

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2008 AND 2007



Mary Taylor, CPA

Auditor of State

Village Council
Village of Antwerp
P. O. Box 1046
Antwerp, Ohio 45813

We have reviewed the *Independent Auditor's Report* of the Village of Antwerp, Paulding County, prepared by E.S. Evans and Company, for the audit period January 1, 2007 through December 31, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditor's Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditor's Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Antwerp is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 23, 2009

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VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

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November 16, 2009

INDEPENDENT AUDITOR'S REPORT

Village of Antwerp
Paulding County, Ohio

We have audited the accompanying financial statements of the Village of Antwerp, Paulding County, (the Village) as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP requires presenting entity wide statements and also to present its larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2008 and 2007, or their changes in financial position or cash flows of its proprietary funds for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2009, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with Government Auditing Standards. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in red ink, appearing to read "E. J. ... and ...". The signature is written in a cursive style and is located in the lower right quadrant of the page.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2008

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
Cash Receipts:				
Local Taxes	\$ 46,898	\$ 130,841	\$ -	\$ 177,739
Municipal Income Taxes	256,693	247	-	256,940
Special Assessments	-	26,055	-	26,055
Intergovernmental Revenues	58,047	114,893	126,995	299,935
Charge for Services	-	109,626	-	109,626
Fines, Licenses, and Permits	77,146	2,871	-	80,017
Interest Revenues	2,068	1,210	-	3,278
Miscellaneous	2,402	2,194	-	4,596
Total Cash Receipts	<u>443,254</u>	<u>387,937</u>	<u>126,995</u>	<u>958,186</u>
Cash Disbursements:				
Current -				
Security of Persons and Property	2,635	279,187	-	281,822
Public Health and Welfare	-	504	-	504
Community Environment	303	-	-	303
Leisure Time Activities	8,644	-	-	8,644
Transportation	-	97,459	-	97,459
General Government	143,218	551	-	143,769
Debt Service:				
Redemption of Principal	-	64,258	-	64,258
General Interest and Fiscal Charges	-	27,362	-	27,362
Capital Outlay	15,944	171,490	135,795	323,229
Total Cash Disbursements	<u>170,744</u>	<u>640,811</u>	<u>135,795</u>	<u>947,350</u>
Total Cash Receipts Over/(Under)				
Cash Disbursements	<u>272,510</u>	<u>(252,874)</u>	<u>(8,800)</u>	<u>10,836</u>
Other Financing Receipts and Disbursements				
Transfers In	-	196,420	5,656	202,076
Transfers Out	(214,326)	-	-	(214,326)
Sale of Notes and Bonds	-	140,061	3,144	143,205
Other Financing Uses	-	(14,336)	-	(14,336)
Total Other Financing and Disbursements	<u>(214,326)</u>	<u>322,145</u>	<u>8,800</u>	<u>130,955</u>
Excess Cash Receipts and Other Financing Receipts over (Under) Cash Disbursements and Other Financing Disbursements	58,184	69,271	-	127,455
Fund Cash Balance - January 1, 2008	<u>164,154</u>	<u>170,061</u>	<u>-</u>	<u>334,215</u>
Fund Cash Balance - December 31, 2008	<u>\$ 222,338</u>	<u>\$ 239,332</u>	<u>\$ -</u>	<u>\$ 461,670</u>

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

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

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

For the Year Ended December 31, 2008

		<u>Proprietary Fund Type</u>
		<u>Enterprise</u>
<u>Operating Cash Receipts:</u>		
Charges for Services	\$ 550,328	
Miscellaneous		15,936
		<u>566,264</u>
<u>Operating Cash Disbursements:</u>		
Personnel Services		169,925
Travel/Transportation		544
Contractual Services		150,062
Material and Supplies		52,131
Capital Outlay		164,970
Total Operating Cash Disbursements		<u>537,632</u>
Excess of Operating Cash Receipts Over/ (Under) Operating Cash Disbursements		<u>28,632</u>
<u>Non-Operating Cash Receipts/(Disbursements):</u>		
Non-Operating Receipts:		
Sale of Bonds or Notes		124,710
Earnings on Investments		2,601
Other Financing Sources		10,104
Non-Operating Disbursements:		
Debt Service:		
Redemption of Principal		(164,296)
General Interest and Fiscal Charges		(68,065)
Excess of Cash Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances		<u>(66,314)</u>
Operating Transfers-In		17,749
Operating Transfers-Out		(5,499)
Total Transfers and Advances		<u>12,250</u>
Excess of Net Cash Receipts Over/(Under) Disbursements		(54,064)
<u>Fund Cash Balance - January 1, 2008</u>		<u>341,532</u>
<u>Fund Cash Balance - December 31, 2008</u>	\$	<u><u>287,468</u></u>

