

B37563

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2009

CITY OF WEST LAFAYETTE

TIPPECANOE COUNTY, INDIANA



FILED
09/23/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Judith C. Rhodes	01-01-08 to 12-31-11
Mayor	John Dennis	01-01-08 to 12-31-11
President of the Board of Public Works	John Dennis	01-01-08 to 12-31-11
President of the Common Council	Ann H. Hunt	01-01-09 to 12-31-10



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF WEST LAFAYETTE, TIPPECANOE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Lafayette (City), as of and for the year ended December 31, 2009, which collectively comprise the City's primary government basic financial statements. These financial statements are the responsibility of the City'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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Schedules of Funding Progress, Schedules of Contributions From the Employer and Other Contributing Entities and Budgetary Comparison Schedules (General and Major Special Revenue and Capital Projects funds), as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The City has not presented Management Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, other budgetary comparison schedules and statistical tables are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual fund financial statements and other budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with Government Auditing Standards, we have also issued our report dated July 29, 2010, on our consideration of the City's internal control structure and a report dated July 29, 2010, on its compliance with laws and regulations.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

STATE BOARD OF ACCOUNTS

July 29, 2010



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF WEST LAFAYETTE, TIPPECANOE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Lafayette (City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express such an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's 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 or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 29, 2010

BASIC FINANCIAL STATEMENTS

CITY OF WEST LAFAYETTE
STATEMENT OF NET ASSETS
December 31, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 14,803,725	\$ 13,370,819	\$ 28,174,544
Cash with fiscal agent	6,087,669	-	6,087,669
Receivables (net of allowances for uncollectibles):			
Interest	10,628	31,132	41,760
Taxes	5,228,783	-	5,228,783
Accounts	399,717	238,037	637,754
Intergovernmental	1,416,623	-	1,416,623
Inventories	158,608	124,117	282,725
Deferred debits	244,037	-	244,037
Capital assets:			
Land and construction in progress	19,070,179	22,993,074	42,063,253
Other capital assets, net of depreciation	41,748,809	47,103,773	88,852,582
Net pension asset	162,544	70,295	232,839
Total assets	89,331,322	83,931,247	173,262,569
<u>Liabilities</u>			
Accounts payable	882,087	151,453	1,033,540
Accrued payroll and withholdings payable	429,751	102,197	531,948
Accrued interest payable	344,748	1,755	346,503
Retainage payable	-	386,499	386,499
Temporary loans between funds payable	2,300,000	(2,300,000)	-
Noncurrent liabilities:			
Amounts due within one year:			
Capital leases payable	193,572	87,253	280,825
Revenue bonds - due within one year	1,425,000	-	1,425,000
Notes and loans payable	-	1,870,000	1,870,000
Compensated absences	656,904	148,137	805,041
Amounts due beyond one year:			
Capital leases payable	230,898	95,601	326,499
Revenue bonds payable (net of discount)	15,619,628	-	15,619,628
Notes and loans payable	-	35,362,578	35,362,578
Compensated absences	122,506	70,036	192,542
Net pension obligation	9,598,013	-	9,598,013
Total liabilities	31,803,107	35,975,509	67,778,616
<u>Net Assets</u>			
Invested in capital assets, net of related debt	43,453,555	32,864,269	76,317,824
Restricted for:			
Highways and streets	7,384,309	-	7,384,309
Culture and recreation	3,328,949	-	3,328,949
Debt service	4,856,099	12,193,430	17,049,529
Other purposes	3,761,794	-	3,761,794
Unrestricted	(5,256,491)	2,898,039	(2,358,452)
Total net assets	\$ 57,528,215	\$ 47,955,738	\$ 105,483,953

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

CITY OF WEST LAFAYETTE
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government	
					Business-type Activities	Totals	
Primary government:							
Governmental activities:							
General government	\$ 3,537,140	\$ 1,421,794	\$ 1,200	\$ -	\$ (2,114,146)	\$ -	\$ (2,114,146)
Public safety	7,975,930	58,525	102,366	125,658	(7,689,381)	-	(7,689,381)
Highways and streets	3,452,708	3,322,397	-	305,559	175,248	-	175,248
Economic development	4,512,339	2,845,879	542,758	-	(1,123,702)	-	(1,123,702)
Culture and recreation	1,930,657	635,754	47,003	1,950	(1,245,950)	-	(1,245,950)
Interest expense	822,146	-	-	-	(822,146)	-	(822,146)
Total governmental activities	<u>22,230,920</u>	<u>8,284,349</u>	<u>693,327</u>	<u>433,167</u>	<u>(12,820,077)</u>	<u>-</u>	<u>(12,820,077)</u>
Business-type activities:							
Wastewater	6,996,414	9,225,957	-	-	-	2,229,543	2,229,543
Total business-type activities	<u>6,996,414</u>	<u>9,225,957</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,229,543</u>	<u>2,229,543</u>
Total primary government	<u>\$ 29,227,334</u>	<u>\$ 17,510,306</u>	<u>\$ 693,327</u>	<u>\$ 433,167</u>	<u>(12,820,077)</u>	<u>2,229,543</u>	<u>(10,590,534)</u>
General revenues:							
Property taxes					13,585,179	-	13,585,179
General state distributions					2,474,731	-	2,474,731
Transfers of funds - from enterprise funds					334	-	334
Contributions and gifts					-	718,397	718,397
Miscellaneous receipts (net of interest)					1,233,774	-	1,233,774
Unrestricted investment earnings					109,755	142,615	252,370
Total general revenues					<u>17,403,773</u>	<u>861,012</u>	<u>18,264,785</u>
Change in net assets					4,583,696	3,090,555	7,674,251
Net assets - beginning					<u>52,944,519</u>	<u>44,865,183</u>	<u>97,809,702</u>
Net assets - ending					<u>\$ 57,528,215</u>	<u>\$ 47,955,738</u>	<u>\$ 105,483,953</u>

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

CITY OF WEST LAFAYETTE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009

	General	Roads Funds	Parks and Recreation Funds	KCB Allocation	Wabash Landing Parking Garage	Infrastructure Bonds	Nonmajor Governmental Funds	Totals
Assets								
Cash and cash equivalents	\$ 2,532,404	\$ 1,519,554	\$ 1,064,383	\$ 2,516,631	\$ -	\$ -	\$ 7,168,580	\$ 14,801,552
Cash with fiscal agent	-	-	-	-	630,863	642,844	4,813,961	6,087,668
Receivables (net of allowances for uncollectibles):								
Interest	2,085	1,490	885	61	89	56	5,963	10,629
Taxes	1,831,962	-	237,335	-	1,200,451	1,715,387	243,648	5,228,783
Accounts	322,230	34,155	-	-	-	-	23,089	379,474
Intergovernmental	591,916	164,010	9,465	-	-	-	651,232	1,416,623
Total assets	\$ 5,280,597	\$ 1,719,209	\$ 1,312,068	\$ 2,516,692	\$ 1,831,403	\$ 2,358,287	\$ 12,906,473	\$ 27,924,729
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 294,261	\$ 203,097	\$ 22,305	\$ -	\$ -	\$ -	\$ 341,801	\$ 861,464
Accrued payroll and withholdings payable	347,633	16,995	50,356	-	-	-	14,768	429,752
Temporary loans payable	2,000,000	-	300,000	-	-	-	-	2,300,000
Accrued interest payable	3,185	143	237	-	113,500	71,638	156,045	344,748
Deferred revenue:								
Unavailable	328,477	-	41,042	-	92,031	117,479	259,218	838,247
Total liabilities	2,973,556	220,235	413,940	-	205,531	189,117	771,832	4,774,211
Fund balances:								
Unreserved, reported in:								
General fund	2,307,041	-	-	-	-	-	-	2,307,041
Special revenue funds	-	1,498,974	898,128	2,516,692	-	-	5,163,121	10,076,915
Debt service funds	-	-	-	-	1,625,872	2,169,170	6,740,403	10,535,445
Capital projects funds	-	-	-	-	-	-	231,117	231,117
Total fund balances	2,307,041	1,498,974	898,128	2,516,692	1,625,872	2,169,170	12,134,641	23,150,518
Total liabilities and fund balances	\$ 5,280,597	\$ 1,719,209	\$ 1,312,068	\$ 2,516,692	\$ 1,831,403	\$ 2,358,287	\$ 12,906,473	\$ 27,924,729

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

CITY OF WEST LAFAYETTE
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
December 31, 2009

