

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019

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

OHIO AUDITOR OF STATE
KEITH FABER



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

We have reviewed the *Independent Auditor's Report* of the Village of West Lafayette, Coshocton County, prepared by Wilson, Phillips & Agin, CPA's, Inc., for the audit period January 1, 2019 through December 31, 2020. 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. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

Finding for Recovery – Repaid Under Audit

The **Village of West Lafayette Purchasing Card Policy** states, in part, credit cards are only to be used for Village related purchases. The credit card may never be used for automotive gasoline except when out-of-town on Village business. The Village Handbook also states employees will be reimbursed for expenses according to the following non inclusive guidelines:

- If a Village vehicle is available, an employee shall utilize that vehicle;
- Mileage reimbursement for travel in privately owned vehicles for official Village business will be for mileage to and from the off-site location only, and will be at the standard mileage rate as allowed by the Internal Revenue Services for income tax purposes. Any exceptions shall be approved by Council;
- No reimbursement will be made for travel between the employee's home and their standard location of work; and
- Mileage reimbursements will be based on information obtained from MapQuest or other comparable program.

The Village also required credit card holders to sign an acknowledgement agreement indicating the employee had read the policy and agreed to all the terms, conditions and requirements of the policy. Violation of the policy could result in disciplinary action and up to and including termination.

Thomas Grier was hired as the Village Administrator in May 2016 and received and signed the Village's credit card holder acknowledgement agreement. During the Period of his employment, we noted Mr. Grier used his Village issued fuel credit card to purchase fuel for his personal vehicle. Mr. Grier did not follow Village established policies and procedures regarding the use of the Village fuel credit card and made \$1,177 in unauthorized fuel purchases.

On July 20, 2020, Mr. Grier was indicted on one count of theft in office, a felony of the fourth degree, by the Coshocton County Grand Jury, case number 20CR0082. On October 18, 2021, Mr. Grier pled guilty to one count of unlawful compensation, a misdemeanor of the first degree, in violation of R.C. 2921.43 (A)(1), and agreed to make restitution to the Village totaling \$1,177.

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In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a finding for recovery for public property converted or misappropriated is hereby issued against Thomas Grier in the amount of \$1,177, with \$781 in favor of the Village's General Fund, \$82 in favor of the Village's Street Fund, and \$314 in favor of the Village's Utility Fund.

On October 18, 2021, Mr. Grier made restitution to the Village, totaling \$1,177.

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.



Keith Faber
Auditor of State
Columbus, Ohio

December 14, 2021

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2020 - 2019**

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

INDEPENDENT AUDITORS' REPORT

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

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of Village of West Lafayette, Coshocton County, Ohio.

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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Although the effects on the financial statements of the variances between the regulatory 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 Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis permitted is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Village of West Lafayette, Coshocton County as of December 31, 2020 and 2019 and the respective changes in financial position or cash flows thereof for the year ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019, and related notes of Village of West Lafayette, Coshocton County, in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 2.

Emphasis of Matter

As discussed in Note 14 to the 2020 financial statements and Note 12 to the 2019 financial statements, during 2020, the impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 6, 2021, on our consideration of Village of West Lafayette's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 6, 2021

