



Dave Yost • Auditor of State

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Auditor's Report	1
Management's Discussion and Analysis.....	5
Statement of Net Position – Cash Basis December 31, 2013.....	13
Statement of Activities – Cash Basis For the Year Ended December 31, 2013	14
Statement of Assets and Fund Balances- Cash Basis Governmental Funds - December 31, 2013.....	16
Statement of Receipts, Disbursements and Changes in Fund Balances – Cash Basis Governmental Funds - For the Year Ended December 31, 2013	17
Statement of Receipts, Disbursements and Changes in Fund Balance Budget and Actual – Budget Basis General Fund - For the Year Ended December 31, 2013.....	18
Statement of Receipts, Disbursements and Changes in Fund Balance Budget and Actual – Budget Basis SCMR Fund - For the Year Ended December 31, 2013.....	19
Statement of Fund Net Position – Cash Basis Proprietary Fund - December 31, 2013	20
Statement of Receipts, Disbursements and Changes in Fund Net Position – Cash Basis Proprietary Fund - For the Year Ended December 31, 2013.....	21
Statement of Fiduciary Net Position – Cash Basis Agency Fund - December 31, 2013	22
Statement of Net Position – Cash Basis December 31, 2012.....	23
Statement of Activities – Cash Basis For the Year Ended December 31, 2012	24
Statement of Assets and Fund Balances- Cash Basis Governmental Fund - December 31, 2012	26
Statement of Receipts, Disbursements and Changes in Fund Balances- Cash Basis Governmental Funds - For the Year Ended December 31, 2012	27
Statement of Receipts, Disbursements and Changes in Fund Balance Budget and Actual – Budget Basis General Fund - For the Year Ended December 31, 2012.....	28

VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY

TABLE OF CONTENTS
(Continued)

TITLE	PAGE
Statement of Receipts, Disbursements and Changes in Fund Balances Budget and Actual – Budget Basis SCMR Fund - For the Year Ended December 31, 2012.....	29
Statement of Fund Net Position – Cash Basis Proprietary Fund - December 31, 2012	30
Statement of Receipts, Disbursements and Changes in Fund Net Position – Cash Basis Proprietary Fund - For the Year Ended December 31, 2012.....	31
Statement of Fiduciary Net Position – Cash Basis Agency Fund - December 31, 2012	32
Notes to Basic the Financial Statements	33
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	49
Schedule of Prior Audit Findings.....	51



Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Westfield Center
Medina County
6701 Greenwich Road
Westfield Center, Ohio 44251

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Westfield Center, Medina County, Ohio, (the Village) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the cash accounting basis Note 2 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are 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 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Westfield Center, Medina County, Ohio, as of December 31, 2013 and 2012, and the respective changes in cash financial position and the budgetary comparisons for the General Fund and SCMR Fund thereof for the years then ended in accordance with the accounting basis described in Note 2.

Accounting Basis

We draw attention to Note 2 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Matters

Supplemental and Other Information

We audited to opine on the Village's financial statements that collectively comprise its basic financial statements.

Management's Discussion & Analysis includes tables of net position and changes in net position. This information provides additional analysis and is not a required part of the basic financial statements.

These tables are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these tables to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling these tables directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and in accordance with auditing standards generally accepted in the United States of America. In our opinion, these tables are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2014, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

August 8, 2014

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Village of Westfield Center
Medina County
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

This discussion and analysis of the Village's financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2013 and 2012, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2013 are as follows:

Net position of governmental activities increased \$638,265, or 58 percent from the prior year, a significant change from the prior year. The fund most affected by the increase in cash and cash equivalents was the General Fund which was primarily due to the Village limiting expenditures and attempting to build a fund balance reserve for future capital projects, so the Village would not have to issue debt to finance those projects.

The Village's general receipts were primarily property and municipal income taxes, and intergovernmental revenue. These receipts represent respectively 75 percent, 7 percent and 13 percent of the total cash received for governmental activities during the year. Property tax revenue remained consistent between the 2013 and 2012. Intergovernmental revenue nearly doubled between 2013 and 2012, which was due to a large estate tax receipt received in 2013. Income tax revenue increased by approximately 23 percent between 2013 and 2012 due to an increase in income tax receipts from the Village's primary employer.

The Sewer Fund, the Village's only business-type activity had an increase in net position of \$100,203 due to additional funds transferred in from the General Fund.

Key highlights for 2012 are as follows:

Net position of governmental activities decreased by \$40,649, or 4 percent from the prior year. The decrease was not significant between 2012 and 2011.

The Village's general receipts were primarily property and municipal income taxes, and intergovernmental revenue. These receipts represent respectively 75 percent, 9 percent and 8 percent of the total cash received for governmental activities during the year. Property taxes, municipal income taxes, and intergovernmental revenue remained consistent between 2012 and 2011.

The Sewer Fund, the Village's only business-type activity had an increase in net position of \$62,112 due to additional funds transferred in from the General Fund.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Village of Westfield Center
Medina County
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

Report Components

The statement of net position and the statement of activities provide information about the cash activities of the Village as a whole.

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

The statement of net position and the statement of activities reflect how the Village did financially during 2013 and 2012, within the limitations of cash basis accounting. The statement of net assets presents the cash balances and investments of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other nonfinancial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

Village of Westfield Center
Medina County
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental activities: Most of the Village's basic services are reported here, including police, fire, streets and parks. State and federal grants and income and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type activity: The Village has one business-type activity, accounting for sewer services. Business-type activities are financed by a fee charged to the customers receiving the service.

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for nonmajor funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds are the General Fund and Street Construction, Maintenance and Repair (SCMR) Fund.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has one enterprise fund, the Sewer Fund.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the government-wide financial statements because the resources of these funds are not available to support the Village's programs. The Village has one fiduciary fund, the Mayor's Court agency fund.