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

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL
FUND TYPES

For the Year Ended December 31, 2007

	<u>Governmental Fund Types</u>			<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>(Memorandum Only)</u>
<u>Cash Receipts:</u>				
Local Taxes	\$ 73,281	\$ 136,849	\$ -	\$ 210,130
Municipal Income Taxes	187,378	155	-	187,533
Special Assessments	-	24,748	-	24,748
Intergovernmental Revenues	44,629	112,841	-	157,470
Charge for Services	-	243,185	-	243,185
Fines, Licenses, and Permits	36,157	1,195	-	37,352
Interest Revenues	2,578	1,127	-	3,705
Miscellaneous	5,539	5,146	-	10,685
Total Cash Receipts	<u>349,562</u>	<u>525,246</u>	<u>-</u>	<u>874,808</u>
<u>Cash Disbursements:</u>				
Current -				
Security of Persons and Property	-	233,368	-	233,368
Public Health and Welfare	-	459	-	459
Community Environment	270	-	-	270
Leisure Time Activities	8,469	-	-	8,469
Transportation	-	101,740	-	101,740
General Government	123,033	896	-	123,929
Debt Service:				
Redemption of Principal	-	82,000	-	82,000
General Interest and Fiscal Charges	-	3,608	-	3,608
Capital Outlay	-	296,359	-	296,359
Total Cash Disbursements	<u>131,772</u>	<u>718,430</u>	<u>-</u>	<u>850,202</u>
Total Cash Receipts Over/(Under)				
Cash Disbursements	<u>217,790</u>	<u>(193,184)</u>	<u>-</u>	<u>24,606</u>
<u>Other Financing Receipts and Disbursements</u>				
Transfers In	-	101,132	-	101,132
Transfers Out	(101,926)	-	-	(101,926)
Sale of Notes and Bonds	-	204,908	-	204,908
Other Financing Uses	-	(13,284)	-	(13,284)
Total Other Financing and Disbursements	<u>(101,926)</u>	<u>292,756</u>	<u>-</u>	<u>190,830</u>
Excess Cash Receipts and Other Financing Receipts over (Under) Cash Disbursements and Other Financing Disbursements	115,864	99,572	-	215,436
Fund Cash Balance - January 1, 2007 - restated	48,290	70,489	-	118,779
Fund Cash Balance - December 31, 2007	<u>\$ 164,154</u>	<u>\$ 170,061</u>	<u>\$ -</u>	<u>\$ 334,215</u>
Reserve for Encumbrances, Dec. 31, 2007	<u>\$ -</u>	<u>\$ 18,939</u>	<u>\$ -</u>	<u>\$ -</u>

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

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

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

For the Year Ended December 31, 2007

	Proprietary Fund Type
	Enterprise
<u>Operating Cash Receipts:</u>	
Charges for Services	\$ 536,012
Miscellaneous	30,920
	566,932
<u>Operating Cash Disbursements:</u>	
Personnel Services	143,528
Travel/Transportation	242
Contractual Services	150,395
Material and Supplies	45,736
Capital Outlay	367,721
Total Operating Cash Disbursements	707,622
Excess of Operating Cash Receipts Over/ (Under) Operating Cash Disbursements	(140,690)
<u>Non-Operating Cash Receipts/(Disbursements):</u>	
<u>Non-Operating Receipts:</u>	
Sale of Bonds or Notes	281,404
Earnings on Investments	5,632
Other Financing Sources	600
<u>Non-Operating Disbursements:</u>	
Debt Service:	
Redemption of Principal	(116,742)
General Interest and Fiscal Charges	(60,435)
Excess of Cash Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(30,231)
Operating Transfers-In	794
Operating Transfers-Out	-
Total Transfers and Advances	794
Excess of Net Cash Receipts Over/(Under) Disbursements	(29,437)
<u>Fund Cash Balance - January 1, 2007</u>	370,969
<u>Fund Cash Balance - December 31, 2007</u>	\$ 341,532

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

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

Note 1 - Summary of Significant Accounting Policies

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Antwerp, Paulding County, (the Village), as a political and corporate body. A publicly-elected six-member Council governs the Village. The Village provides general governmental services including public safety, street maintenance, and water and sewer facilities.