Total fund balances for governmental funds	\$		\$ 23,150,518
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Inventories of materials and supplies held at year end are recorded on the Statement of Activities as expenditures when consumed rather than when purchased. Inventories are recorded as expenditures when purchased rather than consumed in the fund statements.			158,608
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Those assets consist of:			
Land		14,593,565	
Construction in progress		4,476,614	
Buildings, net of \$5,845,758 accumulated depreciation		11,196,595	
Improvements other than buildings, net of \$1,711,432 accumulated depreciation		3,110,354	
Machinery and equipment, net of \$4,296,577 accumulated depreciation		2,628,999	
Infrastructure being depreciated, net of \$15,950,242 accumulated depreciation		24,812,861	
Total capital assets			60,818,988
Bond issuance costs associated with debt issued by the City were reported as expenditures in the governmental funds when the debt was issued, whereas bond issuance costs are deferred in the Statement of Net Assets. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the Statement of Activities.			
			244,037
Some City tax collections related to 2009 that will be collected beyond the 60 day period used to record revenues are reported as deferred revenues in the fund statements. Revenue and a corresponding receivable for this amount are included in the government-wide statements.			
			519,755
State shared revenue appropriated during the State of Indiana's fiscal year ended June 30, 2009, will be collected by the City in calendar year 2010. Revenue and a corresponding receivable for the amount appropriated but not received by December 31, 2009, are included in the government-wide statements. These amounts are reported as receivables in the fund statements but the revenues are deferred.			
			318,492
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			
			1,794
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, therefore, are not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Assets. The discount or premium received when the City issued debt was reported in the governmental funds when the debt was issued, whereas these amounts are deferred and amortized, over the remaining life of the new debt, as an adjustment to interest expense in the Statement of Activities.			
Balances at December 31, 2009, are:			
Bonds payable		(17,185,000)	
Unamortized premium		140,372	
Capital leases payable		(424,470)	
Compensated absences payable		(779,410)	
Total long-term liabilities			(18,248,508)
Net pension assets and obligations, including the 1925 Police Officers' Pension Plan, 1937 Firefighters' Pension Plan and the Public Employees' Retirement Fund are not due and payable in the current period and, therefore, are not reported in the funds, but are included in the government-wide statements.			
			(9,435,469)
Total net assets of governmental activities			\$ 57,528,215

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

CITY OF WEST LAFAYETTE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

	General	Roads Funds	Parks and Recreation Funds	KCB Allocation	Wabash Landing Parking Garage	Infrastructure Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:								
Taxes	\$ 6,612,451	\$ -	\$ 855,386	\$ -	\$ 2,413,695	\$ 3,081,113	\$ 688,970	\$ 13,651,615
Licenses and permits	63,169	-	-	-	-	-	3,530	66,699
Intergovernmental	2,463,776	1,471,102	65,730	-	-	-	5,597,630	9,598,238
Charges for services	735,923	-	570,134	-	-	-	41,159	1,347,216
Fines and forfeits	562,860	-	-	-	-	-	6,482	569,342
Other	181,122	39,039	85,402	2,124	15,108	526,445	552,225	1,401,465
Total revenues	10,619,301	1,510,141	1,576,652	2,124	2,428,803	3,607,558	6,889,996	26,634,575
Expenditures:								
Current:								
General government	2,649,531	-	-	-	-	-	19,051	2,668,582
Public safety	7,369,013	-	-	-	-	-	319,259	7,688,272
Highways and streets	244,656	2,291,750	-	-	-	-	1,464,426	4,000,832
Economic development	97,503	-	-	-	2,254	2,125	4,395,833	4,497,715
Culture and recreation	-	-	1,640,679	-	-	-	-	1,640,679
Debt service:								
Principal	-	-	-	-	315,000	425,000	620,000	1,360,000
Interest	8,185	941	822	-	278,363	178,885	354,950	822,146
Capital outlay	-	-	-	-	-	-	1,688,002	1,688,002
Total expenditures	10,368,888	2,292,691	1,641,501	-	595,617	606,010	8,861,521	24,366,228
Excess (deficiency) of revenues over (under) expenditures	250,413	(782,550)	(64,849)	2,124	1,833,186	3,001,548	(1,971,525)	2,268,347
Other financing sources (uses):								
Transfers in	106,164	-	1,350	4,278,221	595,688	610,194	8,578,448	14,170,065
Transfers out	(7,135)	-	(1,350)	(2,814,391)	(3,386,833)	(4,303,591)	(3,656,765)	(14,170,065)
Capital leases	324,404	-	24,563	-	-	-	-	348,967
Total other financing sources (uses)	423,433	-	24,563	1,463,830	(2,791,145)	(3,693,397)	4,921,683	348,967
Net change in fund balances	673,846	(782,550)	(40,286)	1,465,954	(957,959)	(691,849)	2,950,158	2,617,314
Fund balances - beginning	1,633,195	2,281,524	938,414	1,050,738	2,583,831	2,861,019	9,184,483	20,533,204
Fund balances - ending	\$ 2,307,041	\$ 1,498,974	\$ 898,128	\$ 2,516,692	\$ 1,625,872	\$ 2,169,170	\$ 12,134,641	\$ 23,150,518

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

CITY OF WEST LAFAYETTE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2009

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 2,617,314
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is not reported as an expenditure, rather as an increase to the capital assets. This is the amount of capital outlays.	3,182,377
The Statement of Activities reports the costs of capital outlay as an allocation over their estimated useful lives (depreciation expense). This depreciation expense is reported within the governmental activity to which it relates.	(2,677,686)
Net change in revenues that do not provide current financial resources. Revenues are reported on the Statement of Activities in the year accrued and in the funds when the financial resources are provided.	(45,733)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,612,805
Governmental funds do not report the gains or losses resulting from the retirement or deletion of capital assets. However, in the Statement of Activities, these gains or losses are computed as the net difference between the net book value of the asset (original cost of the asset less accumulated depreciation) and the value received for the deleted asset. This amount is the net loss on the assets deleted during the year.	(413,645)
The Statement of Activities does not report the acquisition of capital assets through capital leases. However, the governmental funds reports these acquisitions as other financing sources.	348,967
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(42,497)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>1,794</u>
Change in net assets of governmental activities (Statement of Activities)	<u>\$ 4,583,696</u>

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

CITY OF WEST LAFAYETTE
STATEMENT OF NET ASSETS
PROPRIETARY FUND
December 31, 2009

	Business-type Activity - Enterprise Fund	Internal Service Fund
<u>Assets</u>	<u>Wastewater Utility</u>	<u>Service Fund</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 861,185	2,173
Interest receivable	31,132	-
Accounts receivable (net of allowance for uncollectibles)		
Wastewater	177,049	-
Sanitation	36,273	-
Liens	11,698	-
Other	2,313,017	20,243
Inventories	124,117	-
Restricted assets:		
Cash and cash equivalents - Improvement Fund	8,152,217	-
Cash and cash equivalents - Bond and Interest Fund	935,535	-
Cash and cash equivalents - Debt Service Reserve Fund	3,035,383	-
Cash and cash equivalents - Construction Retainage Fund	<u>386,499</u>	<u>-</u>
 Total current assets	 <u>16,064,105</u>	 <u>22,416</u>
Noncurrent assets:		
Capital assets:		
Land	604,120	-
Plant	25,657,374	-
Interceptor sewers	23,907,911	-
Lift stations	7,107,650	-
Vehicles and other equipment	5,800,032	-
Accumulated depreciation	(15,369,194)	-
Construction in progress	22,388,954	-
Net pension asset	<u>70,295</u>	<u>-</u>
 Total noncurrent assets	 <u>70,167,142</u>	 <u>-</u>
 Total assets	 <u>86,231,247</u>	 <u>22,416</u>

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

Continued on next page

CITY OF WEST LAFAYETTE
STATEMENT OF NET ASSETS
PROPRIETARY FUND
December 31, 2009
(Continued)

	Business-type Activity - <u>Enterprise Fund</u>	Internal <u>Service Fund</u>
	Wastewater Utility	
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	151,453	20,622
Accrued payroll and withholdings payable	102,197	-
Interest payable	1,755	-
Retainage payable	<u>386,499</u>	<u>-</u>
Total current liabilities	<u>641,904</u>	<u>20,622</u>
Noncurrent liabilities:		
Amounts due within one year:		
Capital leases payable	87,253	-
Notes and loans payable	1,870,000	-
Compensated absences	148,137	-
Amounts due beyond one year:		
Capital leases payable	95,601	-
Notes and loans payable	35,362,578	-
Compensated absences payable	<u>70,036</u>	<u>-</u>
Total noncurrent liabilities	<u>37,633,605</u>	<u>-</u>
Total liabilities	<u>38,275,509</u>	<u>20,622</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	32,864,269	-
Restricted for:		
Debt service	12,193,430	-
Retainage payable		
Unrestricted	<u>2,898,039</u>	<u>1,794</u>
Total net assets	<u>\$ 47,955,738</u>	<u>\$ 1,794</u>

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

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CITY OF WEST LAFAYETTE
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
For The Year Ended December 31, 2009

