

VILLAGE OF WEST LAFAYETTE
AUDIT REPORT
JANUARY 1, 2017 - DECEMBER 31, 2018

Wilson, Phillips & Agin, CPA's, Inc.
1100 Brandywine Blvd. Building G
Zanesville, Ohio 43701

OHIO AUDITOR OF STATE
KEITH FABER



88 East Broad Street
Columbus, Ohio 43215
IPAReport@ohioauditor.gov
(800) 282-0370

Village Council
Village of West Lafayette
113 Railroad Street
West Lafayette, Ohio 43845

We have reviewed the *Independent Auditors' Report* of the Village of West Lafayette, Coshocton County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2017 through December 31, 2018. 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 Auditor of State is currently conducting an investigation related to the Authority. As of the date of this report, the investigation is ongoing. Depending on the outcome, the results of this investigation may be reported at a later date.

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.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

August 21, 2019

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**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY
JANUARY 1, 2017 - DECEMBER 31, 2018**

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 Fund Types For the Year Ended December 31, 2018	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2018	4
2018 Notes to the Financial Statements	5
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental Fund Types For the Year Ended December 31, 2017	13
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - Proprietary and Fiduciary Fund Types - For the Year Ended December 31, 2017	14
2017 Notes to the Financial Statements	15
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.	23
Schedule of Audit Findings	25
Schedule of Prior Audit Findings	26

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**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

Village of West Lafayette
Coshocton County
113 Railroad Street
West Lafayette, Ohio 43845

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type and related notes of the Village of West Lafayette, Coshocton County, as of and for the years ended December 31, 2018 and 2017.

Management's Responsibility For the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial provisions of 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 2 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, to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory basis of accounting and GAAP are not reasonably determinable, are presumed to be material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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 of West Lafayette as of December 31, 2018 and 2017, 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 cash balances, receipts and disbursements by fund type and the related notes of Village of West Lafayette, Coshocton County as of December 31, 2018 and 2017, 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 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2019, on our consideration of the Village of West Lafayette'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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 17, 2019

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts				
Property Tax and Other Local Taxes	\$ 94,044	\$ 65,016	\$ -	\$ 159,060
Municipal Income Tax	334,856	167,177	-	502,033
Intergovernmental Receipts	43,314	120,042	-	163,356
Charges for Services	48	72,489	21,704	94,241
Fines, Licenses, and Permits	12,115	-	-	12,115
Earnings on Investments	4,682	444	-	5,126
Miscellaneous	11,588	2,788	-	14,376
Total Cash Receipts	<u>500,647</u>	<u>427,956</u>	<u>21,704</u>	<u>950,307</u>
Cash Disbursements				
Current:				
Security of Persons and Property	289,593	89,697	-	379,290
Public Health Services	4,718	-	-	4,718
Leisure Time Activities	-	11,946	-	11,946
Basic Utility Service	7,920	-	-	7,920
Transportation	-	115,959	-	115,959
General Government	132,795	-	-	132,795
Debt Service:				
Principal Retirement	-	14,119	28,675	42,794
Interest and Fiscal Charges	-	-	2,392	2,392
Capital Outlay	-	72,454	26,832	99,286
Total Cash Disbursements	<u>435,026</u>	<u>304,175</u>	<u>57,899</u>	<u>797,100</u>
Excess of Receipts Over (Under) Disbursements	65,621	123,781	(36,195)	153,207
Other Financing Receipts/(Disbursements)				
Transfers-In	-	-	9,370	9,370
Transfers-Out	(9,370)	-	-	(9,370)
Total Other Financing Receipts/(Disbursements)	<u>(9,370)</u>	<u>-</u>	<u>9,370</u>	<u>-</u>
Net Change in Fund Cash Balance	56,251	123,781	(26,825)	153,207
Fund Cash Balances, January 1, 2018	<u>386,016</u>	<u>433,167</u>	<u>26,832</u>	<u>846,015</u>
Fund Cash Balances, December 31, 2018				
Restricted	-	524,273	7	524,280
Assigned	4,020	32,675	-	36,695
Unassigned (Deficit)	438,247	-	-	438,247
Fund Cash Balances, December 31, 2018	<u>\$ 442,267</u>	<u>\$ 556,948</u>	<u>\$ 7</u>	<u>\$ 999,222</u>

See notes to financial statements.

VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Proprietary	Fiduciary		Totals (Memorandum Only)
	Fund Type	Fund Type		
	Enterprise	Private-Purpose Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$ 815,654	\$ -	\$ -	\$ 815,654
Fines, Licenses and Permits	16,854	-	-	16,854
Miscellaneous	-	-	1,835	1,835
Other Operating Receipts	2,715	-	-	2,715
Total Operating Cash Receipts	835,223	-	1,835	837,058
Operating Cash Disbursements:				
Personal Services	231,018	-	-	231,018
Contractual Services	219,426	-	-	219,426
Supplies and Materials	75,587	-	-	75,587
Other	1,916	-	1,115	3,031
Total Operating Cash Disbursements	527,947	-	1,115	529,062
Operating Income/(Loss)	307,276	-	720	307,996
Non-Operating Cash Receipts (Disbursements):				
Capital Outlay	(44,776)	-	-	(44,776)
Principal Retirement	(151,030)	-	-	(151,030)
Interest and Other Charges	(22,123)	-	-	(22,123)
Total Non-Operating Cash Receipts (Disbursements)	(217,929)	-	-	(217,929)
Net Receipts Over/(Under) Disbursements	89,347	-	720	90,067
Fund Cash Balances, January 1	889,837	473	988	891,298
Fund Cash Balances, December 31	\$ 979,184	\$ 473	\$ 1,708	\$ 981,365

See notes to financial statements.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of West Lafayette, Coshocoton County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, park operations, street repair and maintenance, fire services and police services. The Village also provides fire protection services for Lafayette Township, White Eyes Township, Linton Township and Oxford Township.

The Village participates in a jointly governed organization. Notes 11 to the financial statements provides additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

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 below:

Governmental Funds

General Fund

The General fund is the 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 that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds.

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

Street Repair Fund - This fund receives municipal income tax money for construction, maintaining, and repairing Village Streets.

Fire Fund - This fund receives contractual service money from Lafayette, White Eyes, Linton and Oxford Township for providing fire protection.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Police Department Debt Service Fund – This fund is used to account for monies from the General Fund to cover the debt payments for the police department SUV.

Fire Department Debt Service Fund – This fund is used to account for monies received from fire contracts to cover debt payments for the fire tanker.

Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Ohio Public Works Commission Funded Project Fund – This fund receives Ohio Public Works Commission loan proceeds. These proceeds were used for storm sewer upgrades and paving costs related to the Kirk Street/Union Avenue Project.

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 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.

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 government. The Village Agency fund accounts for unclaimed funds and a food bank operated by the police department.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain Agency Funds) be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village 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.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must 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 in the subsequent year.

A summary of 2018 budgetary activity appears in Note 3.

Deposits and Investments

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

Property, Plant, and Equipment

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

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Leave

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

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:

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

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.

Committed – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless 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.

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 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 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 (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 classification could be used.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2018 is as follows:

2018 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 468,691	\$ 500,647	\$ 31,956
Special Revenue	421,840	427,956	6,116
Debt Service	33,995	31,074	(2,921)
Enterprise	1,200,948	835,223	(365,725)
Total	\$ 2,125,474	\$ 1,794,900	\$ (330,574)

2018 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 496,055	\$ 448,416	\$ 47,639
Special Revenue	409,145	336,850	72,295
Debt Service	57,820	57,899	(79)
Enterprise	1,279,113	745,876	533,237
Total	\$ 2,242,133	\$ 1,589,041	\$ 653,092

Contrary to ORC 5705.41 (B), the Village had expenditures greater than appropriations in the Debt Service Fund by \$79.

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification of available funds.

4. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2018
Demand Deposits	\$ 1,980,387
Cash on Hand	200
Total Deposits	\$ 1,980,587

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions public entity deposit pool.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by December 31. The second half payment is due the following June 20.

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

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

6. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5 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.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2018, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2018.

Ohio Police and Fire Retirement

The Village's certified Fire Fighters and full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F 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 also prescribes contribution rates. OP&F participants, in 2018, contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages and 24.0% of full-time fire-fighters wages, respectively. The Village has paid all contributions required through December 31, 2018.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits and OP&F contributes 0.5 percent to fund these benefits.