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts				
Property Tax and Other Local Taxes	\$ 100,699	\$ 67,762	\$ -	\$ 168,461
Municipal Income Tax	355,738	177,602	-	533,340
Intergovernmental Receipts	54,960	320,891	-	375,851
Special Assessments	1,068	-	-	1,068
Charges for Services	41	82,631	20,375	103,047
Fines, Licenses, and Permits	39,098	100	-	39,198
Earnings on Investments	22,252	2,175	-	24,427
Miscellaneous	54,824	10,172	-	64,996
Total Cash Receipts	<u>628,680</u>	<u>661,333</u>	<u>20,375</u>	<u>1,310,388</u>
Cash Disbursements				
Current:				
Security of Persons and Property	267,210	118,037	-	385,247
Public Health Services	6,138	-	-	6,138
Leisure Time Activities	-	9,095	-	9,095
Basic Utility Service	7,667	-	-	7,667
Transportation	-	128,135	-	128,135
General Government	170,842	108,783	-	279,625
Debt Service:				
Principal Retirement	-	10,411	34,980	45,391
Interest and Fiscal Charges	-	578	1,219	1,797
Capital Outlay	-	90,311	-	90,311
Total Cash Disbursements	<u>451,857</u>	<u>465,350</u>	<u>36,199</u>	<u>953,406</u>
Excess of Receipts Over (Under) Disbursements	176,823	195,983	(15,824)	356,982
Other Financing Receipts/(Disbursements)				
Transfers-In	-	-	15,487	15,487
Debt Proceeds	-	21,442	-	21,442
Sale of Capital Assets	-	109	-	109
Transfers-Out	(15,487)	-	-	(15,487)
Total Other Financing Receipts/(Disbursements)	<u>(15,487)</u>	<u>21,551</u>	<u>15,487</u>	<u>21,551</u>
Net Change in Fund Cash Balance	161,336	217,534	(337)	378,533
Fund Cash Balances, January 1, 2020, restated	<u>517,817</u>	<u>660,971</u>	<u>559</u>	<u>1,179,347</u>
Fund Cash Balances, December 31, 2020	<u>\$ 679,153</u>	<u>\$ 878,505</u>	<u>\$ 222</u>	<u>\$ 1,557,880</u>

See notes to financial statements.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Proprietary Fund Type
	Enterprise
Operating Cash Receipts:	
Charges for Services	\$ 1,069,194
Fines, Licenses and Permits	10,665
Miscellaneous	-
Other Operating Receipts	99,375
Total Operating Cash Receipts	1,179,234
Operating Cash Disbursements:	
Personal Services	246,391
Contractual Services	430,276
Supplies and Materials	89,601
Other	675
Total Operating Cash Disbursements	766,943
Operating Income/(Loss)	412,291
Non-Operating Cash Receipts (Disbursements):	
Capital Outlay	(123,401)
Debt Proceeds	15,660
Principal Retirement	(51,125)
Interest and Other Charges	(12,834)
Total Non-Operating Cash Receipts (Disbursements)	(171,700)
Net Change in Fund Cash Balance	240,591
Fund Cash Balances, January 1	1,037,772
Fund Cash Balances, December 31	\$ 1,278,363

See notes to financial statements.

VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY

COMBINED STATEMENT OF ADDITIONS, DEDUCTIONS AND
CHANGES IN FUND BALANCES (REGULATORY CASH BASIS)
ALL FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Fiduciary Fund Type		Totals
	Private-Purpose	Custodial	(Memorandum Only)
	Trust		
Additions			
Amounts Received as Fiscal Agent	\$ -	\$ 9,390	\$ 9,390
Total Additions	-	9,390	9,390
Deductions			
Distributions as Fiscal Agent	-	2,124	2,124
Total Deductions	-	2,124	2,124
Net Change in Fund Cash Balance	-	7,266	7,266
Fund Cash Balances, January 1	473	2,533	3,006
Fund Cash Balances, December 31	\$ 473	\$ 9,799	\$ 10,272

See notes to financial statements.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

1. REPORTING ENTITY

Description of the Entity

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

The Village participates in a public entity risk pool and a jointly governed organization. Notes 6 and 11 to the financial statements provides additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

Governmental Funds

General Fund

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

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

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

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

**VILLAGE OF WEST LAFAYETTE
COSHOCKTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

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

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

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

Capital Project Funds

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

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

Enterprise Funds

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

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

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

Fiduciary Funds

Fiduciary Funds include private purpose trust funds, investment trust funds and custodial funds.

The Village's private purpose trust fund is for the benefit of the Village's cemetery.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for unclaimed funds and a food bank operated by the police department.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2020 budgetary activity appears in Note 3.

