

VILLAGE OF WEST LAFAYETTE
AUDIT REPORT
JANUARY 1, 2003 - DECEMBER 31, 2004



**Auditor of State
Betty Montgomery**

Village Council
Village of West Lafayette
113 East Railroad St.
West Lafayette, OH 43845

We have reviewed the *Independent Auditor's Report* of the Village of West Lafayette, Coshocton County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2003 through December 31, 2004. 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 Auditor's 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 Auditor's 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 black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

May 20, 2005

This Page is Intentionally Left Blank.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY
JANUARY 1, 2003 - DECEMBER 31, 2004**

TABLE OF CONTENTS

Table of Contents	(i)
Independent Auditors' Report	1
Financial Statements	
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Similar Fiduciary Fund Types For the Year Ended December 31, 2004	2
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Governmental and Similar Fiduciary Fund Types For the Year Ended December 31, 2003	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes In Fund Balances - All Proprietary Fund Types For the Years Ended December 31, 2004 and 2003	4
Notes to the Financial Statements	5-11
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards.	12
Schedule of Prior Audit Findings	13

This Page is Intentionally Left Blank.

**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, 2004 and 2003. 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.

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, 2004 and 2003, 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, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 20, 2005, 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
April 20, 2005

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, 2004

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Taxes	\$ 53,649	\$ -	\$ 35,000	\$ -	\$ -	\$ 88,649
Income Taxes	251,044	-	-	-	-	251,044
Intergovernmental	77,982	96,001	-	-	-	173,983
Charges for Services	26,694	-	-	-	-	26,694
Fines, Licenses, and Permits	7,341	-	-	-	-	7,341
Earnings on Investments	4,386	179	-	-	-	4,565
Contributions and Donations	-	-	-	-	-	-
Miscellaneous	3,772	-	-	-	-	3,772
Total Cash Receipts	<u>424,868</u>	<u>96,180</u>	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>556,048</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	353,246	-	-	-	-	353,246
Public Health Services	3,142	-	-	-	-	3,142
Leisure Time Activities	2,426	-	-	-	230	2,656
Transportation	-	94,639	-	-	-	94,639
General Government	113,762	-	-	-	-	113,762
Debt Service:						
Principal Payments	3,448	-	29,000	-	-	32,448
Interest Payments	457	-	3,835	-	-	4,292
Capital Outlay	-	-	-	594,258	-	594,258
Total Cash Disbursements	<u>476,481</u>	<u>94,639</u>	<u>32,835</u>	<u>594,258</u>	<u>230</u>	<u>1,198,443</u>
Total Cash Receipts Over/(Under) Cash Disbursements	(51,613)	1,541	2,165	(594,258)	(230)	(642,395)
Other Financing Receipts and (Disbursements):						
Proceeds from Sale of Assets	-	-	-	-	-	-
Proceeds of Loans	21,865	-	-	588,385	-	610,250
Transfers-In	-	-	-	-	-	-
Transfers-Out	-	-	-	-	-	-
Advances-In	-	-	-	-	-	-
Advances-Out	-	-	-	-	-	-
Total Other Financing Receipts/(Disbursements)	<u>21,865</u>	<u>-</u>	<u>-</u>	<u>588,385</u>	<u>-</u>	<u>610,250</u>
Excess/(Deficiency) of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(29,748)	1,541	2,165	(5,873)	(230)	(32,145)
Fund Cash Balances, January 1	<u>239,567</u>	<u>24,408</u>	<u>2,685</u>	<u>15,178</u>	<u>511</u>	<u>282,349</u>
Fund Cash Balances, December 31	<u>\$ 209,819</u>	<u>\$ 25,949</u>	<u>\$ 4,850</u>	<u>\$ 9,305</u>	<u>\$ 281</u>	<u>\$ 250,204</u>
Reserves for Encumbrances, December 31	<u>\$ 5,522</u>	<u>\$ 3,487</u>	<u>\$ -</u>	<u>\$ 103,545</u>	<u>\$ -</u>	<u>\$ 112,554</u>

See notes to financial statements.

VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES - ALL GOVERNMENTAL AND SIMILAR TRUST FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003

