

**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO**

**AUDIT REPORT**

**FOR THE YEARS ENDED DECEMBER 31, 2013 and 2012**

**Charles E. Harris and Associates, Inc.**  
**Certified Public Accountants and Government Consultants**





# Dave Yost • Auditor of State

Village Council  
Village of Washingtonville  
415 S. County Road  
Washingtonville, Ohio 44490

We have reviewed the *Independent Auditor's Report* of the Village of Washingtonville, Columbiana County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

July 10, 2014

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**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO  
For the Years Ended December 31, 2013 and 2012**

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

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**INDEPENDENT AUDITORS' REPORT**

Village of Washingtonville  
Columbiana County  
415 S. County Road  
Washingtonville, Ohio 44490

To the Village Council:

***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Village of Washingtonville, Columbiana County, (the Village) as of and for the years ended December 31, 2013 and 2012.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2013 and 2012, or changes in financial position or cash flows, thereof for the years then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Washingtonville, Columbiana County as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 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.



**CHARLES E. HARRIS & ASSOCIATES, INC.**

June 23, 2014

VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013

	Governmental Fund Types			Total Memorandum Only
	General	Special Revenue	Capital Projects	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 19,648	\$ 82,350	\$ -	\$ 101,998
Intergovernmental	20,422	40,516	-	60,938
Fees, Fines, Licenses & Permits	61,087	-	-	61,087
Miscellaneous	8,738	2,125	-	10,863
<b>Total Cash Receipts</b>	<b>109,895</b>	<b>124,991</b>	<b>-</b>	<b>234,886</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Security of Persons and Property	33,117	99,721	-	132,838
Public Health Services	684	-	-	684
Leisure Time Activities	-	179	-	179
Transportation	-	46,153	-	46,153
General Government	53,854	-	-	53,854
Capital Outlay	31,988	6,504	-	38,492
<b>Total Cash Disbursements</b>	<b>119,643</b>	<b>152,557</b>	<b>-</b>	<b>272,200</b>
<b>Net Change in Fund Cash Balance</b>	<b>(9,748)</b>	<b>(27,566)</b>	<b>-</b>	<b>(37,314)</b>
<b>Fund Cash Balance, January 1</b>	<b>75,092</b>	<b>269,842</b>	<b>3,577</b>	<b>348,511</b>
<b>Fund Cash Balance, December 31</b>				
Restricted	-	222,276	3,577	225,853
Unassigned	65,344	-	-	65,344
<b>Fund Cash Balance, December 31</b>	<b>\$ 65,344</b>	<b>\$ 242,276</b>	<b>\$ 3,577</b>	<b>\$ 311,197</b>

See accompanying Notes to the Financial Statements.



**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Proprietary Fund Types Enterprise Fund</u>	<u>Fiduciary Fund Types Agency</u>	<u>Total (Memorandum Only)</u>
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 357,380	-	\$ 357,380
Fines, Licenses and Permits	-	\$ 96,384	96,384
<b>Total Operating Cash Receipts</b>	<b>357,380</b>	<b>96,384</b>	<b>453,764</b>
<b>Operating Cash Disbursements</b>			
Personal Services	79,619	-	79,619
Employee Fringe Benefits	45,489	-	45,489
Contractual Services	110,604	397	111,001
Supplies and Materials	25,724	330	26,054
Other	-	83,111	83,111
<b>Total Operating Cash Disbursements</b>	<b>261,436</b>	<b>83,838</b>	<b>345,274</b>
<b>Operating Income (Loss)</b>	<b>95,944</b>	<b>12,546</b>	<b>108,490</b>
<b>Non-Operating Receipts (Disbursements):</b>			
Miscellaneous Receipts	1,027	-	1,027
Capital Outlay	(12,039)	-	(12,039)
Principal Retirement	(18,870)	-	(18,870)
Interest and Fiscal Charges	(28,845)	-	(28,845)
<b>Total Non-Operating Receipts (Disbursements)</b>	<b>(58,727)</b>	<b>-</b>	<b>(58,727)</b>
<b>Net Receipts Over Disbursements</b>	<b>37,217</b>	<b>12,546</b>	<b>49,763</b>
<b>Fund Cash Balance, January 1</b>	<b>309,746</b>	<b>7,484</b>	<b>317,230</b>
<b>Fund Cash Balance, December 31</b>	<b>\$ 346,963</b>	<b>\$ 20,030</b>	<b>\$ 366,993</b>

See accompanying Notes to the Financial Statements.