	Business-type Activity - <u>Enterprise Fund</u>	
	Wastewater Utility	Internal Service Fund
Operating revenues:		
Residential and commercial sales	\$ 5,099,867	\$ -
Purdue university sales	3,328,975	-
Penalties	58,938	-
Sanitation trash fees	525,002	-
Recyclable sales	51,773	-
Recycling grant	41,500	-
Toters and bins	6,553	-
Other	<u>9,058</u>	<u>225,771</u>
Total operating revenues	<u>9,121,666</u>	<u>225,771</u>
Operating expenses:		
Laboratory	137,386	-
Collection system	374,322	-
Plant operation	1,627,032	-
Plant Maintenance	66,241	-
Billing expense	207,324	-
Sanitation solid waste removal	610,808	-
Pollution prevention system maintenance	246,331	-
Administration and general	1,183,486	223,977
Undistributed	84,176	-
Depreciation and amortization	<u>1,315,352</u>	<u>-</u>
Total operating expenses	<u>5,852,458</u>	<u>223,977</u>
Operating income	<u>3,269,208</u>	<u>1,794</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	142,615	-
Tap fees	104,291	-
Loss on sale of assets	(45,773)	-
Payment in lieu of taxes	(428,400)	-
Capital lease interest	(5,848)	-
Interest expense - 1994 Bonds	(266,550)	-
Interest expense - 1998 Bonds	(171,028)	-
Interest expense - 2001 Bonds	(149,205)	-
Interest expense - 2006 Bonds	<u>(77,152)</u>	<u>-</u>
Total nonoperating revenue (expenses)	<u>(897,050)</u>	<u>-</u>
Income before contributions	2,372,158	1,794
Capital contributions	<u>718,397</u>	<u>-</u>
Change in net assets	3,090,555	1,794
Total net assets - beginning	<u>44,865,183</u>	<u>-</u>
Total net assets - ending	<u>\$ 47,955,738</u>	<u>\$ 1,794</u>

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

CITY OF WEST LAFAYETTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended December 31, 2009

	Business-type Activity - Enterprise Fund	
	Wastewater Utility	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and users	\$ 6,901,981	\$ 205,528
Payments to suppliers, employers and others	<u>(4,586,424)</u>	<u>(203,355)</u>
Net cash provided by operating activities	<u>2,315,557</u>	<u>2,173</u>
Cash flows from noncapital financing activities:		
Payments in lieu of taxes	<u>(428,400)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Capital contributions	718,397	-
Acquisition and construction of capital assets	(6,343,351)	-
Capital lease financing	255,440	-
Change in retainage payable	(29,295)	-
SRF proceeds - 2004 and 2006 revenue bonds	3,239,071	-
Principal paid on 1994 revenue bonds	(1,060,000)	-
Principal paid on 1998 revenue bonds	(435,000)	-
Principal paid on 2001 revenue bonds	(310,000)	-
Principal paid on 2004 revenue bonds	(5,000)	-
Principal paid on 2006 revenue bonds	(10,000)	-
Principal paid on capital leases	(72,586)	-
Interest paid on 1994 revenue bonds	(266,550)	-
Interest paid on 1998 revenue bonds	(171,028)	-
Interest paid on 2001 revenue bonds	(149,205)	-
Interest paid on 2004 revenue bonds	(317,894)	-
Interest paid on 2006 revenue bonds	(285,808)	-
Interest paid on capital leases	(4,093)	-
Tap fees collected	<u>104,291</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(5,142,611)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received	<u>161,072</u>	<u>-</u>
Net cash provided by investing activities	<u>161,072</u>	<u>-</u>
Net increase in cash and cash equivalents	(3,094,382)	2,173
Cash and cash equivalents, January 1 (Including \$6,104,275 for debt service requirements reported in restricted accounts.)	<u>16,465,201</u>	<u>-</u>
Cash and cash equivalents, December 31 (Including \$12,509,634 for debt service requirements reported in restricted accounts.)	<u>\$ 13,370,819</u>	<u>\$ 2,173</u>

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

Continued on next page

CITY OF WEST LAFAYETTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended December 31, 2009
(Continued)

	Business-type Activity - <u>Enterprise Fund</u>	
	<u>Wastewater Utility</u>	<u>Internal Service Fund</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,269,208	\$ 1,794
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,315,352	-
(Increase) decrease in assets:		
Accounts receivable	150,771	(20,243)
Accounts receivable - sanitation	(36,273)	-
Accounts receivable - liens	(11,698)	-
Other receivables	(2,313,017)	-
Inventories	(9,468)	-
Increase (decrease) in liabilities:		
Accounts payable	(15,279)	20,622
Accrued payroll and withholdings payable	6,657	-
Compensated absence payable	(916)	-
Due to other funds	(39,780)	-
Total adjustments	<u>(953,651)</u>	<u>379</u>
Net cash provided by operating activities	<u>\$ 2,315,557</u>	<u>\$ 2,173</u>

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

CITY OF WEST LAFAYETTE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2009

	Pension Trust Funds	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 598,967	\$ 229,788
Receivables:		
Interest and dividends	135	-
Total assets	599,102	\$ 229,788
<u>Liabilities</u>		
Payroll withholdings payable	\$ -	\$ 12,522
Trust payable	-	217,266
Total liabilities	-	\$ 229,788
<u>Net Assets</u>		
Held in trust for:		
Employees' pension benefits	\$ 599,102	

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

CITY OF WEST LAFAYETTE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

<u>Additions</u>	<u>Pension Trust Funds</u>
Contributions:	
Intergovernmental	\$ 1,300,303
Private donations	135
Net investment income:	
Interest	<u>1,772</u>
Total additions	<u>1,302,210</u>
 <u>Deductions</u>	
Benefits and refunds paid to plan members and beneficiaries	1,001,390
Administrative expenses	<u>5,641</u>
Total deductions	<u>1,007,031</u>
Changes in net assets	295,179
Net assets - beginning	<u>303,923</u>
Net assets - ending	<u>\$ 599,102</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of West Lafayette (primary government) was established under the laws of the State of Indiana. The primary government operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, social services, culture and recreation, public improvements, planning and zoning, general administrative services, sanitation, wastewater (sewer), and urban redevelopment and housing.

The accompanying financial statements present the activities of the primary government and its significant component units. The component units discussed below are included in the primary government's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities, are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government.

Blended Component Units

The West Lafayette Redevelopment Authority (Authority) is a significant blended component unit of the primary government. The primary government appoints a voting majority of the Authority's board and a financial benefit/burden relationship exists between the primary government and the Authority. Although it is legally separate from the primary government, the Authority is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the City through the issuance of debt to finance construction of capital assets for the City.

The West Lafayette Equipment Leasing Corporation and the West Lafayette Building Corporation (Corporations) are significant blended component units of the primary government. The primary government appoints a voting majority of these Corporations' boards and a financial benefit/burden relationship exists between the primary government and each Corporation. Although they are legally separate from the primary government, the Corporations are reported as if they were a part of the primary government because they provide services entirely or almost entirely to the City, financing and constructing facilities for the City.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, report only assets and liabilities. Since they do not report equity (or changes in equity), they have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

The economic resource measurement focus and the accrual basis of accounting are utilized by proprietary fund types and pension trust funds. Under these methods, revenues, including contributions received by pension trust funds, are recorded when earned and expenses are recorded at the time the liabilities are incurred except that pension trust plan liabilities for benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The effect of this exception to the accrual basis of accounting is that actuarial accrued liabilities that are not yet due and payable are not reported in the financial statements. Information about the plan's funded status and funding progress, and contributions of the employer are disclosed in the required supplementary schedules. This reporting helps assess whether the plan's funded status is improving or deteriorating over time.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The primary government reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The roads funds (special revenue) account for the financial resources and expenses for construction, operation and maintenance of the local and arterial roads and street system. The motor vehicle highway, local roads and streets, perimeter parkway, Lindberg-McCormick Road, and Kalberer Road improvement funds have been combined to form the roads funds.

The parks and recreation funds (special revenue) account for the financial resources and expenses for the construction, operation and maintenance of the local public parks system. The park and recreation, park nonreverting operating, Wabash Heritage corridor, park gift, celery bog, and park nonreverting capital – pool funds have been combined to form the parks and recreation funds.

The KCB Allocation fund (special revenue) accounts for property tax proceeds of the KCB TIF district held by the trustee pursuant to the trust indentures of the infrastructure and Ross Enterprise Center Bonds.

Wabash Landing Parking Garage Bonds fund (debt service) accounts for the accumulation of resources for and payment of revenue bonds issued by the West Lafayette Redevelopment Authority. Bond proceeds were used for the acquisition and construction of a parking garage.

The Infrastructure Bonds fund (debt service) accounts for the revenues received from the sale of revenue bonds by the West Lafayette Redevelopment Authority, for the construction of Purdue Research Park infrastructure and GreenwayTrails projects funded by these revenues, and debt service payments on these bonds.

The primary government reports the following major proprietary fund:

The wastewater utility fund accounts for the operation of the primary government's wastewater treatment plant, pumping stations and collection systems.

Additionally, the primary government reports the following fund types:

The pension trust funds account for the activities of the 1925 Police Officers and 1937 Firefighters Pension Funds which accumulate resources for pension benefit payments.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Agency funds account for assets held by the primary government as an agent for individuals (payroll), private organizations (insurance payments) and other governments (city court and court collections, federal and state withholding taxes).

