ending December 31:	OWDA 5347
2024	\$4,310
2025	4,310
2026	4,310
2027	4,310
2028	4,310
2029-2033	6,652
Total	<u>\$28,202</u>

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Village had no encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.

Note 11 – Transfers

During 2023, the Village made transfers from the General Fund to the Fire Truck Fund of \$20,000 and the Water Fund made transfers to the Water Improvement Fund of \$80,700.

All transfers were approved in accordance with the Ohio Revised Code.

**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, 2022**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$ 77,820	\$ -	\$ 77,820
Municipal Income Tax	170,566	-	170,566
Intergovernmental	64,829	147,103	211,932
Special Assessments	6,877	-	6,877
Charges for Services	12,756	68,554	81,310
Fines, Licenses and Permits	250	25	275
Earnings on Investments	567	-	567
Miscellaneous	16,978	14,151	31,129
<i>Total Cash Receipts</i>	<u>350,643</u>	<u>229,833</u>	<u>580,476</u>
Cash Disbursements			
Current:			
Security of Persons and Property	152,703	42,286	194,989
Public Health Services	12,808	-	12,808
Leisure Time Activities	10,886	-	10,886
Transportation	-	87,569	87,569
General Government	142,260	4,827	147,087
Capital Outlay	26,645	18,912	45,557
Debt Service:			
Principal Retirement	9,606	2,625	12,231
<i>Total Cash Disbursements</i>	<u>354,908</u>	<u>156,219</u>	<u>511,127</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(4,265)</u>	<u>73,614</u>	<u>69,349</u>
Other Financing Receipts (Disbursements)			
Transfer In	-	20,000	20,000
Transfer Out	-	(20,000)	(20,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(4,265)	73,614	69,349
<i>Fund Cash Balances, January 1</i>	<u>237,403</u>	<u>353,835</u>	<u>591,238</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 233,138</u>	<u>\$ 427,449</u>	<u>\$ 660,587</u>

See accompanying notes to the financial statements

**VILLAGE OF ANSONIA
DARKE COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Proprietary Fund Types
	Enterprise
Operating Cash Receipts	
Charges for Services	\$ 440,166
<i>Total Operating Cash Receipts</i>	440,166
Operating Cash Disbursements	
Personal Services	88,270
Contractual Services	100,465
Supplies and Materials	69,602
<i>Total Operating Cash Disbursements</i>	258,337
<i>Operating Income (Loss)</i>	181,829
Non-Operating Receipts (Disbursements)	
Redemption of Principal	(117,007)
Interest and Other Fiscal Charges	(1,133)
Intergovernmental Receipts	643,861
Capital Outlay	(648,934)
<i>Total Non-Operating Receipts (Disbursements)</i>	(123,213)
<i>Income (Loss) before Transfers</i>	58,616
Transfers In	62,000
Transfers Out	(62,000)
<i>Net Change in Fund Cash Balances</i>	58,616
<i>Fund Cash Balances, January 1</i>	412,675
<i>Fund Cash Balances, December 31</i>	\$ 471,291

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Village of Ansonia (the Village), Darke County, is a body politic and corporate 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, park operations (leisure time activities), police and fire services.

Public Entity Risk Pool

The Village participates in a public entity risk pool. Note 6 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.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, a statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types, which are organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

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:

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 received transfers from the Fire Fund in order to build up revenue to maintain/purchase fire trucks.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies *(continued)*

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

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.

Sewer Improvement Fund - This fund receives transfers from the sewer account, which is used for sewer improvement.

Basis of Accounting

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 (C). This basis is similar to the cash receipts and disbursements accounting basis. 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 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

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.

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

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies *(continued)*

A summary of 2022 budgetary activity appears in Note 3.

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 as its only investment.

Capital Assets

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

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.

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:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village.

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.

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

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.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies *(continued)*

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.

