

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

**FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND 2000**





STATE OF OHIO  
OFFICE OF THE AUDITOR

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Village Council  
Village of Westfield Center  
P.O. Box 75  
Westfield Center, OH 44251

We have reviewed the Independent Auditor's Report of the Village of Westfield Center, Medina County, prepared by Rea & Associates, for the audit period January 1, 2000 to December 31, 2001. 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

July 16, 2002

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

**FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND 2000**

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 10, 2002

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, 2001 and 2000, 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 auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 accounting principals generally accepted in the United States of America.

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, 2001 and 2000, 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 10, 2002 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.*

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
<b>CASH RECEIPTS</b>					
Taxes	\$ 773,768	\$ 2,365	\$ 0	\$ 0	\$ 776,133
Intergovernmental	114,012	28,322	0	0	142,334
Charges for Services	57,011	0	0	0	57,011
Fines, Licenses, and Permits	1,847	0	0	0	1,847
Interest	80,670	1,871	0	0	82,541
Miscellaneous	213,854	0	0	0	213,854
<b>Total Cash Receipts</b>	<u>1,241,162</u>	<u>32,558</u>	<u>0</u>	<u>0</u>	<u>1,273,720</u>
<b>CASH DISBURSEMENTS</b>					
Current:					
Security of Persons and Property	182,201	273	0	0	182,474
Public Health Services	2,821	0	0	0	2,821
Leisure Time Activities	2,543	0	0	0	2,543
Community Environment	4,987	0	0	0	4,987
Transportation	76,922	4,215	0	0	81,137
General Government	146,207	0	0	0	146,207
Capital Outlay	95,226	0	0	1,583,858	1,679,084
Debt Service:					
Principal Retirement	113,497	0	36,795	0	150,292
Interest and Fiscal Charges	59,340	0	27,833	0	87,173
<b>Total Cash Disbursements</b>	<u>683,744</u>	<u>4,488</u>	<u>64,628</u>	<u>1,583,858</u>	<u>2,336,718</u>
Total Receipts Over (Under) Disbursements	557,418	28,070	(64,628)	(1,583,858)	(1,062,998)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	0	0	129,256	1,009,500	1,138,756
Transfers Out	(1,157,636)	0	0	0	(1,157,636)
<b>Total Other Financing Sources (Uses)</b>	<u>(1,157,636)</u>	<u>0</u>	<u>129,256</u>	<u>1,009,500</u>	<u>(18,880)</u>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	(600,218)	28,070	64,628	(574,358)	(1,081,878)
Fund cash balances, beginning of year	<u>1,621,250</u>	<u>19,346</u>	<u>0</u>	<u>574,358</u>	<u>2,214,954</u>
<b>Fund cash balances, end of year</b>	<u>\$ 1,021,032</u>	<u>\$ 47,416</u>	<u>\$ 64,628</u>	<u>\$ 0</u>	<u>\$ 1,133,076</u>
Reserve for encumbrances, December 31, 2001	<u>\$ 13,811</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,811</u>

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



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

**COMBINED STATEMENT OF OPERATING RECEIPTS, OPERATING DISBURSEMENTS, AND CHANGES IN  
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>Enterprise</b>	<b>Agency</b>	<b>Totals</b>
<b><u>Operating Receipts</u></b>			
Charges for Services	\$ 599,373	\$ 0	\$ 599,373
Miscellaneous	361	0	361
Fines	0	3,845	3,845
<b>Total Operating Receipts</b>	599,734	3,845	603,579
<b><u>Operating Disbursements</u></b>			
Personal Services	126,447	0	126,447
Travel Transportation	51,479	0	51,479
Contractual Services	141,534	0	141,534
Supplies and Materials	68,147	0	68,147
Capital Outlay	73,737	0	73,737
Miscellaneous	1,016	3,845	4,861
<b>Total Operating Disbursements</b>	462,360	3,845	466,205
Operating Income	137,374	0	137,374
<b><u>Non-Operating Disbursements</u></b>			
Debt Services:			
Principal Retirement	58,245	0	58,245
Interest and Fiscal Charges	53,932	0	53,932
<b>Total Non-Operating Disbursements</b>	112,177	0	112,177
Income Before Operating Transfers	25,197	0	25,197
Operating Transfers In	18,880	0	18,880
Net Income	44,077	0	44,077
Fund Balance at Beginning of Year	291,015	50	291,065
<b>Fund Balance at End of Year</b>	\$ 335,092	\$ 50	\$ 335,142