Deposits and Investments

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

Property, Plant, and Equipment

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

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Leave

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted – Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2020 is as follows:

2020 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 467,078	\$ 628,680	\$ 161,602
Special Revenue	618,296	682,884	64,588
Debt Service	35,862	35,862	-
Enterprise	1,034,060	1,194,894	160,834
Total	\$ 2,155,296	\$ 2,542,320	\$ 387,024

2020 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 542,994	\$ 516,698	\$ 26,296
Special Revenue	596,094	474,510	121,584
Debt Service	36,420	36,199	221
Enterprise	1,117,115	981,781	135,334
Total	\$ 2,292,623	\$ 2,009,188	\$ 283,435

Contrary to ORC 5705.41(D), the Village made expenditures prior to certification of available funds. Contrary to ORC 5705.39, the Johnson Street Sewer Fund had appropriations exceeding estimated resources.

4. DEPOSITS AND INVESTMENTS

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposits and investment accounts are as follows:

	2020
<i>Cash Management Pool:</i>	
Demand Deposits	\$ 2,846,315
Cash on Hand	200
Total Carrying Amounts of Deposits and Investments held in Pool	\$ 2,846,515

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statements reflect net payroll plus all remitted payroll withholdings. At December 31, 2020, the Village is holding \$0 in unremitted employee payroll withholdings.

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

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

5. PROPERTY TAX

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

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

6. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

7. RISK MANAGEMENT

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31 (latest information available):

	<u>2019</u>
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$ 14,705,917

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2020, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2020.

Ohio Police and Fire Retirement

The Village's certified Fire Fighters and full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants, in 2020, contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages and 24.0% of full-time fire-fighters wages, respectively. The Village has paid all contributions required through December 31, 2020.

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2020. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2020. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

10. DEBT

Debt outstanding at December 31, 2020 was as follows:

	2020 Principal	%
2013 Home Loan & Savings Consolidation Loan	\$ 120,615	2.90
2004 OWDA Wastewater Treatment Loan No. 4045	206,597	4.20
2002 OPWC Riverfront Estates Loan No. CN31D	29,617	0.00
2004 OPWC Wastewater Treatment Loan No. CN16G	27,477	0.00
2013 OPWC Wastewater Treatment Loan No. CN19N	549,340	0.00
2014 OPWC Kirk St./Union Ave. Improvement Loan No. CN20Q	63,536	0.00
2015 OPWC SR 751 Waterline Loan No. CN34R	42,888	0.00
2016 Fire Truck Bonds	9,937	2.29
2019 Equipment Bonds	14,648	3.50
2019 OPWC Johnson Street Sewer Ext. CN33V	331,573	0.00
2020 Ford Truck Bonds	13,235	4.00
2020 Police Vehicle Bonds	15,677	3.00
Total	\$ 1,425,140	

Ohio Public Works Commission (OPWC) loan no. CN31D relate to the water and storm sewer system improvement projects for the Riverfront Estates Development. The payments are due in semi-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 relates to wastewater treatment improvement in 2004. The payments are due 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 relates to wastewater treatment upgrade in 2013. The payments are due 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 are due in semi-annual installments. The Village has set aside municipal income tax monies sufficient to cover the repayment of the debt.

Ohio Public Works Commission (OPWC) loan no. CN34R relates to the SR 751 waterline project in 2015. The payments are due in semi-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. CN33V relates to the Johnson Street Sewer Extension project in 2019. The payments are due in semi-annual installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements.

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

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

10. DEBT (Continued)

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

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

In 2019, the Village issued bonds in the amount of \$18,000 to acquire equipment through Home Loan and Savings Bank. The bonds will be repaid annually over five years. The equipment collateralizes the bonds.

In 2020, the Village issued bonds in the amount of \$15,660 to acquire a truck through Home Loan and Savings Bank. The bonds will be repaid annually over five years. The truck collateralizes the bonds.

