

**VILLAGE OF WEST FARMINGTON**

**TRUMBULL COUNTY, OHIO**

**AUDIT REPORT**

**For the Years Ended December 31, 2018 and 2017**







88 East Broad Street  
Columbus, Ohio 43215  
IPAReport@ohioauditor.gov  
(800) 282-0370

Village Council  
Village of West Farmington  
PO Box 215  
West Farmington, Ohio 44491

We have reviewed the *Independent Auditor's Report* of the Village of West Farmington, Trumbull County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2017 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of West Farmington is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

July 12, 2019

**This page intentionally left blank.**

**VILLAGE OF WEST FARMINGTON**  
**TRUMBULL COUNTY, OHIO**  
**Audit Report**  
**For the Years Ended December 31, 2018 and 2017**

**TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
Independent Auditor's Report	1-2
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2018	3
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary Fund Types - For the Year Ended December 31, 2018	4
Notes to the Financial Statements – For the Year Ended December 31, 2018	5-11
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Governmental Fund Types - For the Year Ended December 31, 2017	12
Combined Statement of Cash Receipts, Cash Disbursements and Changes in Fund Balances (Regulatory Cash Basis) - All Proprietary Fund Types - For the Year Ended December 31, 2017	13
Notes to the Financial Statements for the Year Ended December 31, 2017	14-21
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	22-23
Prepared by Management:	
Schedule of Prior Audit Findings	24

**This page intentionally left blank.**

Rockefeller Building  
614 W Superior Ave Ste 1242  
Cleveland OH 44113-1306  
Office phone - (216) 575-1630  
Fax - (216) 436-2411

***Charles E. Harris & Associates, Inc.***  
*Certified Public Accountants*

---

## **INDEPENDENT AUDITOR'S REPORT**

Village of West Farmington  
Trumbull County  
P.O. Box 215  
West Farmington, OH 44491

To the Village Council:

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

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of West Farmington, Trumbull County, Ohio (the Village) as of and for the years ended December 31, 2018 and 2017.

### ***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 of 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.

### ***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, 2018 and 2017, and the respective changes in financial position and its cash flows thereof for the years then ended.

***Basis for Adverse Opinion on Regulatory Basis of Accounting***

During 2013, the Village improperly made advances from the Permissive Tax-Special Revenue fund to the Water-Enterprise fund in the amount of \$31,905 that are not allowed per Auditor of State Bulletin 97-003 and paid back \$1,905. In 2014, the Village improperly made advances of \$1,400 from the Permissive-Special Revenue fund and paid back \$16,074. The net effect of this activity is the Water-Enterprise fund is overstated by \$15,326 and the Permissive-Special Revenue fund is understated by the same amount. The Village declined to make these adjustments.

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Regulatory Basis of Accounting*, the financial statements referred to above do not present fairly, in all material respects, the combined cash balances of the Village of West Farmington, Trumbull County as of December 31, 2018 and 2017, and its combined cash receipts and disbursements for the years then ended 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2019, 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.



***Charles E. Harris & Associates, Inc.***  
May 14, 2019



**VILLAGE OF WEST FARMINGTON  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 31,247	\$ 19,731	\$ 50,978
Intergovernmental	14,662	57,357	72,019
Special Assessments	-	7,734	7,734
Fines, Licenses and Permits	4,381	9,525	13,906
Earnings on Investments	2	38	40
Miscellaneous	472	140	612
<i>Total Cash Receipts</i>	<u>50,764</u>	<u>94,525</u>	<u>145,289</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	167	70,869	71,036
Leisure Time Activities	5,036	62	5,098
Transportation	-	39,848	39,848
General Government	40,257	-	40,257
<i>Total Cash Disbursements</i>	<u>45,460</u>	<u>110,779</u>	<u>156,239</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	5,304	(16,254)	(10,950)
<b>Other Financing Receipts (Disbursements)</b>			
Advances In	14,100	13,000	27,100
Advances Out	(13,000)	(13,000)	(26,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,100</u>	<u>-</u>	<u>1,100</u>
<i>Net Change in Fund Cash Balances</i>	6,404	(16,254)	(9,850)
<i>Fund Cash Balances, January 1</i>	<u>5,622</u>	<u>160,215</u>	<u>165,837</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	143,878	143,878
Committed	-	83	83
Assigned	1,554	-	1,554
Unassigned	10,472	-	10,472
<i>Fund Cash Balances, December 31</i>	<u>\$ 12,026</u>	<u>\$ 143,961</u>	<u>\$ 155,987</u>

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

**VILLAGE OF WEST FARMINGTON  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u><b>Proprietary Fund Types Enterprise</b></u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 203,276
<i>Total Operating Cash Receipts</i>	<u>203,276</u>
<b>Operating Cash Disbursements</b>	
Personal Services	44,109
Fringe Benefits	8,704
Contractual Services	113,483
Supplies and Materials	11,565
Other	1,200
<i>Total Operating Cash Disbursements</i>	<u>179,061</u>
<i>Operating Income (Loss)</i>	24,215
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	327,809
Earnings on Investments	6
Miscellaneous	1,377
Capital Outlay	(330,439)
Principal Retirement	(7,910)
Interest and Other Fiscal Charges	(4,455)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(13,612)</u>
<i>Income (Loss) before Transfers and Advances</i>	10,603
Transfers In	22,678
Transfers Out	(22,678)
Advances Out	(1,100)
<i>Net Change in Fund Cash Balance</i>	9,503
<i>Fund Cash Balances, January 1</i>	<u>31,087</u>
<i>Fund Cash Balances, December 31</i>	<u>\$ 40,590</u>

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

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 1 - Reporting Entity**

The Village of West Farmington (the Village), Trumbull County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water utilities, park operations, police services, street lighting and street repairs and maintenance.

***Jointly Governed Organizations***

The Village participates in the Trumbull County Council of Governments, a council of governments organized under Section 167 of the Ohio Revised Code. Note 14 to the financial statement provides additional information for this entity.

***Public Entity Risk Pools***

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 8 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 (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type 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 disbursements for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

***Permissive Motor Vehicle License Tax*** The permissive motor vehicle license tax fund accounts for permissive motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 2 - Summary of Significant Accounting Policies (continued)**

***Fund Accounting (continued)***

***Police Special Revenue*** The police special revenue fund receives property tax money to pay for the general operation of the police department.

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

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

***Enterprise Debt Service Sinking Fund*** The enterprise debt service sinking fund receives money from the water operating fund for the purpose of providing resources to retire the Village's debt related to the water plant.

***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 disbursements 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 be budgeted annually.

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

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2018 budgetary activity appears in Note 3.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 2 - Summary of Significant Accounting Policies (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 (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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. Council may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriate budget in the General Fund.

***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 disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2018 follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$53,305	\$64,864	\$11,559
Special Revenue	93,951	107,525	13,574
Enterprise	553,406	555,146	1,740

2018 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$53,241	\$60,014	(\$6,773)
Special Revenue	254,105	123,844	130,261
Enterprise	574,800	548,327	26,473

**Note 4 – Deposits and Investments**

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

	2018
Demand deposits	\$196,577

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation.

**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.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 6 – Interfund Balances**

***Advances***

Outstanding advances at December 31, 2017, consisted of \$15,326 advanced to water operating fund by the permissive tax fund (special revenue) to provide working capital for operations.

**Note 7 - Risk Management**

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

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

The Village 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:

2018

Cash and investments	\$35,381,789
Actuarial liabilities	\$12,965,015

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

***Social Security***

One of the Village's Council members contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2018.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

---

**Note 9 - Postemployment Benefits**

OPERS offers 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 2018. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2018.

**Note 10 – Debt**

Debt outstanding at December 31, 2018 was as follows:

	Principal	Interest Rate
USDA Cap Project Loan 1999 (91-08)	\$55,300	4.75%
USDA Cap Project Loan 2003 (91-11)	\$17,600	4.25%
OWDA Loan # 5240 (2009)	\$321,210	0.00%
OWDA Loan # 6162 (2012)	\$31,161	1.50%
ODOT Loan (2015)	\$10,158	3.00%
	\$435,429	

The USDA Rural Development Temporary Mortgage Revenue Loans (Cap Project) were issued for the purpose of financing the cost of improvements to the Village water system. The loans will be repaid until the year 2040. The Village had established a debt service sinking fund and debt service reserve fund in compliance with debt covenants associated with these loans. Water receipts collateralize the loans.

The Ohio Development Authority Loan # 5240 was entered into to finance the design and construction of wastewater collection and treatment system. The project was started in 2009 and \$321,210 of the estimated \$470,500 loan amount had been drawn. This loan will be repaid in semi-annual installments over ten years at 0.00% interest. The amortization schedule will be finalized when the project is completed. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirement.

The Ohio Development Authority Loan # 6162 was entered into to finance the water treatment plant emergency repairs. The project was completed in 2012. This loan will be repaid in semi-annual installments over twenty years at 1.5% interest. The Village had established a debt service sinking fund and debt service reserve fund in compliance with debt covenants associated with these loans. Water receipts collateralize the loan.

The Ohio Department of Transportation State Infrastructure Bank 2015 loan was entered into to finance the relocation of 700 feet of water line in connection with a bridge replacement performed by the Ohio Department of Transportation. The project was completed in 2016. The loan will be repaid in semi-annual installments over eight years at 3% interest. The Village had established a debt service sinking fund and debt service reserve fund in compliance with debt covenants associated with these loans. Water receipts collateralize the loans.



**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2018*

**Note 10 – Debt (continued)**

***Amortization***

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

Year ending December 31:	USDA 91-08	USDA 91-11	OWDA #6162	ODOT 2015
2019	\$4,127	\$3,948	\$2,399	\$1,622
2020	4,256	4,012	2,399	1,622
2021	4,275	3,968	2,399	1,622
2022	4,189	4,019	2,399	1,622
2023	4,204	3,962	2,399	1,622
2024-2028	21,170		11,996	3,241
2029-2033	21,077		10,797	
2034-2038	21,144			
2039-2043	4,190			
Total	\$88,631	\$19,908	\$34,789	\$11,351

**Note 11 – Construction and Contractual Commitments**

The Village is currently making upgrades to the water distribution system. This is being done through a grant and loan obtained by the Trumbull County Sanitary Engineer’s Office. The Village is not the holder of the debt or at risk for its outstanding balance. At December 31, 2018, \$1,113,236 of the \$1,441,045 project is still outstanding and to be completed.

**Note 12 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village’s financial condition.

**Note 13 – Jointly Governed Organizations**

The Village participates in the Trumbull County Council of Governments, a council of governments organized under Section 167 of the Ohio Revised Code. Participating entities includes Trumbull County; Cities: Cortland, Hubbard and Niles; Villages: McDonald, Newton Falls and West Farmington; Townships: Bazetta, Braceville, Bristol, Brookfield, Champion, Farmington, Fowler, Hartford, Howland, Hubbard, Kinsman, Liberty, Mesopotamia, Newton, Southington, Vernon, Vienna, Warren and Weathersfield.

The organization was formed to facilitate the participation of Trumbull County Communities and partners in areas of collaboration, resource sharing and challenge resolution, with the common objective of improving operations and efficiencies for the benefit of Trumbull County as a whole. Each participates degree of control is limited to its representation on the board. Trumbull County Council of Government adopts its own budget and authorized disbursements. In 2018, the Village contributed \$100.

**Note 14 – Subsequent Events**

Outstanding advances at December 31, 2018, consisting of \$15,326 advanced to the Water-Enterprise fund by the Permissive-Special Revenue fund to provide working capital for operations or projects since 2013 was repaid in full on April 29, 2019.

**VILLAGE OF WEST FARMINGTON  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Governmental Fund Types</u>		<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	
<b>Cash Receipts</b>			
Property and Other Local Taxes	\$ 30,131	\$ 18,809	\$ 48,940
Intergovernmental	14,569	21,954	36,523
Special Assessments	-	7,068	7,068
Fines, Licenses and Permits	3,745	15,062	18,807
Earnings on Investments	2	30	32
Miscellaneous	1,798	580	2,378
<i>Total Cash Receipts</i>	<u>50,245</u>	<u>63,503</u>	<u>113,748</u>
<b>Cash Disbursements</b>			
Current:			
Security of Persons and Property	-	29,623	29,623
Leisure Time Activities	1,890	65	1,955
Basic Utility Services	656	-	656
Transportation	-	7,382	7,382
General Government	43,242	-	43,242
<i>Total Cash Disbursements</i>	<u>45,788</u>	<u>37,070</u>	<u>82,858</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	4,457	26,433	30,890
<b>Other Financing Receipts (Disbursements)</b>			
Advances In	3,900	-	3,900
Advances Out	(5,000)	-	(5,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(1,100)</u>	<u>-</u>	<u>(1,100)</u>
<i>Net Change in Fund Cash Balances</i>	3,357	26,433	29,790
<i>Fund Cash Balances, January 1</i>	<u>2,265</u>	<u>133,782</u>	<u>136,047</u>
<b>Fund Cash Balances, December 31</b>			
Restricted	-	160,110	160,110
Committed	-	105	105
Assigned	931	-	931
Unassigned	4,691	-	4,691
<i>Fund Cash Balances, December 31</i>	<u>\$ 5,622</u>	<u>\$ 160,215</u>	<u>\$ 165,837</u>

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

**VILLAGE OF WEST FARMINGTON  
TRUMBULL COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<b>Proprietary Fund Types</b>
	<b>Enterprise</b>
<b>Operating Cash Receipts</b>	
Charges for Services	\$ 204,616
Miscellaneous	129
	<u>204,745</u>
<i>Total Operating Cash Receipts</i>	<u>204,745</u>
<b>Operating Cash Disbursements</b>	
Personal Services	55,094
Fringe Benefits	12,825
Contractual Services	98,657
Supplies and Materials	14,118
Other	775
	<u>181,469</u>
<i>Total Operating Cash Disbursements</i>	<u>181,469</u>
<i>Operating Income (Loss)</i>	23,276
<b>Non-Operating Receipts (Disbursements)</b>	
Earnings on Investments	5
Other Debt Proceeds	239
Miscellaneous	518
Capital Outlay	(851)
Principal Retirement	(9,782)
Interest and Other Fiscal Charges	(4,469)
	<u>(14,340)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(14,340)</u>
<i>Income (Loss) before Transfers and Advances</i>	8,936
Transfers In	24,691
Transfers Out	(24,691)
Advances In	5,000
Advances Out	(3,900)
	<u>10,036</u>
<i>Net Change in Fund Cash Balance</i>	10,036
<i>Fund Cash Balances, January 1</i>	<u>21,051</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$ 31,087</u></u>

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

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 1 - Reporting Entity**

The Village of West Farmington (the Village), Trumbull County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly-elected six-member Council directs the Village. The Village provides water utilities, park operations, police services, street lighting and street repairs and maintenance.

**Public Entity Risk Pools**

The Village participates in the Public Entities Pool of Ohio (PEP), a public entity risk pool. Note 7 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 (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for the proprietary fund type 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 disbursements for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

**Permissive Motor Vehicle License Tax** The permissive motor vehicle license tax fund accounts for permissive motor vehicle license registration fees restricted for construction, maintenance, and repair of streets within the Village.

**Police Special Revenue** The police special revenue fund receives property tax money to pay for the general operation of the police department.

**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:

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 2 - Summary of Significant Accounting Policies (continued)**

***Fund Accounting (continued)***

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

***Enterprise Debt Service Sinking Fund*** The enterprise debt service sinking fund receives money from the water operating fund for the purpose of providing resources to retire the Village's debt related to the water plant.

***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 disbursements 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 be budgeted annually.

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

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

***Encumbrances*** The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2017 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.

***Capital Assets***

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

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 2 - Summary of Significant Accounting Policies (continued)**

***Accumulated Leave***

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

***Fund Balance***

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

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

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

***Committed*** Council can *commit* amounts via formal action (ordinance or resolution). The Village must adhere to these commitments unless the Council amends the ordinance or 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. Council may also assign fund balances as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriate budget in the General Fund.

***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 disbursements 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 disbursements are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

**Note 3 - Budgetary Activity**

Budgetary activity for the year ending 2017 follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$53,198	\$54,145	\$947
Special Revenue	56,130	63,503	7,373
Enterprise	234,959	235,198	239

2017 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$53,999	\$51,719	\$2,280
Special Revenue	189,159	37,535	151,624
Enterprise	256,741	226,000	30,741

**Note 4 – Deposits and Investments**

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

Demand deposits	2017
	\$196,924

**Deposits**

Deposits are insured by the Federal Depository Insurance Corporation.

**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.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 6 – Interfund Balances**

**Advances**

Outstanding advances at December 31, 2017, consisted of \$15,326 and \$1,100 advanced to the water operating fund by the permissive tax fund (special revenue) and the general fund respectively to provide working capital for operations.

**Note 7 - Risk Management**

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

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

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. York Insurance Services Group, Inc. (York) functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by York. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2017, PEP retained \$350,000 for casualty claims and \$100,000 for property claims.

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

Financial Position

PEP's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and net position at December 31, 2017.

	<u>2017</u>
Assets	\$44,452,326
Liabilities	(13,004,011)
Net Position	\$31,448,315

At December 31, 2017 the liabilities above include approximately \$11.8 million of estimated incurred claims payable. The assets above also include approximately \$11.2 million of unpaid claims to be billed. The Pool's membership increased to 527 members in 2017. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2017, the Village's share of these unpaid claims collectible in future years is approximately \$10,000.



**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 7 - Risk Management (continued)**

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

<b>2017 Contributions to PEP</b>
\$15,280

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 8 - Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

Most 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 healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10%, of their gross salaries and the Village contributed an amount equaling 14%, of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

***Social Security***

One of the Village's Council members contributed to social security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2017.

**Note 9 - Postemployment Benefits**

OPERS offers 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 1% during calendar year 2017. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4% during calendar year 2017.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 10 – Debt**

Debt outstanding at December 31, 2017 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
USDA Cap Project Loan 1999 (91-08)	\$56,900	4.75%
USDA Cap Project Loan 2003 (91-11)	\$20,700	4.25%
OWDA Loan # 5240 (2009)	\$321,210	0.00%
OWDA Loan # 6162 (2012)	\$33,072	1.50%
ODOT Loan (2015)	\$11,457	3.00%
	<u>\$443,339</u>	

The prior year balance for the ODOT Loan (2015) was overstated by \$1,709. The ODOT loan balance also includes capitalized interest of \$329.

The USDA Rural Development Temporary Mortgage Revenue Loans (Cap Project) were issued for the purpose of financing the cost of improvements to the Village water system. The loans will be repaid until the year 2040. The Village had established a debt service sinking fund and debt service reserve fund in compliance with debt covenants associated with these loans. Water receipts collateralize the loans.

The Ohio Development Authority Loan # 5240 was entered into to finance the design and construction of wastewater collection and treatment system. The project was started in 2009 and \$321,210 of the estimated \$470,500 loan amount had been drawn. This loan will be repaid in semi-annual installments over ten years at 0.00% interest. The amortization schedule will be finalized when the project is completed. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirement.

The Ohio Development Authority Loan # 6162 was entered into to finance the water treatment plant emergency repairs. The project was completed in 2012. This loan will be repaid in semi-annual installments over twenty years at 1.5% interest. The Village had established a debt service sinking fund and debt service reserve fund in compliance with debt covenants associated with these loans. Water receipts collateralize the loan.

The Ohio Department of Transportation State Infrastructure Bank 2015 loan was entered into to finance the relocation of 700 feet of water line in connection with a bridge replacement performed by the Ohio Department of Transportation. The project was completed in 2016. The loan will be repaid in semi-annual installments over eight years at 3% interest. The Village had established a debt service sinking fund and debt service reserve fund in compliance with debt covenants associated with these loans. Water receipts collateralize the loans.

**Village of West Farmington, Ohio**  
*Trumbull County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2017*

---

**Note 10 – Debt (continued)**

***Amortization***

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

Year ending December 31:	USDA 91-08	USDA 91-11	OWDA #6162	ODOT 2015
2018	\$4,303	\$3,980	\$2,399	\$1,622
2019	4,127	3,948	2,399	1,622
2020	4,256	4,012	2,399	1,622
2021	4,275	3,968	2,399	1,622
2022	4,189	4,019	2,399	1,622
2023-2027	21,069	3,961	11,996	4,862
2028-2032	21,109		11,996	
2033-2037	21,142		1,201	
2038-2042	8,464			
Total	<u>\$92,934</u>	<u>\$23,888</u>	<u>\$37,188</u>	<u>\$12,972</u>

**Note 11 – Contingent Liabilities**

The Village may be a defendant in lawsuits. Although management cannot presently determine the outcome of any suit, management believes that the resolution of any matter will not materially adversely affect the Village's financial condition.

**This page intentionally left blank.**

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

Village of West Farmington  
Trumbull County  
P.O. Box 215  
West Farmington, OH 44491

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 by fund type of the Village of West Farmington, Trumbull County, (the Village) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 14, 2019 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 issued an adverse opinion on these financial statements due to management declining to post an adjustment pertaining to improper advances made in previous years.

***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the 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. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

***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 determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated May 14, 2019.

***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.

*Charles E. Harris and Associates*

***Charles E. Harris and Associates, Inc.***  
May 14, 2019

VILLAGE OF WEST FARMINGTON  
TRUMBULL COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Years Ended December 31, 2018 and 2017  
Prepared by Management

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Status</b>	<b>Additional Information</b>
2016-001	Material weakness: Improper recording of transactions	Corrective Action Taken and Finding is Fully Corrected	N/A

**This page intentionally left blank.**



OHIO AUDITOR OF STATE  
**KEITH FABER**



**VILLAGE OF WEST FARMINGTON**

**TRUMBULL 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  
JULY 25, 2019**