

**VILLAGE OF WEST LAFAYETTE**  
**AUDIT REPORT**  
**JANUARY 1, 2007 - DECEMBER 31, 2008**

**Wolfe, Wilson, & Phillips, Inc.**  
**37 South Seventh Street**  
**Zanesville, Ohio 43701**





# Mary Taylor, CPA

Auditor of State

Mayor and Village Council  
Village of West Lafayette  
P. O. Box 175  
West Lafayette, Ohio 43845

We have reviewed the *Independent Auditors' Report* of the Village of West Lafayette, Coshocton County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2007 through December 31, 2008. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Auditors' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Auditors' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

April 22, 2009

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**VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY  
JANUARY 1, 2007 - DECEMBER 31, 2008**

**TABLE OF CONTENTS**

Table of Contents	( i )
Independent Auditors' Report	1-2
Financial Statements	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Similar Fiduciary Fund Types For the Year Ended December 31, 2008	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Similar Fiduciary Fund Types For the Year Ended December 31, 2007	4
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Balances - All Proprietary Fund Types For the Years Ended December 31, 2008 and 2007	5
Notes to the Financial Statements	6-12
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.	13

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**WOLFE, WILSON, & PHILLIPS, INC.**  
**37 SOUTH SEVENTH STREET**  
**ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

Mayor and Village Council  
Village of West Lafayette  
113 East Railroad Street  
West Lafayette, Ohio 43845

We have audited the accompanying financial statements of the Village of West Lafayette, Coshocton County, as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Village of West Lafayette's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Village of West Lafayette has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America. Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, we presume they are material.

Instead of the combined funds the accompanying financial statements present for 2008 and 2007, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2008 and 2007. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Village has elected not to reformat its statements. Since this Village does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village of West Lafayette's combined funds as of December 31, 2008 and 2007, and their changes in financial position.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Village of West Lafayette, Coshocton County, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also require the Village to include Management's Discussion and Analysis for the year ended December 31, 2008 and 2007. The Village has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 27, 2009, on our consideration of the Village of West Lafayette's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
February 27, 2009



**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR TRUST FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Private-Purpose Trust	
<b>Cash Receipts:</b>						
Property Taxes	\$ 116,858	\$ -	\$ -	\$ -	\$ -	\$ 116,858
Income Taxes	305,629	-	-	-	-	305,629
Intergovernmental	64,385	113,005	-	76,956	-	254,346
Charges for Services	78,490	-	-	-	-	78,490
Fines, Licenses, and Permits	9,160	107	-	-	-	9,267
Earnings on Investments	20,575	1,806	-	-	-	22,381
<b>Total Cash Receipts</b>	<u>595,097</u>	<u>114,918</u>	<u>-</u>	<u>76,956</u>	<u>-</u>	<u>786,971</u>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	354,681	-	-	-	-	354,681
Public Health Services	-	-	-	-	122	122
Leisure Time Activities	2,806	-	-	-	-	2,806
Basic Utility Services	14,068	-	-	-	-	14,068
Community Environment	-	-	-	83,877	-	83,877
Transportation	-	162,067	-	-	-	162,067
General Government	162,255	-	-	-	-	162,255
Debt Service:						
Principal Payments	1,957	-	-	-	-	1,957
Interest Payments	14	-	-	-	-	14
Capital Outlay	-	-	-	-	-	-
<b>Total Cash Disbursements</b>	<u>535,781</u>	<u>162,067</u>	<u>-</u>	<u>83,877</u>	<u>122</u>	<u>781,847</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	59,316	(47,149)	-	(6,921)	(122)	5,124
<b>Other Financing Receipts and (Disbursements):</b>						
Transfers-In	-	35,000	-	-	-	35,000
Transfers-Out	(35,000)	-	-	-	-	(35,000)
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(35,000)</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess/(Deficiency) of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	24,316	(12,149)	-	(6,921)	(122)	5,124
<b>Fund Cash Balances, January 1</b>	<u>262,726</u>	<u>64,829</u>	<u>18,970</u>	<u>10,067</u>	<u>122</u>	<u>356,714</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 287,042</u>	<u>\$ 52,680</u>	<u>\$ 18,970</u>	<u>\$ 3,146</u>	<u>\$ -</u>	<u>\$ 361,838</u>
<b>Reserves for Encumbrances, December 31</b>	<u>\$ 2,050</u>	<u>\$ 137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,187</u>

See notes to financial statements.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR TRUST FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Private-Purpose Trust	
<b>Cash Receipts:</b>						
Property Taxes	\$ 108,302	\$ -	\$ -	\$ -	\$ -	\$ 108,302
Income Taxes	266,651	-	-	-	-	266,651
Intergovernmental	86,130	116,343	-	117,303	-	319,776
Charges for Services	43,430	-	-	-	-	43,430
Fines, Licenses, and Permits	6,630	-	-	-	-	6,630
Earnings on Investments	15,408	1,319	-	-	-	16,727
Miscellaneous	11,246	-	-	-	-	11,246
<b>Total Cash Receipts</b>	<u>537,797</u>	<u>117,662</u>	<u>-</u>	<u>117,303</u>	<u>-</u>	<u>772,762</u>
<b>Cash Disbursements:</b>						
Current:						
Security of Persons and Property	326,695	-	-	-	-	326,695
Public Health Services	-	-	-	-	159	159
Leisure Time Activities	2,298	-	-	-	-	2,298
Basic Utility Services	12,000	-	-	-	-	12,000
Community Environment	-	-	-	117,303	-	117,303
Transportation	-	109,702	-	-	-	109,702
General Government	110,252	-	-	-	-	110,252
Debt Service:						
Principal Payments	5,686	-	-	-	-	5,686
Interest Payments	174	-	-	-	-	174
Capital Outlay	-	-	-	-	-	-
<b>Total Cash Disbursements</b>	<u>457,105</u>	<u>109,702</u>	<u>-</u>	<u>117,303</u>	<u>159</u>	<u>684,269</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	80,692	7,960	-	-	(159)	88,493
<b>Other Financing Receipts and (Disbursements):</b>						
Sale of Assets	-	4,200	-	-	-	4,200
<b>Total Other Financing Receipts/(Disbursements)</b>	-	4,200	-	-	-	4,200
<b>Excess/(Deficiency) of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	80,692	12,160	-	-	(159)	92,693
<b>Fund Cash Balances, January 1</b>	<u>182,034</u>	<u>52,669</u>	<u>18,970</u>	<u>10,067</u>	<u>281</u>	<u>264,021</u>
<b>Fund Cash Balances, December 31</b>	<u>\$ 262,726</u>	<u>\$ 64,829</u>	<u>\$ 18,970</u>	<u>\$ 10,067</u>	<u>\$ 122</u>	<u>\$ 356,714</u>
<b>Reserves for Encumbrances, December 31</b>	<u>\$ 2,084</u>	<u>\$ 879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,963</u>

See notes to financial statements.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN  
FUND CASH BALANCES - PROPRIETARY FUND TYPE  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	Enterprise Fund	
	2008	2007
<b>Operating Cash Receipts:</b>		
Charges for Services	\$ 716,320	\$ 691,053
<b>Operating Cash Disbursements:</b>		
Personal Services	244,170	249,489
Transportation	30	-
Contractual Services	154,110	172,482
Supplies and Materials	61,132	63,289
Capital Outlay	-	1,272
<b>Total Operating Cash Disbursements</b>	459,442	486,532
<b>Operating Income</b>	256,878	204,521
<b>Non-Operating Cash Receipts:</b>		
Miscellaneous	10	4,496
Other Non-Operating Receipts	-	49,871
<b>Total Non-Operating Cash Receipts</b>	10	54,367
<b>Non-Operating Cash Disbursements:</b>		
Debt Service:		
Principal Payments	148,526	139,025
Interest Payments	74,143	71,326
<b>Total Non-Operating Cash Disbursements</b>	222,669	210,351
<b>Net Receipts Over Disbursements</b>	34,219	48,537
<b>Fund Cash Balances, January 1</b>	335,135	286,598
<b>Fund Cash Balances, December 31</b>	\$ 369,354	\$ 335,135
<b>Reserve for Encumbrances, December 31</b>	\$ 2,846	\$ 87

See notes to financial statements.

**VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Village of West Lafayette, Coshocton County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides water and sewer utilities, swimming pool operations, road maintenance and repairs, and police services. Fire protection services are provided to Village residents by the Village's Volunteer Fire Department.

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

The Village is associated with an organization which is defined as Jointly Governed Organizations under Governmental Accounting Standards Board (GASB) Statement No. 14, Reporting Entity. This organization is the Coshocton County Regional Planning Commission and is discussed in Note 9.

**B. Basis of Accounting**

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

**C. Cash and Investments**

Certificates of deposit are valued at cost.

**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:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds**

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

**Street Construction, Maintenance and Repair Fund** – This fund is used to account for gasoline tax monies for constructing, maintaining and repairing Village streets.

**Motor Vehicle License Tax Fund** – This fund is used to account for motor vehicle tax money for constructing, maintaining and repairing Village streets.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**Debt Service Funds**

These funds are used to accumulate resources for the payment of debt. The Village had the following Debt Service Funds:

**General Obligation Debt Service** – This fund is used to account for tax receipts for the retirement of the Village’s general obligation bonds.