Village of Westfield Center
 Medina County
 Management's Discussion and Analysis
 For the Years Ended December 31, 2013 and 2012
 Unaudited

The Government as a Whole

Table 1 provides a summary of the Village's net position for 2013 compared to 2012 and 2011 on a cash basis:

	Net Position					
	Governmental Activities			Business-Type Activities		
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets						
Cash and Cash Equivalents	<u>\$1,728,737</u>	<u>\$1,090,472</u>	<u>\$1,131,121</u>	<u>\$323,315</u>	<u>\$223,112</u>	<u>\$161,000</u>
Net Position						
Restricted for:						
Other Purposes	289,433	221,798	156,730			
Unrestricted	<u>1,439,304</u>	<u>868,674</u>	<u>974,391</u>	<u>323,315</u>	<u>223,112</u>	<u>161,000</u>
Total Net Position	<u>\$1,728,737</u>	<u>\$1,090,472</u>	<u>\$1,131,121</u>	<u>\$323,315</u>	<u>\$223,112</u>	<u>\$161,000</u>

As mentioned previously, net position of governmental activities increased by \$638,265 or 58 percent during 2013. The primary reasons contributing to the increase in cash is due to the larger than anticipated income tax and estate tax receipts and an effort to decrease expenses.

Village of Westfield Center
Medina County
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

Table 2 reflects the changes in net position on a cash basis in 2013, 2012 and 2011 for governmental activities and business-type activities.

(Table 2)
Changes in Net Position

	Governmental Activities			Business-Type Activities		
	2013	2012	2011	2013	2012	2011
Receipts:						
Program Receipts:						
Charges for Services and Sales	\$10,352	\$26,654	\$42,867	\$293,838	\$261,982	\$268,327
Operating Grants and Contributions	60,367	59,006	59,855			
Capital Grants and Contributions				155,588	150,273	165,133
Total Program Receipts	70,719	85,660	102,722	449,426	412,255	433,460
General Receipts:						
Property and Other Local Taxes	123,544	128,080	123,652			
Income Taxes	1,218,645	991,290	1,067,731			
Grants and Entitlements Not Restricted to Specific Programs	141,814	48,225	60,574			
Miscellaneous	70,110	65,355	52,272			
Total General Receipts	1,554,113	1,232,950	1,304,229			
Total Receipts	1,624,832	1,318,610	1,406,951	449,426	412,255	433,460
Disbursements:						
General Government	344,802	346,430	279,148			
Security of Persons and Property	296,807	224,782	229,098			
Public Health Services	1,837	2,194	1,280			
Leisure Time Activities	14,011	20,254	5,627			
Community Environment	8,673	7,889	7,486			
Transportation	194,365	167,577	177,039			
Capital Outlay	110,072	474,133	292,308			
Sewer				465,223	466,143	477,598
Total Disbursements	970,567	1,243,259	991,986	465,223	466,143	477,598
Excess (Deficiency) Before Transfers and Special Items	654,265	75,351	414,965	(15,797)	(53,888)	(44,138)
Transfers	(116,000)	(116,000)	(67,041)	116,000	116,000	67,041
Special Items	100,000					
Increase (Decrease) in Net Assets	638,265	(40,649)	347,924	100,203	62,112	22,903
Net Position, January 1	1,090,472	1,131,121	783,197	223,112	161,000	138,097
Net Position, December 31	\$1,728,737	\$1,090,472	\$1,131,121	\$323,315	\$223,112	\$161,000

For 2013 and 2012, program receipts represent only 4 percent and 6 percent of total receipts, respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license taxes.

For 2013 and 2012 general receipts represent 96 percent and 94, respectively, of the Village's total receipts, and of this amount, over 83 percent and 85 are local property and income taxes.

Village of Westfield Center
 Medina County
 Management's Discussion and Analysis
 For the Years Ended December 31, 2013 and 2012
 Unaudited

Disbursements for general government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, and the fiscal officer, mayor, and income tax departments, as well as internal services such as payroll and purchasing.

Security of persons and property are the costs of police and fire protection and emergency medical services; leisure time activities are the costs of maintaining the parks and playing fields; transportation is the cost of maintaining the roads, and capital outlay primarily represents the costs associated with the acquisition and improvements to the Village's facilities and infrastructure.

Governmental Activities

If you look at the Statement of Activities on page 14-15 and 24-25 you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for general government, transportation, capital outlay, and security of persons and property. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

(Table 3)

Governmental Activities

	Total Cost of Services 2013	Net Cost of Services 2013	Total Cost of Services 2012	Net Cost of Services 2012	Total Cost of Services 2011	Net Cost of Services 2011
General Government	\$344,802	\$340,460	\$346,430	\$341,652	\$279,148	\$271,356
Security of Persons and Property	296,807	296,667	224,782	208,324	229,098	199,520
Public Health Services	1,837	(713)	2,194	(606)	1,280	(2,320)
Leisure Time Activities	14,011	12,376	20,254	17,985	5,627	4,135
Community Environment	8,673	6,988	7,889	7,540	7,486	7,081
Transportation	194,365	133,998	167,577	108,571	177,039	117,184
Capital Outlay	110,072	110,072	474,133	474,133	292,308	292,308
Total Expenses	\$970,567	\$899,848	\$1,243,259	\$1,157,599	\$991,986	\$889,264

The dependence upon property and income tax receipts is apparent as over 83 percent and 85 percent of governmental activities are supported through these general receipts in 2013 and 2012, respectively.

Business-type Activities

The Sewer Fund of the Village is relatively small and routinely reports receipts and cash disbursements that are relatively equal. The infrastructure is beginning to age and the Village has begun discussing the need for major repairs and how these will be funded.