In 2020, the Village issued bonds in the amount of \$21,442 to acquire a police vehicle through Home Loan and Savings Bank. The bonds will be repaid annually over three years. The vehicle collateralizes the bonds.

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

Year	Total OPWC	Total OWDA	Equipment Bond 2019	Home Loan Bank Bonds
2021	\$ 63,748	\$ 19,283	\$ 3,930	\$ 27,971
2022	63,748	19,301	3,930	27,971
2023	63,748	19,319	3,930	21,737
2024	55,287	19,338	3,930	20,490
2025	41,167	19,358	-	17,651
2026-2030	188,929	97,120	-	34,144
2031-2035	184,700	87,952	-	-
2036-2040	184,700	-	-	-
2041-2045	121,628	-	-	-
2046-2050	44,953	-	-	-
Total	<u>\$ 1,012,608</u>	<u>\$ 281,671</u>	<u>\$ 15,720</u>	<u>\$ 149,964</u>

11. 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 exercises total authority for the day-to-day operations of the Commission. These include budgeting, appropriating, contracting and designating management. The Village has no financial responsibility for any of the Commissions liabilities. Complete financial statements can be obtained by contacting the Commission.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

12. FUND BALANCES

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies, which cannot be spent for five years and the expendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilities effective cash planning and control. At year end, the balances of those amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total</u>
Nonspendable:				
Corpus	\$ -	\$ -	\$ -	\$ -
Outstanding Encum.	49,354	9,160	-	58,514
Total	\$ 49,354	\$ 9,160	\$ -	\$ 58,514

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects funds are restricted, committed, or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

13. CHANGE IN ACCOUNTING PRINCIPLE

For 2020, the Village has made changes to their cash basis reporting model. These changes include modification to the definition of fiduciary funds, adding a separate combined statement of additions, deductions, and changes in fund balances (regulatory cash basis) – all fiduciary fund types and removing the fund balance classifications from the combined statement of receipts, disbursements and changes in fund balance (regulatory cash basis) – all governmental fund types.

There was no effect to beginning cash balances due to this change.

14. COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village’s future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

During 2020, the Village received \$177,400 as an on-behalf grant from another government. These amounts are recorded in the Coronavirus Relief Special Revenue Fund.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020**

15. RESTATEMENT OF FUND BALANCES

Fund balance in the General Fund and Special Revenue Fund has been restated for the year beginning January 1, 2020 as an adjustment was discovered by Village for activity in 2019 that needed posting:

	<u>General</u>	<u>Special Revenue</u>
Fund Balance at December 31, 2019	\$ 517,817	\$ 660,971
Adjustments	<u>(2,597)</u>	<u>2,597</u>
Fund Balance at January 1, 2020	<u>\$ 515,220</u>	<u>\$ 663,568</u>