The internal service fund accounts for fuel purchase services provided to other departments on a cost-reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the primary government's policy to use restricted resources first, then unrestricted resources as needed.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The primary government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the primary government to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Interfund Transactions and Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables" (i.e., the current and noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Normally, taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. For 2009, the pay dates were moved to October 30 and December 11 due to reassessment. All property taxes collected by the County Treasurer and available for distribution were not distributed to the primary government prior to December 31 of the year collected. The property taxes that were not distributed by December 31 are

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

reported as receivable and are recognized as revenue on all financial statements. The taxes were completely received by February 26, 2010. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable on the statement of net assets and are recognized as tax revenue on the statement of activities. The net amounts are recognized as receivables on the funds financial statements with an offset to deferred revenue, since these amounts are not considered available.

4. Inventories and Prepaid Items

All inventories of governmental and enterprise funds are valued at cost using the first in/first out (FIFO) method and are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in proprietary fund financial statements. The unexpended balance of these type payments from governmental funds is considered immaterial for presentation in the Statement of Net Assets.

5. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Assets because they are maintained separately and their use is limited by ordinance or applicable bond covenants.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Governmental activities:			
Land	\$ 5,000	N/A	N/A
Buildings	5,000	Straight-line	50 years
Improvements other than buildings	5,000	Straight-line	5-45 years
Machinery and equipment	5,000	Straight-line	5-20 years
Infrastructure	5,000	Straight-line	10-50 years
Business-type activities (utility):			
Land	5,000	N/A	N/A
Buildings	5,000	Straight-line	25-50 years
Improvements other than buildings	5,000	Straight-line	50 years
Machinery and equipment	5,000	Straight-line	10-50 years

N/A = Not applicable

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

7. Compensated Absences

- a. Sick Leave – primary government employees earn sick leave at the rate of 10 days per year. Unused sick leave may be accumulated to a maximum of 90 days. Upon termination, the City will pay for one-half of the employee's accumulated sick leave up to 45 days, for employees hired after May 1986. Employees hired prior to May 1986 will be compensated in full for the first 30 days and one-half pay for the next 30 days.
- b. Vacation Leave – primary government employees earn vacation leave at rates from 10 to 20 days per year based upon the number of years of service. No more than 5 days of accumulated vacation can be carried over from year to year. Accumulated vacation leave is paid to employees through cash payments upon termination.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

- c. Personal Leave – primary government employees earn personal leave at the rate of 2 days per year. Personal leave does not accumulate from year to year.

Vacation and sick leave is accrued when incurred and reported as a liability in the Statement of Net Assets. Only the amount due and payable at year end due to terminations are accrued in the governmental fund statements.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at fiscal year end.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

On or before August 31, the City Clerk-Treasurer submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments. In September of each year, the Common Council, through the passage of an ordinance, approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Clerk-Treasurer receives approval of the Indiana Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. The Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

Expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally approved budgets.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may be at risk. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a formal deposit policy for custodial credit risk. All bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent, by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

The City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current fair value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments that are uninsured and 1) uncollateralized, 2) collateralized with securities held by the pledging financial institution, or 3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name. The City held no investments of this type.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years. The City does not have a formal investment policy for interest rate risk other than to follow state statute.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a formal investment policy for credit risk.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

C. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activity:				
Capital assets, not being depreciated:				
Land	\$ 14,514,071	\$ 79,494	\$ -	\$ 14,593,565
Construction in progress	<u>2,327,249</u>	<u>3,193,815</u>	<u>1,044,450</u>	<u>4,476,614</u>
Total capital assets, not being depreciated	<u>16,841,320</u>	<u>3,273,309</u>	<u>1,044,450</u>	<u>19,070,179</u>
Capital assets, being depreciated:				
Buildings	16,795,046	247,307	-	17,042,353
Improvements other than buildings	4,641,073	180,708	9,237	4,812,544
Machinery and equipment	7,854,176	606,999	1,526,357	6,934,818
Roads being depreciated	<u>40,146,668</u>	<u>616,435</u>	<u>-</u>	<u>40,763,103</u>
Totals	<u>69,436,963</u>	<u>1,651,449</u>	<u>1,535,594</u>	<u>69,552,818</u>

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activity (continued):				
Capital assets, being depreciated (continued):				
Less accumulated depreciation for:				
Buildings	5,237,893	604,684	-	5,842,577
Improvements other than buildings	1,487,683	223,749	5,080	1,706,352
Machinery and equipment	4,935,061	518,433	1,148,657	4,304,837
Roads being depreciated	14,587,636	1,362,607	-	15,950,243
	<u>26,248,273</u>	<u>2,709,473</u>	<u>1,153,737</u>	<u>27,804,009</u>
Totals				
Total capital assets, being depreciated, net	<u>43,188,690</u>	<u>(1,058,024)</u>	<u>381,857</u>	<u>41,748,809</u>
Total governmental activity capital assets, net	<u>\$ 60,030,010</u>	<u>\$ 2,215,285</u>	<u>\$ 1,426,307</u>	<u>\$ 60,818,988</u>
Business-type activity:				
Capital assets, not being depreciated:				
Land	\$ 604,120	\$ -	\$ -	\$ 604,120
Construction in progress	17,879,760	6,128,046	1,618,852	22,388,954
	<u>18,483,880</u>	<u>6,128,046</u>	<u>1,618,852</u>	<u>22,993,074</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	21,158,876	-	-	21,158,876
Improvements other than buildings	33,475,688	1,908,670	78,592	35,305,766
Machinery and equipment	4,785,537	1,399,518	176,731	6,008,324
Distribution and collection systems	-	-	-	-
	<u>59,420,101</u>	<u>3,308,188</u>	<u>255,323</u>	<u>62,472,966</u>
Totals				

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activity (continued):				
Capital assets, being depreciated (continued):				
Less accumulated depreciation for:				
Buildings	2,832,534	276,836	-	3,109,370
Improvements other than buildings	7,710,954	728,230	47,820	8,391,364
Machinery and equipment	2,864,424	1,165,920	161,885	3,868,459
Distribution and collection systems	-	-	-	-
Totals	<u>13,407,912</u>	<u>2,170,986</u>	<u>209,705</u>	<u>15,369,193</u>
Total capital assets, being depreciated, net	<u>46,012,189</u>	<u>1,137,202</u>	<u>45,618</u>	<u>47,103,773</u>
Total business-type activity capital assets, net	<u>\$ 64,496,069</u>	<u>\$ 7,265,248</u>	<u>\$ 1,664,470</u>	<u>\$ 70,096,847</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 394,699
Public safety	462,447
Public works, including depreciation of general infrastructure assets	1,233,919
Culture and recreation	577,657
Community development	<u>8,964</u>
Total depreciation expense - governmental activities	<u>\$ 2,677,686</u>
Business-type activities:	
Wastewater	<u>\$ 1,315,352</u>
Total depreciation expense - business-type activities	<u>\$ 1,315,352</u>

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Construction Commitments

Construction work in progress is composed of the following:

<u>Project</u>	<u>Expended to December 31, 2009</u>	<u>Committed</u>
Governmental activities:		
Salisbury Street Phase II	\$ 1,566,688	\$ 169,237
Lindberg Road	265,253	382,757
Sycamore Lane	387,658	753,015
Perimeter Parkway	403,962	245,610
Wabash Heritage Trolley Trail	95,269	13,425
Yeager Road Phase I	365,772	230,437
Yeager Road Phase II	93,859	33,741
Pool Safety Improvements Phase I	263,086	1,193
Wabash Landing Garage Phase III	88,332	11,186
Chauncey Square Phase II	8,166	20,237
Cumberland Avenue Reconstruction	380,049	3,292,408
Safe Routes to School	192,892	386,709
Tapawingo Park	34,520	28,752
CDBG Sidewalk Replacement	163,267	19,503
Skating Rink Repair	97,585	2,960
Wabash Landing Garage Phase IV	68,256	119,802
Fitness Trail Improvements	2,000	120,570
	<hr/>	<hr/>
Totals	<u>\$ 4,476,614</u>	<u>\$ 5,831,541</u>
Business-type activities:		
Wastewater:		
Western Interceptor	\$ 10,758,711	\$ 400,507.08
Digester Renovation	10,912,298	15,831.80
GIS System	567,496	14,404
Wet Weather Disinfection System	10,064	4,936
Salisbury Street Sewer Improvements	56,310	6,794
WWTP Capacity Evaluation	32,060	61,940
Northside Regional Lift Station	2,911	341,389
Yeager Road Sewer Study	49,103	10,197
	<hr/>	<hr/>
Totals	<u>\$ 22,388,954</u>	<u>\$ 855,998.02</u>

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Interfund Balances and Activity

The composition of interfund balances as of December 31, 2009, is as follows:

	Due From	
Due To	General Fund	Park Fund
Sewer Improvement	\$ 2,000,000	\$ 300,000

Interfund balances resulted from the time lag between the dates that (1) Interfund loans are repaid, (2) Interfund goods and services are provided or reimbursable expenditures occur, (3) transactions are recorded in the accounting system and (4) payments between funds are made.