Village of Westfield Center
Medina County
Management's Discussion and Analysis
For the Years Ended December 31, 2013 and 2012
Unaudited

The Government's Funds

For the year ended December 31, 2013, total governmental funds had receipts and transfers in of \$1,774,832 and disbursements and transfers out of \$1,136,567. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund increased \$570,630 as the result of conservative spending and greater than expected income and estate tax receipts.

For the year ended December 31, 2012, total governmental funds had receipts of \$1,318,610 and disbursements and transfers out of \$1,359,259. The greatest change within governmental funds occurred within the General Fund. The fund balance of the General Fund decreased \$105,717 as the result of expenditures related to capital projects.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted funds is the General Fund.

During 2013, the Village did not amend its General Fund's budgeted receipts or appropriations. The original and final budgeted receipts in the General Fund were \$1,354,269. Actual receipts and other financing uses in the General Fund were \$1,660,771. Original and final disbursements and other financing sources were budgeted at \$2,223,485. Actual disbursements and other financing sources in the General Fund were \$1,097,302. The differences were due to a conservative approach to spending by the Village.

During 2012, the Village did not amend its General Fund's budgeted receipts or appropriations. The original and final budgeted receipts in the General Fund were \$1,356,769. Actual receipts and other financing uses were \$1,239,696. Original and final disbursements and other financing sources were budgeted at \$2,114,030. Actual disbursements and other financing sources were \$1,390,530. The differences were due to a conservative approach to spending by the Village.

Debt Administration

At December 31, 2013, the Village's outstanding debt included an Ohio Water Development Authority Loan in the amount of \$877,868 and an Ohio Public Work's Commission Loan in the amount of \$24,285. For further information regarding the Village's debt, refer to Note 10 to the basic financial statements.

Current Issues

The challenge for all governments is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base. Significant increases to revenue are unlikely; therefore, the Village attempts to spend its resources conservatively.

Contacting the Government's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Deborah Runser, Fiscal Officer, Village of Westfield Center, P.O. Box 750, Westfield Center, Ohio 44251.

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Village of Westfield
Medina County
Statement of Net Position - Cash Basis
December 31, 2013

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,728,737	\$323,315	\$2,052,052
Net Position			
Restricted for:			
Other Purposes	289,433		289,433
Unrestricted	1,439,304	323,315	1,762,619
<i>Total Net Position</i>	\$1,728,737	\$323,315	\$2,052,052

See accompanying notes to the basic financial statements

Village of Westfield Cetner
Medina County
Statement of Activities -Cash Basis
For the Year Ended December 31, 2013

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Current:				
Security of Persons and Property	\$296,807	\$140		
Public Health Services	1,837	2,550		
Leisure Time Activities	14,011	1,635		
Community Environment	8,673	1,685		
Transportation	194,365		\$60,367	
General Government	344,802	4,342		
Capital Outlay	110,072			
<i>Total Governmental Activities</i>	<u>970,567</u>	<u>10,352</u>	<u>60,367</u>	
Business-Type Activities				
Sewer Operating	465,223	293,838		155,588
<i>Total</i>	<u>\$1,435,790</u>	<u>\$304,190</u>	<u>\$60,367</u>	<u>\$155,588</u>

General Receipts:
Property and Other Local Taxes
Income Taxes
Grants and Entitlements not Restricted to Specific Programs
Miscellaneous
Special Item
Transfers

Total General Receipts, Special Item, and Transfers

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$296,667)		(\$296,667)
713		713
(12,376)		(12,376)
(6,988)		(6,988)
(133,998)		(133,998)
(340,460)		(340,460)
(110,072)		(110,072)
<u>(899,848)</u>		<u>(899,848)</u>
	(15,797)	(15,797)
<u>(899,848)</u>	<u>(15,797)</u>	<u>(915,645)</u>
123,544		123,544
1,218,645		1,218,645
141,814		141,814
70,110		70,110
100,000		100,000
(116,000)	116,000	
<u>1,538,113</u>	<u>116,000</u>	<u>1,654,113</u>
638,265	100,203	738,468
<u>1,090,472</u>	<u>223,112</u>	<u>1,313,584</u>
<u>\$1,728,737</u>	<u>\$323,315</u>	<u>\$2,052,052</u>

Village of Westfield Center
Medina County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2013

	<u>General</u>	<u>SCMR</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,439,304	\$260,186	\$29,247	\$1,728,737
Fund Balances				
Restricted		260,186	29,247	289,433
Committed	7,161			7,161
Assigned	6,136			6,136
Unassigned	1,426,007			1,426,007
<i>Total Fund Balances</i>	<u>\$1,439,304</u>	<u>\$260,186</u>	<u>\$29,247</u>	<u>\$1,728,737</u>

See accompanying notes to the basic financial statements

Village of Westfield Center
 Medina County
 Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
 Governmental Funds
 For the Year Ended December 31, 2013