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Governmental Fund Types</u>			Totals (Memorandum Only)
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	
Cash Receipts				
Property Tax and Other Local Taxes	\$ 106,690	\$ 72,861	\$ -	\$ 179,551
Municipal Income Tax	365,486	182,469	-	547,955
Intergovernmental Receipts	44,615	118,359	-	162,974
Charges for Services	55	86,619	21,704	108,378
Fines, Licenses, and Permits	14,540	305	-	14,845
Earnings on Investments	19,902	1,498	-	21,400
Miscellaneous	20,175	16,951	-	37,126
Total Cash Receipts	<u>571,463</u>	<u>479,062</u>	<u>21,704</u>	<u>1,072,229</u>
Cash Disbursements				
Current:				
Security of Persons and Property	309,178	123,176	-	432,354
Public Health Services	5,064	-	-	5,064
Leisure Time Activities	-	7,947	-	7,947
Basic Utility Service	7,454	-	-	7,454
Transportation	-	119,396	-	119,396
General Government	164,847	-	-	164,847
Debt Service:				
Principal Retirement	-	14,119	28,942	43,061
Interest and Fiscal Charges	-	-	1,580	1,580
Capital Outlay	-	134,898	-	134,898
Total Cash Disbursements	<u>486,543</u>	<u>399,536</u>	<u>30,522</u>	<u>916,601</u>
Excess of Receipts Over (Under) Disbursements	84,920	79,526	(8,818)	155,628
Other Financing Receipts/(Disbursements)				
Transfers-In	-	-	9,370	9,370
Debt Proceeds	-	18,000	-	18,000
Sale of Capital Assets	-	6,497	-	6,497
Transfers-Out	(9,370)	-	-	(9,370)
Total Other Financing Receipts/(Disbursements)	<u>(9,370)</u>	<u>24,497</u>	<u>9,370</u>	<u>24,497</u>
Net Change in Fund Cash Balance	75,550	104,023	552	180,125
Fund Cash Balances, January 1, 2019	<u>442,267</u>	<u>556,948</u>	<u>7</u>	<u>999,222</u>
Fund Cash Balances, December 31, 2019				
Restricted	-	660,971	559	661,530
Assigned	291	-	-	291
Unassigned (Deficit)	517,526	-	-	517,526
Fund Cash Balances, December 31, 2019	<u>\$ 517,817</u>	<u>\$ 660,971</u>	<u>\$ 559</u>	<u>\$ 1,179,347</u>

See notes to financial statements.

VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN FUND BALANCES (CASH BASIS)
ALL PROPRIETARY AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Proprietary	Fiduciary		Totals
	Fund Type	Fund Type		(Memorandum
	Enterprise	Private-Purpose Trust	Agency	Only)
Operating Cash Receipts:				
Charges for Services	\$ 953,071	\$ -	\$ -	\$ 953,071
Fines, Licenses and Permits	15,507	-	-	15,507
Miscellaneous	-	-	1,125	1,125
Other Operating Receipts	16,566	-	-	16,566
Total Operating Cash Receipts	985,144	-	1,125	986,269
Operating Cash Disbursements:				
Personal Services	273,294	-	-	273,294
Contractual Services	567,532	-	-	567,532
Supplies and Materials	99,721	-	-	99,721
Other	563	-	300	863
Total Operating Cash Disbursements	941,110	-	300	941,410
Operating Income/(Loss)	44,034	-	825	44,859
Non-Operating Cash Receipts (Disbursements):				
Capital Outlay	(132,847)	-	-	(132,847)
Debt Proceeds	337,193	-	-	337,193
Principal Retirement	(172,874)	-	-	(172,874)
Interest and Other Charges	(16,918)	-	-	(16,918)
Total Non-Operating Cash Receipts (Disbursements)	14,554	-	-	14,554
Net Change in Fund Cash Balance	58,588	-	825	59,413
Fund Cash Balances, January 1	979,184	473	1,708	981,365
Fund Cash Balances, December 31	\$ 1,037,772	\$ 473	\$ 2,533	\$ 1,040,778

See notes to financial statements.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

1. REPORTING ENTITY

Description of the Entity

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

The Village participates in a public entity risk pool and a jointly governed organization. Notes 6 and 11 to the financial statements provides additional information for this entity.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

Governmental Funds

General Fund

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

Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

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

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

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

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Debt Service Funds

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

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

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

Capital Project Funds

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

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

Enterprise Funds

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

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

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

Fiduciary Funds

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

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village Agency fund accounts for unclaimed funds and a food bank operated by the police department.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code 117-2-03(D) permit.

Budgetary Process

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

Appropriations

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

Estimated Resources

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

Encumbrances

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

A summary of 2019 budgetary activity appears in Note 3.

