

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2004 AND 2003



**Auditor of State
Betty Montgomery**

Village Council
Village of Antwerp
118 N. Main Street
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, 2003 through December 31, 2004. 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.

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

March 2, 2006

This page was intentionally left blank.

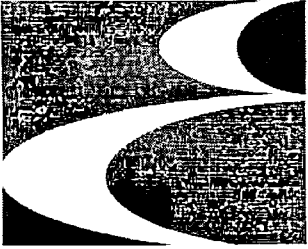
VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT -----	PAGE	1
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES – FOR THE YEAR ENDED DECEMBER 31, 2004 -----		3
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUND TYPES – FOR THE YEAR ENDED DECEMBER 31, 2004 -----		4
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES – ALL GOVERNMENTAL FUND TYPES – FOR THE YEAR ENDED DECEMBER 31, 2003 -----		5
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPES AND SIMILAR FIDUCIARY FUND TYPES – FOR THE YEAR ENDED DECEMBER 31, 2003 -----		6
NOTES TO FINANCIAL STATEMENTS -----		7
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY <u>GOVERNMENT AUDITING STANDARDS</u> -----		17
SCHEDULE OF FINDINGS- -----		19
SCHEDULE OF PRIOR AUDIT FINDINGS -----		21

---oo0oo---

This page was intentionally left blank.



E.S. Evans and Company

Certified Public Accountants and Consultants

205 West Elm Street • Lima, Ohio 45801 • Phone: (419) 223-3075

P.O. Box 298 • Lima, Ohio 45802 • Fax: (419) 222-8507 • E-mail: askus@esevans.com

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

August 12, 2005

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, 2004 and 2003. 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.

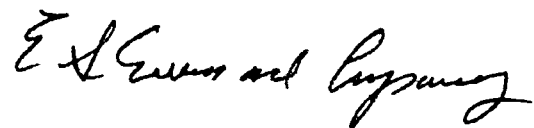
Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. 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 the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since the Village does not use GAAP to measure financial statement amounts, 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, 2004 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, 2004, 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, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Village to include Management's Discussion and Analysis for the year ended December 31, 2004. 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 August 12, 2005, 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 is assessing the results of our audit.

A handwritten signature in black ink, appearing to read "E. J. Givens and Company". The signature is written in a cursive, flowing style.

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, 2004

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<u>Cash Receipts:</u>			
Local Taxes	\$ 59,276	\$ 127,748	\$ 187,024
Special Assessments	-	21,376	21,376
Intergovernmental Revenues	49,091	85,965	135,056
Charge for Services	-	42,271	42,271
Fines, Licenses, and Permits	61,337	75	61,412
Interest Revenues	2,878	364	3,242
Miscellaneous	353	20,208	20,561
Total Cash Receipts	<u>172,935</u>	<u>298,007</u>	<u>470,942</u>
<u>Cash Disbursements:</u>			
Current -			
Security of Persons and Property	904	225,726	226,630
Public Health and Welfare	-	58,476	58,476
Community Environment	430	-	430
Leisure Time Activities	11,621	-	11,621
Transportation	-	54,678	54,678
General Government	117,158	3,275	120,433
Debt Service:			
Redemption of Principal	-	116,000	116,000
General Interest and Fiscal Charges	-	2,892	2,892
Capital Outlay	10,218	46,403	56,621
Total Cash Disbursements	<u>140,331</u>	<u>507,450</u>	<u>647,781</u>
Total Cash Receipts Over/(Under)			
Cash Disbursements	<u>32,604</u>	<u>(209,443)</u>	<u>(176,839)</u>
<u>Other Financing Receipts and Disbursements</u>			
Transfers In	-	35,125	35,125
Transfers Out	(37,105)	-	(37,105)
Sale of Notes and Bonds	-	105,000	105,000
Total Other Financing and Disbursements	<u>(37,105)</u>	<u>140,125</u>	<u>103,020</u>
Excess Cash Receipts and Other Financing Receipts over (Under) Cash Disbursements and Other Financing Disbursements	(4,501)	(69,318)	(73,819)
<u>Fund Cash Balance - January 1, 2004</u>	<u>25,230</u>	<u>134,363</u>	<u>159,593</u>
<u>Fund Cash Balance - December 31, 2004</u>	<u>\$ 20,729</u>	<u>\$ 65,045</u>	<u>\$ 85,774</u>
<u>Reserves for Encumbrances - Dec. 31, 2004</u>	<u>\$ -</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 TYPES
AND SIMILAR FIDUCIARY FUNDS

For the Year Ended December 31, 2004

	Propriety Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Agency	(Memorandum Only)
<u>Operating Cash Receipts:</u>			
Charges for Services	\$ 433,916	\$ -	\$ 433,916
<u>Operating Cash Disbursements:</u>			
Personnel Services	146,090	-	146,090
Travel/Transportation	1,394	-	1,394
Contractual Services	112,850	-	112,850
Material and Supplies	30,856	-	30,856
Capital Outlay	25,454	200	25,654
Total Operating Cash Disbursements	316,644	200	316,844
Excess of Operating Cash Receipts Over/ (Under) Operating Cash Disbursements	117,272	(200)	117,072
<u>Non-Operating Cash Receipts/(Disbursements):</u>			
<u>Non-Operating Receipts:</u>			
Sale of Bonds or Notes	120,000	-	120,000
Other Non-Operating Receipts	780	59,863	60,643
<u>Non-Operating Disbursements:</u>			
Debt Service:			
Redemption of Principal	(103,354)	-	(103,354)
General Interest and Fiscal Charges	(67,141)	-	(67,141)
Other Non-Operating Disbursements	-	(59,863)	(59,863)
Net Non-Operating Cash Receipts/ (Disbursements)	(49,715)	-	(49,715)
Excess of Net Cash Receipts Over/(Under) Disbursements Before Interfund Transfers	67,557	(200)	67,357
Transfers In	1,980	-	1,980
Excess of Net Cash Receipts Over/(Under) Disbursements	69,537	(200)	69,337
<u>Fund Cash Balance - January 1, 2004</u>	213,833	403	214,236
<u>Fund Cash Balance - December 31, 2004</u>	\$ 283,370	\$ 203	\$ 283,573
<u>Reserves for Encumbrances - Dec 31, 2004</u>	\$ 54,650	\$ -	\$ 54,650

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 AND SIMILAR FIDUCIARY FUNDS

For the Year Ended December 31, 2003

	<u>Governmental Fund Types</u>		<u>Totals</u>
	<u>General</u>	<u>Special Revenue</u>	<u>(Memorandum Only)</u>
<u>Cash Receipts:</u>			
Local Taxes	\$ 57,149	\$ 117,484	\$ 174,633
Special Assessments	-	21,531	21,531
Intergovernmental Revenues	53,999	97,051	151,050
Charge for Services	-	41,569	41,569
Fines, Licenses, and Permits	90,338	60	90,398
Interest Revenues	4,388	582	4,970
Miscellaneous	17,137	16,139	33,276
Total Cash Receipts	223,011	294,416	517,427
<u>Cash Disbursements:</u>			
Current -			
Security of Persons and Property	3,236	212,236	215,472
Public Health and Welfare	-	55,385	55,385
Community Environment	374	-	374
Leisure Time Activities	-	-	-
Transportation	9,118	47,867	56,985
General Government	113,693	878	114,571
Debt Service:			
Redemption of Principal	-	127,000	127,000
General Interest and Fiscal Charges	-	4,445	4,445
Capital Outlay	6,059	76,015	82,074
Total Cash Disbursements	132,480	523,826	656,306
Total Cash Receipts Over/(Under)			
Cash Disbursements	90,531	(229,410)	(138,879)
<u>Other Financing Receipts and Disbursements</u>			
Transfers In	-	85,500	85,500
Transfers Out	(88,417)	-	(88,417)
Sale of Notes and Bonds	-	116,000	116,000
Total Other Financing and Disbursements	(88,417)	201,500	113,083
Excess Cash Receipts and Other Financing Receipts over (Under) Cash Disbursements and Other Financing Disbursements	2,114	(27,910)	(25,796)
Fund Cash Balance - January 1, 2003	23,116	162,273	185,389
Fund Cash Balance - December 31, 2003	\$ 25,230	\$ 134,363	\$ 159,593
Reserves for Encumbrances - Dec. 31, 2003	\$ -	\$ -	\$ -

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 TYPES

AND SIMILAR FIDUCIARY FUNDS
For the Year Ended December 31, 2003

	<u>Propriety Fund Type</u>	<u>Fiduciary Fund Type</u>	Totals
	<u>Enterprise</u>	<u>Agency</u>	(Memorandum Only)
<u>Operating Cash Receipts:</u>			
Charges for Services	\$ 386,249	\$ 525	\$ 386,774
<u>Operating Cash Disbursements:</u>			
Personnel Services	136,172	-	136,172
Travel/Transportation	1,741	-	1,741
Contractual Services	65,142	-	65,142
Material and Supplies	46,529	365	46,894
Capital Outlay	29,003	2,043	31,046
Miscellaneous	-	-	-
Total Operating Cash Disbursements	<u>278,587</u>	<u>2,408</u>	<u>280,995</u>
Excess of Operating Cash Receipts Over/ (Under) Operating Cash Disbursements	<u>107,662</u>	<u>(1,883)</u>	<u>105,779</u>
<u>Non-Operating Cash Receipts/(Disbursements):</u>			
<u>Non-Operating Receipts:</u>			
Sale of Bonds or Notes	55,000	-	55,000
Other Non-Operating Receipts	-	89,443	89,443
<u>Non-Operating Disbursements:</u>			
Debt Service:			
Redemption of Principal	(104,411)	-	(104,411)
General Interest and Fiscal Charges	(70,057)	-	(70,057)
Other Non-Operating Disbursements	-	(89,443)	(89,443)
Net Non-Operating Cash Receipts/ (Disbursements)	<u>(119,468)</u>	<u>-</u>	<u>(119,468)</u>
Excess of Net Cash Receipts Over/(Under) Disbursements Before Interfund Transfers	<u>(11,806)</u>	<u>(1,883)</u>	<u>(13,689)</u>
Transfers In	<u>2,917</u>	<u>-</u>	<u>2,917</u>
Excess of Net Cash Receipts Over/(Under) Disbursements	<u>(8,889)</u>	<u>(1,883)</u>	<u>(10,772)</u>
Fund Cash Balance - January 1, 2003	<u>222,722</u>	<u>2,286</u>	<u>225,008</u>
Fund Cash Balance - December 31, 2003	<u>\$ 213,833</u>	<u>\$ 403</u>	<u>\$ 214,236</u>
Reserves for Encumbrances - Dec. 31, 2003	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2004 and 2003

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, 2004 and 2003

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.

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.

Fiduciary Funds (Agency Funds)

Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Mayor's Court Fund – This fund receives the money generated by the Village Mayor's Court. The money is distributed to the Village's general fund, the State Treasurer, or other appropriate agencies.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2004 and 2003

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 or function 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 except for construction contracts, and reappropriated in the subsequent year. The Village did not encumber all commitments required by Ohio law.

A summary of 2004 and 2003 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.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2004 and 2003

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:

	2004		2003
Demand Deposits	\$ 201,640	\$	206,122
Certificates of Deposit	167,707		167,707
Total Deposits	\$ 369,347	\$	373,829

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, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 201,811	\$ 172,915	\$ (28,896)
Special Revenue	353,208	438,132	84,924
Enterprise	446,852	556,676	109,824
	\$ 1,001,871	\$ 1,167,723	\$ 165,852

2004 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 220,715	\$ 177,436	\$ 43,279
Special Revenue	425,415	507,450	(82,035)
Enterprise	533,260	487,139	46,121
	\$ 1,179,390	\$ 1,172,025	\$ 7,365

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS
December 31, 2004 and 2003

Note 3 – Budgetary Activity – (continued)

2003 Budgeted vs. Actual Receipts

<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	\$ 177,085	\$ 223,011	\$ 45,926
Special Revenue	341,207	495,916	154,709
Enterprise	404,352	444,166	39,814
	<u>\$ 922,644</u>	<u>\$ 1,163,093</u>	<u>\$ 240,449</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures

<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	\$ 185,707	\$ 220,897	\$ (35,190)
Special Revenue	383,905	523,826	(139,921)
Enterprise	423,585	453,055	(29,470)
	<u>\$ 993,197</u>	<u>\$ 1,197,778</u>	<u>\$ (204,581)</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, 2004 and 2003

Note 5 - Debt Obligations

Debt outstanding at December 31, 2004 was as follows:

	Principal	Interest Rate
EMS Building Loan	\$ 105,000	2.90%
Ohio Public Works Commission	36,551	0.00%
Water Works System Bonds	221,000	7.375%
Ohio Water Development Authority - Water Sys Improve	172,518	6.12%
Water Plant Improvements Loan	55,000	3.53%
Ohio Water Development Authority - Water Plant Planning	25,000	0.00%
Ohio Water Development Authority - Water Plant Design	40,000	0.00%
Sanitary Sewer System Bonds	719,000	5.00%
Total	\$ 1,374,069	

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 2.90% interest payable at maturity on October 22, 2005.

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.

Water Works System First Mortgage Revenue Bonds were issued in 1984 in the amount of \$230,000 at 7.375% payable over forty years. Annual principal payments range from \$6,000 to \$20,000 annually through 2023.

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 of ranging from \$9,209 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 \$55,000 due in August 2005. The note carries an interest rate of 3.53%.

Ohio Water Development Authority loan 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.

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 is for \$50,000 of which only \$40,000 had been drawn at December 31, 2004. The loan is to be repaid in ten equal annual installments at 0% interest.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2004 and 2003

Note 5 - Debt Obligations – (continued)

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 \$26,000 to \$57,000.

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

Year Ending December 31:	EMS Building Loan	OPWC Loan	Water Works System Bonds	OWDA Water Sys Improve Loan	Water Plant Improv Loan
2005	\$ 105,045	\$ 3,046	\$ 22,298	\$ 27,914	\$ 56,650
2006	-	3,046	21,856	27,914	-
2007	-	3,046	22,413	27,914	-
2008	-	3,046	22,898	27,914	-
2009	-	3,046	22,308	27,914	-
2010-2014	-	15,230	109,876	74,448	-
2015-2019	-	6,091	107,743	-	-
2020-2024	-	-	85,865	-	-
Totals	\$ <u>105,045</u>	\$ <u>36,551</u>	\$ <u>415,257</u>	\$ <u>214,018</u>	\$ <u>56,650</u>

Year Ending December 31:	OWDA Water Plant Planning Loan	OWDA Water Plant Design Loan	Sanitary Sewer System Bonds	TOTAL
2005	-	-	61,950	276,903
2006	2,500	5,000	61,650	121,966
2007	2,500	5,000	62,300	123,173
2008	2,500	5,000	61,850	123,208
2009	2,500	5,000	62,350	123,118
2010-2014	12,500	25,000	310,250	547,304
2015-2019	2,500	5,000	310,450	431,784
2020-2024	-	-	171,150	257,015
Totals	\$ <u>25,000</u>	\$ <u>50,000</u>	\$ <u>1,101,950</u>	\$ <u>2,004,471</u>

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2004 and 2003

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 2004 and 2003, OPERS members contributed 8.5 percent of their gross salary. The Village contributed an amount equal to 13.55 percent of participants' gross salaries. The Village has paid all required contributions through December 31, 2004.

Police and Firemen's Disability and Pension Fund

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

Employees contribute 10.0 percent of gross salaries and the employer contributes 19.5 percent of gross salaries. The Village has paid all required contributions through December 31, 2004.

Note 7 - Pending Litigation

The Village is a defendant in a lawsuit. In this action, the plaintiffs are alleging a violation of civil rights. The Village has retained legal counsel to contest this case vigorously.

The Plaintiff has alleged damages in excess of twenty million dollars plus attorney fees. Should the outcome be unfavorable to the Village, it could exceed the insurance coverage amount.

Although the outcome is not presently determinable, the resolution of this matter could have a material effect on the Village's financial statements, should the Courts rule in complete favor of the plaintiff.

Legal Counsel believes that that this case is frivolous and will defend the Village vigorously.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2004 and 2003

Note 8 - Future Project

The Village is planning to make major improvements in their water distribution systems. The improvements will include a new 300,000 gallon elevated storage tank and various distribution lines. The estimated cost of the project is \$1,113,419.

The Village has obtained a loan from the Ohio Public Works Commission for \$275,000 and has applied for a loan for \$838,419 from the Ohio Water Supply Revolving Loan Account.

Contracts for this project have been awarded in the amount of \$858,102.

Note 9 - Risk Management

The Village is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During calendar year 2003 and 2004, the Village contracted with commercial insurers for property and fleet insurance, liability insurance, and electronic data processing coverage. The coverage provided by those insurers is as follows at December 31, 2004:

<u>Type of Coverage</u>	<u>Coverage</u>	
General Liability	\$2,000,000	Each Occurrence
Vehicle Policy	\$2,000,000	Automobile Liability
	\$100,000	Property Damage per Accident
	\$1,000	Medical Payments
	\$100,000	Uninsured/Underinsured Motorist – Per Person
	\$100,000	Uninsured/Underinsured Motorist – Per Accident
Buildings and Contents	\$2,445,380	Property
	\$588,500	Contents
Electronic Data Processing	\$19,700	Data Processing Equipment
	\$25,000	Software in Storage

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

NOTES TO FINANCIAL STATEMENTS

December 31, 2004 and 2003

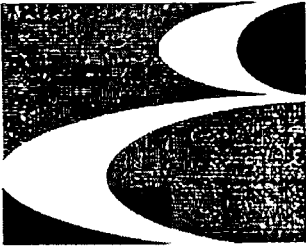
Note 10 - Compliance

Contrary to Ohio Revised Code §5705.10 the following funds had deficit balances throughout 2004 and 2003 and in some instances at year end, by the amounts indicated:

Fund	Maximum Deficit During 2004 and 2003	Deficit at December 31, 2004	Deficit at December 31, 2003
Street Fund	\$ 16,733	\$ 15,070	\$ 9,416
Police Fund	94,446	73,885	22,585
Cemetery Fund	1,003	-	-
Permissive Tax	2,693	740	-
Street Lighting	10,531	-	-
Water Capital Fund	895	-	-

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

Fund	Appropriations	Expenditures	Variances
<u>December 31, 2003:</u>			
General Fund	\$ 195,707	\$ 220,897	\$ (25,190)
Street Maintenance	51,000	70,425	(19,425)
Police Fund	146,338	182,946	(36,608)
Sanitary Sewer	206,611	209,001	(2,390)
<u>December 31, 2004:</u>			
Permissive Tax	\$ 14,177	\$ 15,785	\$ (1,608)
Cemetery Fund	11,805	12,493	(688)



E.S. Evans and Company

Certified Public Accountants and Consultants

205 West Elm Street • Lima, Ohio 45801 • Phone: (419) 223-3075
P.O. Box 298 • Lima, Ohio 45802 • Fax: (419) 222-8507 • E-mail: askus@esevans.com

Robert E. Wendel, CPA • Dan F. Clifford, CPA • E.S. Evans, CPA, PFS (1930-1997)

August 12, 2005

**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, 2004 and 2003, and have issued our report thereon dated August 12, 2005, 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.

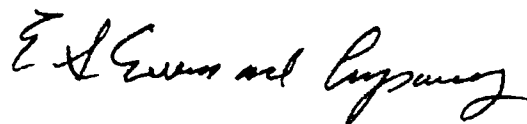
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Antwerp's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements being audited may occur and not be timely detected by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Village of Antwerp's management dated August 12, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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 directly and materially affect 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 we must report under Government Auditing Standards which are described in the accompanying schedule of findings as items 2004-001 and 2004-002. In a separate letter to the Village of Antwerp's management dated August 12, 2005, we reported another matter related to noncompliance which we deemed immaterial.

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.



VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2004 and 2003

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

Finding Number 2004 – 001– Noncompliance Citation

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 in some instances at year end, by the amounts indicated:

Fund	Maximum Deficit During 2004 and 2003	Deficit at December 31, 2004	Deficit at December 31, 2003
Street Fund	\$ 16,733	\$ 15,070	\$ 9,416
Police Fund	94,446	73,885	22,585
Cemetery Fund	1,003	-	-
Permissive Tax	2,693	740	-
Street Lighting	10,531	-	-
Water Capital Fund	895	-	-

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

Finding Number 2004 – 002 – Noncompliance Citation

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 at the legal level of control (fund level):

Fund	Appropriations	Expenditures	Variances
<u>December 31, 2003:</u>			
General Fund	\$ 195,707	\$ 220,897	\$ (25,190)
Street Maintenance	51,000	70,425	(19,425)
Police Fund	146,338	182,946	(36,608)
Sanitary Sewer	206,611	209,001	(2,390)
<u>December 31, 2004:</u>			
Permissive Tax	\$ 14,177	\$ 15,785	\$ (1,608)
Cemetery Fund	11,805	12,493	(688)

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF FINDINGS
December 31, 2004 and 2003

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

Finding Number 2004 – 002 – Noncompliance Citation (continued)

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 will review the accounts more often and respond to any violations.

VILLAGE OF ANTWERP
PAULDING COUNTY, OHIO

SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2004 and 2003

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-001	5705.41(D) Failure to Certify Expenditures	YES	Appears to have been corrected.
2002-002	5705.1 Deficit in Fund Balances	NO	Finding has not been corrected and has been repeated in this report as finding 2004-001.
2002-003	5705.41(B) Expenditures in Excess of Appropriations	NO	Finding has not been corrected and has been repeated in this report as finding 2004-002.
2002-004	5705.42 Failure to Record OPWC Monies	YES	Village did not have OPWC monies in the years covered by this audit.
2002-005	Failure to Record CDBG or Issue II Monies	YES	Village did not have CDBG or Issue II monies in the years covered by this audit.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

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
MARCH 14, 2006**