	General	SCMR	Other Governmental Funds	Total Governmental Funds
Receipts				
Municipal Income Taxes	\$1,218,645			\$1,218,645
Property Taxes	119,992			119,992
Other Local Taxes			\$3,552	3,552
Intergovernmental	142,813	\$60,368		203,181
Charges for Services	4,927		141	5,068
Fines, Licenses and Permits	4,284			4,284
Miscellaneous	70,110			70,110
<i>Total Receipts</i>	<u>1,560,771</u>	<u>60,368</u>	<u>3,693</u>	<u>1,624,832</u>
Disbursements				
Current:				
Security of Persons and Property	250,381		46,426	296,807
Public Health Services	1,837			1,837
Leisure Time Activities	14,011			14,011
Community Environment	8,673			8,673
Transportation	194,365			194,365
General Government	344,802			344,802
Capital Outlay	110,072			110,072
<i>Total Disbursements</i>	<u>924,141</u>		<u>46,426</u>	<u>970,567</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>636,630</u>	<u>60,368</u>	<u>(42,733)</u>	<u>654,265</u>
Other Financing Sources (Uses)				
Transfers In		50,000		50,000
Transfers Out	(166,000)			(166,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(166,000)</u>	<u>50,000</u>		<u>(116,000)</u>
Special Item	100,000			100,000
<i>Net Change in Fund Balances</i>	570,630	110,368	(42,733)	638,265
<i>Fund Balances Beginning of Year</i>	<u>868,674</u>	<u>149,818</u>	<u>71,980</u>	<u>1,090,472</u>
<i>Fund Balances End of Year</i>	<u>\$1,439,304</u>	<u>\$260,186</u>	<u>\$29,247</u>	<u>\$1,728,737</u>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Municipal Income Taxes	\$1,126,600	\$1,126,600	\$1,218,645	\$92,045
Property Taxes	120,500	120,500	119,992	(508)
Intergovernmental	39,475	39,475	142,813	103,338
Charges for Services	7,500	7,500	4,927	(2,573)
Fines, Licenses and Permits	4,000	4,000	4,284	284
Miscellaneous	56,194	56,194	70,110	13,916
<i>Total Receipts</i>	<u>1,354,269</u>	<u>1,354,269</u>	<u>1,560,771</u>	<u>206,502</u>
Disbursements				
Current:				
Security of Persons and Property	284,593	284,593	250,776	33,817
Public Health Services	3,470	3,470	1,837	1,633
Leisure Time Activities	40,200	40,200	14,011	26,189
Community Environment	8,595	8,595	8,673	(78)
Transportation	227,250	237,132	196,931	40,201
General Government	384,125	402,358	349,002	53,356
Capital Outlay	1,009,252	1,009,252	110,072	899,180
<i>Total Disbursements</i>	<u>1,957,485</u>	<u>1,985,600</u>	<u>931,302</u>	<u>1,054,298</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(603,216)</u>	<u>(631,331)</u>	<u>629,469</u>	<u>847,796</u>
Other Financing Sources (Uses)				
Transfers Out	(166,000)	(166,000)	(166,000)	
Special Item	(100,000)	(71,885)	100,000	171,885
<i>Net Change in Fund Balance</i>	<u>(869,216)</u>	<u>(869,216)</u>	<u>563,469</u>	<u>1,019,681</u>
<i>Unencumbered Fund Balance Beginning of Year</i>	823,557	823,557	823,557	
Prior Year Encumbrances Appropriated	45,117	45,117	45,117	
<i>Unencumbered Fund Balance End of Year</i>	<u>(\$542)</u>	<u>(\$542)</u>	<u>\$1,432,143</u>	<u>\$1,019,681</u>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
SCMR Fund
For the Year Ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Intergovernmental	\$55,500	\$55,500	\$60,368	\$4,868
Disbursements				
Capital Outlay	205,300	205,300		205,300
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(149,800)</u>	<u>(149,800)</u>	<u>60,368</u>	<u>210,168</u>
Other Financing Sources				
Transfers In			50,000	50,000
<i>Net Change in Fund Balance</i>	(149,800)	(149,800)	110,368	260,168
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>149,818</u>	<u>149,818</u>	<u>149,818</u>	
<i>Unencumbered Fund Balance End of Year</i>	<u>\$18</u>	<u>\$18</u>	<u>\$260,186</u>	<u>\$260,168</u>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Fund Net Position - Cash Basis
Proprietary Fund
December 31, 2013

	<u>Sewer Enterprise Fund</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$323,315</u>
Net Position	
Unrestricted	<u><u>\$323,315</u></u>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Ba
Proprietary Funds
For the Year Ended December 31, 2013

	Sewer Enterprise Fund
Operating Receipts	
Charges for Services	\$293,838
Operating Disbursements	
Personal Services	99,878
Employee Fringe Benefits	41,557
Contractual Services	64,951
Supplies and Materials	32,917
Other	1,000
<i>Total Operating Disbursements</i>	240,303
<i>Operating Income</i>	53,535
Non-Operating Receipts (Disbursements)	
Special Assessments	155,588
Capital Outlay	(4,980)
Principal Retirement	(178,410)
Interest and Other Fiscal Charges	(41,530)
<i>Total Non-Operating Receipts (Disbursements)</i>	(69,332)
<i>Loss before Transfers</i>	(15,797)
Transfers In	116,000
<i>Change in Net Position</i>	100,203
<i>Net Position Beginning of Year</i>	223,112
<i>Net Position End of Year</i>	\$323,315

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Fiduciary Net Position - Cash Basis
Agency Fund
December 31, 2013

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$477</u>
Net Position	
Unrestricted	<u><u>\$477</u></u>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Net Position - Cash Basis
December 31, 2012

	Governmental Activities	Business - Type Activities	Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,090,472	\$223,112	\$1,313,584
Net Position			
Restricted for:			
Other Purposes	221,798		221,798
Unrestricted	868,674	223,112	1,091,786
<i>Total Net Position</i>	\$1,090,472	\$223,112	\$1,313,584

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2012

	Program Cash Receipts			
	Cash Disbursements	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
Current:				
Security of Persons and Property	\$224,782	\$16,458		
Public Health Services	2,194	2,800		
Leisure Time Activities	20,254	2,269		
Community Environment	7,889	349		
Transportation	167,577		\$59,006	
General Government	346,430	4,778		
Capital Outlay	474,133			
<i>Total Governmental Activities</i>	1,243,259	26,654	59,006	
Business-Type Activities				
Sewer Operating	466,143	261,982		150,273
<i>Total</i>	<u>\$1,709,402</u>	<u>\$288,636</u>	<u>\$59,006</u>	<u>\$150,273</u>