Deposits and Investments

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

Property, Plant, and Equipment

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

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accumulated Leave

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

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

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

Restricted – Fund balance is *restricted* when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Committed – Council can *commit* via formal action (resolution). The Village must adhere to these commitments unless council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

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

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

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

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2019 is as follows:

2019 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 466,645	\$ 571,463	\$ 104,818
Special Revenue	474,680	503,559	28,879
Debt Service	31,074	31,074	-
Enterprise	1,320,035	1,322,337	2,302
Total	\$ 2,292,434	\$ 2,428,433	\$ 135,999

2019 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 547,720	\$ 496,204	\$ 51,516
Special Revenue	470,227	400,037	70,190
Debt Service	30,744	30,522	222
Enterprise	1,444,688	1,263,749	180,939
Total	\$ 2,493,379	\$ 2,190,512	\$ 302,867

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

4. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2019
Demand Deposits	\$ 2,219,925
Cash on Hand	200
Total Deposits	\$ 2,220,125

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

5. PROPERTY TAX

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

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

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

6. LOCAL INCOME TAX

The Village levies a municipal income tax of 1.5 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

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

7. RISK MANAGEMENT

The Village is a member of the Public Entities Pool of Ohio (the Pool). The Pool assumes the risk of loss up to limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	2019
Cash and investments	\$ 38,432,610
Actuarial liabilities	\$ 14,705,917

8. DEFINED BENEFIT PENSION PLAN

Ohio Public Employees Retirement System

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

The Ohio Revised Code also prescribes contribution rates. For 2019, OPERS members contributed 10.0% of their gross wages and the Village contributed an amount equal to 14.00% of participant's gross salaries. The Village has paid all contributions required through December 31, 2019.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

8. DEFINED BENEFIT PENSION PLAN (Continued)

Ohio Police and Fire Retirement

The Village's certified Fire Fighters and full-time police officers belong to the Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants, in 2019, contributed 12.25% of their wages. The Village contributed to OP&F an amount equal to 19.50% of full-time police officer's wages and 24.0% of full-time fire-fighters wages, respectively. The Village has paid all contributions required through December 31, 2019.

9. POSTEMPLOYMENT BENEFITS

Both OPERS and OP&F offers cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the traditional pension plan and combined plan was 0 percent during calendar year 2019. The portion of employer contributions allocated to health care for OPERS members in the member-directed plan was 4.0 percent during calendar year 2019. OP&F contributes 0.5 percent to fund these benefits.

Beginning January 1, 2019, OP&F changed its retiree health care model to a stipend-based health care model. A stipend funded by OP&F was placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses.

10. DEBT

Debt outstanding at December 31, 2019 was as follows:

	2019 Principal	%
2013 Home Loan & Savings Consolidation Loan	\$ 133,862	2.90
2004 OWDA Wastewater Treatment Loan No. 4045	217,286	4.20
2002 OPWC Riverfront Estates Loan No. CN31D	33,848	0.00
2004 OPWC Wastewater Treatment Loan No. CN16G	29,590	0.00
2013 OPWC Wastewater Treatment Loan No. CN19N	561,282	0.00
2014 OPWC Kirk St./Union Ave. Improvement Loan No. CN20Q	70,595	0.00
2015 OPWC SR 751 Waterline Loan No. CN34R	43,746	0.00
2016 Fire Truck Bonds	29,937	2.29
2017 Vehicle Bonds	9,215	2.99
2019 Equipment Bonds	18,000	3.50
2019 OPWC Johnson Street Sewer Ext, CN33V	337,193	0.00
Total	\$ 1,484,554	

Ohio Public Works Commission (OPWC) loan no. CN31D relate to the water and storm sewer system improvement projects for the Riverfront Estates Development. The payments are due in semi-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.

**VILLAGE OF WEST LAFAYETTE
COSHOCOTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

10. DEBT (Continued)

Ohio Public Works Commission (OPWC) loan no. CN16G relates to wastewater treatment improvement in 2004. The payments are due 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 relates to wastewater treatment upgrade in 2013. The payments are due 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 are due in semi-annual installments. The Village has set aside municipal income tax monies sufficient to cover the repayment of the debt.

