

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

Rea & Associates, Inc.

CERTIFIED PUBLIC ACCOUNTANTS

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO

FOR THE YEARS ENDED
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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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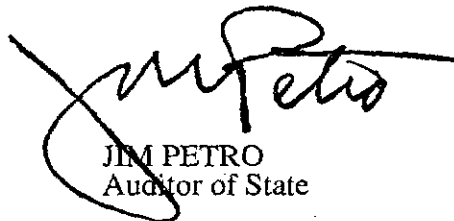
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Mayor and Members of Council
Village of Westfield Center
Medina, County, Ohio

We have reviewed the Independent Auditor's Report of the Village of Westfield Center, Medina County, prepared by Rea & Associates, Inc., for the audit period January 1, 1998 through December 31, 1999. 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 Westfield Center is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

July 31, 2000

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 27, 2000

Mayor and Members of Council
Village of Westfield Center
Medina County, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the Village of Westfield Center, Medina County, as of and for the years ended December 31, 1999 and 1998, as listed in the table of contents. These financial statements are the responsibility of the Village of Westfield Center's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described in Note 1, the Village prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Ohio, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances and reserves for encumbrances of the Village of Westfield Center, Medina County, as of December 31, 1999 and 1998, and the cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2000 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 grants.

This report is intended solely for the information and use of Council Members, management, and officials authorized to receive this report under Ohio Rev. Code Section 117.26, *Ohio Revised Code*, and it is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

Columbus
New Philadelphia
Millersburg
Coshocton
Cambridge
Marietta
Medina
Lima

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
CASH RECEIPTS					
Taxes	\$ 776,331	\$ 2,466	\$ 0	\$ 0	\$ 778,797
Intergovernmental	90,468	41,595	0	47,835	179,898
Charges for Services	126,052	1,050	0	0	127,102
Fines, Licenses, and Permits	2,272	0	0	0	2,272
Interest	85,111	3,710	0	0	88,821
Miscellaneous	27,809	0	0	101,721	129,530
Total Cash Receipts	1,108,043	48,821	0	149,556	1,306,420
CASH DISBURSEMENTS					
Current:					
Security of Persons and Property	171,806	1,222	0	0	173,028
Public Health Services	1,362	0	0	0	1,362
Leisure time Activities	3,627	0	0	0	3,627
Community Environment	5,270	0	0	0	5,270
Transportation	65,745	0	0	0	65,745
General Government	112,211	0	0	0	112,211
Capital Outlay	260,917	0	0	132,090	393,007
Debt Service:					
Principal Retirement	0	0	63,345	0	63,345
Interest and Fiscal Charges	0	0	65,911	0	65,911
Total Cash Disbursements	620,938	1,222	129,256	132,090	883,506
Total Receipts Over (Under) Disbursements	487,105	47,599	(129,256)	17,466	422,914
OTHER FINANCING SOURCES (USES)					
Transfers In	127,635	0	129,256	0	256,891
Transfers Out	(480,531)	0	0	(127,635)	(608,166)
Total Other Financing Sources (Uses)	(352,896)	0	129,256	(127,635)	(351,275)
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	134,209	47,599	0	(110,169)	71,639
Fund cash balances, beginning of year	1,457,503	53,502	0	110,169	1,621,174
Fund cash balances, end of year	\$ 1,591,712	\$ 101,101	\$ 0	\$ 0	\$ 1,692,813
Reserve for encumbrances, December 31, 1999	\$ 220,856	\$ 0	\$ 0	\$ 0	\$ 220,856

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

VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO

COMBINED STATEMENT OF OPERATING REVENUES, OPERATING EXPENSES, AND CHANGES IN
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1999

	Enterprise	Agency	Totals
<u>Operating Revenues</u>			
Charges for Services	\$ 562,591	\$ 0	\$ 562,591
Miscellaneous	12,600	0	12,600
Fines	0	3,750	3,750
Total Operating Revenues	575,191	3,750	578,941
<u>Operating Expenses</u>			
Personal Services	122,268	0	122,268
Travel Transportation	39,213	0	39,213
Contractual Services	156,281	0	156,281
Supplies and Materials	56,777	0	56,777
Capital Outlay	412,002	0	412,002
Miscellaneous	0	3,660	3,660
Total Operating Expenses	786,541	3,660	790,201
Operating Income (Loss)	(211,350)	90	(211,260)
<u>Non-Operating Expenses</u>			
Debt Services:			
Principal Retirement	105,392	0	105,392
Interest and Fiscal Charges	118,468	0	118,468
Total Non-Operating Expenses	223,860	0	223,860
Income (Loss) Before Operating Transfers	(435,210)	90	(435,120)
Operating Transfers In	391,275	0	391,275
Operating Transfers Out	(40,000)	0	(40,000)
Net Income (Loss)	(83,935)	90	(83,845)
Retained Earnings/Fund Balance at Beginning of Year	448,059	10	448,069
Retained Earnings/Fund Balance at End of Year	\$ 364,124	\$ 100	\$ 364,224

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

VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
CASH RECEIPTS					
Taxes	\$ 792,596	\$ 2,341	\$ 0	\$ 0	\$ 794,937
Intergovernmental	64,197	27,093	0	17,507	108,797
Charges for Services	49,153	1,878	0	0	51,031
Fines, Licenses, and Permits	848	0	0	0	848
Interest	99,275	2,672	0	0	101,947
Miscellaneous	16,771	0	0	89,889	106,660
Total Cash Receipts	1,022,840	33,984	0	107,396	1,164,220
CASH DISBURSEMENTS					
Current:					
Security of Persons and Property	118,284	3,742	0	0	122,026
Public Health Services	825	0	0	0	825
Leisure time Activities	1,280	0	0	0	1,280
Community Environment	5,058	0	0	0	5,058
Transportation	66,633	0	0	0	66,633
General Government	117,185	0	0	0	117,185
Capital Outlay	67,912	74,436	0	2,461,753	2,604,101
Debt Service:					
Principal Retirement	0	0	58,771	0	58,771
Interest and Fiscal Charges	0	0	70,485	0	70,485
Total Cash Disbursements	377,177	78,178	129,256	2,461,753	3,046,364
Total Receipts Over (Under) Disbursements	645,663	(44,194)	(129,256)	(2,354,357)	(1,882,144)
OTHER FINANCING SOURCES (USES)					
Proceeds of Loans	0	0	0	1,304,879	1,304,879
Transfers In	0	0	129,256	134,638	263,894
Transfers Out	(179,256)	0	0	0	(179,256)
Total Other Financing Sources (Uses)	(179,256)	0	129,256	1,439,517	1,389,517
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	466,407	(44,194)	0	(914,840)	(492,627)
Fund cash balances, beginning of year	991,096	97,696	0	1,025,009	2,113,801
Fund cash balances, end of year	\$ 1,457,503	\$ 53,502	\$ 0	\$ 110,169	\$ 1,621,174
Reserve for encumbrances, December 31, 1998	\$ 30,714	\$ 270	\$ 0	\$ 69,227	\$ 100,211

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

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**COMBINED STATEMENT OF OPERATING REVENUES, OPERATING EXPENSES, AND CHANGES IN
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	Enterprise	Agency	Totals
<u>Operating Revenues</u>			
Charges for Services	\$ 563,806	\$ 0	\$ 563,806
Miscellaneous	5,146	0	5,146
Fines	0	1,053	1,053
Total Operating Revenues	568,952	1,053	570,005
<u>Operating Expenses</u>			
Personal Services	109,953	0	109,953
Travel Transportation	35,707	0	35,707
Contractual Services	144,922	0	144,922
Supplies and Materials	60,928	0	60,928
Capital Outlay	56,842	0	56,842
Miscellaneous	0	1,053	1,053
Total Operating Expenses	408,352	1,053	409,405
Operating Income	160,600	0	160,600
<u>Non-Operating Expenses</u>			
Debt Services:			
Principal Retirement	99,020	0	99,020
Interest and Fiscal Charges	45,636	0	45,636
Total Non-Operating Expenses	144,656	0	144,656
Income Before Operating Transfers	15,944	0	15,944
Operating Transfers Out	(84,638)	0	(84,638)
Net Loss	(68,694)	0	(68,694)
Retained Earnings/Fund Balance at Beginning of Year	516,753	10	516,763
Retained Earnings/Fund Balance at End of Year	\$ 448,059	\$ 10	\$ 448,069
Reserves for encumbrances, December 31, 1998	\$ 10,268	\$ 0	\$ 10,268

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

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Westfield Center, Medina County, is a body political and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six member Council. The Village provides general governmental services, including water sewer utilities, fire protection, and street maintenance, construction, and repair. The Village contracts with the Medina County Sheriff's Department to provide security of persons and property.

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

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

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

GOVERNMENTAL FUND TYPES:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Special Revenue Funds

The Special Revenue Funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund – this fund receives gasoline taxes and motor vehicle tax money for constructing, maintaining and repairing Village streets.

VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, bonds and note indebtedness. The Village had the following significant Debt Service Fund:

Ohio Water Development Authority Fund – This fund is used to accumulate resources for the payment of principal and interest on a loan from the Ohio Water Development Authority.

Capital Projects

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary or trust funds. The Village had the following significant Capital Projects Funds:

Wastewater Treatment Project Fund – This fund receives the proceeds of loans from OWDA to account for capital improvements at the Village's wastewater treatment plant.

Water Tower Fund – This fund is used to account for the construction of a water tower.

PROPRIETARY FUND TYPE:

Enterprise Funds

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

Water Fund – This fund receives charges for services from residents to cover the cost of providing water service.

Sewer Fund – This fund received charges for services from residents to cover the cost of providing sewer service.

FIDUCIARY FUND TYPE:

Agency Funds

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

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

Mayor's Court Fund – this fund receives Mayor's Court fine money for distribution to various State and local agencies.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Process

The Ohio Revised Code requires that each fund 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 must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Encumbrances

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

A summary of 1999 and 1998 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements (capital outlays) when paid. These items are not reflected as assets in the accompanying financial statements.

NOTE 2: EQUITY IN POOLED CASH

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

	1999	1998
Deposits	\$ (15,766)	\$ (17,545)
Overnight Repurchase Agreements	2,072,803	2,086,788
	\$ 2,057,037	\$ 2,069,243

Deposits

Deposits are covered by Federal Depository Insurance and security pledged as collateral.

Investments

GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements" requires the Village's

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

investments to be categorized to give an indication of the level of risk assumed by the Village at year-end. Category 1 includes investments that are insured or registered or for

NOTE 2: EQUITY IN POOLED CASH (continued)

which the securities are held by the Village. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer or by its trust department but not in the Village's name.

Statutory provisions require that all securities acquired by the Village be held by the Village treasurer or deposited with a qualified trustee. Securities acquired under a repurchase agreement must be deposited with such a trustee unless the counterpart is a designated depository of the Village for the current period of designation of depositories, in which case the securities may be held in trust by the depository.

Level of risk assumed for fiscal year end December 31, 1999

		Category			Carrying	Fair
	1	2	3		Value	Value
Repurchase Agreement	\$ 0	\$ 0	\$ 2,072,803		<u>\$ 2,072,803</u>	<u>\$ 2,072,803</u>

Level of risk assumed for fiscal year ended December 31, 1998

		Category			Carrying	Fair
	1	2	3		Value	Value
Repurchase Agreement	\$ 0	\$ 0	\$ 2,086,788		<u>\$ 2,086,788</u>	<u>\$ 2,086,788</u>

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

NOTE 3: BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 1999 and 1998 was as follows:

	1999			1998		
	Budgeted Receipts	Actual Receipts	Variance	Budgeted Receipts	Actual Receipts	Variance
General	\$ 969,147	\$ 1,235,678	\$ 266,531	\$ 936,345	\$ 1,022,840	\$ 86,495
Special Revenue	49,384	48,821	(563)	35,000	33,984	(1,016)
Debt Service	129,256	129,256	0	313,816	129,256	(184,560)
Capital Projects	8,663	149,556	140,893	1,345,025	1,546,913	201,888
Enterprise	504,496	966,466	461,970	386,819	568,952	182,133
Total	\$ 1,660,946	\$ 2,529,777	\$ 868,831	\$ 3,017,005	\$ 3,301,945	\$ 284,940

Budgeted vs. Actual Disbursements

	1999			1998		
	Budgeted Disbursements	Actual Disbursements	Variance	Budgeted Disbursements	Actual Disbursements	Variance
General	\$ 2,322,828	\$ 1,322,325	\$ 1,000,503	\$ 1,904,606	\$ 587,147	\$ 1,317,459
Special Revenue	84,355	1,222	83,133	89,202	78,448	10,754
Debt Service	129,256	129,256	0	404,256	129,256	275,000
Capital Projects	371,014	259,725	111,289	2,692,830	2,530,980	161,850
Enterprise	1,338,638	1,050,401	288,237	903,673	637,646	266,027
Total	\$ 4,246,091	\$ 2,762,929	\$ 1,483,162	\$ 5,994,567	\$ 3,963,477	\$ 2,031,090

NOTE 4: LONG TERM OBLIGATIONS

The Village incurred the following obligations in connection with the Ohio Water Development Authority (OWDA) for the construction of the sewer and water facilities. The payments of the completed projects debt is reflected in the enterprise fund.

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

NOTE 4: LONG TERM OBLIGATIONS (continued)

A detail of long term obligations is as follows:

	<u>Balance January 1, 1998</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 1998</u>
ENTERPRISE FUNDS				
Ohio Water Development Authority - Water Interest Rate 4.12%	\$ 1,735,576	\$ 1,264,424	\$ (99,020)	\$ 2,900,980
Ohio Water Development Authority - Water Interest Rate 7.36%	459,761	0	(32,714)	427,047
Ohio Public Works Commission - Water Interest Rate 0%	47,860	40,455	0	88,315
Ohio Water Development Authority - Sewer Interest Rate 8.31%	440,979	0	(26,057)	414,922
	<u>\$ 2,684,176</u>	<u>\$ 1,304,879</u>	<u>\$ (157,791)</u>	<u>\$ 3,831,264</u>

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

NOTE 4: LONG TERM OBLIGATIONS (continued)

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 1999</u>
ENTERPRISE FUNDS				
Ohio Water Development Authority - Water Interest Rate 4.12%	\$ 2,900,980	\$ 0	\$ (103,184)	\$ 2,797,796
Ohio Water Development Authority - Water Interest Rate 7.36%	427,047	0	(35,122)	391,925
Ohio Public Works Commission - Water Interest Rate 0%	88,315	0	(2,208)	86,107
Ohio Water Development Authority - Sewer Interest Rate 8.31%	414,922	0	(28,223)	386,699
	<u>\$ 3,831,264</u>	<u>\$ 0</u>	<u>\$ (168,737)</u>	<u>\$ 3,662,527</u>

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998**

NOTE 4: LONG TERM OBLIGATIONS (continued)

The schedule for principal and interest payments on long-term borrowing for the next five years and thereafter follows:

Year Ending December 31,	Ohio Water Department Authority Water	Ohio Water Department Authority Sewer	Ohio Public Works Sewer	Total
2000	\$ 129,256	\$ 110,825	\$ 2,208	\$ 242,289
2001	129,256	110,825	2,208	242,289
2002	129,256	110,825	2,208	242,289
2003	129,256	110,825	2,208	242,289
2004	129,256	110,825	2,208	242,289
Thereafter	450,469	2,659,788	75,067	3,185,324
Total Principal and Interest	1,096,749	3,213,913	86,107	4,396,769
Less: Interest	(318,125)	(416,117)	0	(734,242)
Total Principal	<u>\$ 778,624</u>	<u>\$ 2,797,796</u>	<u>\$ 86,107</u>	<u>\$ 3,662,527</u>

NOTE 5: PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village of Westfield Center. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payments, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property taxes to the County by each April 30.

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

VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 1999 AND 1998

NOTE 6: RETIREMENT SYSTEMS

Public Employees Retirement System

The Board of Trustees, Village Clerk, and other employees of the Village belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost sharing, multiple employer plan. This plan provides retirement benefits, including postretirement health care, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code. The Public Employee Retirement System issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

NOTE 7: RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Automobile
- Public Officials Liability
- Inland Marine
- Wrongful Acts

The Village also provides health insurance to full-time employees through a private carrier.

June 27, 2000

Mayor and Members of Council
Village of Westfield Center
Medina County, Ohio

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

We have audited the accompanying financial statements of the Village of Westfield Center, Medina County, as of and for the year ended December 31, 1999 and 1998, and have issued our report thereon dated June 27, 2000. We have conducted our audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Westfield Center's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village of Westfield Center in a separate letter dated June 27, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Westfield Center's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be a material weakness. However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Village of Westfield Center in a separate letter dated June 27, 2000.

This report is intended for the information and use of Council Members, management and others within the Village, and it is not intended to be and should not be used by anyone other than these specified parties.

Rea & Associates, Inc.

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VILLAGE OF WESTFIELD CENTER
MEDINA 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.

By: Susan Babbitt

Date: AUGUST 15, 2000