



**VILLAGE OF ANNA  
SHELBY COUNTY  
REGULAR AUDIT  
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

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Marietta, OH 45750  
740 373 0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304 422 2203

150 W. Main St., #A  
St. Clairsville, OH 43950  
740 695 1569

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Wheeling, WV 26003  
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OHIO AUDITOR OF STATE  
KEITH FABER



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Village Council  
Village of Anna  
209 West Main Street  
P. O. Box 140  
Anna, Ohio 45302

We have reviewed the *Independent Auditor's Report* of the Village of Anna, Shelby County, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2019 through December 31, 2020. 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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

September 21, 2021

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VILLAGE OF ANNA  
SHELBY COUNTY

TABLE OF CONTENTS

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report.....	1
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2020 .....	3
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – Proprietary Fund Type - For the Year Ended December 31, 2020 .....	4
Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) – Fiduciary Fund Type - For the Year Ended December 31, 2020 .....	5
Notes to the Financial Statements 2020 .....	6
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types - For the Year Ended December 31, 2019 .....	16
Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2019 .....	17
Notes to the Financial Statements 2019 .....	18
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	27
Schedule of Audit Findings.....	29
Schedule of Prior Audit Findings.....	30

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## INDEPENDENT AUDITOR'S REPORT

July 30, 2021

Village of Anna  
Shelby County  
209 West Main Street  
PO Box 140  
Anna, Ohio 45302

To the Village Council:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Anna, Shelby County, Ohio (the Village).

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
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***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2020 and 2019, and the respective changes in financial position or cash flows thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

***Emphasis of Matters***

As discussed in Note 12 to the financial statements, during 2020, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. In addition, as discussed in Note 13 to the 2020 financial statements and in Note 10 to the 2019 financial statements, the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding these matters.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 30, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



**Perry & Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio



**VILLAGE OF ANNA, OHIO  
SHELBY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 45,032	\$ 21,875	\$ -	\$ 66,907
Municipal Income Tax	468,463	351,347	-	819,810
Intergovernmental	48,194	263,573	288,501	600,268
Special Assessments	15,995	51,769	13,645	81,409
Charges for Services	700	65,251	-	65,951
Fines, Licenses and Permits	18,662	2,552	-	21,214
Earnings on Investments	70	-	-	70
Miscellaneous	70,653	10,694	5,500	86,847
<i>Total Cash Receipts</i>	<u>667,769</u>	<u>767,061</u>	<u>307,646</u>	<u>1,742,476</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	149,892	224,448	-	374,340
Public Health Services	4,200	-	-	4,200
Leisure Time Activities	2,200	9,612	-	11,812
Community Environment	-	2,500	-	2,500
Transportation	67,902	20,757	-	88,659
General Government	144,061	145,705	-	289,766
Capital Outlay	-	40,545	490,847	531,392
Debt Service:				
Principal Retirement	19,900	105,037	-	124,937
Interest and Fiscal Charges	1,044	21,333	-	22,377
<i>Total Cash Disbursements</i>	<u>389,199</u>	<u>569,937</u>	<u>490,847</u>	<u>1,449,983</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>278,570</u>	<u>197,124</u>	<u>(183,201)</u>	<u>292,493</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued	-	-	128,683	128,683
Transfers In	-	8,000	142,647	150,647
Transfers Out	(150,647)	-	-	(150,647)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(150,647)</u>	<u>8,000</u>	<u>271,330</u>	<u>128,683</u>
<i>Net Change in Fund Cash Balances</i>	127,923	205,124	88,129	421,176
<i>Fund Cash Balances, January 1</i>	<u>159,270</u>	<u>293,626</u>	<u>130,775</u>	<u>583,671</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 287,193</u>	<u>\$ 498,750</u>	<u>\$ 218,904</u>	<u>\$ 1,004,847</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF ANNA, OHIO  
SHELBY COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
PROPRIETARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 869,806
Fines, Licenses and Permits	270
	870,076
<i>Total Operating Cash Receipts</i>	<i>870,076</i>
<b>Operating Cash Disbursements</b>	
Personal Services	220,346
Employee Fringe Benefits	111,415
Contractual Services	222,211
Supplies and Materials	48,781
Other	6,186
	608,939
<i>Total Operating Cash Disbursements</i>	<i>608,939</i>
<i>Operating Income (Loss)</i>	<i>261,137</i>
<b>Non-Operating Receipts (Disbursements)</b>	
Special Assessments	29,941
Miscellaneous Receipts	26,841
Capital Outlay	(70,890)
Principal Retirement	(66,571)
Interest and Other Fiscal Charges	(28,673)
	(109,352)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(109,352)</i>
<i>Net Change in Fund Cash Balances</i>	<i>151,785</i>
<i>Fund Cash Balances, January 1</i>	<i>1,207,380</i>
<i>Fund Cash Balances, December 31</i>	<i>\$ 1,359,165</i>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF ANNA, OHIO  
SHELBY COUNTY**

**COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
FIDUCIARY FUND TYPE  
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Fiduciary Fund Type
	Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$ 880
<i>Total Additions</i>	880
<b>Deductions</b>	
Distributions to Other Governments	312
Distributions to Other Funds (Primary Gov't)	568
<i>Total Deductions</i>	880
Net Change in Fund Balances	-
<i>Fund Cash Balances, January 1</i>	395
<i>Fund Cash Balances, December 31</i>	\$ 395

The notes to the financial statements are an integral part of this statement.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 1 – Reporting Entity**

The Village of Anna (the Village), Shelby 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. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations and fire and police services.

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all 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 sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village has the following significant Special Revenue Funds:

***Street Construction, Maintenance and Repair Fund*** – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

***State Highway Fund*** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village State Highways.

***Park and Recreation Fund*** – This fund receives money from the General Fund to construct facilities, maintain facilities and ground and host events in the park.

***Law Enforcement Trust Fund*** – This fund receives money from the proceeds from the sale of seized property and cash used for police education.

***Coronavirus Relief Fund*** – This fund receives money from the Shelby County Auditor, from the State of Ohio, for expenditures related to COVID-19.

***DUI Enforcement and Education Fund*** – This fund receives money from fines and is used to enforce and educate the public about driving under the influence.

**Village of Anna, Ohio**  
Shelby County  
Notes to the Financial Statements  
For the Year Ended December 31, 2020

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

**Fund Accounting (Continued)**

**Street Lighting Assessment Fund** – This fund receives money from property tax assessments to provide for street lighting.

**Community Reinvestment Area Fund** – This fund receives money from the annual fees from businesses to continue their Community Reinvestment Agreements. These funds are used to pay the school to offset the tax abatement received from residential remodels or constructions utilizing the Community Reinvestment.

**Mayor's Court Computer Fund** – This fund receives money from fines and is used for the maintenance and purchase of hardware and software for the Mayor's Court Clerk.

**Fire Department Fund** – This fund received money from a 3/4% income tax levy and is used for fire protection.

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

**Capital Improvement Fund** – This fund receives money from the Income Tax Levy that is transferred from the General Fund to be used for capital improvements within the Village.

**South Street Reconstruction Fund** – This fund receives money from an OPWC grant and loan and is a pass-through fund to show payment for the South Street Reconstruction Phase I Project.

**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** – The Water Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

**Sewer Fund** – The Sewer Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

**Refuse Fund** – This fund receives money for the sale of garbage bags and tags to pay for the purchase of bags and tags. It also charges for services from resident to cover recycling collection.

**Utility Deposit Fund** – This fund receives money from renters who must make a deposit for utility services. These funds are used to pay off outstanding bills when renters leave or is refunded if nothing is owed.

**Fiduciary Funds** – Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement for meeting certain criteria.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for Mayor's Court activity.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

***Fund Accounting (Continued)***

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

***Mayors' Court Fund*** – This fund reports the financial activity of the Village Mayors' Court fines, forfeitures and bonds. This fund receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs, computerization and general Village operations.

***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(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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

***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. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2020 budgetary activity appears in Note 3.

***Deposits and Investments***

The Village maintains only interest-bearing checking accounts.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

***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 and the nonexpendable portion of the corpus in permanent funds.

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

***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 11.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2020 follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 589,243	\$ 667,769	\$ 78,526
Special Revenue	749,374	775,061	25,687
Capital Projects	550,621	578,976	28,355
Enterprise	888,400	926,858	38,458
Total	\$ 2,777,638	\$ 2,948,664	\$ 171,026

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 728,385	\$ 543,200	\$ 185,185
Special Revenue	969,613	574,595	395,018
Capital Projects	669,508	507,627	161,881
Enterprise	1,513,781	798,818	714,963
Total	\$ 3,881,287	\$ 2,424,240	\$ 1,457,047

Reimbursements were receipted to the following from the Coronavirus Relief Fund for expenditures made: \$2,509.19 General Fund. \$12,911.21 Fire Fund. All other expenditures were made and paid from the Coronavirus Relief Fund. BWC also sent three dividend checks throughout 2020 in the total amount of \$90,285.69.