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 BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General	Special Revenue	Debt Service	Capital Projects	Total (Memorandum Only)
<b>CASH RECEIPTS</b>					
Taxes	\$ 717,215	\$ 2,608	\$ 0	\$ 0	\$ 719,823
Intergovernmental	54,316	27,963	0	0	82,279
Charges for Services	77,578	174	0	0	77,752
Fines, Licenses, and Permits	1,516	0	0	0	1,516
Interest	120,668	4,770	0	0	125,438
Miscellaneous	6,116	0	0	0	6,116
<b>Total Cash Receipts</b>	<u>977,409</u>	<u>35,515</u>	<u>0</u>	<u>0</u>	<u>1,012,924</u>
<b>CASH DISBURSEMENTS</b>					
Current:					
Security of Persons and Property	176,783	0	0	0	176,783
Public Health Services	940	0	0	0	940
Leisure Time Activities	6,272	0	0	0	6,272
Community Environment	3,771	0	0	0	3,771
Transportation	78,731	11,650	0	0	90,381
General Government	158,598	0	0	0	158,598
Capital Outlay	294,520	105,620	0	497,642	897,782
Debt Service:					
Principal Retirement	0	0	68,275	0	68,275
Interest and Fiscal Charges	27,000	0	60,981	0	87,981
<b>Total Cash Disbursements</b>	<u>746,615</u>	<u>117,270</u>	<u>129,256</u>	<u>497,642</u>	<u>1,490,783</u>
Total Receipts Over (Under) Disbursements	230,794	(81,755)	(129,256)	(497,642)	(477,859)
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from Sales of Public Debt:					
Proceeds of Notes	1,000,000	0	0	0	1,000,000
Transfers In	0	0	129,256	1,072,000	1,201,256
Transfers Out	(1,201,256)	0	0	0	(1,201,256)
<b>Total Other Financing Sources (Uses)</b>	<u>(201,256)</u>	<u>0</u>	<u>129,256</u>	<u>1,072,000</u>	<u>1,000,000</u>
Excess of Receipts and Other Financing Sources Over (Under) Disbursements and Other Financing Uses	29,538	(81,755)	0	574,358	522,141
Fund cash balances, beginning of year	<u>1,591,712</u>	<u>101,101</u>	<u>0</u>	<u>0</u>	<u>1,692,813</u>
<b>Fund cash balances, end of year</b>	<u>\$ 1,621,250</u>	<u>\$ 19,346</u>	<u>\$ 0</u>	<u>\$ 574,358</u>	<u>\$ 2,214,954</u>
Reserve for encumbrances, December 31, 2001	<u>\$ 41,270</u>	<u>\$ 2,350</u>	<u>\$ 0</u>	<u>\$ 39,073</u>	<u>\$ 82,693</u>