	Governmental Fund Types					Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	
Cash Receipts:						
Property Taxes	\$ 27,916	\$ -	\$ 48,000	\$ -	\$ -	\$ 75,916
Income Taxes	255,469	-	-	-	-	255,469
Intergovernmental	164,476	83,468	-	228,605	-	476,549
Charges for Services	25,458	-	-	-	-	25,458
Fines, Licenses, and Permits	8,391	-	-	-	-	8,391
Earnings on Investments	10,300	402	-	-	-	10,702
Contributions and Donations	-	-	-	-	5,000	5,000
Miscellaneous	4,790	-	17,994	-	-	22,784
Total Cash Receipts	<u>496,800</u>	<u>83,870</u>	<u>65,994</u>	<u>228,605</u>	<u>5,000</u>	<u>880,269</u>
Cash Disbursements:						
Current:						
Security of Persons and Property	322,065	-	-	-	-	322,065
Public Health Services	3,764	-	-	-	-	3,764
Leisure Time Activities	5,138	-	-	-	4,489	9,627
Transportation	-	112,910	-	-	-	112,910
General Government	136,098	-	-	-	-	136,098
Debt Service:						
Principal Payments	-	-	77,071	-	-	77,071
Interest Payments	-	-	6,123	-	-	6,123
Capital Outlay	-	-	-	245,831	-	245,831
Total Cash Disbursements	<u>467,065</u>	<u>112,910</u>	<u>83,194</u>	<u>245,831</u>	<u>4,489</u>	<u>913,489</u>
Total Cash Receipts Over/(Under) Cash Disbursements	29,735	(29,040)	(17,200)	(17,226)	511	(33,220)
Other Financing Receipts and (Disbursements):						
Proceeds from Sale of Assets	-	-	-	-	-	-
Proceeds of Loans	-	-	-	173,905	-	173,905
Transfers-In	-	32,000	-	-	-	32,000
Transfers-Out	(34,500)	-	-	-	-	(34,500)
Advances-In	-	-	-	50,000	-	50,000
Advances-Out	(50,000)	-	-	(150,000)	-	(200,000)
Total Other Financing Receipts/(Disbursements)	<u>(84,500)</u>	<u>32,000</u>	<u>-</u>	<u>73,905</u>	<u>-</u>	<u>21,405</u>
Excess/(Deficiency) of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(54,765)	2,960	(17,200)	56,679	511	(11,815)
Fund Cash Balances, January 1	294,332	21,448	19,885	(41,501)	-	294,164
Fund Cash Balances, December 31	<u>\$ 239,567</u>	<u>\$ 24,408</u>	<u>\$ 2,685</u>	<u>\$ 15,178</u>	<u>\$ 511</u>	<u>\$ 282,349</u>
Reserves for Encumbrances, December 31	<u>\$ 15,468</u>	<u>\$ 1,783</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,251</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, 2004 AND 2003**

	Enterprise Fund	
	2004	2003
Operating Cash Receipts:		
Charges for Services	\$ 662,026	\$ 641,224
Operating Cash Disbursements:		
Personal Services	291,244	264,901
Transportation	-	26
Contractual Services	94,315	129,160
Supplies and Materials	39,712	28,954
Capital Outlay	33,198	21,867
Total Operating Cash Disbursements	458,469	444,908
Operating Income	203,557	196,316
Non-Operating Cash Receipts:		
Miscellaneous	-	-
Other Non-Operating Receipts	-	50,450
Total Non-Operating Cash Receipts	-	50,450
Non-Operating Cash Disbursements:		
Debt Service:		
Principal Payments	114,024	120,363
Interest Payments	85,995	98,179
Total Non-Operating Cash Disbursements	200,019	218,542
Excess/(Deficiency) of Receipts Under Disbursements Before Interfund Transfers and Advances	3,538	28,224
Transfers-In	-	2,500
Advances-In	-	150,000
Advances-Out	-	-
Net Receipts Over Disbursements	3,538	180,724
Fund Cash Balances, January 1	372,611	191,887
Fund Cash Balances, December 31	\$ 376,149	\$ 372,611
Reserve for Encumbrances, December 31	\$ 97,337	\$ 13,615

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 received a \$5,000 contribution in 2003 to be 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 2004 and 2003 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:

	2004	2003
Demand deposits	\$ 523,056	\$ 551,663
Certificate of deposits	103,097	103,097
Cash on Hand	200	200
Total Deposits	\$ 626,353	\$ 654,960

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, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 408,386	\$ 446,733	\$ 38,347
Special Revenue	101,250	96,180	(5,070)
Debt Service	50,603	35,000	(15,603)
Capital Projects	725,000	588,385	(136,615)
Expendable Trust	-	-	-
Enterprise	661,000	662,026	1,026
Total	<u>\$ 1,946,239</u>	<u>\$ 1,828,324</u>	<u>\$ (117,915)</u>

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 585,208	\$ 482,003	\$ 103,205
Special Revenue	105,359	98,126	7,233
Debt Service	36,000	32,835	3,165
Capital Projects	679,000	697,803	(18,803)
Expendable Trust	511	230	281
Enterprise	778,736	755,825	22,911
Total	<u>\$ 2,184,814</u>	<u>\$ 2,066,822</u>	<u>\$ 117,992</u>

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 385,351	\$ 496,800	\$ 111,449
Special Revenue	109,500	115,870	6,370
Debt Service	65,994	65,994	-
Capital Projects	835,134	402,510	(432,624)
Expendable Trust	5,000	5,000	-
Enterprise	641,119	694,174	53,055
Total	<u>\$ 2,042,098</u>	<u>\$ 1,780,348</u>	<u>\$ (261,750)</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 534,714	\$ 517,033	\$ 17,681
Special Revenue	129,716	114,693	15,023
Debt Service	85,594	83,194	2,400
Capital Projects	558,200	245,831	312,369
Expendable Trust	4,500	4,489	11
Enterprise	752,910	677,065	75,845
Total	<u>\$ 2,065,634</u>	<u>\$ 1,642,305</u>	<u>\$ 423,329</u>

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON 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 2003, The Street Fund had appropriations exceed estimated revenue by \$3,627 and Capital Improvement Fund 401 had appropriations exceeding estimated revenue by \$1,066.

