

VILLAGE OF WEST LAFAYETTE
AUDIT REPORT
JANUARY 1, 2005 - DECEMBER 31, 2006

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



Mary Taylor, CPA

Auditor of State

Members of Council
Village of West Lafayette
PO 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, 2005 through December 31, 2006. 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 1, 2007

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**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY
JANUARY 1, 2005 - DECEMBER 31, 2006**

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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, 2006 and 2005. 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.

Revisions to GAAP would require the Village to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006 and 2005. Instead of the combined funds the accompanying financial statements present for 2006 and 2005, the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2006 and 2005. 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, 2006 and 2005, 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, 2006 and 2005, 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, 2006 and 2005. 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 March 16, 2007, 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
March 16, 2007

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, 2006

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Taxes	\$ 89,825	\$ -	\$ 18,103	\$ -	\$ -	\$ 107,928
Income Taxes	247,467	-	-	-	-	247,467
Intergovernmental	67,022	112,332	-	-	-	179,354
Charges for Services	50,185	-	-	-	-	50,185
Fines, Licenses, and Permits	3,777	-	-	-	-	3,777
Earnings on Investments	17,808	2,032	-	-	-	19,840
Contributions and Donations	-	-	-	-	-	-
Miscellaneous	3,216	-	-	-	-	3,216
Total Cash Receipts	479,300	114,364	18,103	-	-	611,767
Cash Disbursements:						
Current:						
Security of Persons and Property	346,566	-	-	-	-	346,566
Public Health Services	3,377	-	-	-	-	3,377
Leisure Time Activities	3,197	-	-	-	-	3,197
Transportation	-	122,933	-	-	-	122,933
General Government	170,499	-	-	-	-	170,499
Debt Service:						
Principal Payments	-	-	17,000	-	-	17,000
Interest Payments	-	-	870	-	-	870
Capital Outlay	-	-	-	-	-	-
Total Cash Disbursements	523,639	122,933	17,870	-	-	664,442
Total Cash Receipts Over/(Under) Cash Disbursements	(44,339)	(8,569)	233	-	-	(52,675)
Other Financing Receipts and (Disbursements):						
Transfers-In	-	-	-	12,000	-	12,000
Transfers-Out	(12,000)	-	-	-	-	(12,000)
Total Other Financing Receipts/(Disbursements)	(12,000)	-	-	12,000	-	-
Excess/(Deficiency) of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(56,339)	(8,569)	233	12,000	-	(52,675)
Fund Cash Balances, January 1	238,373	61,238	18,737	(1,933)	281	316,696
Fund Cash Balances, December 31	\$ 182,034	\$ 52,669	\$ 18,970	\$ 10,067	\$ 281	\$ 264,021
Reserves for Encumbrances, December 31	\$ 3,243	\$ 2,520	\$ -	\$ -	\$ -	\$ 5,763

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, 2005

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Taxes	\$ 39,664	\$ -	\$ 46,298	\$ -	\$ -	\$ 85,962
Income Taxes	265,991	-	-	-	-	265,991
Intergovernmental	92,481	104,792	-	3,959	-	201,232
Charges for Services	45,954	-	-	-	-	45,954
Fines, Licenses, and Permits	3,459	-	-	-	-	3,459
Earnings on Investments	17,363	1,078	-	-	-	18,441
Contributions and Donations	-	-	-	-	-	-
Miscellaneous	1,007	-	-	-	-	1,007
Total Cash Receipts	<u>465,919</u>	<u>105,870</u>	<u>46,298</u>	<u>3,959</u>	<u>-</u>	<u>622,046</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	306,974	-	-	-	-	306,974
Public Health Services	3,142	-	-	-	-	3,142
Leisure Time Activities	2,046	-	-	-	-	2,046
Transportation	-	70,581	-	-	-	70,581
General Government	125,203	-	-	-	-	125,203
Debt Service:						
Principal Payments	-	-	30,000	-	-	30,000
Interest Payments	-	-	2,411	-	-	2,411
Capital Outlay	-	-	-	74,677	-	74,677
Total Cash Disbursements	<u>437,365</u>	<u>70,581</u>	<u>32,411</u>	<u>74,677</u>	<u>-</u>	<u>615,034</u>
Total Cash Receipts Over/(Under) Cash Disbursements	28,554	35,289	13,887	(70,718)	-	7,012
Other Financing Receipts and (Disbursements):						
Proceeds of Loans	-	-	-	59,480	-	59,480
Total Other Financing Receipts/(Disbursements)	-	-	-	59,480	-	59,480
Excess/(Deficiency) of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	28,554	35,289	13,887	(11,238)	-	66,492
Fund Cash Balances, January 1	<u>209,819</u>	<u>25,949</u>	<u>4,850</u>	<u>9,305</u>	<u>281</u>	<u>250,204</u>
Fund Cash Balances, December 31	<u>\$ 238,373</u>	<u>\$ 61,238</u>	<u>\$ 18,737</u>	<u>\$ (1,933)</u>	<u>\$ 281</u>	<u>\$ 316,696</u>
Reserves for Encumbrances, December 31	<u>\$ 6,608</u>	<u>\$ 1,218</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,826</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, 2006 AND 2005**