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

Basis of Accounting

These financial statements follow the accounting basis prescribed or permitted by the Auditor of State. This basis is similar to the cash receipts and disbursements basis of accounting. Consequently, receipts are recognized when received rather than when earned, and disbursements are recognized 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 prescribed or permitted by the Auditor of State.

Cash and Investments

The Village maintains one checking account, as well as certificates of deposit which are all valued at cost.

Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

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

Fund Accounting - (continued)

Special Revenue Funds

The Special Revenue Funds account for proceeds from specific sources (other than for capital projects) that are restricted to expenditure for specific purposes. 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 construction, maintaining and repairing Village streets.

EMS Fund – This fund receives local taxes and charges for service to provide Emergency Medical Services to Village residents.

Police Fund – This fund receives local taxes to provide police services for the Village.

Capital Project Funds

These funds are used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise or trust funds). The Village had the following significant capital project funds:

Shaffer Road Capital Improvement Fund - This fund accounts for various grants and loans to pay for the Shaffer Road improvement project.

Train Depot Capital Improvement Fund - This fund accounts for various grants and loans to pay for the Train Depot improvement project.

Enterprise Funds

Enterprise 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 the cost of providing this utility.

Sewer Fund – This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Debt Fund – This fund receives money from the water/sewer funds to pay related debts of the Village.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

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

Budgetary Process

The Ohio Revised Code requires that each fund be budgeted.

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 also approve estimated resources.

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. Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled and reappropriated in the subsequent year except for a few encumbrances at December 31, 2007 related to EMS. The Village did not encumber all commitments required by Ohio law.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

Property, Plant and Equipment

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

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.

Restatement

At January 1, 2007, the Village reclassified two funds previously reported as agency to special revenue funds. Total amount of restatement was \$433.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 2 – Equity in Pooled Cash

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

	2008		2007
Demand Deposits	\$ 628,063	\$	557,770
Certificates of Deposit	121,075		117,977
Total Deposits	\$ 749,138	\$	675,747

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

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts		Actual Receipts	Variance
General	\$ 510,410	\$	443,254	\$ (67,156)
Special Revenue	941,600		724,418	(217,182)
Capital Projects	142,522		135,795	(6,727)
Enterprise	948,376		721,428	(226,948)
	\$ 2,542,908	\$	2,024,895	\$ (518,013)

2008 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority		Budgetary Expenditures	Variance
General	\$ 418,731	\$	385,070	\$ 33,661
Special Revenue	787,183		655,147	132,036
Capital Projects	138,774		135,795	2,979
Enterprise	772,211		769,993	2,218
	\$ 2,116,899	\$	1,946,005	\$ 170,894

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 3 – Budgetary Activity – (continued)

2007 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 336,272	\$ 349,562	\$ 13,290
Special Revenue	897,413	831,286	(66,127)
Enterprise	994,952	854,568	(140,384)
	<u>\$ 2,228,637</u>	<u>\$ 2,035,416</u>	<u>\$ (193,221)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 262,978	\$ 233,698	\$ 29,280
Special Revenue	910,204	750,653	159,551
Enterprise	863,426	884,799	(21,373)
	<u>\$ 2,036,608</u>	<u>\$ 1,869,150</u>	<u>\$ 167,458</u>

Note 4 - Property Tax

Real property taxes become a lien on January 1 preceding the October 1 date for which the Village Council adopts 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 State pays the Village amounts equaling these deductions. The Village includes these with Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half payment 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.

Property owners assess tangible personal property tax. They must file a list of tangible property to the County by each April 30. The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on the Village's behalf.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 5 - Debt Obligations

Debt outstanding at December 31, 2008 was as follows:

	Principal	Interest Rate
EMS Building Loan	\$ 53,970	4.40%
Storm Sewer Loan	190,713	4.79%
Lift Station Loan	124,894	5.25%
Ohio Public Works Commission - Shaffer Road	3,358	0.00%
Ohio Public Works Commission - N. Main Street	24,367	0.00%
Water Works System Bonds	195,000	7.375%
Ohio Water Development Authority - Water Sys Improve	96,457	6.12%
Water Plant Improvements Loan	42,858	4.75%
Ohio Water Development Authority - Water Plant Planning	15,000	0.00%
Ohio Water Development Authority - Water Plant Design	25,000	0.00%
Sanitary Sewer System Bonds	607,000	5.00%
Ohio Water Development Authority - Water System Improvements	833,561	2.75%
Total	\$ 2,212,178	

The EMS Building Loan is a bond anticipation loan for the construction, furnishing, and equipping a medical service building in 2001. The loan is held by the Antwerp Exchange Bank at 4.40% interest payable at maturity on October 19, 2009.

The Storm Sewer Loan is a promissory note to the Antwerp Exchange Bank at 4.79% used for storm sewer improvements. Semi-annual payments of \$13,169.46 are due with the note maturing on August 1, 2017.

The Lift Station Loan is a promissory note to the Antwerp Exchange Bank at 5.25% used for a lift station. This loan required semi-annual payments but was paid off in June 2009.

The Ohio Public Works Commission loan was an interest free loan obtained in the amount of \$3,358 to finance costs of the Shaffer Road project after all grant funds were utilized. This loan was paid in full in 2009.

The Ohio Public Works Commission loan was an interest free loan obtained in the amount of \$60,918 to finance water line replacements. Semi-annual payments are due in the amount of \$1,523 over a 20 year period, with the final payment due January 1, 2017.

Water Works System First Mortgage Revenue Bonds were issued in 1984 in the amount of \$280,000 at 7.375% payable over forty years. Annual principal payments range from \$6,000 to \$20,000 annually through 2023.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 5 - Debt Obligations – (continued)

Water System Improvement Loan from the Ohio Water Development Authority was originally acquired in 1997 for \$268,994. The loan was for 15 years, repayable in semi annual payments ranging from \$9,773 to \$13,150 plus interest thru 2013. The loan interest rate is 6.12%.

Water Plant Improvements Loan is a bond anticipation note from the Antwerp Exchange Bank for \$42,858 due on August 15, 2009. The note carries an interest rate of 4.75%.

Ohio Water Development Authority loan for \$25,000 was to assist the Village in the cost of preliminary engineering plans for improvements in the drinking water system. The loan is at 0% and repayable in ten equal annual installments of \$2,500 each, with the final payment due in 2014.

Ohio Water Development Authority loan is to assist the Village in detail design of the elevated storage tank as an improvement to the drinking water system. The loan was drawn for \$40,000 and is to be repaid in ten equal annual installments at 0% interest, with the final installment due July 1, 2015.

Sanitary Sewer System Bonds are First Mortgage Revenue Bonds issued in 1984, for \$1,069,700 with an interest rate of 5%. Bonds are repayable over forty years with principal payments ranging from \$29,000 to \$57,000, with the final payment due in 2023.

The Ohio Water Development Authority agreed to finance the Village water towers and water line improvements with a loan of \$899,005 payable over twenty years beginning July 1, 2008, with interest at 2.75%.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 5 - Debt Obligations – (continued)

Amortization of the above debt, including interest of \$716,015 is scheduled as follows:

Year Ending December 31:	EMS Building Loan	Storm Sewer	Lift Station	OPWC Shaffer Rd.	OPWC - N. Main St.	Water Works Bonds
2009	\$ 56,346	\$ 26,339	\$ 131,451	\$ 3,358	\$ 3,046	\$ 22,381
2010	-	26,339	-	-	3,046	22,791
2011	-	26,339	-	-	3,046	22,128
2012	-	26,339	-	-	3,046	21,464
2013	-	26,339	-	-	3,046	21,800
2014-2018	-	126,693	-	-	9,137	108,684
2019-2023	-	-	-	-	-	108,503
2024-2028	-	-	-	-	-	-
Totals	\$ <u>56,346</u>	\$ <u>258,388</u>	\$ <u>131,451</u>	\$ <u>3,358</u>	\$ <u>24,367</u>	\$ <u>327,751</u>

Year Ending December 31:	OWDA Water System	Water Plant Improve	OWDA Water Planning	OWDA Water Design	Sanitary Sewer	OWDA Water Improve
2009	\$ 27,913	\$ 44,894	\$ 2,500	\$ 5,000	\$ 62,350	\$ 28,310
2010	27,912	-	2,500	5,000	61,750	56,621
2011	27,915	-	2,500	5,000	62,100	56,621
2012	27,913	-	2,500	5,000	62,350	56,621
2013	-	-	2,500	5,000	62,500	56,621
2014-2018	-	-	2,500	-	61,550	283,105
2019-2023	-	-	-	-	310,450	283,105
2024-2028	-	-	-	-	171,150	254,793
Totals	\$ <u>111,653</u>	\$ <u>44,894</u>	\$ <u>15,000</u>	\$ <u>25,000</u>	\$ <u>854,200</u>	\$ <u>1,075,797</u>

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 5 - Debt Obligations – (continued)

Year Ending December 31:	TOTAL
2009	\$ 413,888
2010	205,959
2011	205,648
2012	205,232
2013	177,806
2014-2018	839,708
2019-2023	625,157
2024-2028	254,794
Totals	\$ <u><u>2,928,193</u></u>

Note 6 – Retirement Systems

Ohio Public Employees Retirement System (OPERS)

The Village’s employees, excluding the Village’s uniformed Police employees, belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer plan. The Ohio Revised Code prescribes the plan’s retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007, OPERS members contributed 9.5 percent of their gross salary. The Village contributed an amount equal to 13.85 percent of participants’ gross salaries. For 2008, OPERS members contributed 10.0 percent of their gross salary. The Village contributed an amount equaling 14.0 percent of participants’ gross salaries. The Village has paid all required contributions through December 31, 2008.

Police and Firemen’s Disability and Pension Fund

The Village of Antwerp’s uniformed police employees participate in the Ohio Police and Fire Pension Funds (OP&F). This is a multi-employer cost sharing public employees’ retirement system. The Ohio Revised Code prescribes the plan’s retirement benefits, including postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2007 and 2008, OP&F members contributed 10 percent of their gross salary. The Village contributed an amount equal to 19.5 percent of participants’ gross salaries. The Village has paid all required contributions through December 31, 2008.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 7 – Subsequent Events

Subsequent to December 31, 2008 the Village is under contract for a West Daggett Street waterline project. The Village has been approved for a \$266,250 interest-free loan from the Ohio Public Works Commission for funding this project

Note 8 - Risk Management

Risk Pool Membership

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool or Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 8 - Risk Management – (continued)

Casualty Coverage – (continued)

If losses exhaust PEP's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (prior to January 1, 2006) or \$3,000,000 (on or subsequent to January 1, 2006) as noted above.

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop-loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will then reinsure specific losses exceeding of \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 8 - Risk Management – (compliance)

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available):

	<u>2007</u>		<u>2006</u>
Assets	\$ 37,560,071	\$	36,123,194
Liabilities	<u>(17,340,825)</u>	<u>\$</u>	<u>(16,738,904)</u>
Retained Earnings	<u>20,219,246</u>	<u>\$</u>	<u>19,384,290</u>

At December 31, 2007 and 2006, respectively, the liabilities above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The Village's share of these unpaid claims collectible in future years is approximately \$17,000. This payable includes the subsequent year's contribution due if the Village terminates participation, as described in the last paragraph below.

Based on discussion with PEP, the expected rates PEP charges to future member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

Contributions to PEP

2006	\$ 18,411
2007	\$ 18,328
2008	\$ 21,343

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they provide written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 9 - Compliance

Contrary to Ohio Revised Code §5705.10 the following funds had deficit balances at year end, by the amounts indicated:

Fund	Deficit at December 31, 2007
EMS Fund	\$ 6,933
Water Capital Improvement Fund	3,749
Police Fund	45,725

Contrary to Ohio Revised Code §5705.41(B) the following funds had expenditures that exceeded appropriations:

Fund	Appropriations	Expenditures	Variances
<u>December 31, 2008:</u>			
Sewer	\$ 283,983	\$ 332,182	\$ (48,199)
 <u>December 31, 2007:</u>			
Water	\$ 444,995	530,138	(85,143)

Contrary to Ohio law, the Village did not record all “on behalf of” loans and grants on the Village financial records, nor were all loan refinancings properly recorded.

Contrary to Ohio Revised Code §5705.41(D)1, the Fiscal Officer did not sign all purchase orders as required nor were all purchase orders properly issued before a purchase was made or not certified issuing the “then and now” certification.

Contrary to Ohio Revised Code §5705.36(A)(4) the following funds had appropriations in excess of available resources:

Fund Type/Fund	2008	2007
Special Revenue Funds:		
OPWC - Issue II Fund		\$ 275,000
Police Fund		25,392
Capital Projects Fund:		
Shaffer Road Improvement Fund	\$ 6,280	

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

Note 9 – Compliance – (continued)

Contrary to Ohio Revised Code Section 5705.39, total appropriations exceed the total estimated resources in the following funds:

<u>Fund Type/Fund</u>	<u>2007</u>
Special Revenue Funds:	
EMS Fund	\$ 55,935
Police Fund	82,414

Contrary to Ohio Revised Code Section 731.14, the Village did not bid all projects in excess of \$25,000.

Note 10 – Local Income Tax

The Village levies a municipal income tax of one percent (1.00%) on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside 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. The Village has a contract with City of Cleveland - Central Collection Agency to collect income tax on behalf of the Village.

Note 11 - Fiscal Watch Terminated

As of December 31, 2005 the Auditor of State placed the Village on a fiscal watch, as provide in the Ohio Revised Code 118.02 and 118.03. On September 29, 2009, the Auditor of State of Ohio released the Village from fiscal watch.



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Steven D. Hooker, CPA • John E. Klay, CPA

November 16, 2009

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Village of Antwerp
Paulding County, Ohio

We have audited the financial statements of the Village of Antwerp, Paulding County, Ohio, (the Village) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated November 16, 2009, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Antwerp's internal control over financial reporting as a basis for designing our auditing procedures 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 of Antwerp's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Village of Antwerp's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village of Antwerp's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village of Antwerp's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2008-001, 2008-002, 2008-003, 2008-004, 2008-2005 and 2008-2006.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village of Antwerp's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the Village of Antwerp's management in separate letter dated November 16, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the Village of Antwerp'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 have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and are described in the accompanying schedule of findings as items 2008-001, 2008-002, 2008-003, 2008-004, 2008-005, 2008-006 and 2008-007.

In a separate letter to the Village of Antwerp's management dated November 16, 2009, we reported other matters related to noncompliance.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management of the Village of Antwerp and the Auditor of State of Ohio. It is not intended for anyone other than these specified parties.

A handwritten signature in red ink, appearing to read "E. J. Evans and Company".

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

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

Finding Number 2008 – 001– Noncompliance Citation and Significant Deficiency

Ohio Revised Code §5705.10 states that money paid into any fund shall be used only for the purposes for which such fund was established.

The existence of a deficit fund balance in any fund indicates that money from another fund or funds has been used to pay obligations of the fund or funds carrying the deficit balance. The following funds were found to have deficit balances throughout the audit period and at year end, by the amounts indicated:

<u>Fund</u>	<u>Deficit at December 31, 2007</u>
EMS Fund	\$ 6,933
Water Capital Improvement Fund	3,749
Police Fund	45,725

The Village should make transfers or advances from the General Fund, or reduce planned expenditures as necessary to avoid deficit fund balances.

Village Response – We recognize this at December 31, 2007 and measures have been taken to correct this. It was fully corrected in 2008.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

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

Finding Number 2008 – 002 – Noncompliance Citation and Significant Deficiency

Ohio Revised Code §5705.41 (B) states that no subdivision shall make any expenditure of money unless it has been lawfully appropriated as provided in such chapter.

Actual expenditures exceeded approved appropriations in the following funds:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variances</u>
<u>December 31, 2008:</u>			
Sewer	\$ 283,983	\$ 332,182	\$ (48,199)
<u>December 31, 2007:</u>			
Water	\$ 444,995	530,138	(85,143)

The Village Clerk and Council should review appropriations prior to processing and approving expenditures. Expenditures should only be made for which there are sufficient appropriations. Appropriations should be increased as needed, and if necessary amend the corresponding estimated resources.

Village Response – The Village is more closely monitoring this and now have more experienced administrative staff in place.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2008 – 003 – Noncompliance Citation and Significant Deficiency

Ohio Revised Code Section 733.28 requires that the Village Clerk/Treasurer maintain the books of the Village and exhibit accurate statements of monies received and expended. In addition, Chapter 5075 of the Revised Code sets forth a scheme that provides for a uniform budget and appropriation process in order to assure that a government entity expends no more that it expects to receive in revenue. In order to accomplish this end, all appropriations must be accounted to and from each appropriate fund. While federal and state loans and grants are deemed appropriated and in the process of collection so as to be available for expenditure, they must still be recorded per O.R.C. 5075.42. Thus, a mechanism is still required to account for receipt and expenditure. That mechanism is an amendment of, or a supplement to, the entity's estimated resources, or its appropriation measure, which shall comply with all provisions of law governing the taxing authority in making an original appropriation per O.R.C. 5705.40. An original appropriation measure must be passed by the taxing authority, and any amendment of, or supplement to, that measurer also requires legislative action per O.R.C. 5705.38.

The Village under took a project to improve the water system in the Village. During 2007, \$135,567 of invoices were approved by the Village and sent to the Ohio Water Development Authority for payment. No amounts were received by the Village nor were any disbursements paid by the Village. During 2008, \$3,358 was handled by the Ohio Public Works Commission for the Shaffer Road Project and again not recorded by the Village. However, Auditor of State Bulletin 2000-008 and 2002-004 prescribe recording these transactions as receipts and disbursements when the Village applies for a project and has administrative responsibilities. The accompanying financial statements were adjusted to reflect this amount in the Enterprise Fund as Capital Outlay and Sale of Bonds or Notes.

The Village has two notes at the local bank for Water Repair & Capitalization and the EMS Bank which are due and payable annually. Each year the Village pays part of the notes and refinances the remaining balance. The Village does not record the full balance of the loan being reissued but only the amount paid in cash. The Village should record the re-issued amount as loan proceeds and a loan payment. These have been properly reflected in the audited financial statements in the special revenue and enterprise fund. In 2008, these two loans were properly handled but a new loan for a storm sewer project did not record \$57,865 of draws paid for capital outlay. This has been adjusted on these financial statements in the Enterprise Fund.

We recommend the Village record all benefits received from state or federal grants as well as loan refinancings as a memo receipt and expenditure at the time acquired and expended on the Village's records and appropriate funds for the expenditures. In addition, Village management should review Auditor of State Bulletins 2000-008 and 2002-004. In addition, we recommend that the Village Clerk/Treasurer accurately maintain the Village's accounting records in accordance with the Ohio Administrative Code Section 117-9-01 and utilize the Village Officer's Handbook for additional guidance.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

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

Finding Number 2008 – 003 – Noncompliance Citation and Significant Deficiency – (continued)

Village Response – The current Fiscal Officer understands and has corrected these issues.

Finding Number 2008 – 004 – Noncompliance Citation and Significant Deficiency

Ohio Revised Code § 5705.41 (D)(1) prohibits a subdivision or taxing entity from making any contract or ordering any expenditure of money unless there is attached thereto a signed certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrance. Every such contract made without such a certificate shall be null and void and no warrant shall be issued in payment of any amount due thereon.

We found that purchase orders are not always being issued prior to making a purchase. In addition, the Village is not utilizing the “then and now” certifications, nor are the purchase orders being signed by the Clerk at the time they are issued. Using a “then and now” certificate is provided for in sections 5705.41(D)(1) of the Ohio Revised Code.

However, there are several exceptions to the standard requirement stated above that a Clerk’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 Clerk can certify that both at the time that the contract or order was made (“then”), and at the time that the Clerk 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 Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council 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 Clerk without a resolution or ordinance 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 Village.

2. Blanket Certificate — Village Clerk’s may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance 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.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2008 – 004 – Noncompliance Citation and Significant Deficiency – (continued)

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. More than one super blanket certificate may be outstanding at a particular time for any line item appropriation.

