



Dave Yost • Auditor of State



VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Village of West Lafayette  
Coshocton County  
113 East Railroad St.  
P.O. Box 175  
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 the related notes of the Village of West Lafayette, Coshocton County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013.

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

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

### ***Auditor's Responsibility***

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

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

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

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

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

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. Our opinion on this accounting basis is in the *Additional Opinion Qualification* 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 as of December 31, 2014 and 2013, or changes in financial position or cash flows thereof for the years then ended.

***Basis for Additional Opinion Qualification***

Income Tax receipts in the General Fund and Income Tax Street Repair Fund are reported at \$293,177 and \$145,351, respectively for the year ended December 31, 2014, which are 64 percent of General Fund receipts and 34 percent of Special Revenue Fund receipts, respectively, for the year ended December 31, 2014. We were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as income tax receipts. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

***Additional Opinion Qualification***

In our opinion, except for the possible effects of the matters described in the *Basis for Additional Opinion Qualification* paragraph, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of West Lafayette, Coshocton County, Ohio as of December 31, 2014 and 2013, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit, described in Note 1.

***Other Matters***

Our audit was conducted to opine on the financial statements taken as a whole.

The Schedule of Federal Awards Expenditures also presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

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

**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2015

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**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$94,556	\$0	\$0	\$94,556
Municipal Income Tax	293,177	145,351	0	438,528
Intergovernmental	44,819	132,670	0	177,489
Charges for Services	20	105,364	0	105,384
Fines, Licenses and Permits	3,930	250	0	4,180
Earnings on Investments	0	368	0	368
Miscellaneous	4,781	3,010	0	7,791
<i>Total Cash Receipts</i>	<u>441,283</u>	<u>387,013</u>	<u>0</u>	<u>828,296</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	283,757	0	0	283,757
Public Health Services	2,412	68,525	0	70,937
Leisure Time Activities	2,621	0	0	2,621
Basic Utility Services	5,656	468	0	6,124
Transportation	0	123,844	0	123,844
General Government	115,737	11,565	0	127,302
Capital Outlay	0	60,358	107,918	168,276
<i>Total Cash Disbursements</i>	<u>410,183</u>	<u>264,760</u>	<u>107,918</u>	<u>782,861</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>31,100</u>	<u>122,253</u>	<u>(107,918)</u>	<u>45,435</u>
<b>Other Financing Receipts</b>				
Other Debt Proceeds	0	0	107,918	107,918
Other Financing Sources	20,133	42,984	0	63,117
<i>Total Other Financing Receipts</i>	<u>20,133</u>	<u>42,984</u>	<u>107,918</u>	<u>171,035</u>
<i>Net Change in Fund Cash Balances</i>	51,233	165,237	0	216,470
<i>Fund Cash Balances, January 1</i>	<u>217,201</u>	<u>233,671</u>	<u>0</u>	<u>450,872</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	398,908	0	398,908
Assigned	255	0	0	255
Unassigned	268,179	0	0	268,179
<i>Fund Cash Balances, December 31</i>	<u>\$268,434</u>	<u>\$398,908</u>	<u>\$0</u>	<u>\$667,342</u>

*The notes to the financial statements are an integral part of this statement.*

**VILLAGE OF WEST LAYAFETTE  
COSHOCKTON 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, 2014**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Private Purpose Trust	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$749,459	\$0	\$749,459
Fines, Licenses and Permits	20,234	0	20,234
Miscellaneous	990	0	990
<i>Total Operating Cash Receipts</i>	<u>770,683</u>	<u>0</u>	<u>770,683</u>
<b>Operating Cash Disbursements</b>			
Personal Services	173,866	0	173,866
Contractual Services	184,460	0	184,460
Supplies and Materials	47,372	0	47,372
<i>Total Operating Cash Disbursements</i>	<u>405,698</u>	<u>0</u>	<u>405,698</u>
<i>Operating Income</i>	<u>364,985</u>	<u>0</u>	<u>364,985</u>
<b>Non-Operating (Disbursements)</b>			
Capital Outlay	(49,714)	0	(49,714)
Principal Retirement	(139,209)	0	(139,209)
Interest and Other Fiscal Charges	(44,286)	0	(44,286)
<i>Total Non-Operating (Disbursements)</i>	<u>(233,209)</u>	<u>0</u>	<u>(233,209)</u>
<i>Net Change in Fund Cash Balances</i>	131,776	0	131,776
<i>Fund Cash Balances, January 1</i>	<u>505,938</u>	<u>473</u>	<u>506,411</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$637,714</u></u>	<u><u>\$473</u></u>	<u><u>\$638,187</u></u>