Ohio Public Works Commission (OPWC) loan no. CN34R relates to the SR 751 waterline project in 2015. The payments are due in semi-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. CN33V relates to the Johnson Street Sewer Extension project in 2019. The payments are due in semi-annual installments. The Village has agreed to set water and sewer rates sufficient to cover OPWC debt service requirements.

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

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

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

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

In 2019, the Village issued bonds in the amount of \$18,000 to acquire equipment through Home Loan and Savings Bank. The bonds will be repaid annually over five years. The equipment collateralizes the bonds.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019**

10. DEBT (Continued)

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

<u>Year</u>	<u>Total OPWC</u>	<u>Total OWDA</u>	<u>Equipment Bond 2019</u>	<u>Total HL Bank</u>
2020	\$ 31,823	\$ 19,266	\$ 3,930	\$ 26,197
2021	63,748	19,283	3,930	17,072
2022	63,748	19,301	3,930	17,072
2023	63,748	19,319	3,930	17,072
2024	55,287	19,338	3,930	17,072
2025-2029	193,156	97,007	-	51,216
2030-2034	184,700	97,622	-	-
2035-2039	184,700	9,801	-	-
2040-2044	146,482	-	-	-
2045-2049	57,039	-	-	-
Total	<u>\$ 1,044,431</u>	<u>\$ 300,937</u>	<u>\$ 19,650</u>	<u>\$ 145,701</u>

11. JOINTLY GOVERNED ORGANIZATION

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

12. SUBSEQUENT EVENTS

The United State and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the Village. The impact on the Village's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated.

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

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

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

To the Village Council:

We have audited, in accordance with auditing standards general accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2020 and for each governmental and proprietary fund type as of and for the year ended December 31, 2019 and related notes of Village of West Lafayette, Coshocton County and have issued our report thereon dated May 6, 2021, wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered Village of West Lafayette's internal control over financial reporting (internal control) as a basis for designing 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or a combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Therefore, unidentified material weakness or significant deficiencies may exist. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings that we consider a material weakness. We consider finding 2020-001 to be a material weakness.

Compliance and Other Matters

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

Purpose of this Report

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

Wilson, Phillips & Agin, CPA's, Inc.
Zanesville, Ohio
May 6, 2021

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2020 AND 2019**

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

FINDING NUMBER 2020-001

Material Weakness

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

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

- A reclassification of \$7,466 and \$7,425 was made to the General Fund from Property and Other Local Taxes to Intergovernmental Revenues to properly classify Rollbacks in 2019 and 2020, respectively
- A reclassification of \$1,130 and \$1,112 was made to the Police Levy Fund from Property and Other Local Taxes to Intergovernmental Revenues to properly classify Rollbacks in 2019 and 2020, respectively
- A reclassification of \$6,000 each from the Street Fund, State Highway Fund and Income Tax Street Fund from Transfers-In to Debt Proceeds in 2019 to properly show new debt,
- Transfers-Out in the General Fund and Special Revenue Funds were adjusted to zero as they were prior year adjustments made in 2019 but reported on 2018 audited statements.
- Transfers-Out of \$2,597 in the General Fund were reclassified to General Government in 2020.
- Transfers-Out of \$3,696 and Advances-Out of \$1,150 in the Special Revenue Funds were reclassified to Transportation in 2020.
- Transfers-In of \$8,118 in the Special Revenue Funds were reclassified to Miscellaneous Revenue in 2020.
- A reclassification of \$21,442 was made from Miscellaneous Revenue to Debt Proceeds in the Special Revenue Funds in 2020 to show new debt.
- A reclassification of \$15,660 was made from Miscellaneous Revenue to Debt Proceeds in the Enterprise Funds to show new debt in 2020.

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

Client Response: We received no response from client.

**VILLAGE OF WEST LAFAYETTE
COSHOCTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
December 31, 2020**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2018-001	Significant Deficiency Reclassifications and adjusting entries	No	Not Corrected: Repeated as Finding 2020-001

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF WEST LAFAYETTE

COSHOCTON COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 12/28/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov