



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF ANTWERP
PAULDING COUNTY
DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITOR'S REPORT

Village of Antwerp
Paulding County
P.O. Box 1046
Antwerp, Ohio 45813-1046

To the Village Council:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Efficient • Effective • Transparent

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

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

Emphasis of Matters

As discussed in Note 12 to the financial statements, during 2020, the Village adopted new accounting guidance in Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. In addition, as discussed in Note 13 and 11 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the Village. We did not modify our opinion regarding these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2021, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

May 11, 2021

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**VILLAGE OF ANTWERP
PAULDING COUNTY**

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$52,248	\$210,010		\$262,258
Municipal Income Tax	351,996			351,996
Intergovernmental	42,379	357,009		399,388
Special Assessments		16,740		16,740
Charges for Services		107,430		107,430
Fines, Licenses and Permits	38,027	1,211		39,238
Earnings on Investments	1,873	240		2,113
Miscellaneous	41,758	4,562		46,320
<i>Total Cash Receipts</i>	<u>528,281</u>	<u>697,202</u>		<u>1,225,483</u>
Cash Disbursements				
Current:				
Security of Persons and Property	3,200	393,995		397,195
Public Health Services		531		531
Leisure Time Activities	47,429			47,429
Community Environment	2,567			2,567
Transportation		47,207		47,207
General Government	182,507	134,803		317,310
Capital Outlay	33,167	123,091	\$116,891	273,149
Debt Service:				
Principal Retirement		70,724		70,724
Interest and Fiscal Charges		3,078		3,078
<i>Total Cash Disbursements</i>	<u>268,870</u>	<u>773,429</u>	<u>116,891</u>	<u>1,159,190</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>259,411</u>	<u>(76,227)</u>	<u>(116,891)</u>	<u>66,293</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds			116,891	116,891
Transfers In		184,500		184,500
Transfers Out	(184,500)			(184,500)
Other Financing Uses		(15,281)		(15,281)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(184,500)</u>	<u>169,219</u>	<u>116,891</u>	<u>101,610</u>
<i>Net Change in Fund Cash Balances</i>	74,911	92,992		167,903
<i>Fund Cash Balances, January 1</i>	<u>452,105</u>	<u>284,602</u>	<u>42,151</u>	<u>778,858</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$527,016</u></u>	<u><u>\$377,594</u></u>	<u><u>\$42,151</u></u>	<u><u>\$946,761</u></u>

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

**VILLAGE OF ANTWERP
PAULDING COUNTY**

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

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts	
Charges for Services	\$776,792
Miscellaneous	5,530
	782,322
<i>Total Operating Cash Receipts</i>	<i>782,322</i>
Operating Cash Disbursements	
Personal Services	241,187
Transportation	355
Contractual Services	188,003
Supplies and Materials	42,000
	471,545
<i>Total Operating Cash Disbursements</i>	<i>471,545</i>
<i>Operating Income</i>	<i>310,777</i>
Non-Operating Receipts (Disbursements)	
Capital Outlay	(9,645)
Principal Retirement	(86,185)
Interest and Other Fiscal Charges	(12,423)
Other Financing Sources	1,500
Other Financing Uses	(1,467)
	(108,220)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(108,220)</i>
<i>Net Change in Fund Cash Balances</i>	<i>202,557</i>
<i>Fund Cash Balances, January 1</i>	<i>260,467</i>
<i>Fund Cash Balances, December 31</i>	<i>\$463,024</i>

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

VILLAGE OF ANTWERP
PAULDING COUNTY

STATEMENT OF ADDITIONS, DEDUCTIONS
AND CHANGE IN FUND BALANCE (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Custodial</u>
Additions	
Fines, Licenses, and Permits for Distribution	<u>\$37,314</u>
Deductions	
Distributions to Other Governments	8,933
Distributions to Other Funds (Primary Government)	28,514
Other Distributions	<u>412</u>
<i>Total Deductions</i>	<u>37,859</u>
<i>Net Change in Fund Cash Balance</i>	(545)
<i>Fund Cash Balance, January 1</i>	<u>3,557</u>
<i>Fund Cash Balance, December 31</i>	<u><u>\$3,012</u></u>

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

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Note 1 – Reporting Entity

The Village of Antwerp, Paulding County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, police services, fire protection services, and emergency medical services.

Public Entity Risk Pool

The Village participates in a public entity risk pool, the Public Entities Pool of Ohio (PEP). Note 9 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

Police Fund This fund receives property tax levy money to provide police services to the Village residents.

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

OPWC – Canal Street – Main Street Fund This fund accounts for and reports proceeds from grants and loans from the Ohio Public Works Commission (OPWC) restricted for the Village's Canal/Main Street waterline replacement project.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund This fund accounts for the provision of water treatment and distribution to the Village residents and commercial users.

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

Wastewater Fund This fund accounts for the provision of sanitary sewer services to the Village residents and commercial users.

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

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

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

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

VILLAGE OF ANTWERP
PAULDING COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the years ending December 31, 2020:

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$528,281	\$528,281	
Special Revenue	892,630	892,630	
Capital Projects	116,891	116,891	
Enterprise	783,822	783,822	
Custodial	37,314	37,314	
Total	\$2,358,938	\$2,358,938	

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$464,298	\$464,298	
Special Revenue	788,710	788,710	
Capital Projects	116,891	116,891	
Enterprise	581,677	581,265	\$412
Custodial	37,859	37,859	
Total	\$1,989,435	\$1,989,023	\$412

The Severance Pay Reserve Fund is legally budgeted as a separate Special Revenue Fund; however, this fund is considered part of the General Fund for financial reporting purposes. General Fund actual disbursements and Special Revenue Fund actual receipts will vary from the financial statements by \$10,928 due to elimination of a transfer from the General Fund into the Special Revenue Severance Pay Reserve Fund.

Note 4 – Deposits

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

	2020
Demand deposits	\$1,389,286
Certificates of deposit	23,311
Cash on hand	200
Total deposits	\$1,412,797

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all unpaid payroll withholdings. At December 31, 2020, the Village is holding \$5,128 in unremitted employee payroll withholdings.

Deposits

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

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village through the Regional Income Tax Authority either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Debt

Debt outstanding at December 31, 2020 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Promissory Note (long-term)	\$49,206	3.10%
Ohio Public Works Commission Loans	417,889	0%
Ohio Water Development Authority Loans	800,932	0% - 3.02%
Total	<u>\$1,268,027</u>	

Long-Term Promissory Note

The long-term promissory note was used to purchase a new fire tanker truck in 2016. Semi-annual payments of \$7,900 are required with the fire tanker truck loan which matures on October 31, 2024. Fire levy monies are used to repay this note.

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

Ohio Public Works Commission Loans

There are six 20 year non-interest loans from the Ohio Public Works Commission (OPWC). Two of these loans (Loan CE48M and CT19M) were used to replace waterlines on West Daggett and Stone Streets. Semi-annual payments of \$1,532 and \$1,915 are required with the loans maturing on July 1, 2030. The third loan (CE44O) was used to finance the resurfacing of West Daggett Street. Semi-annual payments of \$354 are required with the final due on January 1, 2032. The fourth loan (Loan CE13P) was used to finance the paving of Cleveland and Washington Streets. Semi-annual payments of \$965 are required with the final due on January 1, 2033. The fifth loan (Loan CE09S) was used to finance the Woodcox Street waterline project. Semi-annual payments of \$2,099 are required with the final payment due on January 1, 2036. The sixth loan (CE15W) was used for the Canal Road/Main Street water main replacement project. Semi-annual payments of \$3,458 are required with the final payment due on July 1, 2041.

The Village also has two thirty year non-interest OPWC loans. One loan (Loan CE23N) was used to finance a waterline replacement along East River Street. Semi-annual payments of \$695 are required with the final payment due on January 1, 2041. The second loan (Loan CE18U) was used to finance water treatment plant improvements. Semi-annual payments of \$1,462 are required with the final payment due on July 1, 2049.

Ohio Water Development Authority Loans

There are four loans from the Ohio Water Development Authority (OWDA). The first loan (Loan 4453) was acquired in 2006 for \$866,577 to finance improvements to the Village water towers and water lines. The loan is for 20 years at a 2.75 percent interest rate, repayable in semi-annual installments of \$28,310 until its maturity date on January 1, 2028. The second loan (Loan 7934) started in 2018 to finance improvements on the collection pump station and waste water treatment plant improvements. A total of \$474,650 in loan proceeds were drawn on this loan, with \$50,000 being repaid through the OWDA loan principal forgiveness program as of December 31, 2018. This is a 20 year, 0 percent interest loan, repayable in semi-annual installments of \$10,616 until its maturity date on January 1, 2039. The third loan (Loan 8168) was acquired in 2019 for \$55,159 to finance water treatment plant improvements. This loan is for 30 years at a 3.02 percent interest rate, repayable in semi-annual installments of \$1,404 until its final maturity date on January 1, 2049. The fourth loan (Loan 8211) started in 2019 to finance a water asset management plan. A total of \$22,704 in loan proceeds were drawn on this loan, with \$10,000 being repaid through the OWDA loan principal forgiveness program as of December 31, 2019. This is a five year 0 percent interest loan, repayable in semi-annual installments of \$1,270 until its final maturity date on January 1, 2024.

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

Year ending December 31:	Long Term Promissory Note	OPWC Loans	OWDA Loans
2021	\$15,800	\$24,960	\$83,203
2022	15,800	24,960	83,203
2023	15,800	24,960	83,203
2024	4,758	24,960	80,662
2025		24,960	80,662
2026-2030		124,798	233,447
2031-2035		83,030	120,205
2036-2040		58,249	77,740
2041-2045		15,315	14,043
2046-2049		11,697	8,426
Total	<u>\$52,158</u>	<u>\$417,889</u>	<u>\$864,794</u>

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

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

Note 9 – Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2019 (the latest available information):

	<u>2019</u>
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 10 – Interfund Transfers

During 2020, the following transfers were made:

<u>Fund</u>	<u>Amount</u>
General Fund Transfer Out to:	
Police Fund	\$152,000
Fire Fund	25,000
Street Lighting Fund	<u>7,500</u>
Total	<u><u>\$184,500</u></u>

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

Note 11 – Fund Balances

The fund balance of Special Revenue Funds is either restricted or committed. The fund balance of Capital Projects Funds are restricted.

Note 12 – Change in Accounting Principles

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

The implementation of GASB Statement No. 84 did not have an effect on the fund balance of the governmental and proprietary funds as previously reported. Due to the implementation of GASB Statement No. 84, the new classification of Custodial Fund is reporting a beginning net position of \$3,557.

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)**

Note 13 – COVID-19

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

During 2020, the Village received CARES Act funding. Of the amounts received, \$53,244 was spent on-behalf of other governments. These amounts are reflected as capital outlay expenditures in the COVID Sub-Grant Special Revenue Fund on the accompanying financial statements.

Note 14 – Miscellaneous Revenues

Miscellaneous receipts in the General Fund primarily consisted of Ohio Bureau of Workers' Compensation (OBWC) refunds.

VILLAGE OF ANTWERP
PAULDING COUNTY

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

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
Cash Receipts				
Property and Other Local Taxes	\$49,276	\$204,787		\$254,063
Municipal Income Tax	352,160			352,160
Intergovernmental	45,435	128,451	\$253,611	427,497
Special Assessments		15,789		15,789
Charges for Services		139,815		139,815
Fines, Licenses and Permits	50,125	1,680		51,805
Earnings on Investments	3,482	905		4,387
Miscellaneous	14,102	1,656		15,758
<i>Total Cash Receipts</i>	<u>514,580</u>	<u>493,083</u>	<u>253,611</u>	<u>1,261,274</u>
Cash Disbursements				
Current:				
Security of Persons and Property	3,055	381,950		385,005
Public Health Services		557		557
Leisure Time Activities	36,079			36,079
Community Environment	2,456			2,456
Transportation		56,772		56,772
General Government	189,744	4,469		194,213
Capital Outlay	20,170	217,698	450,280	688,148
Debt Service:				
Principal Retirement		68,779	396	69,175
Interest and Fiscal Charges		5,125		5,125
<i>Total Cash Disbursements</i>	<u>251,504</u>	<u>735,350</u>	<u>450,676</u>	<u>1,437,530</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>263,076</u>	<u>(242,267)</u>	<u>(197,065)</u>	<u>(176,256)</u>
Other Financing Receipts (Disbursements)				
Other Debt Proceeds			197,065	197,065
Sale of Capital Assets			42,151	42,151
Transfers In		159,500		159,500
Transfers Out	(194,500)			(194,500)
Other Financing Uses		(15,792)		(15,792)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(194,500)</u>	<u>143,708</u>	<u>239,216</u>	<u>188,424</u>
<i>Net Change in Fund Cash Balances</i>	68,576	(98,559)	42,151	12,168
<i>Fund Cash Balances, January 1</i>	<u>383,529</u>	<u>383,161</u>		<u>766,690</u>
Fund Cash Balances, December 31				
Restricted		268,627	42,151	310,778
Committed	50,382	15,975		66,357
Unassigned	401,723			401,723
<i>Fund Cash Balances, December 31</i>	<u>\$452,105</u>	<u>\$284,602</u>	<u>\$42,151</u>	<u>\$778,858</u>

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

**VILLAGE OF ANTWERP
PAULDING COUNTY**

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

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Agency	
Operating Cash Receipts			
Charges for Services	\$779,009		\$779,009
Miscellaneous	12,417		12,417
<i>Total Operating Cash Receipts</i>	<u>791,426</u>		<u>791,426</u>
Operating Cash Disbursements			
Personal Services	256,014		256,014
Transportation	250		250
Contractual Services	214,934		214,934
Supplies and Materials	57,415		57,415
<i>Total Operating Cash Disbursements</i>	<u>528,613</u>		<u>528,613</u>
<i>Operating Income</i>	<u>262,813</u>		<u>262,813</u>
Non-Operating Receipts (Disbursements)			
Intergovernmental	432		432
Miscellaneous	3,997		3,997
Capital Outlay	(30,037)		(30,037)
Principal Retirement	(196,170)		(196,170)
Interest and Other Fiscal Charges	(18,281)		(18,281)
Other Financing Sources	1,150	\$52,352	53,502
Other Financing Uses	(600)	(51,653)	(52,253)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(239,509)</u>	<u>699</u>	<u>(238,810)</u>
<i>Income before Transfers</i>	23,304	699	24,003
Transfers In	35,000		35,000
<i>Net Change in Fund Cash Balances</i>	58,304	699	59,003
<i>Fund Cash Balances, January 1</i>	<u>202,163</u>	<u>2,858</u>	<u>205,021</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$260,467</u></u>	<u><u>\$3,557</u></u>	<u><u>\$264,024</u></u>

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

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Note 1 – Reporting Entity

The Village of Antwerp, Paulding County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, police services, fire protection services, and emergency medical services.

Public Entity Risk Pool

The Village participates in a public entity risk pool, the Public Entities Pool of Ohio (PEP). Note 9 to the financial statements provides additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

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

Fund Accounting

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

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

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Fund:

Police Fund This fund receives property tax levy money to provide police services to the Village residents.

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

OPWC – Canal Street – Main Street Fund This fund accounts for and reports proceeds from grants and loans from the Ohio Public Works Commission (OPWC) restricted for the Village's Canal/Main Street waterline replacement project.

Water Treatment Plant Improvement Fund This fund accounts for and reports proceeds from grants and loans from the Ohio Water Development Authority (OWDA) and Ohio Public Works Commission (OPWC) restricted for the Village's water treatment plant improvement project.

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund This fund accounts for the provision of water treatment and distribution to the Village residents and commercial users.

Wastewater Fund This fund accounts for the provision of sanitary sewer services to the Village residents and commercial users.

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

Agency funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following significant Agency Fund:

Mayor's Court Fund This fund receives fines, bonds, and costs generated by the Mayor's Court. Fine money is disbursed to the State Treasurer, the Village, and Paulding County.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

Budgetary Process

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

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 2019 budgetary activity appears in Note 3.

VILLAGE OF ANTWERP
PAULDING COUNTY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Capital Assets

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

Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

Restricted Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

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

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

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Note 3 – Budgetary Activity

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

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$556,731	\$514,580	(\$42,151)
Special Revenue	667,929	666,083	(1,846)
Capital Projects	276,541	492,827	216,286
Enterprise	856,537	832,005	(24,532)
Agency	52,352	52,352	
Total	\$2,410,090	\$2,557,847	\$147,757

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$463,504	\$459,504	\$4,000
Special Revenue	751,098	751,142	(44)
Capital Projects	450,676	450,676	
Enterprise	754,237	773,701	(19,464)
Agency	51,653	51,653	
Total	\$2,471,168	\$2,486,676	(\$15,508)

The Severance Pay Reserve Fund is legally budgeted as a separate Special Revenue fund; however, this fund is considered part of the General Fund for financial reporting purposes. General Fund actual disbursements and Special Revenue Fund actual receipts will vary from the financial statements by \$13,500 due to elimination of a transfer from the General Fund into the Special Revenue Severance Pay Reserve Fund.

Note 4 – Deposits

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

	2019
Demand deposits	\$1,019,863
Certificates of deposit	22,819
Cash on hand	200
Total deposits	\$1,042,882

Deposits

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

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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

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

Income Taxes

The Village levies a municipal income tax of one percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village through the Regional Income Tax Authority either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

Note 6 – Debt

Debt outstanding at December 31, 2019 was as follows:

	Principal	Interest Rate
Promissory Notes (long-term)	\$117,313	3.10% - 3.20%
Ohio Public Works Commission Loans	319,041	0%
Ohio Water Development Authority Loans	871,712	0% - 3.02%
Total	\$1,308,066	

Long-Term Promissory Notes

The long-term promissory notes were used to purchase a new fire truck in 2015 and a new fire tanker truck in 2016. Semi-annual payments of \$27,733 are required with the fire truck loan which matures on September 15, 2020. Semi-annual payments of \$7,900 are required with the fire tanker truck loan which matures on October 31, 2024. Fire and fire truck levy monies are used to repay these notes.

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Ohio Public Works Commission Loans

There are five 20 year non-interest loans from the Ohio Public Works Commission (OPWC). Two of these loans (Loan CE48M and Loan CT19M) were used to replace waterlines on West Daggett and Stone Streets. Semi-annual payments of \$1,532 and \$1,915 are required with the loans maturing on July 1, 2030. The third loan (Loan CE44O) was used to finance the resurfacing of West Daggett Street. Semi-annual payments of \$354 are required with the final due on January 1, 2032. The fourth loan (Loan CE13P) was used to finance the paving of Cleveland and Washington Streets. Semi-annual payments of \$965 are required with the final due on January 1, 2033. The fifth loan (Loan CE09S) was used to finance the Woodcox Street waterline project. Semi-annual payments of \$2,099 are required with the final payment due on January 1, 2036.

The Village also has two thirty year non-interest OPWC loans. One loan (Loan CE23N) was used to finance a waterline replacement along East River Street. Semi-annual payments of \$695 are required with the final payment due on January 1, 2041. The second loan (Loan CE18U), started in 2019, and was used to finance water treatment plant improvements. Semi-annual payments of \$1,462 with the final payment due on July 1, 2049.

The Village entered into a loan agreement dated July 1, 2019 with the Ohio Public Works Commission (Loan CE15W) for the Canal Road/Main Street water main replacement project. The Village may draw a total of \$152,500; and as of December 31, 2019, the Village has drawn \$21,443. An amortization schedule is not available until the project is completed and all draws have been made. The outstanding principal balance of \$21,443 is included above.

Ohio Water Development Authority Loans

There are four loans from the Ohio Water Development Authority (OWDA). The first loan (Loan 4453) was acquired in 2006 for \$866,577 to finance improvements to the Village water towers and water lines. The loan is for 20 years at a 2.75 percent interest rate, repayable in semi-annual installments of \$28,310 until its maturity date on January 1, 2028. The second loan (Loan 7934) started in 2018 to finance improvements on the collection pump station and waste water treatment plant improvements. A total of \$474,650 in loan proceeds were drawn on this loan, with \$50,000 being repaid through the OWDA loan principal forgiveness program as of December 31, 2018. This is a 20 year, 0 percent interest loan, repayable in semi-annual installments of \$10,616 until its maturity date on January 1, 2039. The third loan (Loan 8168) was acquired in 2019 for \$55,159 to finance water treatment plant improvements. This loan is for 30 years at a 3.02 percent interest rate, repayable in semi-annual installments of \$1,404 until its final maturity date on January 1, 2049. The fourth loan (Loan 8211) started in 2019 to finance a water asset management plan. A total of \$22,704 in loan proceeds were drawn on this loan, with \$10,000 being repaid through the OWDA loan principal forgiveness program as of December 31, 2019. This is a five year 0 percent interest loan, repayable in semi-annual installments of \$1,270 until its final maturity date on January 1, 2024.

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

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Year ending December 31:	Long Term Promissory Notes	OPWC Loans	OWDA Loans
2020	\$71,266	\$18,043	\$83,203
2021	15,800	18,043	83,203
2022	15,800	18,043	83,203
2023	15,800	18,043	83,203
2024	4,758	18,043	80,662
2025-2029		90,215	290,068
2030-2034		57,978	120,205
2035-2039		27,864	98,973
2040-2044		16,705	14,043
2045-2049		14,621	11,234
Total	<u>\$123,424</u>	<u>\$297,598</u>	<u>\$947,997</u>

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

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

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

Ohio Police and Fire Retirement System

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

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

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing. Multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

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

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Note 9 – Risk Management

Risk Pool Membership

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village’s policy. The Pool covers the following risks:

- General liability and casualty
- Public official’s liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31, 2019:

	2019
Cash and investments	\$38,432,610
Actuarial liabilities	\$14,705,917

Workers’ Compensation

Workers’ Compensation coverage is provided by the State of Ohio. The Village pays the State Workers’ Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Note 10 – Interfund Transfers

During 2019, the following transfers were made:

Fund	Amount
General Fund Transfer Out to:	
Police Fund	\$152,000
Water Fund	35,000
Street Lighting Fund	7,500
Total	\$194,500

Transfers are used to move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted receipts collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

**VILLAGE OF ANTWERP
PAULDING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
(Continued)**

Note 11 – Subsequent Events

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

Note 12 – Compliance

Contrary to Ohio Rev. Code § 5705.10(F), the Village recorded the proceeds from the sale of capital asset in the wrong fund.

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OHIO AUDITOR OF STATE KEITH FABER



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

Village of Antwerp
Paulding County
P.O. Box 1046
Antwerp, Ohio 45813-1046

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental, proprietary and fiduciary fund type as of and for the year ended December 31, 2019, and related notes of the Village of Antwerp, Paulding County, Ohio (the Village) and have issued our report thereon dated May 11, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. We also noted the Village adopted new accounting guidance in Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. In addition, we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the Village.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings that we consider material weaknesses. We consider findings 2020-001 and 2020-002 to be material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statement. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matters we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2020-001.

Village's Response to Findings

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

Purpose of this Report

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



Keith Faber
Auditor of State
Columbus, Ohio

May 11, 2021

VILLAGE OF ANTWERP
PAULDING COUNTY

SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019

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

FINDING NUMBER 2020-001

Noncompliance and Material Weakness

Ohio Rev. Code § 5705.10(F) requires revenue received from the sale of a permanent improvement to be paid into the sinking fund, the bond retirement fund, or a special fund for the construction or acquisition of permanent improvements. **Ohio Rev. Code § 5705.01(E)** defines “permanent improvement” to mean “any property, asset, or improvement with an estimated life or usefulness of five years or more, including land and interests therein, and reconstructions, enlargements, and extensions thereof having an estimated life or usefulness of five years or more.”

Due to a deficiency in the implementation of controls over the sale of assets and recording of assets, the Village inappropriately recorded \$42,151 from the sale of a bus barn in the General Fund as miscellaneous revenue in 2019. Given the source of the revenue, this should have been recorded in the Permanent Improvement Fund or another fund authorized by **Ohio Rev. Code § 5705.10(F)** as sale of capital assets. Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities. The Village should implement controls to help ensure all transactions are reviewed to help ensure posting to the proper funds.

Officials’ Response:

The Fiscal Officer corrected this error and will make sure future sale of capital assets are properly reported in the accounting ledgers and financial statements.

FINDING NUMBER 2020-002

Material Weakness – Financial Reporting

In our audit engagement letter, as required by AU-C Section 210, *Terms of Engagement*, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

The following errors were identified in the accompanying financial statements:

- In 2019, Community Development Block Grant on-behalf activity was not posted to the accounting system by the Village, which resulted in understating intergovernmental revenue, capital outlay, and appropriations in the CDBG Riverside Park Drainage Fund in the amount of \$25,590.
- In 2019, Ohio Public Works Commission grant monies in the amount of \$108,874 were incorrectly classified as other debt proceeds instead of intergovernmental revenue in the OPWC – Canal Street – Main Street Fund.
- In 2019, principal retirement was incorrectly classified as interest and other fiscal charges in the amount of \$114,368 in the Wastewater Fund.
- In 2019, Budgeted Receipts in the Budgetary Activity note to the financial statements did not agree to amounts certified by the County Budget Commission in the General, Special Revenue, and Agency Funds in the amounts of \$118,206, \$56,810, and \$17,352, respectively.

- In 2019, Appropriation Authority in the Budgetary Activity note to the financial statements did not agree to amounts approved by Village Council in the Capital Projects Fund in the amount of \$25,782.

These errors were the result of inadequate policies and procedures in reviewing the financial statements. Failure to complete accurate financial statements could lead to the Village Council making misinformed decisions. The accompanying financial statements and notes to the financial statements have been adjusted to correct these and other errors ranging from \$35 to \$24,531. In addition to the adjustments noted above, we also identified additional misstatements ranging from \$1,700 to \$4,358 that we brought to the Village's attention.

To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the financial statements and notes to the financial statements by the Fiscal Officer and Village Council, to help identify and correct errors and omissions.

Officials' Response:

The Fiscal Officer plans to review future postings of financial activity to make sure they are properly reported in the accounting ledgers and financial statements.

VILLAGE OF ANTWERP, OHIO
PAULDING COUNTY
P.O. Box 1046
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020 AND 2019

Finding Number	Finding Summary	Status	Additional Information
2018-001	This finding was first reported in 2017. Ohio Rev. Code § 5705.41(B) for expenditures exceeding appropriations.	Partially corrected and reissued in the Management Letter.	This finding reoccurred due to approved appropriations not covering expenditures in an Enterprise Fund in 2019. The Fiscal Officer will review budgetary ledgers to ensure expenditures are within appropriations in all Village's funds in the future.
2018-002	This finding was first reported in 2009. Material weakness for lack of monitoring of financial transactions resulting in errors in the financial statements.	Not corrected and reissued as Finding 2020-002 in this report.	This finding reoccurred due to misposting of certain receipts and disbursements, including on-behalf of grants. The Fiscal Officer will review future postings of financial activity to ensure they are properly reported in the accounting ledgers and financial statements.

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OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF ANTWERP

PAULDING COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 5/27/2021

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This report is a matter of public record and is available online at
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