*The notes to the financial statements are an integral part of this statement.*

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS  
AND CHANGES IN FUND BALANCES (CASH BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	General	Special Revenue	Capital Projects	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$100,000	\$0	\$0	\$100,000
Municipal Income Tax	292,247	142,833	0	435,080
Intergovernmental	64,751	264,330	0	329,081
Charges for Services	0	97,421	0	97,421
Fines, Licenses and Permits	5,561	262	0	5,823
Earnings on Investments	1,572	352	0	1,924
Miscellaneous	7,493	1,887	0	9,380
<i>Total Cash Receipts</i>	<u>471,624</u>	<u>507,085</u>	<u>0</u>	<u>978,709</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	317,924	93,138	0	411,062
Public Health Services	4,945	0	0	4,945
Community Environment	1,929	0	0	1,929
Basic Utility Services	4,399	0	0	4,399
Transportation	0	155,474	0	155,474
General Government	118,739	0	0	118,739
Capital Outlay	0	159,264	33,272	192,536
<i>Total Cash Disbursements</i>	<u>447,936</u>	<u>407,876</u>	<u>33,272</u>	<u>889,084</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>23,688</u>	<u>99,209</u>	<u>(33,272)</u>	<u>89,625</u>
<b>Other Financing Receipts (Disbursements)</b>				
Other Debt Proceeds	0	0	33,272	33,272
Sale of Capital Assets	55	0	0	55
Transfers In	0	14,064	0	14,064
Transfers Out	0	(19,937)	0	(19,937)
Advances In	5,000	0	0	5,000
Advances Out	0	(5,000)	0	(5,000)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>5,055</u>	<u>(10,873)</u>	<u>33,272</u>	<u>27,454</u>
<i>Net Change in Fund Cash Balances</i>	28,743	88,336	0	117,079
<i>Fund Cash Balances, January 1</i>	<u>188,458</u>	<u>145,335</u>	<u>0</u>	<u>333,793</u>
<b>Fund Cash Balances, December 31</b>				
Restricted	0	233,671	0	233,671
Assigned	19,107	0	0	19,107
Unassigned (Deficit)	198,094	0	0	198,094
<i>Fund Cash Balances, December 31</i>	<u>\$217,201</u>	<u>\$233,671</u>	<u>\$0</u>	<u>\$450,872</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF WEST LAYAFETTE  
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, 2013**

	Proprietary Fund Type	Fiduciary Fund Type	Totals
	Enterprise	Private Purpose Trust	(Memorandum Only)
<b>Operating Cash Receipts</b>			
Charges for Services	\$757,364	\$0	\$757,364
Fines, Licenses and Permits	18,106	0	18,106
Miscellaneous	3,666	0	3,666
<i>Total Operating Cash Receipts</i>	<u>779,136</u>	<u>0</u>	<u>779,136</u>
<b>Operating Cash Disbursements</b>			
Personal Services	257,577	0	257,577
Contractual Services	1,047,350	0	1,047,350
Supplies and Materials	59,218	0	59,218
<i>Total Operating Cash Disbursements</i>	<u>1,364,145</u>	<u>0</u>	<u>1,364,145</u>
<i>Operating Income (Loss)</i>	<u>(585,009)</u>	<u>0</u>	<u>(585,009)</u>
<b>Non-Operating Receipts (Disbursements)</b>			
Intergovernmental Revenue	363,208	0	363,208
Loan Proceeds	792,012	0	792,012
Insurance Proceeds	13,992	0	13,992
Transfers In	5,873	0	5,873
Capital Outlay	(79,729)	0	(79,729)
Principal Retirement	(449,888)	0	(449,888)
Interest and Other Fiscal Charges	(50,285)	0	(50,285)
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>595,183</u>	<u>0</u>	<u>595,183</u>
<i>Net Change in Fund Cash Balances</i>	10,174	0	10,174
<i>Fund Cash Balances, January 1</i>	<u>495,764</u>	<u>473</u>	<u>496,237</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$505,938</u></u>	<u><u>\$473</u></u>	<u><u>\$506,411</u></u>

*The notes to the financial statements are an integral part of this statement.*

**VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

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

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

**B. Accounting Basis**

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 § 117.38 and Ohio Administrative Code § 117-2-03(D) permit.

**C. Deposits**

All deposits are maintained in certificates of deposits, savings accounts and interest bearing checking accounts.

**D. Fund Accounting**

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

**1. General Fund**

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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

**D. Fund Accounting (Continued)**

**2. Special Revenue Funds**

These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Fund - This fund receives gasoline tax and motor vehicle 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 Layette Township, White Eyes Township, Linton Township and Oxford Township for providing fire protection

FEMA Fund – This fund receives federal monies for the purchase of turnout gear for the fire department.

**3. 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. The proceeds are being used for storm sewer upgrades and paving costs related to the Kirk Street/Union Avenue project.

**4. Enterprise Funds**

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

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

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

Ohio Public Works Commission – Waste Water Treatment Plant Fund – This fund receives state grant proceeds to finance a sewer facility improvement project.

**VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

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

**D. Fund Accounting (Continued)**

**5. Fiduciary Funds**

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

**E. Budgetary Process**

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

**1. Appropriations**

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

**2. Estimated Resources**

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

**3. Encumbrances**

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

A summary of 2014 and 2013 budgetary activity appears in Note 3.

**F. Fund Balance**

Fund balance is divided into 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:

VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)

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

**F. Fund Balance (Continued)**

1. **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.

2. **Assigned**

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

3. **Unassigned**

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

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

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

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

**H. Accumulated Leave**

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

2. **EQUITY IN POOLED DEPOSITS**

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

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**2. EQUITY IN POOLED DEPOSITS (Continued)**

	2014	2013
Demand deposits	\$1,150,567	\$802,329
Certificates of deposit	154,962	154,954
Total deposits	\$1,305,529	\$957,283

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Village.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2014 and 2013 are as follows:

2014 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$420,913	\$461,416	\$40,503
Special Revenue	363,000	429,997	66,997
Capital Projects	107,918	107,918	(0)
Enterprise	697,500	770,683	73,183
Private Purpose Trust	0	0	0
Total	\$1,589,331	\$1,770,014	\$180,683

2014 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$447,876	\$410,438	\$37,438
Special Revenue	323,375	266,110	57,265
Capital Projects	107,918	107,918	0
Enterprise	791,847	642,723	149,124
Private Purpose Trust	0	0	0
Total	\$1,671,016	\$1,427,189	\$243,827

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2013 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$458,447	\$476,679	\$18,232
Special Revenue	503,980	521,149	17,169
Capital Projects	157,805	33,272	(124,533)
Enterprise	1,949,733	1,954,221	4,488
Private Purpose Trust	0	0	0
Total	\$3,069,965	\$2,985,321	(\$84,644)

2013 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$509,311	\$451,480	\$57,831
Special Revenue	519,564	473,975	45,589
Capital Projects	157,805	33,272	124,533
Enterprise	2,098,193	1,970,581	127,612
Private Purpose Trust	0	0	0
Total	\$3,284,872	\$2,929,308	\$355,564

**4. PROPERTY TAX**

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

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

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

**5. 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.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**6. DEBT**

Debt outstanding at December 31, 2014 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
2010 Home Loan & Savings Loan - Dump Trucks	\$30,199	5.0%
2013 Home Loan & Savings Loan Consolidation	188,931	2.9%
2013 Home Loan & Savings - Wastewater Treatment Plant	37,946	3.4%
2000 OWDA Water System Improvement Loan No. 2130	417,671	5.8%
2004 OWDA Wastewater Treatment Lon No. 4045	264,601	4.2%
1995 OPWC Water System Improvement Loan No. CN910	13,618	0.0%
2002 OPWC Riverfront Estates Loan No. CN31D	80,389	0.0%
2004 OPWC Wastewater Treatment Loan No. CN16G	52,837	0.0%
2013 OPWC Wastewater Treatment Loan No. CN19N	692,644	0.0%
2014 OPWC Kirk St./Union Ave. Improvements Loan No. CN20Q	141,190	0.0%
Total	<u><u>\$1,920,026</u></u>	

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-annual 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 relate to wastewater treatment improvement in 2004. The payments will be done in semi-annual installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements.

Ohio Public Works Commission (OPWC) loan no. CN19N relate to the wastewater treatment upgrade in 2013. The payments will be done in semi-annual installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements.

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 will be done in annual installments. The Village has set aside municipal income tax monies sufficient to cover the repayment of the 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 payments are due in semi-annual installments maturing in 2020. 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 maturing in 2035. The Village has agreed to set water and sewer rates sufficient to cover OWDA debt service requirements.

The 2010 Home Loan & Savings Bank loan relates to the purchase of two new F-550 dump trucks. The payments are due quarterly. The Village has agreed to set water and sewer rates sufficient to cover the repayment of the debt.

**VILLAGE OF WEST LAFAYETTE  
COSHOCKTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**6. DEBT (Continued)**

The 2013 Home Loan & 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 extended 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.

The 2013 Home Loan & Savings Bank loan were obtained for a wastewater treatment plant upgrade. Payment is due annually. The Village has agreed to set water and sewer rates sufficient to cover the repayment of the debt.

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

Year ending December 31:	OWDA Loans	OPWC Loans	Home Loan & Savings Bank Loans
2015	\$118,153	\$47,523	\$47,829
2016	118,153	54,583	20,638
2017	118,153	54,583	20,638
2018	118,153	52,637	20,638
2019	118,153	50,692	20,638
2020-2024	98,089	249,229	103,190
2025-2029	98,089	137,046	82,553
2030-2034	98,089	119,421	0
2035-2039	0	119,421	0
2040-2043	0	85,537	0
Total	\$885,033	\$970,672	\$316,125

**7. RETIREMENT SYSTEMS**

The Village's certified full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2014 and 2013, OP&F members contributed 10% from January 1, 2013 through June 30, 2013; 10.75% from July 1, 2013 through June 30, 2014; and 11.5% from July 1, 2014 through December 31, 2014 of their gross salaries, and the Village contributed an amount equaling 19.5% of participants' gross salaries. For 2013 and 2014, OPERS members contributed 10% of their gross salaries, and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2014.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**8. RISK MANAGEMENT**

**Commercial Insurance**

The Village has obtained commercial insurance for the following risks:

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

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VILLAGE OF WEST LAFAYETTE  
COSHOCKTON COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2013

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Pass-Through Grantor Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grants/State's Program	C-W-10-2LZ-1	14.228	\$113,208
Appalachian Research, Technical Assistance, and Demonstration Projects	C-P-11-2LZ-1	23.011	<u>250,000</u>
Total U.S. Department of Housing and Urban Development			363,208
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Direct Program</i>			
Assistance to Firefighters Grant	N/A	97.044	<u>148,580</u>
Total U.S. Department of Homeland Security			<u>148,580</u>
<b>Total Federal Awards Expenditures</b>			<b><u><u>\$511,788</u></u></b>

*See accompanying Notes to the Schedule of Federal Awards Expenditures.*

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FISCAL YEAR ENDED DECEMBER 31, 2013**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Expenditures (the Schedule) reports the Village of West Lafayette's (the Village's) federal award programs' disbursements. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - MATCHING REQUIREMENTS**

Certain Federal programs require the Village to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Village has met its matching requirements. The Schedule does not include the expenditure of non-Federal matching funds.



# Dave Yost • Auditor of State

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

Village of West Lafayette  
Coshocton County  
113 East Railroad St.  
P.O. Box 175  
West Lafayette, Ohio 43845

To the Village Council:

We have audited in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the cash balances, receipts, and disbursements by fund type of the Village of West Lafayette, Coshocton County, Ohio (the Village), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements and have issued our report thereon dated December 22, 2015 wherein we noted the Village followed financial reporting provisions Ohio Revised Code § 117.38 and Ohio Administrative Code § 117-2-03(D) permit. We also qualified our opinion on the General Fund and Special Revenue Fund Types for the year ended December 31, 2014 because we were unable to obtain sufficient appropriate audit evidence supporting the amounts recorded as income tax receipts in the amounts of \$293,177 and \$145,351, respectively.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

Our consideration of internal control was for the limited purpose described in the preceding 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 certain deficiencies in internal control over financial reporting, that we consider a material weakness and a significant deficiency.

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. We consider finding 2014-002 described in the accompanying Schedule of Findings to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of internal control deficiencies less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider finding 2014-001 described in the accompanying Schedule of Findings to be a significant deficiency.

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***Compliance and Other Matters***

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

***Village's Response to Findings***

The Village's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Village of West Lafayette  
Coshocton County  
113 East Railroad St.  
P.O. Box 175  
West Lafayette, Ohio 43845

To the Village Council:

### ***Report on Compliance for Each Major Federal Program***

We have audited the Village of West Lafayette's, Coshocton County, Ohio (the Village), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the Village's major federal programs for the year ended December 31, 2013. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the Village's major federal programs.

### ***Management's Responsibility***

The Village's Management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the Village's compliance for each of the Village's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the Village's major programs. However, our audit does not provide a legal determination of the Village's compliance.

***Basis for Qualified Opinion on the Community Development Block Grant and the Appalachian Research, Technical Assistance and Demonstration Projects Grant***

As described in Findings 2013-002 and 2013-003 in the accompanying Schedule of Findings, the Village did not comply with requirements regarding the following:

Finding #	CFDA #	Program (or Cluster) Name	Compliance Requirement
2013-002	23.011	Appalachian Research, Technical Assistance, and Demonstration Projects Grant	Procurement
2013-003	14.228 23.011	Community Development Block Grant; Appalachian Research, Technical Assistance, and Demonstration Projects Grant	Reporting

Compliance with these requirements is necessary, in our opinion, for the Village to comply with the requirements applicable to these programs.

***Qualified Opinion on the Community Development Block Grant and the Appalachian Research, Technical Assistance and Demonstration Projects Grant***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Community Development Block Grant and the Appalachian Research, Technical Assistance and Demonstration Projects Grant* paragraph, the Village complied, in all material respects, with the requirements referred to above that could directly and materially affect its *Community Development Block Grant and Appalachian Research, Technical Assistance and Demonstration Projects Grant* for the year ended December 31, 2013.

***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance which OMB Circular A-133 requires us to report, described in the accompanying Schedule of Findings as item 2013-001. This finding did not require us to modify our compliance opinion on each major federal program.

The Village's responses to our noncompliance findings are described in the accompanying Corrective Action Plan. We did not audit the Village's responses and, accordingly, we express no opinion on them.

***Report on Internal Control Over Compliance***

The Village's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the Village's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the Village's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Therefore, we cannot assure we have identified all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program's compliance requirement will not be prevented, or timely detected and corrected. A *significant deficiency in internal control over compliance* is a deficiency or a combination of deficiencies in internal control over compliance with a federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings as items 2013-002 and 2013-003 to be material weaknesses.

The Village's responses to our internal control over compliance findings are described in the accompanying Corrective Action Plan. We did not audit the Village's responses and, accordingly, we express no opinion on them.

This report only describes the scope of internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

December 22, 2015

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**VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2014 AND 2013**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Qualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Qualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	Yes
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Community Development Block Grants/State's Program, CFDA #14.228  Appalachian Research, Technical Assistance, and Demonstration Projects, CFDA #23.011
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

VILLAGE OF WEST LAFAYETTE  
COSHOCKTON COUNTY

SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2014 AND 2013  
(Continued)

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

FINDING NUMBER 2014-001

**Significant Deficiency**

The Village should maintain an accounting system and accounting records sufficient to enable the Village to identify, assemble, analyze, classify, record and report its transactions, 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 performed, errors were noted in the Village's financial statements that required audit reclassifications as follows:

- In 2014 and 2013, loan proceeds and corresponding capital outlay expenditures amounting to \$107,918 and \$33,272, respectively, was not reflected on the Annual Financial Report for the Capital Projects Fund Type;
- In 2013 and 2013, the breakdown of principal retirement payments and interest and other fiscal charges related to debt activity was not properly reflected in the Enterprise - Water Operating and Enterprise - Sewer Operating Funds. Reclassifications ranging from \$9,491 to \$84,242 were necessary in order to reflect the appropriate breakdown of debt activity. Additionally, principal retirement payments amounting to \$14,149 in 2013 was improperly reflected as capital outlay in the Enterprise - Sewer Operating Fund.
- In 2013, Special Revenue FEMA Fund transfers-in totaling \$19,927 were improperly classified as contract services (\$12,635) and negative transfers-in (\$7,302);
- In 2013, an advance repayment of \$5,000 was improperly classified as transaction expenses within the Special Revenue Street Repair Levy Fund.
- In 2013, loan proceeds amounting to \$545,521 were improperly classified as intergovernmental revenue within the Enterprise - OPWC Operating Fund;
- In 2014, intergovernmental revenue of \$5,745 and \$25,000 within the Special Revenue Motor Vehicle License Fund and Park Fund, respectively, was improperly reflected as municipal income tax;
- In 2014, homestead and rollback revenue amounting to \$15,340 was improperly classified as property tax revenue rather than intergovernmental revenue within the General Fund;
- In 2014, local government receipts amounting to \$2,097 was improperly recorded in Special Revenue Funds rather than the General Fund. This resulted in the General Fund being understated by \$2,097 and the Street Construction Fund and State Highway Fund to be overstated by \$1,940 and \$157, respectively.
- In 2014, the ending fund balances for all Special Revenue funds amounting to \$397,559 were improperly shown as unassigned fund balances rather than as restricted fund balances

Sound financial reporting is the responsibility of the Village Fiscal Officer and is essential to help ensure the information provided to the readers of the financial statements is complete and accurate. The Village's financial statements have been adjusted accordingly.

To help ensure the Village's financial statements are complete and accurate, the Village should adopt policies and procedures to identify and correct errors and omissions in reporting.

**Officials' Response:** Proper adjustments have been made to the General Fund, Street Construction Fund and State Highway Fund. Auditor's suggestions have been implemented.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2014 AND 2013  
(Continued)**

<b>2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
---

**FINDING NUMBER 2014-002**

**Material Weakness**

As income tax receipts are received by the Village, the amounts should be recorded in the income tax subsidiary income tax system, with posting to the proper taxpayer accounts. The daily income tax receipts should be deposited into the bank and recorded in the Village's revenue ledger.

The income tax revenue of the Village for 2014 was not supported by the income tax program's subsidiary reports. The Village's reported income tax revenue was recorded and reported in the General Fund of \$293,177 and Special Revenue Street Repair Fund of \$145,351 for a total of \$438,528. The income tax system generated subsidiary reports after amendments showed total cash receipts of \$417,583, a difference of \$20,945. The differences were due to 2014 income tax revenues being posted directly into the Detailed Revenue Transaction report of the accounting system without being entered through the income tax receipting system first during the period that the Village did not have an active Fiscal Officer/Tax Administrator. Postings of these income tax funds were entered during the subsequent months but inconsistencies with the revenue posted in the income tax subsidiary records still existed and the two systems continued to not reconcile. This resulted in the income tax system revenues received being understated by \$20,945 compared to the Detailed Revenue Transaction Report of the Village. We could not obtain the required assurances over the 2014 income tax revenues and therefore were unable to give an opinion on the income tax receipts for the General and Special Revenue Fund Types for 2014.

It is recommended that the Village promptly record all daily income tax receipts in the subsidiary income tax system and produce appropriate reports to be maintained and used to record the same revenue amounts in the Village's revenue ledger. These reports should be reconciled monthly. This will ensure that all income tax revenue received is accurately posted.

**Officials' Response:** Auditor's suggestions have been implemented.

<b>3. FINDINGS FOR FEDERAL AWARDS</b>
---------------------------------------

<b>Finding Number</b>	2013-001
<b>CFDA Title and Number</b>	Community Development Block Grants/State's Program CFDA #14.228; Appalachian Research, Technical Assistance, and Demonstration Projects CFDA #23.011; and Assistance to Firefighters Grant CFDA #97.044
<b>Federal Award Number / Year</b>	C-W-10-2LZ-1 C-P-11-2LZ-1
<b>Federal Agency</b>	U.S. Department of Housing and Urban Development U.S. Department of Homeland Security
<b>Pass-Through Agency</b>	Ohio Department of Development

**VILLAGE OF WEST LAFAYETTE  
COSHOCKTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2014 AND 2013  
(Continued)**

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)</b>
--

**FINDING NUMBER 2013-001 (Continued)**

**Noncompliance – Single Audit (Continued)**

OMB Circular A-133 § .320(a) requires the auditee to submit a data collection form described in § 320(b) and the reporting package described in § 320(c) within the earlier of 30 days after receipt of the auditor's report, or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. Additionally, auditee's with late single audit filings cannot qualify for low-risk auditee status in the subsequent two audit periods. As a result, more than 50 percent of an auditee's total federal expenditures must be audited rather than the 25 percent required for low-risk auditees.

Due to the Village not notifying their auditors that they expended over \$500,000 in federal funds for 2013, a two-year audit for 2014 and 2013 was scheduled as in prior audits. Therefore, the annual report for 2013 was not completed nor submitted to the Federal Audit Clearinghouse within nine months after the end of the audit period. Accordingly, for fiscal year 2015, if the Village qualifies for a single audit, the Village will not qualify as a low-risk auditee and 50 percent of the Village's total federal expenditures will have to be audited.

We recommend the Village notify their auditors when their federal expenditures are \$500,000 or more and schedule their audit in a timely manner so the nine month deadline is met.

**Officials' Response:** See Corrective Action Plan.

<b>Finding Number</b>	2013-002
<b>CFDA Title and Number</b>	Appalachian Research, Technical Assistance, and Demonstration Projects CFDA #23.011
<b>Federal Award Number / Year</b>	C-P-11-2LZ-1
<b>Federal Agency</b>	U.S. Department of Housing and Urban Development
<b>Pass-Through Agency</b>	Ohio Department of Development

**Noncompliance and Material Weakness – Procurement**

40 C.F.R. Part 31.36(c) requires that all procurement transactions be conducted in a manner providing full and open competition. Furthermore, 40 C.F.R. Part 31.36(d)(1) requires price or rate quotations to be received from an adequate number of qualified sources for small purchases of \$100,000 (41 U.S.C 403(11)) or less.

During 2013, the Village made small purchases from the Appalachian Regional Planning grant. For two out of eight (25 percent) transactions tested for procurement requirements, the Village was unable to provide support for price or rate quotations that would have ensured open competition requirements were satisfied or other documentation that would support that the vendor was a single source provider.

**VILLAGE OF WEST LAFAYETTE  
COSHOCOTON COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A -133 § .505  
DECEMBER 31, 2014 AND 2013  
(Continued)**

**3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)**

**FINDING NUMBER 2013-002 (Continued)**

**Noncompliance and Material Weakness – Procurement (Continued)**

The Village should review federal and state procurement requirements for the four procurement type of transactions (Small Purchases, Procurement by Sealed Bids, Procurement by Competitive Proposals and Procurement from Noncompetitive Proposals) in order to gain a better understanding of what transactions fall under each type of procurement. Supporting documentation should be maintained in order to demonstrate that the Village met federal and state procurement requirements. Also, the Village should maintain formal documentation for additional considerations made when selecting a vendor. This will help ensure the Village is in compliance with required federal procurement regulations.

**Officials’ Response:** See Corrective Action Plan.

<b>Finding Number</b>	2013-003
<b>CFDA Title and Number</b>	Community Development Block Grants/State’s Program CFDA #14.228; Appalachian Research, Technical Assistance, and Demonstration Projects CFDA #23.011
<b>Federal Award Number / Year</b>	C-W-10-2LZ-1 C-P-11-2LZ-1
<b>Federal Agency</b>	U.S. Department of Housing and Urban Development
<b>Pass-Through Agency</b>	Ohio Department of Development

**Noncompliance and Material Weakness – Reporting**

2 C.F.R. § 215.51(a) states that recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award.

The Community Development Block Grant agreement, Attachment B, Article 8a, requires a deadline for filing the Final Performance Report by January 31, 2013. The Appalachian Regional Commission grant agreement, Attachment B, Article 8a, requires a deadline for filing the Final Performance Report by February 1, 2013. Both the CDBG and ARC grant agreements were modified changing the filing deadlines to September 30, 2013.

However, the Village completed and submitted both Final Performance Reports on January 30, 2014, four months after the extended deadline.

Failure to timely report the required information could lead to inaccurate information reported by the State to the Federal government.

The Village should take appropriate steps to ensure that grant reports are completed and filed in accordance with the grant agreement in order to meet the required deadlines.

**Officials’ Response:** See Corrective Action Plan.

**VILLAGE OF WEST LAFAYETTE  
COSHOCTON COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A -133 § .315 (c)  
DECEMBER 31, 2014 AND 2013**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2013-001	The Village will monitor federal spending closely and notify their auditors when federal expenditures are \$500,000 or more.	12/15/15	Village Administrator, David Kadri, and Fiscal Officer, Sara Warne
2013-002	The Village understands that they must get bids or quotes for even their small purchases of \$100,000 or less.	12/15/15	Village Administrator, David Kadri, and Fiscal Officer, Sara Warne
2013-003	The Village will ensure that the final Performance Report is filed timely.	12/15/15	Village Administrator, David Kadri, and Fiscal Officer, Sara Warne



# Dave Yost • 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  
JANUARY 5, 2016