General Receipts:
 Property and Other Local Taxes
 Income Taxes
 Grants and Entitlements not Restricted to Specific Programs
 Miscellaneous
 Transfers

Total General Receipts

Change in Net Position

Net Position Beginning of Year

Net Position End of Year

See accompanying notes to the basic financial statements

Net (Disbursements) Receipts and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
(\$208,324)		(\$208,324)
606		606
(17,985)		(17,985)
(7,540)		(7,540)
(108,571)		(108,571)
(341,652)		(341,652)
(474,133)		(474,133)
(1,157,599)		(1,157,599)
	(53,888)	(53,888)
(1,157,599)	(53,888)	(1,211,487)
128,080		128,080
991,290		991,290
48,225		48,225
65,355		65,355
(116,000)	116,000	
1,116,950	116,000	1,232,950
(40,649)	62,112	21,463
1,131,121	161,000	1,292,121
\$1,090,472	\$223,112	\$1,313,584

Village of Westfield Center
Medina County
Statement of Assets and Fund Balances - Cash Basis
Governmental Funds
December 31, 2012

	General	SCMR	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$868,674	\$149,818	\$71,980	\$1,090,472
Fund Balances				
Restricted		149,818	71,980	221,798
Committed	45,117			45,117
Assigned	6,136			6,136
Unassigned	817,421			817,421
<i>Total Fund Balances</i>	\$868,674	\$149,818	\$71,980	\$1,090,472

See accompanying notes to the basic financial statements

Village of Westfield Center
 Medina County
 Statement of Receipts, Disbursements and Changes in Fund Balances - Cash Basis
 Governmental Funds
 For the Year Ended December 31, 2012

	General	SCMR	Other Governmental Funds	Total Governmental Funds
Receipts				
Municipal Income Taxes	\$991,290			\$991,290
Property Taxes	124,630			124,630
Other Local Taxes			\$3,450	3,450
Intergovernmental	50,208	\$59,006		109,214
Charges for Services	5,069		16,458	21,527
Fines, Licenses and Permits	3,144			3,144
Miscellaneous	65,355			65,355
<i>Total Receipts</i>	<u>1,239,696</u>	<u>59,006</u>	<u>19,908</u>	<u>1,318,610</u>
Disbursements				
Current:				
Security of Persons and Property	223,559		1,223	224,782
Public Health Services	2,194			2,194
Leisure Time Activities	20,254			20,254
Community Environment	7,889			7,889
Transportation	167,577			167,577
General Government	346,430			346,430
Capital Outlay	461,510		12,623	474,133
<i>Total Disbursements</i>	<u>1,229,413</u>		<u>13,846</u>	<u>1,243,259</u>
<i>Excess of Receipts Over Disbursements</i>	<u>10,283</u>	<u>59,006</u>	<u>6,062</u>	<u>75,351</u>
Other Financing Uses				
Transfers Out	(116,000)			(116,000)
<i>Net Change in Fund Balances</i>	(105,717)	59,006	6,062	(40,649)
<i>Fund Balances Beginning of Year</i>	<u>974,391</u>	<u>90,812</u>	<u>65,918</u>	<u>1,131,121</u>
<i>Fund Balances End of Year</i>	<u>\$868,674</u>	<u>\$149,818</u>	<u>\$71,980</u>	<u>\$1,090,472</u>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
General Fund
For the Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Receipts				
Municipal Income Taxes	\$1,126,600	\$1,126,600	\$991,290	(\$135,310)
Property Taxes	120,500	120,500	124,630	4,130
Intergovernmental	41,975	41,975	50,208	8,233
Charges for Services	7,500	7,500	5,069	(2,431)
Fines, Licenses and Permits	4,000	4,000	3,144	(856)
Miscellaneous	56,194	56,194	65,355	9,161
<i>Total Receipts</i>	<u>1,356,769</u>	<u>1,356,769</u>	<u>1,239,696</u>	<u>(117,073)</u>
Disbursements				
Current:				
Security of Persons and Property	228,285	256,849	249,274	7,575
Public Health Services	2,500	2,500	2,194	306
Leisure Time Activities	47,375	48,091	20,254	27,837
Community Environment	8,050	8,050	7,889	161
Transportation	191,010	211,910	171,577	40,333
General Government	362,250	377,190	346,782	30,408
Capital Outlay	1,058,560	1,079,855	476,560	603,295
<i>Total Disbursements</i>	<u>1,898,030</u>	<u>1,984,445</u>	<u>1,274,530</u>	<u>709,915</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(541,261)</u>	<u>(627,676)</u>	<u>(34,834)</u>	<u>592,842</u>
Other Financing Uses				
Transfers Out	(116,000)	(116,000)	(116,000)	
Other Financing Uses	(100,000)	(13,585)		13,585
<i>Total Other Financing Uses</i>	<u>(216,000)</u>	<u>(129,585)</u>	<u>(116,000)</u>	<u>13,585</u>
<i>Net Change in Fund Balance</i>	(757,261)	(757,261)	(150,834)	606,427
<i>Unencumbered Fund Balance Beginning of Year</i>	965,988	965,988	965,988	
Prior Year Encumbrances Appropriated	8,403	8,403	8,403	
<i>Unencumbered Fund Balance End of Year</i>	<u>\$217,130</u>	<u>\$217,130</u>	<u>\$823,557</u>	<u>\$606,427</u>

See accompanying notes to the basic financial statements

Vilage of Westfield Center
Medina County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
SCMR Fund
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	(Optional) Variance with Final Budget Positive (Negative)
	Original	Final		
Receipts				
Intergovernmental	\$55,500	\$55,500	\$59,006	\$3,506
Disbursements				
Current:				
Transportation	40,000	40,000		40,000
Capital Outlay	100,000	100,000		100,000
<i>Total Disbursements</i>	<u>140,000</u>	<u>140,000</u>		<u>140,000</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(84,500)</u>	<u>(84,500)</u>	<u>59,006</u>	<u>143,506</u>
<i>Net Change in Fund Balance</i>	(84,500)	(84,500)	59,006	143,506
<i>Unencumbered Fund Balance Beginning of Year</i>	<u>90,812</u>	<u>90,812</u>	<u>90,812</u>	
<i>Unencumbered Fund Balance End of Year</i>	<u><u>\$6,312</u></u>	<u><u>\$6,312</u></u>	<u><u>\$149,818</u></u>	<u><u>\$143,506</u></u>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Fund Net Position - Cash Basis
Proprietary Fund
December 31, 2012

	<u>Sewer Enterprise Fund</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$223,112</u>
Net Position	
Unrestricted	<u><u>\$223,112</u></u>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Receipts, Disbursements and Changes in Fund Net Position - Cash Basis
Proprietary Fund
For the Year Ended December 31, 2012

	Sewer Enterprise Fund
Operating Receipts	
Charges for Services	\$261,982
Operating Disbursements	
Personal Services	107,605
Employee Fringe Benefits	35,433
Contractual Services	54,126
Supplies and Materials	36,278
Other	2,600
<i>Total Operating Disbursements</i>	<i>236,042</i>
<i>Operating Income</i>	<i>25,940</i>
Non-Operating Receipts (Disbursements)	
Special Assessments	150,273
Capital Outlay	(10,161)
Principal Retirement	(171,457)
Interest and Other Fiscal Charges	(48,483)
<i>Total Non-Operating Receipts (Disbursements)</i>	<i>(79,828)</i>
<i>Loss Before Transfers</i>	<i>(53,888)</i>
Transfers In	116,000
<i>Change in Net Position</i>	<i>62,112</i>
<i>Net Position Beginning of Year</i>	<i>161,000</i>
<i>Net Position End of Year</i>	<i>\$223,112</i>

See accompanying notes to the basic financial statements

Village of Westfield Center
Medina County
Statement of Fiduciary Net Position - Cash Basis
Agency Fund
December 31, 2012

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$270</u>
Net Position	
Unrestricted	<u><u>\$270</u></u>

See accompanying notes to the basic financial statements

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 1 - Reporting Entity

The Village of Westfield Center, Medina County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council and votes only to break a tie. The Village provides the following services to its citizens: police and fire protection, sewer utilities, and street maintenance, construction and repairs.

Joint Venture and Public Entity Risk Pools

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The Village participated in a joint venture with Westfield Township for fire protection services.

The Village participates in a public entity risk pool for workers' compensation insurance. These organizations are presented in Notes 13 and 14 to the financial statements.

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

As discussed further in the "Basis of Accounting" section of this note, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. Following are the more significant of the Village's accounting policies.

Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The statement of net position presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each program or function of the Village's governmental activities and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services, grants and contributions restricted to meeting the operational or capital requirements of a particular program, and receipts of interest earned on grants required to be used to support a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental program or business activity is self-financing on a cash basis or draws from the general receipts of the Village.

Fund Financial Statements During the year, the Village segregates transactions related to certain Village functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

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 in three categories: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions of the Village are financed. The following are the Village's major governmental funds:

General 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.

Street Construction Maintenance and Repair (SCMR) 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 maintenance and repair of streets within the Village.

The other governmental funds of the Village account for and report grants and other resources, whose use is restricted, committed or assigned to a particular purpose.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

Proprietary Funds The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as either enterprise funds or internal service funds.

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is the Village's major enterprise fund:

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held by the Village under a trust agreement for individuals, private organizations, or other governments and are not available to support the Village's own programs. The Village does not have any trust funds. Agency funds are purely custodial in nature and are used to account for assets held by the Village for individuals, other governments, or other organizations. The Village's agency fund accounts for Mayor's Court fine collections and disbursements.

Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Except for modifications having substantial support, receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred. Any such modifications made by the Village are described in the appropriate section in this note.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount Village Council may appropriate. The appropriations ordinance is Village Council's authorization to spend resources and sets annual limits on cash disbursements plus encumbrances at the level of control selected by Village Council. The legal level of control has been established by Village Council at the object level for all funds.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Budgetary Process (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Fiscal Officer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by Village Council during the year.

Cash

To improve cash management, cash received by the Village is pooled and invested. Individual fund integrity is maintained through Village records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents".

Inventory and Prepaid Items

The Village reports disbursements for inventory and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Capital Assets

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

Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village's *modified* cash basis of accounting.

Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for employer contributions to cost-sharing pension plans when they are paid. As described in Notes 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds and other long-term obligations. Proceeds of debt are reported when cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

Net Position

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes include resources restricted for street construction and maintenance and grants.

The Village's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Fund Balance

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

Nonspendable The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted Fund balance is reported as 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.

Enabling legislation authorizes the Village to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Village can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of Village Council. Those committed amounts cannot be used for any other purpose unless Village Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, the committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by Village Council, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by Village Council or a Village official delegated that authority by ordinance, or by State Statute.

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

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

Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 2 - Summary of Significant Accounting Policies (continued)

Special Items

Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. The Village received \$100,000 from a local employer in 2013 to cover the legal costs associated with the transfer of property from the Village to the employer.

Note 3 - Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and SCMR Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The differences between the budgetary basis and the cash basis are outstanding year end encumbrances are treated as cash disbursements (budgetary basis) rather than as restricted, committed or assigned fund balance (cash basis).

For 2013 and 2012, the General Fund's encumbrances outstanding at year end (budgetary basis) amounted to \$7,161 and \$45,117, respectively. For 2013 and 2012, the SCMR Fund did not have any outstanding encumbrances.

Note 4 – Deposits and Investments

Monies held by the Village are classified by State statute into three categories.

Active deposits are public deposits determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts, including passbook accounts.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 4 – Deposits and Investments (Continued)

3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or Ohio local governments;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio).

Investments in stripped principal or interest obligations reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village will not be able to recover deposits or collateral securities that are in the possession of an outside party. At December 31, 2013, \$1,861,679 of the Village's bank balance of \$2,111,679 was exposed to custodial credit risk because those deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the Village's name. Although the securities serving as collateral were held by the pledging institution in the pledging institution's name, and all State statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the Village to a successful claim by the FDIC. At December 31, 2012, the entire amount of the Village's bank balance of \$1,375,358 was covered by the Federal Deposit Insurance Corporation.

The Village has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the Village or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of December 31, 2013 and 2012, the Village had no investments.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 5 – Income Taxes

The Village levies a one percent income tax on substantially all income earned in the Village. The Village allows a credit of the lesser of the actual taxes paid to another village or city, but not in excess of the one percent levied by the Village. Additional increases in the income tax rate require voter approval. Employers within the Village withhold income tax on employee compensation and remit at least quarterly and file an annual declaration.

The Village’s income tax ordinance requires all funds collected to be deposited into the General Fund. Income tax receipts are to be used to pay the cost of general village operations, maintenance of equipment, new equipment, fire and police protection services.

Note 6 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the Village. Property tax revenue received during 2013 and 2012 for real and public utility property taxes represents collections of 2012 and 2011 taxes, respectively

2013 and 2012 real property taxes are levied after October 1, 2013 and 2012, on the assessed value as of January 1, 2013 and 2012, respectively, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2013 and 2012 real property taxes are collected in and intended to finance 2013 and 2012, respectively.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2013 and 2012 public utility property taxes which became a lien December 31, 2012 and 2011, respectively, are levied after October 1, 2013 and 2012, respectively, and are collected in 2013 and 2012, respectively with real property taxes.

The full tax rate for all Village operations for the year ended December 31, 2013 and 2012, was \$2.60 per \$1,000 of assessed value. The assessed values of real property and public utility tangible property upon which 2013 and 2012 property tax receipts were based are as follows:

	2013	2012
Real Property	\$50,826,210	\$50,806,700
Public Utility Personal Property	688,840	628,590
Total	\$51,515,050	\$51,435,290

The County Treasurer collects property taxes on behalf of all taxing districts in the county, including the Village. The County Auditor periodically remits to the Village its portion of the taxes collected.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 7 - Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During 2013 and 2012, the Village contracted with Selective Insurance Company for various types of insurance as follows:

Type of Coverage	Coverage	Deductible
Blanket Property: Building Only	\$8,466,227	\$2,500
Blanket Property: Business Personal Property	473,301	2,500
Inland Marine	310,155	500
General Liability	2,000,000	0
Automobile Liability	1,000,000	0
Public Officials Liability	1,000,000	7,500
Police Professional Liability	1,000,000	7,500
Commercial Umbrella	10,000,000	0
Computer Fraud	100,000	1,000
Employee Theft- Per Loss	250,000	50,000

Settled claims have not exceeded this commercial coverage in any of the past three years and there was no significant reduction in coverage from the prior year.

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for workers' compensation. The intent of the GRP is to achieve the benefit of reduced premiums for the participants, foster safer working conditions and foster cost-effective claims management skills by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating cities is calculated as one experience and a common premium is applied to all cities in the GRP. Each participant pays its workers' compensation premium to the state based on the rate for all cities in the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangements insures that each participant shares equally in the overall performance of the GRP. Comp Management provides administrative, cost control and actuarial services to the GRP.

The Village provides health, dental, and vision insurance to full-time employees through a private carrier.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 8- Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Plan Description – The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Pension Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement units. Member contribution rates are set forth in the Ohio Revised Code. For the years ended December 31, 2013 and 2012, members in the state and local divisions contributed 10 percent of covered payroll while law enforcement members contributed 12.10 percent and 12.60, respectively. While members in the state and local divisions may participate in all three plans, the law enforcement divisions exist only within the Traditional Pension Plan. For 2013 and 2012, member and employer contribution rates were consistent across all three plans.

The Village's 2013 and 2012 contribution rate was 14.0 percent, except for those plan members in law enforcement, for whom the Village's contribution was 18.10 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in 2013 was 1 percent and in 2012 it was 4 percent. Employer contribution rates are actuarially determined.

The Village's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2013, 2012, and 2011 were \$57,659, \$44,715, and \$40,273, respectively; 100 percent has been contributed for 2013, 2012, and 2011. Contributions to the Member-Directed Plan are available upon request.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 9 - Postemployment Benefits

Ohio Public Employees Retirement System

Plan Description – Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan—a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan—a defined contribution plan; and the Combined Plan—a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not mandate, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The post-employment health care plan was established under, and is administrated in accordance with, Internal Revenue Code 401(h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2013 and 2012, state and local employers contributed at a rate of 14.0 percent of covered payroll, and public safety employers contributed at 18.10 percent. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law and public safety employer units.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post-employment health care benefits. The portion of employer contributions allocated to health care for members in 2013 was 1 percent and in 2012 it was 4 percent.

The Village's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2013, 2012, and 2011 were \$4,435, \$17,886, and \$16,109, respectively; 100 percent has been contributed for 2013, 2012, and 2011.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 10 – Long Term Obligations

The Village incurred the following obligations in connection with the Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) for the construction of the sewer and water facilities. The payments for these projects' debt are reflected in the enterprise funds.

The changes in the Village's long-term debt during 2013 were as follows:

	Amount Outstanding 1/1/13	Additions	Deletions	Amount Outstanding 12/31/13	Due in One Year
Business-Type Activities:					
Ohio Water Development Authority Wastewater Treatment Plant Upgrades Interest Rate 4.12%	\$1,051,062		\$173,194	\$877,868	\$181,237
Ohio Public Works Commission Wastewater Treatment Plant Upgrades Interest Rate 0%	28,701		4,416	24,285	4,416
Total	<u><u>\$1,079,763</u></u>	<u><u>\$0</u></u>	<u><u>\$177,610</u></u>	<u><u>\$902,153</u></u>	<u><u>\$185,653</u></u>

The changes in the Village's long-term debt during 2012 were as follows:

	Amount Outstanding 1/1/12	Additions	Deletions	Amount Outstanding 12/31/12	Due in One Year
Business-Type Activities:					
Ohio Water Development Authority Wastewater Treatment Plant Upgrades Interest Rate 4.12%	\$1,218,103		\$167,041	\$1,051,062	\$173,194
Ohio Public Works Commission Wastewater Treatment Plant Upgrades Interest Rate 0%	33,117		4,416	28,701	4,416
Total	<u><u>\$1,251,220</u></u>	<u><u>\$0</u></u>	<u><u>\$171,457</u></u>	<u><u>\$1,079,763</u></u>	<u><u>\$177,610</u></u>

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 10 – Long Term Obligations (Continued)

Principal and interest requirements to retire general obligation bonds outstanding at December 31, 2013, were as follows:

Year	Ohio Water Development Authority Loan		Ohio Public Works Commission Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$181,237	\$34,287	\$4,416	\$0	\$185,653	\$34,287
2015	188,781	26,744	4,416	0	\$193,197	\$26,744
2016	196,639	18,886	4,416	0	\$201,055	\$18,886
2017	204,824	10,701	4,416	0	\$209,240	\$10,701
2018	106,388	2,175	4,416	0	\$110,804	\$2,175
2019	0	0	2,205	0	\$2,205	\$0
Total	<u>\$877,868</u>	<u>\$92,792</u>	<u>\$24,285</u>	<u>\$0</u>	<u>\$902,153</u>	<u>\$92,792</u>

The Ohio Revised Code provides that net general obligation debt of the Village, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed 5.5 percent of the tax valuation of the Village. The Revised Code further provides that total voted and unvoted net debt of the Village less the same exempt debt shall never exceed amount equal to 10.5 percent of its tax valuation. The Village did not have any debt during 2013 or 2012 subject to this limitation.

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 11 – Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances For the Year Ended December 31, 2013	General Fund	SCMR Fund	Other Governmental Funds	Total
Restricted for				
Road Improvements and Repair		260,186	29,247	289,433
Committed to				
Other Purposes	7,161			7,161
Assigned to				
Capital Outlay	6,136			6,136
Unassigned (deficits):	1,426,007			1,426,007
<i>Total Fund Balances</i>	<u>\$1,439,304</u>	<u>\$260,186</u>	<u>\$29,247</u>	<u>\$1,728,737</u>

Fund Balances For the Year Ended December 31, 2012	General Fund	SCMR Fund	Other Governmental Funds	Total
Restricted for				
Road Improvements and Repair		149,818	25,695	175,513
Emergency Services			46,285	46,285
<i>Total Restricted</i>		149,818	71,980	221,798
Committed to				
Other Purposes	45,117			45,117
Assigned to				
Capital Outlay	6,136			6,136
Unassigned (deficits):	817,421			817,421
<i>Total Fund Balances</i>	<u>\$868,674</u>	<u>\$149,818</u>	<u>\$71,980</u>	<u>\$1,090,472</u>

Village of Westfield Center, Ohio
Medina County
Notes to the Basic Financial Statements
For the Years Ended December 31, 2013 and 2012

Note 12 - Interfund Transfers

During 2013 and 2012 the following transfers were made:

During 2013 the following transfers were made:

Transfers To	Transfers From
	General
Sewer Enterprise Fund	\$116,000
SCMR Fund	50,000
Total	\$166,000

During 2012 the following transfers were made:

Transfers To	Transfers From
	General
Sewer Enterprise Fund	\$116,000

Transfers represent the allocation of unrestricted receipts collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 13 – Joint Ventures

Westfield Fire Department (the Department) was jointly governed by Westfield Township (the Township) and the Village of Westfield Center (the Village). Each governing body separately appoints two representatives to the governing committee. The Township representatives consist of one trustee and one resident of the Township. The Village appoints two Village Council members as representatives. The Township pays all expenses of the Department. The Village is then invoiced for their portion of the expenses.

In the November 2012 general election, the electors of Westfield Township decided to form a separate fire district. The fire district began operations on January 1, 2013; the Village has no governing authority over the district, and is not financially responsible to the district, other than for the amount agreed upon and billed to the Village for fire protection and emergency management services.

Note 14 – Public Entity Risk Pool

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker's compensation. The pool's business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.



Dave Yost • Auditor of State

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

Village of Westfield Center
Medina County
6701 Greenwich Road
Westfield Center, Ohio 44251

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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Westfield Center Medina County, Ohio (the Village) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated August 8, 2014, wherein we noted the Village follows the cash accounting basis.

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*.

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 communication is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

August 8, 2014

**VILLAGE OF WESTFIELD CENTER
MEDINA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2013 AND 2012**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2011-001	Material Weakness – Mayor’s Court Procedures: The activity of the Mayor’s County was kept separate from the Village’s accounting records was included on financial statements. An Audit adjustment was recorded to reflect this activity. Other internal control deficiencies related to the Mayor’s court were also noted.	No	Partially Corrected- A similar comment is repeated in the management letter for the current audit.
2011-002	Noncompliance Finding – Ohio Rev. Code § 1905.21, 2929.091, 733.4, 4511.193 and 9.38: Various noncompliance issues related to the Mayor’s court’s accounting records and receipt and disbursement procedures were identified.	Yes	Finding no longer valid.

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Dave Yost • Auditor of State

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 26, 2014