**Note 4 - Deposits**

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 accounts are as follows:

	2020
<b>Cash Management Pool:</b>	
Demand deposits	\$ 2,364,017
Cash on Hand	390
Total deposits	\$ 2,364,407

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Village is holding \$10,962 in unremitted employee payroll withholdings.

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.



**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

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

***Income Taxes***

The Village levies a municipal income tax of 1.75% 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 tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Tax receipts are credited to the Village and amounted to \$819,810 (gross) in 2020 and \$812,135 (gross) in 2019.

**Note 6 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2020.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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

***Ohio Police and Fire Retirement System***

The Village’s full-time Police Officers belong to the 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members’ wages. The Village has paid all contributions required through December 31, 2020.

***Social Security***

Village Council Members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants’ gross salaries. The Village has not paid all contributions required through December 31, 2020.

**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 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Water Tower Loan - CM34E	\$ 45,397	0.00%
OPWC Main Street Sewer - CM19K	29,744	0.00%
2012 Fire Truck	53,725	3.68%
OWDA WWTP Upgrade - 6279	228,794	3.24%
US Bank Projects 2017	29,850	2.30%
OPWC Young Street Phase I - CM11S	193,934	0.00%
OPWC Young Street Phase II - CM20U	68,605	0.00%
2018 Fire Truck	400,910	3.94%
OWDA I-75 Utility Extension - 8339	647,943	3.10%
OPWC South Street Phase I - CM25W	128,683	0.00%
Total	<u>\$ 1,827,585</u>	

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 9 – Debt (Continued)**

Water Tower - OPWC - This loan relates to the construction of a new water tower. The original loan amount was \$302,650.00 for 20 years at 0% interest rate. The principal payments are twice a year, once in January and once in July. Each payment amount is \$7,566.25. The loan payments started 1/1/2004 and will be fully paid on 7/1/23. Payments were made from the water fund.

Main Street Sewer - OPWC - This loan relates to a new sewer main that was installed down Main Street during a streetscape project. The original loan amount was \$49,573.26 for 30 years at a 0% interest rate. The principal payments are twice a year, once in January and once in July. Each payment amount is \$826.22. The loan payments started 1/1/2009 and will be fully paid on 7/1/2038. Payments were made from the sewer fund.

2012 Fire Truck Lease - Government Leasing & Finance - This loan relates to the purchase of a new fire truck. The original loan amount was \$459,075.00 for 10 years at 3.68% interest rate. The payments are once a year in November. The payment amount is \$55,701.71. The loan payments started 11/30/12 and will be fully paid on 11/30/21. Payments were made from the fire fund.

WWTP Upgrade - OWDA - This loan relates to the renovation and update of the wastewater treatment plant. The original loan amount was \$308,123.78 for 20 years at 3.24% interest rate. The payments are twice a year, once in January and once in July. Each payment amount is \$10,529.13. The loan payments started 7/1/14 and will be fully paid on 1/1/34. Payments were made from the sewer fund.

2017 Projects - US Bank - This loan was to fund various projects within the Village (sidewalks, curbs and paving). The original loan amount was \$99,500.00 for 5 years at 2.3% interest rate. The payments are twice a year in May and November. Each principal payment amount is \$9,950.00. The payments started in 2017 and will be fully paid in 2022. Payments were made from the general fund.

Young Street Reconstruction Phase I - OPWC - This loan relates to Phase I of the Young Street Reconstruction. The original loan amount was \$223,769.75 for 30 years at 0% interest rate. The payments are twice a year and will be fully paid in July 2046. Each payment is \$3,729.50. Payments were made from the street construction, maintenance, and repair fund.

Young Street Reconstruction Phase II - OPWC - This loan relates to Phase II of the Young Street Reconstruction. The original loan amount was \$76,228.25 for 20-years at 0% interest rate. The payments are twice a year, beginning January 2019 and will be fully paid in July 2038. Each payment is \$1,905.71. Payments were made from the street construction, maintenance, and repair fund.