10. DEBT

Debt outstanding at December 31, 2018 was as follows:

	2018 Principal	%
2013 Home Loan & Savings Consolidation Loan	\$ 146,752	2.90
2000 OWDA Water System Improvement Loan No. 2130	93,152	5.80
2004 OWDA Wastewater Treatment Loan No. 4045	227,544	4.20
2002 OPWC Riverfront Estates Loan No. CN31D	46,541	0.00
2004 OPWC Wastewater Treatment Loan No. CN16G	35,929	0.00
2013 OPWC Wastewater Treatment Loan No. CN19N	597,108	0.00
2014 OPWC Kirk St./Union Ave. Improvement Loan No. CN20Q	84,714	0.00
2015 OPWC SR 751 Waterline Loan No. CN34R	45,462	0.00
2016 Fire Truck Bonds	49,937	2.29
2017 Vehicle Bonds	18,157	2.99
Total	\$ 1,345,296	

Ohio Public Works Commission (OPWC) loan no. CN31D relate to the water and storm sewer system improvement projects for the Riverfront Estates Development. The payments are due in semi-annually installments maturing in years 2018 and 2024, respectively. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements

Ohio Public Works Commission (OPWC) loan no. CN16G relates to wastewater treatment improvement in 2004. The payments are due in semi-annually installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements

Ohio Public Works Commission (OPWC) loan no. CN19N relates to wastewater treatment upgrade in 2013. The payments are due in semi-annually installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements

Ohio Public Works Commission (OPWC) loan no. CN20Q relates to the Kirk Street/Union Avenue storm sewer improvements and paving project in 2014. The payments are due in semi-annually installments. The Village has set aside municipal income tax monies sufficient to cover the repayment of the debt.

Ohio Public Works Commission (OPWC) loan no. CN34R relates to the SR 751 waterline project in 2015. The payments are due in semi-annually installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018**

10. DEBT

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 loan will be repaid in semi-annual installments maturing in 2020. The Village has agreed to set water and sewer utility rates sufficient to cover OWDA debt service requirements.

2004 Ohio Water Development Authority (OWDA) loan no. 4045 relates to a wastewater treatment plant improvement project. The loan will be repaid in semi-annual installments maturing in 2035. The Village has agreed to set water and sewer utility rates sufficient to cover OWDA debt service requirements.

The 2013 Home Loan and Savings Bank loan was obtained to pay off the 1994 U.S.D.A. Department of Rural Development Mortgage Revenue Bonds. The loan also includes the cost of extending the sewer lines to the Hartville homes. Payment is due annually. The Village has agreed to set water and sewer rates sufficient to cover the repayment of the debt.

In 2016, the Village issued bonds in the amount of \$100,000 to acquire a fire truck through Home Loan and Savings Bank. The bonds will be repaid annually over five years. The fire truck collateralizes the bonds.

In 2017, the Village obtained a loan from Century National Bank in the amount of \$26,832 to purchase a new police department SUV. The payments are due monthly with an interest rate of 2.99%. The loan is collateralized by the SUV

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

<u>Year</u>	<u>Total OPWC</u>	<u>Total OWDA</u>	<u>Total Home Loan</u>	<u>Century Bank</u>
2019	\$ 51,508	\$ 116,145	\$ 26,433	\$ 21,395
2020	51,508	19,274	26,493	21,395
2021	51,508	19,292	17,065	-
2022	51,508	19,310	17,065	-
2023	51,508	19,328	17,065	-
2024-2028	156,644	96,952	68,260	-
2029-2033	123,500	97,555	-	-
2034-2038	123,500	19,595	-	-
2039-2043	123,500	-	-	-
2044-2048	25,073	-	-	-
Total	<u>\$ 809,757</u>	<u>\$ 407,451</u>	<u>\$ 172,381</u>	<u>\$ 42,790</u>

11. 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 exercises 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 Commissions liabilities. Complete financial statements can be obtained by contacting the Commission.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts				
Property Tax and Other Local Taxes	\$ 90,117	\$ 65,589	\$ -	\$ 155,706
Municipal Income Tax	297,879	148,870	-	446,749
Intergovernmental Receipts	48,919	106,551	-	155,470
Charges for Services	24	68,778	22,055	90,857
Fines, Licenses, and Permits	11,820	-	-	11,820
Earnings on Investments	4,446	367	-	4,813
Miscellaneous	9,463	11,119	-	20,582
Total Cash Receipts	<u>462,668</u>	<u>401,274</u>	<u>22,055</u>	<u>885,997</u>
Cash Disbursements				
Current:				
Security of Persons and Property	265,929	116,235	-	382,164
Public Health Services	4,553	-	-	4,553
Leisure Time Activities	-	12,456	-	12,456
Basic Utility Service	5,743	-	-	5,743
Transportation	-	126,610	-	126,610
General Government	141,584	-	-	141,584
Debt Service:				
Principal Retirement	-	14,119	30,063	44,182
Interest and Fiscal Charges	-	-	2,252	2,252
Capital Outlay	-	365,411	-	365,411
Total Cash Disbursements	<u>417,809</u>	<u>634,831</u>	<u>32,315</u>	<u>1,084,955</u>
Excess of Receipts Over (Under) Disbursements	44,859	(233,557)	(10,260)	(198,958)
Other Financing Receipts/(Disbursements)				
Debt Proceeds	-	-	26,832	26,832
Sale of Capital Assets	10,025	-	-	10,025
Transfers-In	-	-	10,260	10,260
Transfers-Out	(10,260)	-	-	(10,260)
Total Other Financing Receipts/(Disbursements)	<u>(235)</u>	<u>-</u>	<u>37,092</u>	<u>36,857</u>
Net Change in Fund Cash Balance	44,624	(233,557)	26,832	(162,101)
Fund Cash Balances, January 1, 2017	<u>341,392</u>	<u>666,724</u>	<u>-</u>	<u>1,008,116</u>
Fund Cash Balances, December 31, 2017				
Restricted	-	407,703	26,832	434,535
Assigned	8,474	25,464	-	33,938
Unassigned (Deficit)	377,542	-	-	377,542
Fund Cash Balances, December 31, 2017	<u>\$ 386,016</u>	<u>\$ 433,167</u>	<u>\$ 26,832</u>	<u>\$ 846,015</u>

See notes to financial statements.

VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2017

	Proprietary Fund Type	Fiduciary Fund Type		Totals
	Enterprise	Private-Purpose		(Memorandum Only)
		Trust	Agency	
Operating Cash Receipts:				
Charges for Services	\$ 755,282	\$ -	\$ -	\$ 755,282
Fines, Licenses and Permits	18,714	-	-	18,714
Miscellaneous	-	-	525	525
Other Operating Receipts	17,259	-	-	17,259
Total Operating Cash Receipts	791,255	-	525	791,780
Operating Cash Disbursements:				
Personal Services	201,578	-	-	201,578
Contractual Services	210,188	-	-	210,188
Supplies and Materials	42,547	-	-	42,547
Other	1,346	-	40	1,386
Total Operating Cash Disbursements	455,659	-	40	455,699
Operating Income/(Loss)	335,596	-	485	336,081
Non-Operating Cash Receipts (Disbursements):				
Capital Outlay	(56,402)	-	-	(56,402)
Principal Retirement	(181,426)	-	-	(181,426)
Interest and Other Charges	(27,679)	-	-	(27,679)
Total Non-Operating Cash Receipts (Disbursements)	(265,507)	-	-	(265,507)
Net Receipts Over/(Under) Disbursements	70,089	-	485	70,574
Fund Cash Balances, January 1	819,748	473	503	820,724
Fund Cash Balances, December 31	\$ 889,837	\$ 473	\$ 988	\$ 891,298

See notes to financial statements.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

1. REPORTING ENTITY

Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of West Lafayette, Coshocoton County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides general government, including water and sewer utilities, park operations, street repair and maintenance, fire services and police services. The Village also provides fire protection services for Lafayette Township, White Eyes Township, Linton Township and Oxford Township.

The Village participates in a jointly governed organization. Notes 11 to the financial statements provides additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) for all proprietary fund types which are organized on a fund type basis.

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 below:

Governmental Funds

General Fund

The General fund is the 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 that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds.

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

Street Repair Fund - This fund receives municipal income tax money for construction, maintaining, and repairing Village Streets.

Fire Fund - This fund receives contractual service money from Lafayette, White Eyes, Linton and Oxford Township for providing fire protection.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Fund:

Police Department Debt Service Fund – This fund is used to account for monies from the General Fund to cover the debt payments for the police department SUV.

Fire Department Debt Service Fund – This fund is used to account for monies received from fire contracts to cover debt payments for the fire tanker.

Capital Project Funds

These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant Capital Project Fund:

Ohio Public Works Commission Funded Project Fund – This fund receives Ohio Public Works Commission loan proceeds. These proceeds were used for storm sewer upgrades and paving costs related to the Kirk Street/Union Avenue Project.

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 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.

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 government. The Village Agency fund accounts for unclaimed funds and a food bank operated by the police department.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D). 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 financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain Agency Funds) be budgeted annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village 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.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must 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 in the subsequent year.

A summary of 2017 budgetary activity appears in Note 3.

Deposits and Investments

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

Property, Plant, and Equipment

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

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Leave

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

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:

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

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.

Committed – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless 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.

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 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 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 (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 classification could be used.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2017 is as follows:

2017 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 469,690	\$ 472,693	\$ 3,003
Special Revenue	400,614	401,274	660
Debt Service	59,147	59,147	-
Enterprise	782,860	791,255	8,395
Total	\$ 1,712,311	\$ 1,724,369	\$ 12,058

2017 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 513,484	\$ 436,543	\$ 76,941
Special Revenue	724,531	660,295	64,236
Debt Service	59,147	32,315	26,832
Enterprise	921,085	721,166	199,919
Total	\$ 2,218,247	\$ 1,850,319	\$ 367,928

Contrary to ORC 5705.39, the Village had appropriations greater than estimated resources in the Police Fund by \$85.

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification of available funds.

4. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2017
Demand Deposits	\$ 1,737,113
Cash on Hand	200
Total Deposits	\$ 1,737,313

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institutions public entity deposit pool.

5. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted 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 make semiannual payment, the first half is due by December 31. The second half payment is due the following June 20.

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

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

6. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5 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.

7. RISK MANAGEMENT

Commercial Insurance

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2017, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2017.

Ohio Police and Fire Retirement

Ohio Police and Fire Retirement

The Village's certified Fire Fighters and full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F 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 also prescribes contribution rates. OP&F participants, in 2017, contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages and 24.0% of full-time fire-fighters wages, respectively. The Village has paid all contributions required through December 31, 2017.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. OPERS contributes 2 percent of the employer contribution to fund these benefits and OP&F contributes 0.5 percent to fund these benefits.

10. DEBT

Debt outstanding at December 31, 2017 was as follows:

	2017 Principal	%
2013 Home Loan & Savings Consolidation Loan	\$ 159,624	2.90
2000 OWDA Water System Improvement Loan No. 2130	181,230	5.80
2004 OWDA Wastewater Treatment Loan No. 4045	237,388	4.20
1995 OPWC Water System Improvement Loan No. CN910	1,947	0.00
2002 OPWC Riverfront Estates Loan No. CN31D	55,003	0.00
2004 OPWC Wastewater Treatment Loan No. CN16G	40,156	0.00
2013 OPWC Wastewater Treatment Loan No. CN19N	620,992	0.00
2014 OPWC Kirk St./Union Ave. Improvement Loan No. CN20Q	98,833	0.00
2015 OPWC SR 751 Waterline Loan No. CN34R	47,178	0.00
2016 Fire Truck Bonds	69,937	2.29
2017 Vehicle Bonds	26,832	2.99
Total	\$ 1,539,120	

Ohio Public Works Commission (OPWC) loan nos. CN910 and CN31D relate to the water and storm sewer system improvement projects for the Riverfront Estates Development. The payments are due in semi-annually installments maturing in years 2018 and 2024, respectively. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements

Ohio Public Works Commission (OPWC) loan no. CN16G relates to wastewater treatment improvement in 2004. The payments are due in semi-annually installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements

Ohio Public Works Commission (OPWC) loan no. CN19N relates to wastewater treatment upgrade in 2013. The payments are due in semi-annually installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements

Ohio Public Works Commission (OPWC) loan no. CN20Q relates to the Kirk Street/Union Avenue storm sewer improvements and paving project in 2014. The payments are due in semi-annually installments. The Village has set aside municipal income tax monies sufficient to cover the repayment of the debt.

Ohio Public Works Commission (OPWC) loan no. CN34R relates to the SR 751 waterline project in 2015. The payments are due in semi-annually installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2017**

10. DEBT

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 loan will be repaid in semi-annual installments maturing in 2020. The Village has agreed to set water and sewer utility rates sufficient to cover OWDA debt service requirements.

2004 Ohio Water Development Authority (OWDA) loan no. 4045 relates to a wastewater treatment plant improvement project. The loan will be repaid in semi-annual installments maturing in 2035. The Village has agreed to set water and sewer utility rates sufficient to cover OWDA debt service requirements.

The 2013 Home Loan and Savings Bank loan was obtained to pay off the 1994 U.S.D.A. Department of Rural Development Mortgage Revenue Bonds. The loan also includes the cost of extending the sewer lines to the Hartville homes. Payment is due annually. The Village has agreed to set water and sewer rates sufficient to cover the repayment of the debt.

In 2016, the Village issued bonds in the amount of \$100,000 to acquire a fire truck through Home Loan and Savings Bank. The bonds will be repaid annually over five years. The fire truck collateralizes the bonds.

In 2017, the Village obtained a loan from Century National Bank in the amount of \$26,832 to purchase a new police department SUV. The payments are due monthly with an interest rate of 2.99%. The loan is collateralized by the SUV

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

<u>Year</u>	<u>Total OPWC</u>	<u>Total OWDA</u>	<u>Total Home Loan</u>	<u>Century Bank</u>
2018	\$ 53,455	\$ 114,570	\$ 26,433	\$ 21,395
2019	51,508	116,145	26,493	21,395
2020	51,508	19,274	26,493	21,395
2021	51,508	19,292	17,065	-
2022	51,508	19,310	17,065	-
2023-2027	183,462	96,847	85,325	-
2028-2032	123,500	97,424	-	-
2033-2037	123,500	39,160	-	-
2038-2042	123,500	-	-	-
2043-2047	50,670	-	-	-
Total	<u>\$ 864,119</u>	<u>\$ 522,022</u>	<u>\$ 198,874</u>	<u>\$ 64,185</u>

11. 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 exercises 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 Commissions liabilities. Complete financial statements can be obtained by contacting the Commission.

**WILSON, PHILLIPS & AGIN, CPA'S, INC.
1100 BRANDYWINE BLVD. BUILDING G
ZANESVILLE, OHIO 43701**

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

Village of West Lafayette
Coshocton County
113 Railroad Street
West Lafayette, Ohio 43845

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of Village of West Lafayette, Coshocton County as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements and have issued our report thereon dated May 17, 2019, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Village of West Lafayette'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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, unidentified material weaknesses or significant deficiencies may exist. However, as described in the accompanying schedule of findings we identified a certain deficiency in internal control over financial reporting, that we consider a material weakness.

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 a 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. We consider Finding 2018-001 described in the accompanying schedule of findings to be a material weakness.

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 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 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.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 17, 2019

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2018 AND 2017**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2018-001

Material Weakness

All public offices shall maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transaction, maintain accountability for the related assets, document compliance with finance-related legal and contractual requirements and prepare financial statements.

As a result of audit procedures, errors were noted that required reclassification and adjustments to the financial statement as follows:

- An adjustment was made to properly show Rollback posted to the proper funds. This required a decrease in General Fund cash balance of \$2,514 and an increase of \$2,514 in fund cash balance in the Police Levy Fund for 2017.
- A reclassification of \$14,796 was made to the General Fund from Property and Other Local Taxes to Intergovernmental Revenues to properly classify Rollbacks in 2017.
- A reclassification of \$10,025 was made in the General Fund to increase Sale of Capital Assets and decrease Miscellaneous Revenue in 2017.
- A reclassification of \$26,832 was made in the Debt Service Fund to increase Debt Proceeds and decrease Miscellaneous Revenues in 2017.
- Minor reclassifications were made in the Debt Service Fund and Enterprise Fund to properly show Principal and Interest paid in 2017.
- An adjustment was made to properly show Rollback posted to the proper funds. This required a increase in General Fund cash balance of \$6,144, an increase of \$2,498 in fund cash balance in the Police Levy Fund, a decrease in cash fund balance in the Street Fund and State Highway Fund in the amounts of \$7,994 and \$638, respectively for 2018. This affected the Intergovernmental Revenues in each of the funds.
- A reclassification of \$7,421 was made to the General Fund from Property and Other Local Taxes to Intergovernmental Revenues to properly classify Rollbacks in 2018.

Sound financial reporting is the responsibility of the Village and is essential to help ensure the information provided to the readers of financial statements is complete and accurate. To help ensure the Village's financial statements and notes to the financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions. In addition, the Village should review the financial statements and notes prior to submission for audit.

Client Response: We received no response from client.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2018**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2016-001	Significant Deficiency Reclassifications and adjusting entries	No	Not Corrected: Repeated as Finding 2018-001

OHIO AUDITOR OF STATE KEITH FABER



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
SEPTEMBER 3, 2019**