Contrary to Ohio Revised Code Section 5705.41 (D), expenditures are not to exceed appropriation authority. In 2004, Capital Improvement Fund 404 had expenditures exceed appropriation authority by \$28,456.

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, 2004 was as follows:

	Principal	Interest rate
Fire Truck Loan	\$ 47,000	5.0%
1992 OPWC Storm Water Improvement Loan No. CN432	36,856	0.0%
1995 OPWC Water System Improvement Loan No. CN910	50,576	0.0%
2002 OPWC Riverfront Estates Loan No. CN31D	160,777	0.0%
2002 OPWC Phase 111 Waterline Loan No. CN21E	13,200	0.0%
2003 OPWC Wastewater Treatment Loan No. CN15G	255,000	0.0%
2004 OPWC Wastewater Treatment Loan No. CN16G	56,471	0.0%
1990 OWDA Sewer Project Loan No. 971	274,656	8.3%
2000 OWDA Water System Improvement Loan No. 8178	971,544	5.8%
2004 OWDA Wastewater Treatment Loan No. 4045	306,698	4.2%
1994 U.S.D.A. Dept. of Rural Development Loan No. 92-01	184,200	5.1%
2004 Ohio Heritage Police Cruiser Loan	18,417	5.0%
Total	\$ 2,375,395	

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

NOTES TO FINANCIAL STATEMENTS

6. DEBT (Continued)

The 1997 Fire Truck Loan was for the purchase of a new fire engine, which was to be paid from tax distributions from the County Auditor. The payments are due December 1 of each year with the bonds maturing in 2007. The bonds are collateralized by the equipment purchased.

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 2005, 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. 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.

2000 Ohio Water Development Authority (OWDA) loan no. 8178 relates to a water system improvement project that was mandated by the Ohio Environmental Protection Agency. The payments are due in semi-annual installments through 2010. The Village has agreed to set water and sewer rates sufficient to cover OWDA debt service requirements.

2004 Ohio Water Development Authority (OWDA) loan no. 4045 relates to a wastewater treatment improvement project. The payments are due in semi-annual installments through 2010. The Village has agreed to set water and sewer rates sufficient to cover OWDA debt service requirements. 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	Fire Truck Loan	Total OPWC	Total OWDA	U.S.D.A. 92-01	Police Cruiser
2005	\$ 32,135	\$ 22,239	\$ 174,254	\$ 12,340	\$ 5,860
2006	17,841	22,239	174,254	12,292	5,860
2007	-	19,599	174,254	12,338	5,860
2008	-	16,959	174,254	12,274	1,953
2009	-	16,959	174,254	12,305	-
Thereafter	-	163,414	1,045,378	297,091	-
Total	<u>\$ 49,976</u>	<u>\$ 261,409</u>	<u>\$ 1,916,648</u>	<u>\$ 358,640</u>	<u>\$ 19,533</u>

The debt schedule in the prior audit report in Footnote 6 should have stated an ending debt balance of \$1,935,146. The prior footnote did not foot correctly.

**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 2004 and 2003, OP&F participants contributed 10% of their wages. The Village contributed an amount equal to 19.5% of police participant wages. OPERS members contributed 8.5% of their wages. The Village contributed an amount equal to 13.55% of participants gross salaries. The Village has paid all required contributions through December 31, 2004.

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. The Pool is a separate legal entity per Section 2744.081 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the member's deductibles.

The Pool cedes certain premiums to reinsurers or excess reinsurers. The Pool is contingently liable should any reinsurer be unable to meet its 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 at December 31:

	2003	2002 (Restated)
Assets	\$ 1,811,340	\$ 1,852,060
Liabilities	(3,653,152)	(3,858,213)
Retained Deficit	\$ (1,841,812)	\$ (2,006,153)

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, 2004 and 2003, and have issued our report thereon dated April 20, 2005, 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 April 20, 2005.

Compliance

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 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 April 20, 2005.

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
April 20, 2005

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004 AND 2003**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2002-01	Finding for recovery	Yes	Finding No Longer Valid. Repaid June 9, 2003
2002-02	Finding for recovery	Yes	Finding No Longer Valid. Repaid June 26, 2003
2002-03	Finding for recovery	Yes	Finding No Longer Valid. Repaid June 27, 2003
2002-04	Village Ord. 65-1999 and 08-2001, Fire call bills	Yes	Finding No Longer Valid. All covered by contractual agreements, no longer bill individually.
2002-05	Village Res. 2-2001 New Utility Billing System.	Yes	Finding No Longer Valid. Village Solicitor wrote legislation in regards to billing collection.
2002-06	Excessive Credit cards	Yes	Finding No Longer Valid. Three credit cards used by Village. Council passed credit card policy.
2002-07	Utility Stubs not kept and no policy on delinquent accounts	Yes	Finding No Longer Valid. Stubs are kept and policy was passed.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

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
JUNE 7, 2005**