2018 Fire Truck Lease - Government Leasing & Finance - This loan relates to the purchase of a new fire truck. The original loan amount was \$483,220.00 for 10 years at 3.94% interest rate. The payments are once a year in August. The payment amount is \$59,398.83. Loan payments began 8/15/2019 and will be fully paid on 8/15/2028. Payments were made from the fire fund.

OWDA I-75 Utility Extension – This loan relates to the extension of water and sewer lines under Interstate-75. The original loan amount was \$684,408.13 for 15 years at 3.1% interest rate. The payments are twice a year in January and July. The payment amount is \$28,700.60. Loan payments begin January 2020 and will be fully paid in July 2034. Resolution 19-887; 50% of this project is assessed to the Anna Truck Stop property, 14262 State Route 119, following the same loan terms for repayment (15 years at 3.1% interest). Payments were made from the water and sewer funds.

South Street Reconstruction Phase I - OPWC - This loan relates to Phase I of the South Street Reconstruction. The original loan amount was \$128,683.00 for 20-years at 0% interest rate. The payments are twice a year, beginning January 2021 and will be fully paid in July 2040. Each payment is \$3,217.08. Payments will be made from the street construction, maintenance, and repair fund.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

**Note 9 – Debt (Continued)**

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

Year Ending December 31:	OPWC Loans	OWDA Loan	Bank Loans
2021	\$ 34,491	\$ 78,459	\$ 135,573
2022	34,491	78,459	69,463
2023	34,489	78,459	59,399
2024	19,358	78,459	59,399
2025	19,358	78,459	59,399
2026-2030	96,788	392,296	178,196
2031-2035	96,788	303,308	-
2036-2040	85,846	-	-
2041-2045	37,295	-	-
2046-2050	7,459	-	-
<b>Total</b>	<b>\$ 466,363</b>	<b>\$ 1,087,899</b>	<b>\$ 561,429</b>

**Note 10 – Contingent Liabilities**

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

**Note 11 – Fund Balances**

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. 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 balances of these amounts were as follows:

Fund Balances	General	Special Revenue	Capital Projects	Total
Nonspendable:				
Unclaimed Monies	\$ 69	\$ -	\$ -	\$ 69
Outstanding Encumbrances	3,353	4,657	16,780	24,790
<b>Total</b>	<b>\$ 3,422</b>	<b>\$ 4,657</b>	<b>\$ 16,780</b>	<b>\$ 24,859</b>

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

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2020*

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**Note 12 – Change in Accounting Principles**

For 2020, the Village has made changes to their cash basis reporting model. These changes include modifications to the definition of fiduciary funds, adding a separate Combined Statement of Additions, Deductions and Changes in Fund Balances (Regulatory Cash Basis) -- All Fiduciary Fund Types, and removing the fund balance classifications from the Combined Statement of Receipts, Disbursements and Changes in Fund Balances (Regulatory Cash Basis) – All Governmental Fund Types.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

VILLAGE OF ANNA, OHIO  
SHELBY COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$ 43,559	\$ 19,681	\$ -	\$ 63,240
Municipal Income Tax	464,077	348,058	-	812,135
Intergovernmental	42,600	78,535	-	121,135
Special Assessments	12,834	54,809	-	67,643
Charges for Services	1,080	65,375	-	66,455
Fines, Licenses and Permits	21,533	2,750	-	24,283
Earnings on Investments	502	-	-	502
Miscellaneous	24,865	7,384	1,887	34,136
<i>Total Cash Receipts</i>	<u>611,050</u>	<u>576,592</u>	<u>1,887</u>	<u>1,189,529</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	144,983	256,975	-	401,958
Public Health Services	4,256	-	-	4,256
Leisure Time Activities	1,200	19,514	-	20,714
Community Environment	-	2,750	-	2,750
Transportation	90,299	121,344	-	211,643
General Government	187,516	40,697	-	228,213
Capital Outlay	-	68,747	175,561	244,308
Debt Service:				
Principal Retirement	19,900	133,320	700	153,920
Interest and Fiscal Charges	1,503	25,590	3	27,096
<i>Total Cash Disbursements</i>	<u>449,657</u>	<u>668,937</u>	<u>176,264</u>	<u>1,294,858</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>161,393</u>	<u>(92,345)</u>	<u>(174,377)</u>	<u>(105,329)</u>
<b>Other Financing Receipts (Disbursements)</b>				
Transfers In	-	8,000	156,172	164,172
Transfers Out	(164,172)	-	-	(164,172)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(164,172)</u>	<u>8,000</u>	<u>156,172</u>	<u>-</u>
<i>Net Change in Fund Cash Balances</i>	(2,779)	(84,345)	(18,205)	(105,329)
<i>Fund Cash Balances, January 1 (Restated - See Note 11)</i>	<u>162,049</u>	<u>377,971</u>	<u>148,980</u>	<u>689,000</u>
<b>Fund Cash Balances, December 31</b>				
Nonspendable	69	-	-	69
Restricted	-	293,626	-	293,626
Committed	-	-	130,775	130,775
Assigned	159,201	-	-	159,201
<i>Fund Cash Balances, December 31</i>	<u>\$ 159,270</u>	<u>\$ 293,626</u>	<u>\$ 130,775</u>	<u>\$ 583,671</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF ANNA, OHIO  
SHELBY COUNTY

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>(Memorandum Only)</u>
<b>Operating Cash Receipts</b>			
Charges for Services	\$ 853,022	\$ -	\$ 853,022
Fines, Licenses and Permits	990	2,703	3,693
<i>Total Operating Cash Receipts</i>	<u>854,012</u>	<u>2,703</u>	<u>856,715</u>
<b>Operating Cash Disbursements</b>			
Personal Services	231,324	-	231,324
Employee Fringe Benefits	114,735	-	114,735
Contractual Services	207,477	-	207,477
Supplies and Materials	44,240	-	44,240
Other	5,199	-	5,199
<i>Total Operating Cash Disbursements</i>	<u>602,975</u>	<u>-</u>	<u>602,975</u>
<i>Operating Income (Loss)</i>	<u>251,037</u>	<u>2,703</u>	<u>253,740</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental	-	(2,703)	(2,703)
Loans Issued	684,408	-	684,408
Miscellaneous Receipts	44,726	-	44,726
Capital Outlay	(736,919)	-	(736,919)
Principal Retirement	(31,706)	-	(31,706)
Interest and Other Fiscal Charges	(8,179)	-	(8,179)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(47,670)</u>	<u>(2,703)</u>	<u>(50,373)</u>
<i>Net Change in Fund Cash Balances</i>	203,367	-	203,367
<i>Fund Cash Balances, January 1 (Restated - See Note 11)</i>	<u>1,004,013</u>	<u>395</u>	<u>1,004,408</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 1,207,380</u>	<u>\$ 395</u>	<u>\$ 1,207,775</u>

The notes to the financial statements are an integral part of this statement.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 1 – Reporting Entity**

The Village of Anna (the Village), Shelby 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. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations and fire and police services.

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, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary and fiduciary 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 sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village has the following significant Special Revenue Funds:

***Street Construction, Maintenance and Repair Fund*** – The Street Construction, Maintenance and Repair Fund accounts for and reports that portion of the State gasoline tax and motor vehicle license tax registration fees restricted for construction, maintenance and repair of streets within the Village.

***State Highway Fund*** – This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village State Highways.

***Park and Recreation Fund*** – This fund receives money from the General Fund to construct facilities, maintain facilities and ground and host events in the park.

***Law Enforcement Trust Fund*** – This fund receives money from the proceeds from the sale of seized property and cash used for police education.

***DUI Enforcement and Education Fund*** – This fund receives money from fines and is used to enforce and educate the public about driving under the influence.

***Street Lighting Assessment Fund*** – This fund receives money from property tax assessments to provide for street lighting.



**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Fund Accounting (Continued)***

***Community Reinvestment Area Fund*** – This fund receives money from the annual fees from businesses to continue their Community Reinvestment Agreements. These funds are used to pay the school to offset the tax abatement received from residential remodels or constructions utilizing the Community Reinvestment.

***Mayor's Court Computer Fund*** – This fund receives money from fines and is used for the maintenance and purchase of hardware and software for the Mayor's Court Clerk.

***Fire Department Fund*** – This fund received money from a 3/4% income tax levy and is used for fire protection.

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

***Capital Improvement Fund*** – This fund receives money from the Income Tax Levy that is transferred from the General Fund to be used for capital improvements within the Village.

***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*** – The Water Fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

***Sewer Fund*** – The Sewer Fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

***Refuse Fund*** – This fund receives money for the sale of garbage bags and tags to pay for the purchase of bags and tags. It also charges for services from resident to cover recycling collection.