	Enterprise Fund	
	2006	2005
Operating Cash Receipts:		
Charges for Services	\$ 655,884	\$ 640,049
Operating Cash Disbursements:		
Personal Services	297,742	280,607
Transportation	-	34
Contractual Services	129,383	114,687
Supplies and Materials	50,778	45,755
Capital Outlay	30,050	13,813
Total Operating Cash Disbursements	507,953	454,896
Operating Income	147,931	185,153
Non-Operating Cash Receipts:		
Miscellaneous	14,292	17,328
Other Non-Operating Receipts	-	-
Total Non-Operating Cash Receipts	14,292	17,328
Non-Operating Cash Disbursements:		
Debt Service:		
Principal Payments	140,990	133,568
Interest Payments	86,454	93,243
Total Non-Operating Cash Disbursements	227,444	226,811
Excess/(Deficiency) of Receipts Under Disbursements Before Interfund Transfers and Advances	(65,221)	(24,330)
Transfers-In	-	-
Advances-In	-	-
Advances-Out	-	-
Net Receipts Over Disbursements	(65,221)	(24,330)
Fund Cash Balances, January 1	351,819	376,149
Fund Cash Balances, December 31	\$ 286,598	\$ 351,819
Reserve for Encumbrances, December 31	\$ 988	\$ 4,701

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 (Trust Funds)

Trust Funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. The Village had the following significant Fiduciary Funds:

Calhoun Trust Fund - This expendable trust fund is used for maintaining and landscaping the park.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON 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 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 2006 and 2005 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:

	2006	2005
Demand deposits	\$ 443,147	\$ 561,043
Certificate of deposits	107,272	107,272
Cash on Hand	200	200
Total Deposits	\$ 550,619	\$ 668,515

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, 2006 and 2005 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 463,326	\$ 479,300	\$ 15,974
Special Revenue	121,825	114,364	(7,461)
Debt Service	18,100	18,103	3
Capital Projects	12,000	12,000	-
Expendable Trust	-	-	-
Enterprise	692,200	670,176	(22,024)
Total	<u>\$ 1,307,451</u>	<u>\$ 1,293,943</u>	<u>\$ (13,508)</u>

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 542,794	\$ 538,882	\$ 3,912
Special Revenue	128,675	125,453	3,222
Debt Service	21,100	17,870	3,230
Capital Projects	-	-	-
Expendable Trust	-	-	-
Enterprise	777,708	736,385	41,323
Total	<u>\$ 1,470,277</u>	<u>\$ 1,418,590</u>	<u>\$ 51,687</u>

2005 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 412,611	\$ 465,919	\$ 53,308
Special Revenue	96,180	105,870	9,690
Debt Service	35,000	46,298	11,298
Capital Projects	116,535	63,439	(53,096)
Expendable Trust	-	-	-
Enterprise	662,118	657,377	(4,741)
Total	<u>\$ 1,322,444</u>	<u>\$ 1,338,903</u>	<u>\$ 16,459</u>

2005 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 481,172	\$ 443,973	\$ 37,199
Special Revenue	80,444	71,799	8,645
Debt Service	36,000	32,411	3,589
Capital Projects	125,841	74,677	51,164
Expendable Trust	-	-	-
Enterprise	846,251	686,408	159,843
Total	<u>\$ 1,569,708</u>	<u>\$ 1,309,268</u>	<u>\$ 260,440</u>

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

NOTES TO FINANCIAL STATEMENTS

3. BUDGETARY ACTIVITY (Continued)

Contrary to Ohio Revised Code Section 5705.39, appropriations are not to exceed estimated revenue. In 2005, The Pool Fund and Calhoun Trust Fund had appropriations exceed estimated revenue during various times of the year.

Contrary to Ohio Revised Code Section 5705.10, Capital Improvement Fund 402 had a negative fund balance as of December 31, 2005.

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 a file a declaration annually.

6. DEBT

Debt outstanding at December 31, 2006 was as follows:

	<u>Principal</u>	<u>Interest rate</u>
1992 OPWC Storm Water Improvement Loan No. CN432	\$ 27,642	0.0%
1995 OPWC Water System Improvement Loan No. CN910	42,795	0.0%
2002 OPWC Riverfront Estates Loan No. CN31D	143,853	0.0%
2002 OPWC Phase 111 Waterline Loan No. CN21E	2,640	0.0%
2003 OPWC Wastewater Treatment Loan No. CN15G	255,000	0.0%
2004 OPWC Wastewater Treatment Loan No. CN16G	88,192	0.0%
1990 OWDA Sewer Project Loan No. 1967	164,318	8.3%
2000 OWDA Water System Improvement Loan No. 2130	884,139	5.8%
2004 OWDA Wastewater Treatment Loan No. 4045	318,795	4.2%
1994 U.S.D.A. Dept. of Rural Development Loan No. 92-01	178,300	5.1%
2004 Ohio Heritage Police Cruiser Loan	7,643	5.0%
Total	<u>\$ 2,113,317</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.

Ohio Public Works Commission (OPWC) loan nos. CN15G, CN16G relate to wastewater treatment improvement in 2004. The payments will be done in semi-annual installments. Disbursements related to this project in 2005 from OPWC was \$31,721. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements. No amortization of this debt has been completed by OPWC and is not included in the amortization schedule below.

1990 Ohio Water Development Authority (OWDA) loan no. 19678 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. Disbursements related to this project in 2005 from OWDA was \$27,759. The Village has agreed to set water and sewer rates sufficient to cover OWDA debt service requirements. No amortization of this debt has been completed by OWDA and is not included in the amortization schedule below.

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 obtained to purchase a police cruiser for the Village's police department. Payments are due monthly until 2008. The loan will be collateralized by the equipment purchased.

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

Year	Total OPWC	Total OWDA	U.S.D.A. 92-01	Police Cruiser
2007	\$ 19,599	\$ 174,251	\$ 12,338	\$ 5,860
2008	16,959	174,251	12,274	1,971
2009	16,959	136,393	12,305	-
2010	16,959	98,536	12,325	-
2011	16,959	98,536	12,336	-
2012-2016	66,367	492,674	61,576	-
2017-2021	46,205	295,608	61,569	-
2022-2026	16,923	-	61,448	-
2027-2031	-	-	61,417	-
2032-2036	-	-	26,420	-
Total	<u>\$ 216,930</u>	<u>\$ 1,470,249</u>	<u>\$ 334,008</u>	<u>\$ 7,831</u>

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON 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 2006 and 2005, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 9.0% and 8.5% of their wages in 2006 and 2005, respectively. The Village contributed an amount equal to 13.70% and 13.55% of participants gross salaries in 2006 and 2005, 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 reinsurances or excess reinsurers. The Pool is contingently liable should any reinsurer become unable to meet its obligations under the reinsurance obligations. 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, 2005 and 2004 (the latest information available):

	2005	2004
Assets	\$ 2,241,661	\$ 2,390,150
Liabilities	(3,457,720)	(3,424,271)
Retained (deficit) earnings	\$ (1,216,059)	\$ (1,034,121)

9. JOINTLY GOVERNED ORGANIZATION

The Village participates in the Coshocoton County Regional Planning Commission (Commission), which is a statutorily created political subdivision of the State. The Commission is jointly governed among Coshocoton 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 Coshocoton 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**

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF FINANCIAL STATEMENT PERFORMED
IN ACCORDANCE WITH 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 as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated March 16, 2007, 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 Financing Reporting

In planning and performing our audit, we considered the Village of West Lafayette's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the combined financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the Village of West Lafayette in a separate letter dated March 16, 2007.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village of West Lafayette's combined 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 and other matters that are required to be reported under *Government Auditing Standards*. However, We noted certain immaterial instances of noncompliance that we have reported to the management of the Village of West Lafayette in a separate letter dated March 16, 2007.

This report is intended for the information of the Mayor, Village Administrator, Clerk, Council and the 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
March 16, 2007



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 15, 2007**