**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Governmental Fund Types</u>			<u>Total Memorandum Only</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Property and Other Local Taxes	\$ 19,539	\$ 81,898	\$ -	\$ 101,437
Intergovernmental	22,464	39,558	-	62,022
Fees, Fines, Licenses & Permits	47,413	-	-	47,413
Miscellaneous	1,044	384	-	1,428
<b>Total Cash Receipts</b>	<b>90,460</b>	<b>121,840</b>	<b>-</b>	<b>212,300</b>
<b>Cash Disbursements:</b>				
<b>Current:</b>				
Security of Persons and Property	23,870	105,557	-	129,427
Public Health Services	666	-	-	666
Transportation	-	23,616	-	23,616
Capital Outlay	12,153	7,689	-	19,842
General Government	55,167	-	-	55,167
<b>Total Cash Disbursements</b>	<b>91,856</b>	<b>136,862</b>	<b>-</b>	<b>228,718</b>
<b>Net Change in Fund Cash Balance</b>	<b>(1,396)</b>	<b>(15,022)</b>	<b>-</b>	<b>(16,418)</b>
<b>Fund Cash Balance, January 1</b>	<b>76,488</b>	<b>284,864</b>	<b>3,577</b>	<b>364,929</b>
<b>Fund Cash Balance, December 31</b>				
Restricted	-	269,841	3,577	273,418
Unassigned	75,092	-	-	75,092
<b>Fund Cash Balance, December 31</b>	<b>\$ 75,092</b>	<b>\$ 269,842</b>	<b>\$ 3,577</b>	<b>\$ 348,511</b>

See accompanying Notes to the Financial Statements.

VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGES IN FUND CASH BALANCES  
ALL PROPRIETARY AND FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2012

	Proprietary Fund Types <u>Enterprise Fund</u>	Fiduciary Fund Types <u>Agency</u>	Total (Memorandum Only)
<b>Operating Cash Receipts:</b>			
Charges for Services	\$ 357,385	-	\$ 357,385
Fines, Licenses and Permits	-	\$ 63,689	63,689
<b>Total Operating Cash Receipts</b>	<u>357,385</u>	<u>63,689</u>	<u>421,074</u>
<b>Operating Cash Disbursements</b>			
Personal Services	79,325	-	79,325
Employee Fringe Benefits	43,465	-	43,465
Contractual Services	127,581	369	127,950
Supplies and Materials	27,006	1,201	28,207
Other	-	60,797	60,797
<b>Total Operating Cash Disbursements</b>	<u>277,377</u>	<u>62,367</u>	<u>339,744</u>
<b>Operating Income (Loss)</b>	<u>80,008</u>	<u>1,322</u>	<u>81,330</u>
<b>Non-Operating Receipts (Disbursements):</b>			
Miscellaneous Receipts	1,567	-	1,567
Capital Outlay	(10,345)	-	(10,345)
Principal Retirement	(21,305)	-	(21,305)
Interest and Fiscal Charges	(29,475)	-	(29,475)
<b>Total Non-Operating Receipts (Disbursements)</b>	<u>(59,558)</u>	<u>-</u>	<u>(59,558)</u>
<b>Net Receipts Over Disbursements</b>	<u>20,450</u>	<u>1,322</u>	<u>21,772</u>
<b>Fund Cash Balance, January 1</b>	<u>289,296</u>	<u>6,162</u>	<u>295,458</u>
<b>Fund Cash Balance, December 31</b>	<u>\$ 309,746</u>	<u>\$ 7,484</u>	<u>\$ 317,230</u>

See accompanying Notes to the Financial Statements.

**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

The Village of Washingtonville, (the Village) is a body corporate and politic established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general government, water and sewer utilities, street repair and maintenance and police services. The Village contracts with the Village of Leetonia for fire protection.

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

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits and Investments**

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

The Village maintains cash in an interest-bearing checking account.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**2. Special Revenue Funds**

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

**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**1. Summary of Significant Accounting Policies (continued)**

**2. Special Revenue Funds (continued)**

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

Police Fund – This fund receives property tax monies received solely to provide police protection services for village residents.

**3. Capital Project Funds**

These funds account for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Village had the following significant Capital Project fund:

Building Fund – This fund receives grant monies to make improvements to the Village hall.

**4. Enterprise Funds**

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

Water Fund - This fund receives charges for services from residents to cover water service costs.

Sewer Fund - This fund receives charges for services from residents to cover sewer service costs.

Sewer Capital Fund - This fund receives a portion of sewer charges for services. This money is used to repay a USDA loan used to finance improvements to the Village sewage system.

**5. Fiduciary Funds**

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other governments. The Village's agency fund accounts for fines and court costs collected in the Mayor's court.

VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

1. **Summary of Significant Accounting Policies (continued)**

E. **Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

1. **Appropriations**

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

2. **Estimated Resources**

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

3. **Encumbrances**

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

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. **Fund Balance**

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

1. **Nonspendable**

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

2. **Restricted**

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

VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

1. **Summary of Significant Accounting Policies (continued)**

3. **Committed**

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

4. **Assigned**

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

5. **Unassigned**

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

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

**G. Property, Plant, and Equipment**

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

**H. Accumulated Leave**

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

2. **Equity in Pooled Deposits and Investments**

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

**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**2. Equity in Pooled Deposits and Investments (continued)**

	2013	2012
Demand deposits	\$ 678,190	\$ 665,741

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. Budgetary Activity**

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

2013 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 66,531	\$ 109,895	\$ 43,364
Special Revenue	131,200	124,991	(6,209)
Enterprise	311,200	358,407	47,207
Total	\$ 508,931	\$ 593,293	\$ 84,362

2013 Budgeted vs. Actual Budgetary Basis Disbursements

Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 140,655	\$ 119,643	\$ 21,012
Special Revenue	375,125	152,557	222,568
Enterprise	520,475	321,190	199,285
Total	\$ 1,036,255	\$ 593,390	\$ 442,865

2012 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 77,025	\$ 90,460	\$ 13,435
Special Revenue	132,064	121,840	(10,224)
Enterprise	311,200	358,952	47,752
Total	\$ 520,289	\$ 571,252	\$ 50,963



**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**3. Budgetary Activity (continued)**

2012 Budgeted vs. Actual Budgetary Basis Disbursements			
Fund Type	Appropriation Authority	Budgetary Disbursements	Variance
General	\$ 152,383	\$ 91,856	\$ 60,527
Special Revenue	313,532	136,862	176,670
Enterprise	503,312	338,502	164,810
Total	\$ 969,227	\$ 567,220	\$ 402,007

**4. Property Tax**

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

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

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

**5. Debt**

Debt outstanding at December 31, 2013 was as follows:

	Principal	Interest Rate
Ohio Public Works Commission Loan	\$ 9,740	0.0%
Farmers Home Administration Loan	627,000	4.50%
Total	\$ 636,740	

The Ohio Public Works Commission (OPWC) loan relates to a sewer line installation project for the Village. The loan is to be repaid in semiannual installments of \$2,435, over twenty years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements.

In 1997, the Village entered into a loan agreement with Farmers Home Administration. The loan was used for a water and sewer line to bring water from the City of Salem to the Village of Washingtonville. The loan will be repaid in annual installments over forty years. The loan is collateralized by water and sewer receipts. The Village has agreed to set utility rates sufficient to cover debt service requirements.

**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**6. Debt (continued)**

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

Year ending December 31:	OPWC Issue II Loan	FHA Loan
2014	\$ 2,435	\$ 43,215
2015	4,870	43,540
2016	2,435	42,820
2017		43,100
2018		43,335
2019-2023		216,409
2024-2028		216,036
2029-2033		216,755
2034-2037		172,820
Total	\$ <u>9,740</u>	\$ <u>1,038,030</u>

**7. Retirement Systems**

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

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rates are 10% for local employees for both years and 12.6% and 12.1% for law enforcement for 2013 and 2012, respectively. For local government employer units the employer rate was 14% in 2013 and 2012 of covered payroll. The Village is required to contribute 18.10% in 2013 and 2012 for law enforcement employees. The Village has paid all contributions required through December 31, 2013.

**8. Risk Management**

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Public officials' liability
- Vehicles
- Errors and omissions
- Commercial inland marine
- Employer's liability
- Employee benefits liability
- Crime

VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY, OHIO

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)

**8. Risk Management (continued)**

Settled claims have not exceeded commercial coverage in any of the past three years. Also, the Village did not reduce the limits of liability significantly in the current period.

The Village pays the State Workers' Compensation System ("System") a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The System administers and pays all claims.

**9. Contingent Liabilities**

Management believes there are no material pending claims or lawsuits.

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*Certified Public Accountants*

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

Village of Washingtonville  
Columbiana County  
415 S. County Road  
Washingtonville, Ohio 44490

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 Village of Washingtonville, Columbiana County (the Village), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated June 23, 2014, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permits.

***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.

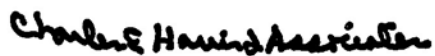
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies 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.



***Charles E. Harris and Associates, Inc.***  
June 23, 2014

**VILLAGE OF WASHINGTONVILLE  
COLUMBIANA COUNTY  
SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

The prior audit report, for the years ending December 31, 2011 and 2010, reported no material citations or recommendations.



# Dave Yost • Auditor of State

VILLAGE OF WASHINGTONVILLE

COLUMBIANA COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
JULY 22, 2014