***Utility Deposit Fund*** – This fund receives money from renters who must make a deposit for utility services. These funds are used to pay off outstanding bills when renters leave or is refunded if nothing is owed.

***I-75 Utility Extension Fund*** – This fund receives money from an OWDA loan and is a pass-through fund to show payment to vendors for the I-75 Utility Extension Project.

***Fiduciary Funds*** – Fiduciary funds include private purpose trust funds and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village's agency fund accounts for Mayor's Court activity.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

***Fund Accounting (Continued)***

***Mayors' Court Fund*** – This fund reports the financial activity of the Village Mayors' Court fines, forfeitures and bonds. This fund receives monies from collections on fines imposed from tickets issued by the Village's police protection force. Funds collected in part on behalf of the State of Ohio. In addition, funds are used for safety programs, computerization and general Village operations.

***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(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain agency 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. 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 commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2019 budgetary activity appears in Note 3.

***Deposits and Investments***

The Village maintains only interest-bearing checking accounts.

***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.

**Village of Anna, Ohio**  
Shelby County  
Notes to the Financial Statements  
For the Year Ended December 31, 2019

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

***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.

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

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

***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.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2019 follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 607,370	\$ 611,050	\$ 3,680
Special Revenue	518,100	584,592	66,492
Capital Projects	130,500	158,059	27,559
Enterprise	1,658,982	1,583,146	(75,836)
Total	\$ 2,914,952	\$ 2,936,847	\$ 21,895

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 726,123	\$ 622,658	\$ 103,465
Special Revenue	870,157	681,570	188,587
Capital Projects	279,170	177,001	102,169
Enterprise	2,345,417	1,404,050	941,367
Total	\$ 4,220,867	\$ 2,885,279	\$ 1,335,588

**Note 4 - Deposits**

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

	2019
Demand deposits	\$ 1,791,056
Cash on Hand	\$ 390
Total deposits	\$ 1,791,446

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

**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 homestead and rollback deductions. The financial statements include homestead and rollback amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 5 – Taxes (Continued)**

***Property Taxes (Continued)***

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 1.75% 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 tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually. Tax receipts are credited to the Village and amounted to \$812,135 (gross) in 2019 and \$810,855 (gross) in 2018.

**Note 6 – Risk Management**

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium. This rate is calculated based on accident history and administrative costs.

***Commercial Insurance***

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Some 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2019.

***Ohio Police and Fire Retirement System***

The Village's full-time Police Officers belong to the 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. The Village has paid all contributions required through December 31, 2019.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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

**Social Security**

Village Council Members contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has not paid all contributions required through December 31, 2019.

**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 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**Note 9 – Debt**

Debt outstanding at December 31, 2019 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC Water Tower Loan - CM34E	\$ 60,530	0.00%
OPWC Main Street Sewer - CM19K	31,396	0.00%
2012 Fire Truck	105,542	3.68%
OWDA WWTP Upgrade - 6279	242,114	3.24%
US Bank Projects 2017	49,750	2.30%
OPWC Young Street Phase I - CM11S	201,393	0.00%
OPWC Young Street Phase II - CM20U	72,417	0.00%
2018 Fire Truck	442,860	3.94%
OWDA I-75 Utility Extension - 8339	684,408	3.10%
Total	<u>\$ 1,890,410</u>	

The ending 2018 balance of the 2012 Fire Truck Loan was \$55 higher than the actual loan balance and the balance of the 2016 GMC Crew Truck Loan was \$1,430 higher than the actual loan balance.

Water Tower - OPWC - This loan relates to the construction of a new water tower. The original loan amount was \$302,650.00 for 20 years at 0% interest rate. The principal payments are twice a year, once in January and once in July. Each payment amount is \$7,566.25. The loan payments started 1/1/2004 and will be fully paid on 7/1/23. Payments were made from the water fund.

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

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**Note 9 – Debt (Continued)**

Main Street Sewer - OPWC - This loan relates to a new sewer main that was installed down Main Street during a streetscape project. The original loan amount was \$49,573.26 for 30 years at a 0% interest rate. The principal payments are twice a year, once in January and once in July. Each payment amount is \$826.22. The loan payments started 1/1/2009 and will be fully paid on 7/1/2038. Payments were made from the sewer fund.

2012 Fire Truck Lease - Government Leasing & Finance - This loan relates to the purchase of a new fire truck. The original loan amount was \$459,075.00 for 10 years at 3.68% interest rate. The payments are once a year in November. The payment amount is \$55,701.71. The loan payments started 11/30/12 and will be fully paid on 11/30/21. Payments were made from the fire fund.

WWTP Upgrade - OWDA - This loan relates to the renovation and update of the wastewater treatment plant. The original loan amount was \$308,123.78 for 20 years at 3.24% interest rate. The payments are twice a year, once in January and once in July. Each payment amount is \$10,529.13. The loan payments started 7/1/14 and will be fully paid on 1/1/34. Payments were made from the sewer fund.

2017 Projects - US Bank - This loan was to fund various projects within the Village (sidewalks, curbs and paving). The original loan amount was \$99,500.00 for 5 years at 2.3% interest rate. The payments are twice a year in May and November. Each principal payment amount is \$9,950.00. The payments started in 2017 and will be fully paid in 2022. Payments were made from the general fund.

Young Street Reconstruction Phase I - OPWC - This loan relates to Phase I of the Young Street Reconstruction. The original loan amount was \$223,769.75 for 30 years at 0% interest rate. The payments are twice a year and will be fully paid in July 2046. Each payment is \$3,729.50. Payments were made from the street construction, maintenance, and repair fund.

Young Street Reconstruction Phase II - OPWC - This loan relates to Phase II of the Young Street Reconstruction. The original loan amount was \$76,228.25 for 20-years at 0% interest rate. The payments are twice a year, beginning January 2019 and will be fully paid in July 2038. Each payment is \$1,905.71. Payments were made from the street construction, maintenance, and repair fund.

2018 Fire Truck Lease - Government Leasing & Finance - This loan relates to the purchase of a new fire truck. The original loan amount was \$483,220.00 for 10 years at 3.94% interest rate. The payments are once a year in August. The payment amount is \$59,398.83. Loan payments began 8/15/2019 and will be fully paid on 8/15/2028. Payments were made from the fire fund.

OWDA I-75 Utility Extension – This loan relates to the extension of water and sewer lines under Interstate-75. The original loan amount was \$684,408.13 (including \$1,880.41 of capitalized interest) for 15 years at 3.1% interest rate. The payments are twice a year in January and July. The payment amount is \$28,700.60. Loan payments begin January 2020 and will be fully paid in July 2034. Resolution 19-887; 50% of this project is assessed to the Anna Truck Stop property, 14262 State Route 119, following the same loan terms for repayment (15 years at 3.1% interest).

**Village of Anna, Ohio**  
*Shelby County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2019*

**Note 9 – Debt (Continued)**

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

Year Ending December 31:	OPWC Loans	OWDA Loan	Bank Loans
2020	\$ 28,057	\$ 78,459	\$ 136,031
2021	28,057	78,459	135,573
2022	28,057	78,459	69,463
2023	28,055	78,459	59,399
2024	12,924	78,459	59,399
2025-2029	64,617	392,296	237,594
2030-2034	64,617	381,767	-
2035-2039	59,139	-	-
2040-2044	37,295	-	-
2045-2049	14,918	-	-
Total	<u>\$ 365,736</u>	<u>\$ 1,166,358</u>	<u>\$ 697,459</u>

**Note 10 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village. In addition, the impact on the Village's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

**Note 11 – Restatement of Fund Balances**

The Village's fund cash balances at January 1, 2019 have been restated to move the beginning balance of the Unclaimed Monies Fund from the Agency Fund to the General Fund, to increase the Mayor's Court Fund balance by \$100 for Cash on Hand not recorded in UAN, and to decrease the General Fund balance for the balance of the Mayor's Court checking account as this balance is already included in the Agency Fund. These restatements resulted in the following changes in fund balances at January 1, 2019:

	<u>General Fund</u>	<u>Agency Fund</u>
Fund Balance at December 31, 2018 as Previously Reported	\$162,280	\$364
Move Unclaimed Monied Fund from Agency to General	69	(69)
Add \$100 in Petty Cash for Mayor's Court to the Financial Statements	-	100
Remove \$300 reported for Mayor's Court Checking Account from the General Fund	(300)	-
Fund Balance January 1, 2019 as Restated	<u>\$162,049</u>	<u>\$395</u>