**Capital Projects Funds**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects (except those financed through enterprise funds). The Village had the following Capital Projects Fund.

**Capital Improvement Fund** – This fund is used to account for grants and proceeds of loans to provide for capital improvements within the Village.

**Enterprise Funds**

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

**Water Fund** – This fund is used to account for charges for services from residents to cover the cost of providing water services.

**Sewer Fund** – This fund is used to account for charges for services from residents to cover the cost of providing sewer services.

**Swimming Pool Fund** – This fund is used to account for pool admission and concession stand charges for services from patrons to cover the cost of operating the swimming pool and concession stand.

**Fiduciary Funds**

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust Funds are used to 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. The Village’s private purpose trust fund accounts for funds put in a trust to be used for maintaining and landscaping the park. The Village had no agency funds.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**E. Budgetary Process**

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

**Appropriations**

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

**Estimated Resources**

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

**Encumbrances**

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

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**F. Property, Plant and Equipment**

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

**G. Accumulated Leave**

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

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2008	2007
Demand deposits	\$ 609,769	\$ 584,377
Certificate of deposits	121,223	107,272
Cash on Hand	200	200
Total Deposits	\$ 731,192	\$ 691,849

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

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2008 and 2007 follows:

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 562,338	\$ 595,097	\$ 32,759
Special Revenue	130,300	149,918	19,618
Capital Projects	76,956	76,956	-
Enterprise	690,700	716,330	25,630
Total	<u>\$ 1,460,294</u>	<u>\$ 1,538,301</u>	<u>\$ 78,007</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 597,015	\$ 572,831	\$ 24,184
Special Revenue	175,000	162,204	12,796
Capital Projects	83,877	83,877	-
Private Purpose Trust Fund	123	122	1
Enterprise	754,521	684,957	69,564
Total	<u>\$ 1,610,536</u>	<u>\$ 1,503,991</u>	<u>\$ 106,545</u>

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 620,466	\$ 537,797	\$ (82,669)
Special Revenue	112,600	121,862	9,262
Capital Projects	283,860	117,303	(166,557)
Enterprise	757,139	745,420	(11,719)
Total	<u>\$ 1,774,065</u>	<u>\$ 1,522,382</u>	<u>\$ (251,683)</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 546,202	\$ 459,189	\$ 87,013
Special Revenue	126,344	110,581	15,763
Capital Projects	283,860	117,303	166,557
Private Purpose Trust Fund	200	159	41
Enterprise	778,758	696,970	81,788
Total	<u>\$ 1,735,364</u>	<u>\$ 1,384,202</u>	<u>\$ 351,162</u>

Contrary to Ohio Revised Code Section 5705.36, appropriations exceeded actual receipts for several funds in 2008 and 2007.

Contrary to Ohio Revised Code Section 5705.41(D), there were several expenditures that were not properly certified.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**4. PROPERTY TAX**

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

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

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

**5. LOCAL INCOME TAX**

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

**6. DEBT**

Debt outstanding at December 31, 2008 was as follows:

	<u>Principal</u>	<u>Interest rate</u>
1992 OPWC Storm Water Improvement Loan No. CN432	\$ 18,427	0.0%
1995 OPWC Water System Improvement Loan No. CN910	35,015	0.0%
2002 OPWC Riverfront Estates Loan No. CN31D	126,929	0.0%
2004 OPWC Wastewater Treatment Loan No. CN16G	76,085	0.0%
1990 OWDA Sewer Project Loan No. 1967	34,951	8.3%
2000 OWDA Water System Improvement Loan No. 2130	786,355	5.8%
2004 OWDA Wastewater Treatment Loan No. 4045	309,907	4.2%
1994 U.S.D.A. Dept. of Rural Development Loan No. 92-01	171,800	5.1%
Total	<u>\$ 1,559,469</u>	



**VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**6. DEBT (Continued)**

Ohio Public Works Commission (OPWC) loan nos. CN432, CN910, CN31D, and CN21E relate to the water and storm sewer system improvement projects for the Riverfront Estates Development. The payments are due in semi-annual installments maturing in years 2012, 2015, 2020, and 2007, respectively. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements. CN21E was paid off in 2007.

Ohio Public Works Commission (OPWC) loan no. CN16G relate to wastewater treatment improvement in 2004. The payments will be done in semi-annual installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements.

1990 Ohio Water Development Authority (OWDA) loan no. 1967 relates to a wastewater improvement project that was mandated by the Ohio Environmental Protection Agency. The payments are due in semi-annual installments through 2010. The Village has agreed to set water and sewer rates sufficient to cover OWDA debt service requirements.

2000 Ohio Water Development Authority (OWDA) loan no. 2130 relates to a water system improvement project that was mandated by the Ohio Environmental Protection Agency. The payments are due in semi-annual installments through 2010. The Village has agreed to set water and sewer rates sufficient to cover OWDA debt service requirements.

2004 Ohio Water Development Authority (OWDA) loan no. 4045 relates to a wastewater treatment improvement project. The payments are due in semi-annual installments through 2010. The Village has agreed to set water and sewer rates sufficient to cover OWDA debt service requirements.

The 1994 U.S.D.A. Department of Rural Development Mortgage Revenue Bonds were obtained to cover the costs of repairing the Village's sewer system. The payments are due annually through 2033. The Village has agreed to set sewer rates sufficient to cover U.S.D.A. debt service requirements.

The 2004 Ohio Heritage Bank Loan was paid off in 2008.

The beginning balance of debt as of January 1, 2007 was restated by reducing it by \$258,654 as OPWC CN15G was a grant and not a loan and OPWC CN16G was overstated by \$3,654.

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

Year	Total OPWC	Total OWDA	U.S.D.A. 92-01
2009	\$ 21,225	\$ 156,011	\$ 12,305
2010	21,225	118,154	12,325
2011	21,225	118,154	12,336
2012	21,224	118,154	12,336
2013	16,618	117,883	12,326
2014-2018	79,205	590,765	61,503
2019-2023	63,639	196,627	61,520
2024-2028	12,095	98,089	61,449
2029-2033	-	98,089	61,510
2034-2038	-	19,888	1,787
Total	<u>\$ 256,456</u>	<u>\$ 1,631,814</u>	<u>\$ 309,397</u>

**VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**7. RETIREMENT SYSTEMS**

The Village's full time law enforcement officers belong to the Ohio Police and Fire Pension Funds (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2008 and 2007, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 10.0% and 9.5% of their wages in 2008 and 2007, respectively. The Village contributed an amount equal to 14.00% and 13.85% of participants gross salaries in 2008 and 2007, respectively. The Village has paid all required contributions through December 31, 2006.

**8. RISK MANAGEMENT**

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. Pursuant to Section 2744.081 of the Ohio Revised Code, the Pool is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductible.

The Pool cedes certain premiums to reinsurers or excess reinsurers. The Pool is contingently liable should any reinsurer become unable to meet its obligations under the reinsurance obligations.

Members may withdraw at the end of any coverage period upon 60 days' prior notice to the Pool. A withdrawing member not providing the required notification remains responsible for its unpaid claims, and also remains liable for additional assessments (if any) for years during which they were members.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained (deficit) earnings at December 31, 2006 and 2005 (the latest information available):

	<u>2006</u>	<u>2005</u>
Assets	\$ 2,331,284	\$ 2,241,661
Liabilities	<u>(3,130,475)</u>	<u>(3,457,720)</u>
Retained (deficit) earnings	<u>\$ (799,191)</u>	<u>\$ (1,216,059)</u>

**9. JOINTLY GOVERNED ORGANIZATION**

The Village participates in the Coshocton County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the State. The Commission is jointly governed among Coshocton County, and other cities, villages, and townships. The principle aim of the Commission is to provide comprehensive planning, both long and short term, dealing with the economic and physical environment of Coshocton County. The board exercised total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting, and designating management. The Village has no financial responsibility for any of the Commission's liabilities. Complete financial statements can be obtained from the Commission.

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

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

Mayor and Village Council  
Village of West Lafayette  
113 East Railroad Street  
West Lafayette, Ohio 43845

We have audited the financial statements of the Village of West Lafayette, Coshocton County, Ohio, as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated February 27, 2009, wherein we noted the Village followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Village of West Lafayette's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that a misstatement of the Village's financial statements that is more than inconsequential will not be prevented or detected by the Village's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Village's internal control.

Our consideration of internal control over financial reporting was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above. However, we noted other matters involving internal control over financial reporting, which we have reported to management of the Village of West Lafayette in a separate letter dated February 27, 2009.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Village of West Lafayette's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standard*. However, we noted certain immaterial instances of noncompliance that we have reported to the management of Village of West Lafayette in a separate letter dated February 27, 2009.

This report is intended for the information of the Village's management, fiscal officer, and Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
February 27, 2009



Mary Taylor, CPA  
Auditor of State

VILLAGE OF WEST LAFAYETTE

COSHOCTON 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  
MAY 7, 2009