For regulatory purposes, limited disclosure related to fund balance is included in Note 10.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$345,061	\$350,643	\$5,582
Special Revenue	243,487	249,833	6,346
Enterprise	1,145,746	1,146,027	281

2022 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$354,997	\$354,908	\$89
Special Revenue	243,012	176,219	66,793
Enterprise	1,087,440	1,087,411	29

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	2022
<i>Cash Management Pool:</i>	
Demand deposits	\$ 1,055,128
Total deposits	1,055,128
Certificate of Deposit	10,000
Held cashier's check	66,750
Total carrying amount of deposits and investments held in the Pool	\$ 1,131,878

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 4 – Deposits and Investments *(continued)*

The Village has a payroll clearing account that is held outside of the deposit pool where gross payroll is held for distribution. The expenditures included in the accompanying financial statements reflect gross payroll. The balance in the Village’s payroll clearing account is \$-0-.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

Note 5 – Taxes

Property Taxes

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 non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction 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.

Income Taxes

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.

Note 6 – Risk Management

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (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.

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.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 – Risk Management *(continued)*

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool’s audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	<u>(18,158,351)</u>
Members’ Equity	<u>\$ 3,503,940</u>

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

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants’ gross salaries. The Village has paid all contributions required through December 31, 2022.

Ohio Police and Fire Retirement System

The Village’s full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan’s benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members’ wages. The Village has paid all contributions required through December 31, 2022.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

Note 9 – Debt

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Public Works Commission (CK230)	\$175,000	0.00%
Ohio Public Works Commission (CK05S)	\$877,310	0.00%
Ohio Water Development Authority Loan (4202)	\$20,960	4.60%
Ohio Water Development Authority Loan (4701)	\$81,483	0.00%
Ohio Water Development Authority Loan (4805/4554)	\$214,028	0.00%
Ohio Water Development Authority Loan (5347)	\$32,332	0.00%
Total	<u>\$1,401,113</u>	

The OPWC Loan (CK230) was taken out to complete our Sewer Separation as mandated by EPA. This is an interest free loan. Final payment will be made in 2043. The loan was approved in the amount of \$250,000 and the Village will repay the loan in semiannual installments of \$4,167 over a period of thirty years.

The OPWC Loan (CK05S) was taken out for East Canal Street Project which started in 2016. This project included street reconstruction, sidewalk replacement/repair, water and sewer line upgrades/repairs. This is an interest free loan. Final payment will be made in 2047. The loan was approved in the amount of \$1,032,130 and the Village will repay the loan in semiannual installments of \$17,202 over a period of thirty years.

The Ohio Water Development Authority (OWDA) loan #4202 relates to a water project. The OWDA has 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.

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 – Debt *(continued)*

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 \$9,506 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 has 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.

The Ohio Water Development Authority (OWDA) loan #5347 relates to the sewer separation project and main sewer repair project. The OWDA has approved a loan in the amount of \$86,219 at 0% interest. The loan will be repaid in semi-annual installments over 19 years, commencing January 1, 2012 with final payment due on July 1, 2031. The loan is collateralized by water and sewer receipts.

Amortization

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

Year Ending December 31:	OPWC CK230	OPWC CK05S	OWDA 4202	OWDA 4701	OWDA 4805/4554
2023	\$8,334	\$34,404	\$10,979	\$18,107	\$32,928
2024	8,334	34,404	11,040	18,107	32,928
2025	8,334	34,404	0	18,107	32,928
2026	8,334	34,404	0	18,107	32,928
2027	8,334	34,404	0	9,055	32,928
2028-2032	41,670	172,020	0	0	49,388
2033-2037	41,670	172,020	0	0	0
2038-2042	41,670	172,020	0	0	0
2043-2047	8,320	189,230		0	
Total	<u>\$175,000</u>	<u>\$877,310</u>	<u>\$22,019</u>	<u>\$81,483</u>	<u>\$214,028</u>

Year Ending December 31:	OWDA 5347
2023	\$4,310
2024	4,310
2025	4,310
2026	4,310
2027	4,310
2028-2032	10,782
Total	<u>\$32,332</u>

Village of Ansonia, Ohio
Darke County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 10 – Fund Balances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the Village had no encumbrances.

The fund balance of special revenue funds is either restricted or committed. These restricted or committed amounts in the special revenue funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances would be considered assigned.

Note 11 – Transfers

During 2022, the Village made transfers from the General Fund to the Fire Truck Fund of \$20,000 and the Water Fund made transfers to the Water Improvement Fund of \$62,000.

All transfers were approved in accordance with the Ohio Revised Code.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Village of Ansonia
Darke County
202 North Main Street
Ansonia, Ohio 43205

To the Village Council:

We have audited, in accordance with the 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 *Government Auditing Standards*, the financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type of the Village of Ansonia, Darke County, (the Village) as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2024, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. *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 deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-002 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2023-001.

Village's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.

June 24, 2024

Village of Ansonia
Darke County
Schedule of Findings
December 31, 2023 and 2022

Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS
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FINDING NUMBER 2023-001 - Non-Compliance – Certifying the Availability of Funds

Ohio Revised Code Section 5705.41(D) requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless a certificate signed by the fiscal officer is attached thereto. The fiscal officer must certify that the amount required meeting any such contract or expenditure has been lawfully appropriated and is in the treasury, or is in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Only the subdivision’s fiscal officer need sign the certificate. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer’s certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: “then and now” certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

1. “Then and Now” certificate - If the fiscal officer can certify that both at the time that the contract or order was made (“then”), and at the time that the fiscal officer is completing the certification (“now”), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the taxing authority can authorize the drawing of a warrant for the payment of the amount due. The taxing authority has thirty days from the receipt of the “then and now” certificate to approve payment by ordinance or resolution.

Amounts of less than \$3,000 may be paid by the fiscal officer without an ordinance or resolution upon completion of the “then and now” certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the taxing authority.

2. Blanket Certificate – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by an ordinance or resolution adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
3. Super Blanket Certificate – The Village may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. Only one super blanket certificate may be outstanding at a particular time for any one line-item appropriation.

The Village did not properly certify the availability of funds prior to purchase commitment for 67% and 93% and of the expenditures tested for 2023 and 2022, respectively.

Village of Ansonia
Darke County
Schedule of Findings
December 31, 2023 and 2022

Findings Related to the Financial Statements Required to be Reported in Accordance with GAGAS (continued)
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FINDING NUMBER 2023-001 - Non-Compliance – Certifying the Availability of Funds (continued)

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, we recommend that the Fiscal Officer certify that the funds are or will be available prior to an obligation being incurred by the Village. When prior certification is not possible, "then and now" certification should be used.

Management's Response:

See Corrective Action Plan

FINDING NUMBER 2023-002 – Material Weakness

Financial Reporting - Posting Receipts and Disbursements

The Village should have procedures and controls in place to prevent and detect errors in financial reporting. During 2023 and 2022, receipts and disbursements were not always posted or classified correctly. The following posting errors were noted:

In 2022, the purchase of a fire truck via cashier's check was booked for \$66,750 and added to capital outlay and deducted from cash. The purchase of the truck never took place as the truck was damaged, thus the Village incorrectly reported this as capital outlay in 2022 and a deduction of cash. The Village's bank restored the \$66,750 cash to its checking account in 2023. The Village incorrectly reported this as miscellaneous revenue in 2023.

The incorrect transactions noted above resulted in the financial statements requiring adjusting entries. The financial statements reflect all adjustments to reverse the activity.

We recommend the Fiscal Officer refer to the Village Officer's Handbook and Auditor of State guidance to determine the proper establishment of disbursement accounts and proper posting. Also, to help ensure accuracy and reliability in the financial reporting process, we recommend management perform a detailed review of its draft financial statements and notes to the financial statements. Such review should include procedures to ensure that all receipts and disbursements are properly identified and classified on the financial statements. We recommend the Village use the most current available templates for financial statements and notes to the financial statements on the Auditor of State's website <http://www.ohioauditor.gov/references/shells/regulatory.html> to prepare an accurate annual financial report.

Management's Response – See Corrective Action Plan.

VILLAGE OF ANSONIA
DARKE COUNTY

CORRECTIVE ACTION PLAN – Prepared by Management
December 31, 2023 and 2022

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2023-001	The Fiscal Officer will review all purchasing activity to ensure that funds are properly certified using purchase orders, blanket purchase orders or then and now purchase orders.	Immediately	Julie Kimmel Fiscal Officer
2023-002	Fiscal Officer will refer to the Village Officer's Handbook and Auditor of State guidance to correctly record unusual transactions.	Immediately	Julie Kimmel Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ANSONIA

DARKE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 9/5/2024

65 East State Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov