



Mary Taylor, CPA
Auditor of State

**Village of Antwerp
Paulding County**

Termination of Fiscal Watch

Local Government Services

Village of Antwerp, Paulding County

Termination of Fiscal Watch

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Termination of Fiscal Watch

Pursuant to a request from the Mayor of the Village of Antwerp to remove the Village from fiscal watch, the Auditor of State has conducted a review of the financial condition of the Village as of December 31, 2008. This review has determined that the Village of Antwerp no longer meets the fiscal watch conditions set forth in Section 118.022 of the Ohio Revised Code. Accordingly, the Village of Antwerp's status of fiscal watch is hereby terminated as of September 29, 2009.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted and filed with Ray DeLong, Mayor of the Village of Antwerp, and the Paulding County Budget Commission.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 29, 2009

Local Government Services Section
88 E. Broad St. / Sixth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4717 (800) 345-2519 Fax: (614) 728-8027
www.auditor.state.oh.us

Village of Antwerp, Paulding County

Termination of Fiscal Watch

Introduction

Section 118.022 of the Ohio Revised Code describes four conditions which give reason for placing a Village in fiscal watch. These conditions are: 1) significant accounts that have been due and payable for more than thirty days; 2) substantial deficit fund balances; 3) positive fund balances which exceed the balance in money and marketable securities held by the Village; and 4) a forecasted deficit in the Village's general fund for the current year.

On December 22, 2006, the Village of Antwerp was declared to be in fiscal watch because a review of the Village's financial condition indicated that the Village had substantial deficit fund balances as of December 31, 2005.

On March 30, 2009, the Mayor of the Village of Antwerp requested that the Auditor of State perform a review of the Village's financial condition as of December 31, 2008, to determine if the Village's improved financial condition justifies release from fiscal watch. In order to be removed from fiscal watch, all conditions placing the Village in fiscal watch must be eliminated.

This report provides a detailed description of each condition, the specific procedures performed to determine if any of the conditions still existed as of December 31, 2008, and the corresponding results of our analysis.

General and Special Funds Accounts Payable

Section 118.022(A)(1) of the Ohio Revised Code defines a fiscal watch condition as the existence of either of the following situations:

- (a) All accounts that were due and payable from the general fund of a municipal corporation, county, or township at the end of the preceding fiscal year that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year end balance in the general fund, exceeded one-twelfth of the general fund budget for that year.
- (b) All accounts that were due and payable at the end of the preceding fiscal year from all funds of a municipal corporation, county, or township and that had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty was added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in the respective special funds available to pay those accounts, exceeded one-twelfth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts are payable.

A schedule was prepared of all accounts payable as of December 31, 2008, that were due and payable from the general fund and from all funds, and that had been due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2008, including, but not limited to, final judgments, fringe benefit payments due and payable, and amounts due and payable to persons and other governmental entities, including any interest and penalties. Subtracted from this amount was the year end fund balance available in the general fund and from the respective funds to pay such accounts payable. The fund balance available in the general fund and from all funds exceeded the accounts payable over thirty days past due; therefore, no further determination was necessary.

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Conclusion: A fiscal watch condition does not exist under Section 118.022(A)(1)(a) or Section 118.022(A)(1)(b) of the Ohio Revised Code as of December 31, 2008. There were no accounts payable due from the general fund or any special funds which were at least thirty days past due at the end of the year.

Deficit Fund Balances

Section 118.022(A)(2) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of the preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Ohio Revised Code to meet such deficit, exceeded one-twelfth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We examined the Village's cash summary by fund report for any deficit funds. The Village had no deficit fund balances as of December 31, 2008.

Conclusion: A fiscal watch condition does not exist under Section 118.022(A)(2) of the Ohio Revised Code as of December 31, 2008. All funds had positive balances at year end.

Treasury Deficiency

Section 118.022(A)(3) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of a municipal corporation, county, or township, minus outstanding checks and warrants, were less in amount than the aggregate of the positive balances of the general fund and those special funds, the purposes of which the unsegregated treasury is held to meet, and such deficiency exceeded one-twelfth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We calculated the unsegregated treasury balance of the Village as of December 31, 2008. From the treasury balance, we subtracted the aggregate sum of all positive fund balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficiency.

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Schedule I

Treasury Balance
Ohio Revised Code Section 118.022(A)(3)
As of December 31, 2008

	<u>Amounts at December 31, 2008</u>
Treasury Balance:	
Antwerp Exchange Bank	\$762,312
Less:	
Outstanding Checks	(13,174)
Total Adjusted Treasury Balance	<u>749,138</u>
Less Positive Fund Balances:	
General	222,338
Street Maintenance	24,962
State Highway	14,069
Law Enforcement Assistance	445
FEMA	91
Mayor's Court	8,841
Permissive	22,157
Fire	37,638
EMS	5,659
EMS Vehicle Replacement	11,994
Storm Sewer	65,175
Sewer Reserve	63,000
Water Reserve	23,707
Water Operating	173,335
Wastewater Operating	25,099
Water Deposit	2,327
Cemetery	796
Indigent Driver	3,675
FOJ	933
Police	208
Street Lighting	42,689
Total Positive Fund Balances	<u>749,138</u>
Treasury Balance Less Positive Fund Balances	<u>\$0</u>

Conclusion: Schedule I indicates that a fiscal watch condition does not exist under Section 118.022(A)(3) of the Ohio Revised Code as of December 31, 2008. The treasury balance equaled the positive fund cash balances.

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Forecasted General Fund Deficit

Section 118.022(A)(4) of the Ohio Revised Code defines a fiscal watch condition as:

The existence of a condition in which, based on an examination of the financial forecast approved by the legislative authority of a municipal corporation, county, or township, the Auditor of State certifies that the general fund deficit at the end of the current fiscal year will exceed one-twelfth of the general fund revenue from the preceding fiscal year.

We compared the estimated resources to appropriations and reviewed the estimated and actual receipts and the appropriations and cash disbursements plus encumbrances for 2009. The Village's estimated resources were sufficient to support the appropriations for the current year and the estimated receipts and appropriations appear reasonable in comparison to actual year to date receipts and expenditures. Therefore, the examination of a financial forecast for the year ending December 31, 2009, was considered unnecessary.

Summary

This analysis indicates that the fiscal watch conditions that existed at December 31, 2005, have been corrected. The improvement in the Village of Antwerp's financial condition justifies the Village's release from fiscal watch.

Because the above procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we prepared an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported.



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
SEPTEMBER 29, 2009