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

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

**COMBINED STATEMENT OF OPERATING RECEIPTS, OPERATING DISBURSEMENTS, AND CHANGES IN  
FUND BALANCES - PROPRIETARY FUND TYPE AND SIMILAR FIDUCIARY FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<b>Enterprise</b>	<b>Agency</b>	<b>Totals</b>
<b><u>Operating Receipts</u></b>			
Charges for Services	\$ 536,639	\$ 0	\$ 536,639
Miscellaneous	484	0	484
Fines	0	2,217	2,217
<b>Total Operating Receipts</b>	537,123	2,217	539,340
<b><u>Operating Disbursements</u></b>			
Personal Services	121,284	0	121,284
Travel Transportation	46,238	0	46,238
Contractual Services	119,080	0	119,080
Supplies and Materials	64,384	0	64,384
Capital Outlay	51,562	0	51,562
Miscellaneous	0	2,267	2,267
<b>Total Operating Disbursements</b>	402,548	2,267	404,815
Operating Income (Loss)	134,575	(50)	134,525
<b><u>Non-Operating Disbursements</u></b>			
Debt Services:			
Principal Retirement	103,377	0	103,377
Interest and Fiscal Charges	104,307	0	104,307
<b>Total Non-Operating Disbursements</b>	207,684	0	207,684
Net Loss	(73,109)	(50)	(73,159)
Fund Balance at Beginning of Year	364,124	100	364,224
<b>Fund Balance at End of Year</b>	\$ 291,015	\$ 50	\$ 291,065

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, 2001 AND 2000

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**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 and 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  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND 2000

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**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.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND 2000

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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:

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

**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 2001 and 2000 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:

	<u>2001</u>	<u>2000</u>
Deposits	\$ (18,952)	\$ (157,320)
Certificate of Deposit	0	775,100
Overnight Repurchase Agreements	<u>1,487,170</u>	<u>1,888,239</u>
	<u>\$ 1,468,218</u>	<u>\$ 2,506,019</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2001 AND 2000

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**NOTE 2: EQUITY IN POOLED CASH (continued)**

**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 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 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, 2001

	Category			Carrying Value	Fair Value
	1	2	3		
Repurchase Agreement	\$ 0	\$ 0	\$ 1,487,170	<u>\$ 1,487,170</u>	<u>\$ 1,487,170</u>

Level of risk assumed for fiscal year ended December 31, 2000

	Category			Carrying Value	Fair Value
	1	2	3		
Repurchase Agreement	\$ 0	\$ 0	\$ 1,888,239	<u>\$ 1,888,239</u>	<u>\$ 1,888,239</u>

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
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**NOTE 3: BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2001 and 2000 was as follows:

**Budgeted vs. Actual Receipts**

	2001			2000		
	Budgeted Receipts	Actual Receipts	Variance	Budgeted Receipts	Actual Receipts	Variance
General	\$ 984,354	\$ 1,241,162	\$ 256,808	\$ 1,896,631	\$ 1,977,409	\$ 80,778
Special Revenue	31,805	32,558	753	33,000	35,515	2,515
Debt Service	129,256	129,256	0	129,256	129,256	0
Capital Projects	1,250,100	1,009,500	(240,600)	1,072,000	1,072,000	0
Enterprise	633,334	618,615	(14,719)	1,232,999	537,123	(695,876)
<b>Total</b>	<b>\$ 3,028,849</b>	<b>\$ 3,031,091</b>	<b>\$ 2,242</b>	<b>\$ 4,363,886</b>	<b>\$ 3,751,303</b>	<b>\$ (612,583)</b>

**Budgeted vs. Actual Disbursements**

	2001			2000		
	Budgeted Disbursements	Actual Disbursements	Variance	Budgeted Disbursements	Actual Disbursements	Variance
General	\$ 2,437,020	\$ 1,841,380	\$ 595,640	\$ 2,267,725	\$ 1,947,871	\$ 319,854
Special Revenue	49,196	4,488	44,708	132,898	117,270	15,628
Debt Service	129,256	64,628	64,628	129,256	129,256	0
Capital Projects	1,535,385	1,583,858	(48,473)	1,072,000	497,642	574,358
Enterprise	911,900	574,537	337,363	931,026	610,232	320,794
<b>Total</b>	<b>\$ 5,062,757</b>	<b>\$ 4,068,891</b>	<b>\$ 993,866</b>	<b>\$ 4,532,905</b>	<b>\$ 3,302,271</b>	<b>\$ 1,230,634</b>

**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 beginning balance of the first OWDA water loan was restated to the actual balance. 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  
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**NOTE 4: LONG TERM OBLIGATIONS (continued)**

A detail of long term obligations is as follows:

	<b>Restated Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance</b>
	<u>January 1, 2000</u>	<u>                  </u>	<u>                  </u>	<u>December 31, 2000</u>
<b>ENTERPRISE FUNDS</b>				
Ohio Water Development Authority - Water Interest Rate 4.12%	\$ 2,714,904	\$ 0	\$ (98,961)	\$ 2,615,943
Ohio Water Development Authority - Water Interest Rate 7.36%	391,925	0	(37,707)	354,218
First Merit Bank Loan Municipal Building Interest Rate 6.00%	0	1,000,000	0	1,000,000
Ohio Public Works Commission - Water Interest Rate 0%	86,107	0	(4,416)	81,691
Ohio Water Development Authority - Sewer Interest Rate 8.31%	<u>386,699</u>	<u>0</u>	<u>(30,568)</u>	<u>356,131</u>
	<u>\$ 3,579,635</u>	<u>\$ 1,000,000</u>	<u>\$ (171,652)</u>	<u>\$ 4,407,983</u>

During 2000, it was noted the Village water project would not cost \$3,000,000 as originally stated by the debt obligation. The beginning balance for the Ohio Water Development Authority debt has been lowered by \$82,892 to reflect the actual debt outstanding at January 1, 2000.

**VILLAGE OF WESTFIELD CENTER  
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NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 4: LONG TERM OBLIGATIONS (continued)**

	<u>Balance</u> <u>January 1, 2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>December 31, 2001</u>
<b>ENTERPRISE FUNDS</b>				
Ohio Water Development Authority - Water Interest Rate 4.12%	\$ 2,615,943	\$ 0	\$ (53,829)	\$ 2,562,114
Ohio Water Development Authority - Water Interest Rate 7.36%	354,218	0	(20,241)	333,977
First Merit bank loan Municipal Building Interest Rate 6.00%	1,000,000	0	(113,497)	886,503
Ohio Public Works Commission - Water Interest Rate 0%	81,691	0	(4,416)	77,275
Ohio Water Development Authority - Sewer Interest Rate 8.31%	<u>356,131</u>	<u>0</u>	<u>(16,554)</u>	<u>339,577</u>
	<u>\$ 4,407,983</u>	<u>\$ 0</u>	<u>\$ (208,537)</u>	<u>\$ 4,199,446</u>

**VILLAGE OF WESTFIELD CENTER  
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NOTES TO THE FINANCIAL STATEMENTS  
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DECEMBER 31, 2001 AND 2000

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**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:

<u>Year Ending December 31,</u>	<u>Ohio Water Department Authority Water</u>	<u>Ohio Water Department Authority Sewer</u>	<u>Ohio Public Works Sewer</u>	<u>First Merit Municipal Building</u>	<u>Total</u>
2002	\$ 129,256	\$ 215,524	\$ 4,416	\$ 133,225	\$ 482,421
2003	129,256	215,524	4,416	133,225	482,421
2004	129,256	215,524	4,416	133,225	482,421
2005	129,256	215,524	4,416	133,225	482,421
2006	129,256	215,524	4,416	133,225	482,421
Thereafter	<u>256,586</u>	<u>1,890,940</u>	<u>55,195</u>	<u>477,087</u>	<u>2,679,808</u>
Total Principal and Interest	902,866	2,968,560	77,275	1,143,212	5,091,913
Less: Interest	<u>(229,312)</u>	<u>(406,446)</u>	<u>0</u>	<u>(256,709)</u>	<u>(892,467)</u>
Total Principal	<u>\$ 673,554</u>	<u>\$ 2,562,114</u>	<u>\$ 77,275</u>	<u>\$ 886,503</u>	<u>\$ 4,199,446</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 the 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 on 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, 2001 AND 2000

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**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 Employees 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 2001 and 2000, 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, 2001.

**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.

# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 10, 2002

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, 2001 and 2000, and have issued our report thereon dated June 10, 2002. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 10, 2002.

### **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 10, 2002.

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.*





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**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.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
AUGUST 6, 2002**