313 Second St.  
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740.373.0056

1907 Grand Central Ave.  
Vienna, WV 26105  
304.422.2203

150 West Main St.  
St. Clairsville, OH 43950  
740.695.1569

1310 Market Street, Suite 300  
Wheeling, WV 26003  
304.232.1358

749 Wheeling Ave., Suite 300  
Cambridge, OH 43725  
740.435.3417

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

July 30, 2021

Village of Anna  
Shelby County  
209 West Main Street  
PO Box 140  
Anna, Ohio 45302

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the **Village of Anna**, Shelby County, (the Village) and have issued our report thereon dated July 30, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the Village adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of the Village.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Tax - Accounting - Audit - Review - Compilation - Agreed Upon Procedure - Consultation - Bookkeeping - Payroll - Litigation Support - Financial Investigations  
Members: American Institute of Certified Public Accountants  
• Ohio Society of CPAs • West Virginia Society of CPAs • Association of Certified Fraud Examiners • Association of Certified Anti-Money Laundering Specialists •

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***Compliance and Other Matters***

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

***Purpose of this Report***

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

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

**Perry and Associates**  
Certified Public Accountants, A.C.  
Marietta, Ohio

VILLAGE OF ANNA  
SHELBY COUNTY

SCHEDULE OF AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2020-001

**Material Weakness**

**Financial Reporting**

Accurate financial reporting is the responsibility of the Fiscal Officer and is essential to ensure information provided to the readers of the financial statements is accurate. The following errors with the Village's annual financial report were noted:

- Mayor's Court Activity was not properly recorded in a Custodial/Agency Fund in 2020 and 2019;
- Debt Proceeds were classified as Intergovernmental instead of Loans Issued in the South Street Reconstruction Fund in 2020;
- The Village recorded Ohio Water Development Authority (OWDA) debt proceeds related to the I-75 Utility Extension Project as Loans Issued in governmental capital projects fund 4903. The Village also recorded Basic Utility Services disbursements related to the project in governmental capital projects fund 4903. Activity related to the project should have been recorded in an enterprise capital projects instead of a governmental fund. The Village also did not record debt proceeds and a corresponding capital outlay for the capitalized interest on the loan;
- Prior period balances in the General and Agency Funds were adjusted for the balance of the Unclaimed Monies Fund which was reported in the Agency Fund when it should have been reported as a part of the General Fund. Also, the beginning balance of the Agency Fund was increased by \$100 for Mayor's Court Cash on Hand that was not booked in UAN. Finally, the balance of the General Fund was decreased \$300 for the balance of the Mayor's Court that is already reported in the Agency Fund; and
- In the 2020 and 2019 notes to the financial statements, we noted the omission of the Postemployment Benefits, Contingent Liabilities (2020 only), Fund Balances (2020 only), COVID-19, and Change in Accounting Principles (2020 only) notes and parts of the Summary of Significant Accounting Policies, Budgetary Activity, Debt, and Defined Benefit Pension Plans notes.

Not posting receipts and disbursements accurately resulted in the financial statements requiring reclassifications and adjustments. The financial statements reflect all reclassifications and adjustments.

The following reclassification was inconsequential to the overall financial statements of the Village for December 31, 2019 and was not posted to the financial statements or ledgers:

- A portion of the General Fund balance should have been reported as Unassigned.

To help ensure accuracy and reliability in the financial reporting process, we recommend that management perform a detailed review of its draft financial statements. Such review should include procedures to ensure that all sources of revenues and expenses are properly identified and classified on the financial statements.

We also recommend the Fiscal Officer refer to the Ohio Village Handbook and other Auditor of State resources for guidance to determine the proper establishment of receipt and disbursement accounts and posting of receipts and disbursements.

**Officials' Response** – We did not receive a response from Officials to this finding.

**VILLAGE OF ANNA  
SHELBY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

Finding Number	Finding Summary	Status	Additional Information
2018-001	Posting Receipts, Disbursements, and Fund Balance Classification	Partially Corrected	Repeated as Finding 2020-001
2018-002	Fire Levy – Posting Fire Contract Revenue to the General Fund	Fully Corrected	N/A
2018-003	Income Tax Allocation	Partially Corrected	Moved to Management Letter
2018-004	Budgetary Controls	Partially Corrected	Moved to Management Letter

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF ANNA**

**SHELBY 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 10/5/2021**

88 East Broad 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](http://www.ohioauditor.gov)