Unless the exceptions noted above are used, prior certification is not only required by Ohio law, but is a key control in the disbursements process to help assure purchase commitments receive prior approval, and to help reduce the possibility of Village funds being over expended or exceeding budgetary spending limitations as set by the Village Council.

Nineteen percent of the transactions tested were not certified by the Fiscal Officer at the time the commitment was incurred due to no signature on the purchase order. In addition, forty-four percent of the transactions tested had the purchase order being issued after the purchase was made with no “then and now” certification being used. Failure to properly certify the availability of funds can result in overspending funds and possible negative fund cash balances.

To improve controls over disbursements, we recommend all Village disbursements receive certification of the Fiscal Officer prior incurring the obligation, including a valid signature. When prior certification is not possible, “then and now” certification should be used.

Village Response – The Village is currently looking to correct this process by using the then and now certification. All purchase orders have been signed since the current Fiscal Officer was hired.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

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

Finding Number 2008-005 – Noncompliance Citation and Significant Deficiency

Ohio Revised Code Section 5705.36(A)(4) allows all subdivisions to request increased amended certificates of estimated resources and reduced amended certificates upon determination by the fiscal officer that revenue to be collected will be greater or less than the amount in the official certificate of estimated resources. A reduced amended certificate must be obtained if the amount of the deficiency will reduce available resources below the current level of appropriation. The total appropriations made during a fiscal year from any fund must not exceed the amount contained in the certificate of estimated resources of the amended certificate of estimated resources which was certified prior to making the appropriation or supplemental appropriation.

The amounts by which appropriations exceed available resources are as follows:

<u>Fund Type/Fund</u>	<u>2008</u>	<u>2007</u>
Special Revenue Funds:		
OPWC - Issue II Fund		\$ 275,000
Police Fund		25,392
Capital Projects Fund:		
Shaffer Road Improvement Fund	\$ 6,280	

Actual receipts should be compared to budgeted receipts on a periodic basis to monitor for significant variances. Amended certificates should be requested from the County Budget Commission when it becomes apparent that actual receipts are going to be significantly less than estimated receipts, and the deficiency in receipts will fall below the appropriation level for the fund. This analysis should also encompass a comparison of appropriations versus available resources after amendment.

Village Response – The Village is more closely monitoring this and now have more experienced administrative staff in place.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2008 and 2007

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

Finding Number 2008-006 – Noncompliance Citation and Significant Deficiency

Ohio Revised Code Section 5705.39 provides in part that total appropriations from each fund shall not exceed the total estimated resources.

The amounts by which appropriations exceed estimated resources are as follows:

<u>Fund Type/Fund</u>	<u>2007</u>
Special Revenue Funds:	
EMS Fund	\$ 55,935
Police Fund	82,414

Appropriations should be compared to estimated resources before filing these with the County Auditor. Amended certificates should be requested from the County Budget Commission if estimated resources are changed in order to remain in compliance with Ohio Revised Code Section 5705.39.

Village Response – The Village is more closely monitoring this and now have more experienced administrative staff in place.

Finding Number 2008-007 – Noncompliance Citation

Ohio Revised Code Section 731.14 generally states that all contracts made by the Village for material and labor which exceed \$25,000 are subject to competitive bidding requirements. The award must be to the lowest responsible bidder. We found that the Village paid \$37,000 for the paving of the water plant drive without formally bidding this project. We recommend that the Village follow proper bidding requirements as outlined in the Ohio Revised Code in order to obtain the lowest and best price for the Village.

Village Response – The Village did not intend for this to be one project. It was done in two phases. The Village understands these requirements and will comply in the future.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2008 and 2007

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2006-001	5705.10 Deficit in Fund Balances	NO	Finding was not corrected in 2007 but has been corrected in 2008 - finding repeated in this report as finding 2008-001.
2006-002	5705.41(B) Expenditures in Excess of Appropriations	NO	Finding has not been corrected and has been repeated in this report as finding 2008-002.
2006-003	733.28 Maintaining accurate statements	NO	Finding has been partially corrected and has been repeated in this report as finding 2008-003
2006-004	EMS Revenues	YES	Substantially corrected - no comment in current year



Mary Taylor, CPA
Auditor of State

VILLAGE OF ANTWERP

PAULDING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 5, 2010**