Interfund Transfers

Interfund transfers at December 31, 2009, were as follows:

	Transfer To						
Transfer From	General Fund	Parks and Recreation	KCB Allocation	Wabash Landing Parking Garage	Infrastructure Bonds	Nonmajor Governmental	Totals
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,135	\$ 7,135
Parks and Recreation Funds	-	1,350	-	-	-	-	1,350
KCB Allocation	-	-	-	-	610,194	2,204,197	2,814,391
Wabash Landing Parking Garage	-	-	-	-	-	3,386,833	3,386,833
Infrastructure Bonds	-	-	3,763,311	-	-	540,280	4,303,591
Nonmajor Governmental	106,164	-	514,910	595,688	-	2,440,003	3,656,765
Totals	\$ 106,164	\$ 1,350	\$ 4,278,221	\$ 595,688	\$ 610,194	\$ 8,578,448	\$ 14,170,065

The primary government typically uses transfers to correct errors and to comply with requirements of debt service instruments.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Capital Leases

The primary government has entered into capital leases for vehicles and other equipment. Future minimum lease payments and present values of the net minimum lease payments under the capital lease as of December 31, 2008, are as follows:

2010	\$	297,980
2011		208,427
2012		<u>129,631</u>
Total minimum lease payments		636,038
Less amount representing interest		<u>28,714</u>
Present value of net minimum lease payments		<u><u>\$ 607,324</u></u>

Assets acquired through capital leases still in effect are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery and equipment	<u>\$ 310,731</u>	<u>\$ 346,327</u>
Totals	310,731	346,327
Accumulated depreciation	<u>19,421</u>	<u>40,996</u>
Totals	<u><u>\$ 291,310</u></u>	<u><u>\$ 387,323</u></u>

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. Long-Term Liabilities

1. Revenue Bonds

The primary government issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding, at year end are as follows:

Purpose	Interest Rates	Balance at December 31	Less: Unamortized (Premium) Discount	Amount
Parking Garage - WL Redevelopment Authority	4.00% to 5.125%	\$ 5,495,000	\$ 64,024	5,430,976
Fire Truck - WL Equipment Leasing Corporation	3.2% to 4.5%	130,000	1,851	128,149
Infrastructure - WL Redevelopment Authority	3.375% to 4.75%	3,850,000	32,847	3,817,153
Police Station - WL Building Corporation	4.00% to 5.10%	4,640,000	41,650	4,598,350
Ross Enterprise Center - Redevelopment Commission	4.00%	3,070,000	-	3,070,000
Totals		\$ 17,185,000	\$ 140,372	\$ 17,044,628

Revenue bonds debt service requirements to maturity are as follows:

CITY OF WEST LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

	Governmental Activities	
	Principal	Interest
2010	1,425,000	786,488
2011	1,445,000	724,068
2012	1,455,000	661,353
2013	1,520,000	596,644
2014	1,590,000	528,654
2015-2019	6,850,000	1,550,674
2020-2023	2,900,000	269,036
Totals	\$ 17,185,000	\$ 5,116,917

2. Loans Payable

The City has entered into five loans from the State Revolving Loan Fund for the expansion and renovation of wastewater facilities. Under the terms of the loans, funds are loaned to the City as planned construction costs are accrued to the maximum allowed under the loan. The 1994 loan established a maximum draw of \$19,950,000, the 1998 loan established a maximum draw of \$9,170,000, the 2001 loan established a maximum draw of \$7,000,000, the 2004 loan established a maximum draw of \$12,380,000, and the 2006(B) loan established a maximum draw of \$8,345,000. At December 31, 2009, the 1994 loan had been fully drawn and had an outstanding principal balance of \$8,355,000, the 1998 loan had been fully drawn and had an outstanding principal balance of \$5,680,000, the 2001 loan had been fully drawn and had an outstanding principal balance of \$4,990,000, the 2006(B) loan had been fully drawn and had an outstanding principal balance of \$8,335,000, and the 2004 loan had drawn \$9,887,578 and had an outstanding principal balance of \$9,872,578. Annual debt service requirements for the 1994, 1998, 2001, and 2006 (B) loans are as follows. Annual debt service requirements for the 2004 loan will not be determined until planned construction projects are completed and, therefore, are not included in the table below.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Principal	Interest
2010	1,865,000	854,306
2011	1,925,000	799,067
2012	1,980,000	742,055
2013	2,040,000	683,385
2014	2,100,000	622,940
2015-2019	9,045,000	2,206,709
2020-2024	5,285,000	1,009,100
2025-2029	3,120,000	279,752
Totals	\$27,360,000	\$ 7,197,314

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue	\$ 18,545,000	\$ -	\$ 1,360,000	\$ 17,185,000	\$ 1,425,000
Total revenue bonds payable	18,545,000	-	1,360,000	17,185,000	1,425,000
Capital leases	343,863	348,966	268,359	424,470	193,572
Compensated absences	670,043	679,928	570,561	779,410	656,904
Pension Obligation	9,054,809	1,124,822	581,618	9,598,013	-
Total governmental activities long-term liabilities	\$ 28,613,715	\$ 2,153,716	\$ 2,780,538	\$ 27,986,893	\$ 2,275,476

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Capital leases	\$ -	\$ 257,112	\$ 74,258	\$ 182,854	\$ 87,253
Notes and loans	35,813,507	3,239,071	1,820,000	37,232,578	1,870,000
Compensated absences	219,089	159,414	160,330	218,173	148,137
 Total business-type activities long-term liabilities	 <u>\$ 36,032,596</u>	 <u>\$ 3,655,597</u>	 <u>\$ 2,054,588</u>	 <u>\$ 37,633,605</u>	 <u>\$ 2,105,390</u>

Compensated absences for governmental activities typically have been liquidated from the general fund and special revenue funds.

H. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

Improvement - cash and cash equivalents	\$ 8,152,217
Bond and interest - cash and cash equivalents	935,535
Reserve - cash and cash equivalents	3,035,383
Employee Benefits	<u>70,295</u>
 Total restricted assets	 <u>\$ 12,193,430</u>

IV. Other Information

A. Risk Management

The primary government is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The primary government has entered into capital leases with the West Lafayette Redevelopment Authority, the West Lafayette Equipment Leasing Corporation, and the West Lafayette Building Corporation (the lessors). All lessors are blended component units of the City included in these financial statements.

The various facilities under the lease are included in the capital assets of the primary government and the corresponding debt obligations have been included in the governmental activities column of the financial statements.

C. Postemployment Benefits

In addition to the pension benefits described below, effective January 1, 2004, the primary government provides postemployment health insurance benefits, as authorized by IC 5-10-8, to all employees who retire from primary government at age 55 with 20 or more years of service with a public employer, including at least 10 years immediately preceding retirement and at least 15 years participation in the Indiana Public Employees' Retirement Fund (PERF). Participants are eligible to purchase the City's group comprehensive major medical benefit policy at 100% of the City's premium cost. The City makes no contribution. Coverage continues with the spouse after the death of the retiree. Coverage ceases at age 65.

An initial actuarial study of the postemployment benefit plan pursuant to GASB 45 was performed. The 2009 annual required contribution and net OPEB obligation is \$120,153. This amount is not material to the City's financial statements.

The Initial Transition Liability determined as of December 31, 2008, was \$852,363. The unfunded actuarial liability as of December 31, 2009, is \$938,344.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

Annual required contribution	\$	120,153
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
		<hr/>
Annual OPEB cost		120,153
Contributions made		-
		<hr/>
Increase (decrease) in net OPEB obligation		120,153
Net OPEB obligation, beginning of year		-
		<hr/>
Net OPEB obligation, end of year	\$	<u><u>120,153</u></u>

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12-31-09	\$ 120,153	0%	\$ 120,153

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The primary government contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the primary government authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

b. 1925 Police Officers' Pension Plan

Plan Description

The primary government contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. Administrative costs of the plan are included in the annual operating budget of the fund. The Net Pension Obligation (NPO) is considered an obligation of the City as a whole and is reflected in the Statement of Net Assets. As provided by state statute, all administrative costs are paid from the fund. Contributions and benefits of this pension plan are recognized when due and payable in accordance with the terms of the plan.

c. 1937 Firefighters' Pension Plan

Plan Description

The primary government contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan. As provided by state statute, all administrative costs are paid from the fund.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. Administrative costs of the plan are included in the annual budget of the fund. The Net Pension Obligation (NPO) is considered an obligation of the City as a whole and is reflected in the Statement of Net Assets. Contributions and benefits of this pension plan are recognized when due and payable in accordance with the terms of the plan.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Annual required contribution	\$ 244,998	\$ 658,800	\$ 581,000
Interest on net pension obligation	(16,732)	193,800	351,100
Adjustment to annual required contribution	<u>19,067</u>	<u>(244,600)</u>	<u>(443,000)</u>
Annual pension cost	247,333	608,000	489,100
Contributions made	<u>249,386</u>	<u>326,809</u>	<u>254,809</u>
Increase (decrease) in net pension obligation	(2,053)	281,191	234,291
Net pension obligation, beginning of year	<u>(230,785)</u>	<u>3,230,833</u>	<u>5,851,698</u>
Net pension obligation, end of year	<u>\$ (232,838)</u>	<u>\$ 3,512,024</u>	<u>\$ 6,085,989</u>
Contribution rates:			
Government	6.5%	0%	0%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-07	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-06	01-01-06
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	4%

2.75% converted members; 4% nonconverted members

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	200,746	112%	\$ (239,614)
	06-30-07	247,113	96%	(230,785)
	06-30-08	247,333	101%	(232,838)
1925 Police Officers' Pension Plan	12-31-06	598,200	97%	3,288,993
	12-31-07	599,800	110%	3,230,833
	12-31-08	608,000	54%	3,512,024
1937 Firefighters' Pension Plan	12-31-06	689,800	75%	5,763,116
	12-31-07	675,800	87%	5,851,698
	12-31-08	489,100	52%	6,085,989

CITY OF WEST LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

d. Financial Statements for Defined Benefit Plans

Statements of Fiduciary Net Assets:

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Assets</u>		
Cash and cash equivalents	\$ 279,720	\$ 319,247
Receivables:		
Interest and dividends	65	70
Total Assets	279,785	319,317
<u>Net Assets</u>		
Held in trust for pension benefit obligations	\$ 279,785	\$ 319,317

Statements of Changes in Fiduciary Net Assets:

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
<u>Additions</u>		
Contributions:		
Employer	\$ 728,610	\$ 571,693
Intergovernmental	-	-
Private donations	135	-
Investment Income:		
Interest	<u>768</u>	<u>1,004</u>
Total additions	<u>729,513</u>	<u>572,697</u>
<u>Deductions</u>		
Benefits and refunds paid to plan members and beneficiaries	716,633	284,757
Administrative expenses	<u>2,784</u>	<u>2,857</u>
Total deductions	<u>719,417</u>	<u>287,614</u>
Changes in net assets	10,096	285,083
Net assets - beginning	<u>269,689</u>	<u>34,234</u>
Net assets - ending	<u>\$ 279,785</u>	<u>\$ 319,317</u>

CITY OF WEST LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2009, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	22	28
Current active employees	-	2

Funded Status and Funding Progress for the Above Plans

The funded status of each plan as of June 30, 2008, the most recent actuarial valuation date (except police officers and firefighters pension funds which are as of December 31, 2008) is as follows:

Retirement Plan	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL or (Funding Excess) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)
PERF	\$ 4,870,169	\$ 5,260,826	\$ 390,657	93%	\$ 3,839,560	10%
1925 Police Officers' Pension Plan	620,875	8,956,000	8,335,125	7%	-	0%
1937 Firefighters' Pension Plan	903,622	7,537,900	6,634,278	12%	95,200.00	6,969%

The Schedule of Funding Progress, presented as RSI for the above plans following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate is 19.5% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of PERF. The primary government's contributions to the plan for the years ending December 31, 2009, 2008, and 2007, were \$849,019, \$864,908, and \$767,487, respectively, equal to the required contributions for each year.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2009

	General Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 6,468,547	\$ 7,787,171	\$ 6,452,005	\$ (1,335,166)
Licenses and permits	87,875	48,391	62,974	14,583
Intergovernmental	2,329,779	2,317,788	2,340,922	23,134
Charges for services	671,350	768,089	826,767	58,678
Fines and forfeits	449,000	517,586	545,684	28,098
Other	91,175	150,406	159,769	9,363
Transfers in	-	106,498	106,498	-
Temporary loans receipts	-	2,000,000	2,000,000	-
Total revenues	<u>10,097,726</u>	<u>13,695,929</u>	<u>12,494,619</u>	<u>(1,201,310)</u>
Expenditures:				
Current:				
General government	2,792,892	2,762,827	2,606,972	155,855
Public safety	7,210,979	7,374,293	7,143,880	230,413
Highways and streets	276,635	276,635	244,488	32,147
Urban redevelopment and housing	157,075	158,219	74,065	84,154
Transfers out	-	7,135	7,135	-
Total expenditures	<u>10,437,581</u>	<u>10,579,109</u>	<u>10,076,540</u>	<u>502,569</u>
Net change in fund balance	(339,855)	3,116,820	2,418,079	(698,741)
Fund balance - beginning	<u>114,325</u>	<u>114,325</u>	<u>114,325</u>	<u>-</u>
Fund balance - ending	<u>\$ (225,530)</u>	<u>\$ 3,231,145</u>	<u>\$ 2,532,404</u>	<u>\$ (698,741)</u>

The Note to Required Supplementary Information is an integral part of the Required Supplementary Information.

CITY OF WEST LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2009

	Roads Funds				Parks and Recreation Funds			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 838,236	\$ 1,021,741	\$ 848,723	\$ (173,018)
Intergovernmental	1,370,794	1,443,368	1,483,358	39,990	61,525	63,475	66,724	3,249
Charges for services	7,770	7,770	-	(7,770)	543,800	552,338	568,980	16,642
Other	27,000	25,865	24,953	(912)	45,750	91,065	85,279	(5,786)
Total revenues	1,405,564	1,477,003	1,508,311	31,308	1,489,311	1,728,619	1,569,706	(158,913)
Expenditures:								
Current:								
Highways and streets:								
Personal services	379,996	379,996	360,937	19,059	-	-	-	-
Supplies	409,420	464,694	381,515	83,179	-	-	-	-
Other services and charges	1,073,435	1,631,554	1,433,665	197,889	-	-	-	-
Capital outlay	39,510	39,510	15,069	24,441	-	-	-	-
Culture and recreation:								
Personal services	-	-	-	-	1,030,661	1,030,661	1,015,354	15,307
Supplies	-	-	-	-	120,850	103,713	67,970	35,743
Other services and charges	-	-	-	-	566,942	535,673	433,244	102,429
Capital outlay	-	-	-	-	25,500	15,262	18,731	(3,469)
Other disbursements	-	-	-	-	-	-	78,388	(78,388)
Total expenditures	1,902,361	2,515,754	2,191,186	324,568	1,743,953	1,685,309	1,613,687	71,622
Excess (deficiency) of revenues over (under) expenditures	(496,797)	(1,038,751)	(682,875)	355,876	(254,642)	43,310	(43,981)	(87,291)
Other financing sources (uses)								
Temporary loan receipts	-	-	-	-	-	-	300,000	(300,000)
Total other financing sources (uses)	-	-	-	-	-	-	300,000	(300,000)
Net change in fund balances	(496,797)	(1,038,751)	(682,875)	355,876	(254,642)	43,310	256,019	(387,291)
Fund balances - beginning	2,202,429	2,202,429	2,202,429	-	808,364	808,364	808,364	-
Fund balances - ending	\$ 1,705,632	\$ 1,163,678	\$ 1,519,554	\$ 355,876	\$ 553,722	\$ 851,674	\$ 1,064,383	\$ (387,291)

The Note to Required Supplementary Information is an integral part of the Required Supplementary Information.

CITY OF WEST LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 3,845,973	\$ 4,207,818	\$ (361,845)	91%	\$ 3,788,451	(10%)
07-01-07	4,279,495	4,500,614	(221,119)	95%	3,869,083	(6%)
07-01-08	4,870,169	5,260,826	(390,657)	93%	3,839,560	(10%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 826,463	\$ 9,255,100	\$ (8,428,637)	9%	\$ 41,900	(20,116%)
01-01-04	728,217	9,287,200	(8,558,983)	8%	43,000	(19,905%)
01-01-05	559,340	9,164,100	(8,604,760)	6%	44,400	(19,380%)
01-01-06	449,488	8,987,500	(8,538,012)	5%	-	0%
01-01-07	590,450	8,936,300	(8,345,850)	7%	-	0%
01-01-08	620,875	8,956,000	(8,335,125)	7%	-	0%

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 614,940	\$ 10,233,900	\$ (9,618,960)	6%	\$ 377,000	(2,551%)
01-01-04	523,030	10,120,100	(9,597,070)	5%	302,000	(3,178%)
01-01-05	337,773	10,128,500	(9,790,727)	3%	311,100	(3,147%)
01-01-06	323,324	9,641,900	(9,318,576)	3%	272,000	(3,426%)
01-01-07	721,074	9,569,500	(8,848,426)	8%	277,400	(3,190%)
01-01-08	903,622	7,537,900	(6,634,278)	12%	95,200	(6,969%)

The Note to Required Supplementary Information is an integral part of the Required Supplementary Information.

CITY OF WEST LAFAYETTE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan			
Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12-31-03	\$ 1,022,500	12%	67%
12-31-04	1,071,600	12%	30%
12-31-05	661,000	25%	56%
12-31-06	642,600	38%	59%
12-31-07	647,800	8%	102%
12-31-08	658,800	0%	54%

1937 Firefighters' Pension Plan			
Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12-31-03	\$ 1,169,900	3%	41%
12-31-04	1,234,800	3%	19%
12-31-05	790,700	20%	34%
12-31-06	765,700	31%	36%
12-31-07	759,800	25%	52%
12-31-08	581,000	2%	42%

The Note to Required Supplementary Information is an integral part of the Required Supplementary Information.

CITY OF WEST LAFAYETTE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2009

Note I. Legal Compliance – Budgets

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

A. The City Clerk-Treasurer submits to the Common Council a proposed operating budget for all city budgeted funds, except the Park Nonreverting Operating, the Sagamore Parkway TIF, the Levee/Village Redevelopment Commission the KCB Redevelopment Commission the Certified Technology Park, and the Certified Technology Grant funds, for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

B. Prior to adoption, the city budgeted funds are advertised and public hearings are conducted by the Common Council to obtain taxpayer comments.

C. No later than November 1, the city budgeted funds for the next year are approved by the Common Council through the passage of an ordinance.

D. In November of each year, the Park Board approves the budget of the Park Nonreverting Operating Fund.

E. The Redevelopment Commission authorizes the expenditures of the Sagamore Parkway TIF, Levee/Village Redevelopment Commission, KCB Redevelopment Commission, the Certified Technology Park, and Certified Technology Grant funds through additional appropriations adopted throughout the ensuing year.

F. Copies of the budget ordinance for the city budgeted funds and the advertisements for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Clerk-Treasurer receives approval of the Indiana Department of Local Governmental Finance. The City's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy may be granted by the Indiana Department of Local Government Finance upon appeal by the City.

G. The legal level of budgetary control is by object and department within the fund for the General Fund, and by object within the fund for all other budgeted funds. The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the relevant governing board. Any revisions to the appropriations for any fund or any department of the General Fund must be approved by the Common Council and, in some instances, by the Indiana Department of Local Government Finance.

H. Formal budgetary integration is required by state statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

CITY OF WEST LAFAYETTE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2009
(Continued)

Major funds:

General Fund

Special revenue funds:

Roads Funds, Parks and Recreation Funds

Debt Service Funds:

Wabash Landing Parking Garage, Infrastructure Bonds

Nonmajor funds:

Special revenue funds:

Fire Fighting, Community Development Block Grant, Law Enforcement Continuing Education, Police Station Nonreverting, Rainy Day

Debt service funds:

Fire Truck Acquisition

Capital projects funds:

Cumulative Building and Fire Fighting Equipment, Cumulative Capital Improvement, Sagamore Parkway TIF, Levee/Village Redevelopment Commission, KCB Redevelopment Commission, Cumulative Capital Development

Pension trust funds:

Police Officers' Pension, Firefighters' Pension

I. Budgeted amounts are originally adopted or amended by the Common Council and approved by the Indiana Department of Local Government Finance for funds for which property taxes are levied or for which highway use taxes are received. The net effect of individual amendments to the budget increased the original appropriations by \$6,369,001. The final budgeted amounts were adjusted by the amounts of beginning and ending encumbrances in order to be comparable to the actual budget basis expenditures.

J. The following reconciliation of Budgetary (Non-GAAP) basis to GAAP basis is for the major budgeted governmental funds only.

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

1. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

CITY OF WEST LAFAYETTE
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 December 31, 2009
 (Continued)

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>General</u>	<u>Roads Funds</u>	<u>Parks and Recreation Funds</u>	<u>West Lafayette Parking Garage</u>	<u>Infrastructure</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (budgetary basis)	\$ 2,418,079	\$ (682,875)	\$ 256,019	\$ (9,239)	\$ (9,603)
Adjustments:					
To adjust revenues for accruals	(1,454,750)	1,829	(268,492)	(955,360)	(690,401)
To adjust expenditures for accruals	<u>(289,483)</u>	<u>(101,504)</u>	<u>(27,813)</u>	<u>6,640</u>	<u>8,156</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis)	<u>\$ 673,846</u>	<u>\$ (782,550)</u>	<u>\$ (40,286)</u>	<u>\$ (957,959)</u>	<u>\$ (691,848)</u>

K. Expenditures did not exceed appropriations for departments within the General Fund or other funds which required legally approved budgets.

SUPPLEMENTARY INFORMATION

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Major Governmental Funds

General Fund – the general operating fund of the City. Tax revenues and other receipts not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures of the City are paid from the General Fund.

Departments by function that are included in the General Fund are:

General Government:

Mayor
Clerk-Treasurer
City Council
City Hall
City Court
City Attorney
City Services

Public Safety:

Fire Department
Police Department
Police Merit Commission

Highways and Streets:

City Engineer

Sanitation:

Sanitation Department

Urban Redevelopment and Housing:

Economic Development

Special revenue funds – used to account for revenues derived for a specific purpose. The title of the fund is descriptive of the activities involved.

Roads – funds set aside from state gasoline tax distributions for the specific purpose of constructing and maintaining local streets and alleys.

Parks and Recreation– to account for the operation of the City park system.

KCB Allocation – to account for property tax proceeds of the KCB TIF district held by the trustee pursuant to the trust indentures of the infrastructure and Ross Enterprise Center Bonds.

Debt service funds – used to account for the accumulation of resources for and the payment of general long-term debt principal and interest

Wabash Landing Parking Garage Bonds – to account for the accumulation of resources for and payment of revenue bonds issued by the West Lafayette Redevelopment Authority. Bond proceeds were used for the acquisition and construction of a parking garage.

Infrastructure Bonds – to account for revenues received from the sale of revenue bonds by the West Lafayette Redevelopment Authority and for the construction of Purdue Research Park infrastructure and GreenwayTrails projects funded by these revenues.

CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For The Year Ended December 31, 2009

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance- Positive (Negative)</u>
General government:				
Mayor:				
Personal services	\$ 120,588	\$ 120,588	\$ 119,408	\$ 1,180
Other services and charges	-	1,948	1,948	-
City Council:				
Personal services	34,080	34,080	34,080	-
Other services and charges	2,800	2,800	319	2,481
Clerk-Treasurer:				
Personal services	1,611,658	1,577,158	1,533,457	43,701
Supplies	24,200	24,200	21,827	2,373
Other services and charges	522,995	473,809	418,931	54,878
Capital outlay	2,000	3,276	1,337	1,939
City Hall:				
Supplies	5,400	5,400	2,660	2,740
Other services and charges	113,170	117,868	106,328	11,540
City Court:				
Personal services	19,926	19,926	19,346	580
Other services and charges	400	400	75	325
City Attorney:				
Other services and charges	80,275	80,275	59,660	20,615
City Services:				
Other services and charges	255,400	255,400	241,896	13,504
Other General:				
Other disbursements	-	45,700	45,700	-
Total general government	<u>2,792,892</u>	<u>2,762,828</u>	<u>2,606,972</u>	<u>155,856</u>
Public safety:				
Fire Department:				
Personal services	2,631,180	2,630,980	2,593,893	37,087
Supplies	56,425	56,425	32,460	23,965
Other services and charges	74,090	72,876	50,969	21,907
Capital outlay	2,000	834	100	734

Continued on next page

CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For The Year Ended December 31, 2009
(Continued)

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance- Positive (Negative)</u>
Public safety (continued):				
Police Department:				
Personal services	3,861,784	3,986,522	3,946,127	40,395
Supplies	303,200	291,719	205,033	86,686
Other services and charges	268,100	304,359	285,282	19,077
Capital outlay	1,000	25,839	25,836	3
Police Merit Commission:				
Personal services	1,000	1,000	440	560
Other services and charges	12,200	3,740	3,740	-
	<u>7,210,979</u>	<u>7,374,294</u>	<u>7,143,880</u>	<u>230,414</u>
Total public safety				
Highways and streets:				
City Engineer:				
Personal services	229,405	229,405	214,466	14,939
Supplies	13,840	13,840	6,086	7,754
Other services and charges	22,670	22,670	16,604	6,066
Capital outlay	10,720	10,720	7,332	3,388
	<u>276,635</u>	<u>276,635</u>	<u>244,488</u>	<u>32,147</u>
Total highways and streets				
Urban redevelopment and housing:				
Economic Development:				
Supplies	10,750	11,656	7,810	3,846
Other services and charges	144,925	145,163	65,175	79,988
Capital outlay	1,400	1,400	1,080	320
	<u>157,075</u>	<u>158,219</u>	<u>74,065</u>	<u>84,154</u>
Total sanitation				
Transfers from other funds	-	7,135	7,135	-
Total general fund	<u>\$ 10,437,581</u>	<u>\$ 10,579,111</u>	<u>\$ 10,076,540</u>	<u>\$ 502,571</u>

CITY OF WEST LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 OTHER BUDGETED MAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009

	Wabash Landing Parking Garage				Infrastructure Bonds			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ 3,368,154	\$ 3,368,154	\$ -	\$ -	\$ 3,770,555	\$ 3,770,555	\$ -
Other	-	16,010	16,010	-	-	527,403	527,403	-
Total revenues	-	3,384,164	3,384,164	-	-	4,297,958	4,297,958	-
Expenditures:								
Economic development:								
Other services and charges	-	602,258	602,258	-	-	614,165	614,165	-
Total expenditures	-	602,258	602,258	-	-	614,165	614,165	-
Excess (deficiency) of revenues over (under) expenditures	-	2,781,906	2,781,906	-	-	3,683,793	3,683,793	-
Other financing sources (uses):								
Transfers in	-	595,688	595,688	-	-	610,194	610,194	-
Transfers out	-	(3,386,833)	(3,386,833)	-	-	(4,303,591)	(4,303,591)	-
Total other financing sources (uses)	-	(2,791,145)	(2,791,145)	-	-	(3,693,397)	(3,693,397)	-
Net change in fund balances	-	(9,239)	(9,239)	-	-	(9,604)	(9,604)	-
Fund balances - beginning	640,102	640,102	640,102	-	652,448	652,448	652,448	-
Fund balances - ending	\$ 640,102	\$ 630,863	\$ 630,863	\$ -	\$ 652,448	\$ 642,844	\$ 642,844	\$ -

Nonmajor Governmental Funds

Special revenue funds – used to account for revenues derived for a specific purpose. The title of the fund is descriptive of the activities involved. The City maintains the following nonmajor special revenue funds:

Clerk’s Records Perpetuation – to account for fees used for the preservation and improvement of the record keeping system.

Fire Fighting – to account for additional capital costs related to providing fire protection to the City. Funding is provided by contractual arrangements with specific areas outside the contiguous city limits for fire protection.

Community Development Block Grant – to account for funds granted to the City by the U.S. Department of Housing and Urban Development under the Community Development Block Grant entitlement programs.

500 Brown Street Brownfields Grant – to account for funds granted by the Indiana Development Finance Authority for the study and reclamation of the 500 Brown Street Brownfields site.

Economic Development Income Tax – to account for revenues received from the County Economic Development Income Tax (CEDIT) and used for construction of projects funded by these revenues.

Local Law Enforcement Block Grant – to account for revenues received from the U. S. Department of Justice related to public safety.

Public Safety – to account for revenues received from local sources for community policing.

Law Enforcement Continuing Education – to account for court fees and the sale of reports and permits used for the continuing education and training of law enforcement officers.

Police Unclaimed Property – to account for funds retained by police action and unclaimed after a set amount of time. Funds are required to be used for public safety expenditures.

Donation – to account for funds donated to the City for general governmental purposes.

Credit Card Fees – to account for convenience fees paid for enhanced access to online court and parking ticket fines payments. The service fees are used to provide the service.

Rainy Day Fund – to account for transfers of unused and unencumbered funds under IC 36-1-8-5 and other deposits as have been directed by statute. The funds may be used for any purpose permitted by state statutes for other revenues of the City.

426 Brown Street Brownfields Grant – to account for funds granted by the Indiana Development Finance Authority for the study and reclamation of the 426 Brown Street Brownfields site.

Police Station Nonreverting – to account for proceeds of the sale of real property to the West Lafayette Building Corporation related to the construction of the new police station. Funds are to be used for revitalization of vacated public space.

Levee/Village Allocation – to account for property tax proceeds of the Levee/Village TIF district held by the trustee pursuant to the trust indenture of the Wabash Landing Parking Garage bond issue.

Certified Technology Park – to account for the state certified technology park distributions for funding improvements at the Purdue Research Park.

Certified Technology Grant – to account for state technology development grant awards for funding improvements at the Purdue Research Park.

Fire Safety – to account for donations for fire prevention and fire educational activities.

DHS Firefighter Assistance Grant – to account for funds granted by the Department of Homeland Security for the firefighter assistance program for the purpose of fire equipment acquisition.

Nonmajor Governmental Funds

(Continued)

Police Grants Projects – to account for state and federal funding for public safety grants.

Go Greener Commission – to account for donations for the activities of the Go Greener Commission.

Debt service funds – used to account for the accumulation of resources for and the payment of general long-term debt principal and interest. The City maintains the following nonmajor debt service funds:

Fire Truck Acquisition – to account for the accumulation of resources for and payment of a revenue bond issue of the West Lafayette Equipment Leasing Corporation. Bond proceeds were used for the purchase of a new fire truck.

Redevelopment Commission 2005 Fund – to account for revenues received from the sale of the Redevelopment District Tax Incremental Revenue Bonds of 2005 and is used for the purchase of capital assets.

West Lafayette Building Corporation – to account for the proceeds of bonds by the West Lafayette Building Corporation and secured by a lease for the construction of a police station.

Capital projects funds – used to account for financial resources to be used for the acquisition or construction of capital projects. The City maintains the following nonmajor capital projects funds:

Sagamore Parkway TIF – to account for expenditures for public improvements in the Sagamore Parkway tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before the redevelopment (tax increment).

Build Indiana – Wabash Landing – to account for expenditures of Build Indiana grant funds relating to the construction of public improvements along the Wabash Landing Project.

Cumulative Building and Fire Fighting Equipment – to account for certain capital expenditures related to community police and fire protection. Financing is provided by a specific annual tax levy to the extent that other revenues are insufficient to provide such funding.

Cumulative Capital Improvement – to account for state cigarette tax distributions used for acquisition and maintenance of capital assets and computer technology acquisition and support.

Cumulative Capital Development – to account for expenditures relating to the purchase or lease of capital improvements in the City.

Sun Trust Lease Escrow – to account for funds deposited by leaseholder (Sun Trust Bank) in anticipation of capital expenditures.

National City Lease Escrow – to account for funds deposited by leaseholder (Fifth Third Bank) in anticipation of capital expenditures.

Levee/Village Redevelopment Commission – to account for expenditures for public improvements in the Levee/Village tax incremental financing district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of property in the district before redevelopment (tax increment).

KCB Redevelopment Commission – to account for expenditures for public improvements in the Kalberer/Cumberland/Blackbird tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment (tax increment).

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CITY OF WEST LAFAYETTE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 4,872,780	\$ 25,603	\$ 2,270,197	\$ 7,168,580
Cash with fiscal agent	-	341,300	4,472,661	4,813,961
Receivables (net of allowances for uncollectibles):				
Interest	2,905	10	3,048	5,963
Taxes	-	23,466	220,182	243,648
Accounts	18,814	-	4,275	23,089
Intergovernmental	627,383	841	23,008	651,232
	<u>627,383</u>	<u>841</u>	<u>23,008</u>	<u>651,232</u>
Total assets	<u>\$ 5,521,882</u>	<u>\$ 391,220</u>	<u>\$ 6,993,371</u>	<u>\$ 12,906,473</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 122,321	\$ -	\$ 219,480	\$ 341,801
Accrued payroll and withholdings payable	14,768	-	-	14,768
Accrued interest payable	-	156,045	-	156,045
Deferred revenue:				
Unavailable	221,672	4,058	33,488	259,218
	<u>221,672</u>	<u>4,058</u>	<u>33,488</u>	<u>259,218</u>
Total liabilities	<u>358,761</u>	<u>160,103</u>	<u>252,968</u>	<u>771,832</u>
Fund balances:				
Unreserved, reported in:				
Special revenue funds	5,163,121	-	-	5,163,121
Debt service funds	-	231,117	-	231,117
Capital projects funds	-	-	6,740,403	6,740,403
	<u>-</u>	<u>-</u>	<u>6,740,403</u>	<u>6,740,403</u>
Total fund balances	<u>5,163,121</u>	<u>231,117</u>	<u>6,740,403</u>	<u>12,134,641</u>
Total liabilities and fund balances	<u>\$ 5,521,882</u>	<u>\$ 391,220</u>	<u>\$ 6,993,371</u>	<u>\$ 12,906,473</u>

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Revenues:				
Taxes	\$ -	\$ 84,543	\$ 604,427	\$ 688,970
Licenses and permits	3,530	-	-	3,530
Intergovernmental	5,389,245	6,404	201,981	5,597,630
Charges for services	41,159	-	-	41,159
Fines and forfeits	6,482	-	-	6,482
Other	<u>125,011</u>	<u>301</u>	<u>426,913</u>	<u>552,225</u>
Total revenues	<u>5,565,427</u>	<u>91,248</u>	<u>1,233,321</u>	<u>6,889,996</u>
Expenditures:				
Current:				
General government	19,051	-	-	19,051
Public safety	318,309	950	-	319,259
Highways and Streets	1,464,426	-	-	1,464,426
Economic development	4,393,963	1,870	-	4,395,833
Debt service:				
Principal	-	620,000	-	620,000
Interest	-	354,950	-	354,950
Capital outlay	<u>-</u>	<u>-</u>	<u>1,688,002</u>	<u>1,688,002</u>
Total expenditures	<u>6,195,749</u>	<u>977,770</u>	<u>1,688,002</u>	<u>8,861,521</u>
Excess (deficiency) of revenues (over) under expenditures	<u>(630,322)</u>	<u>(886,522)</u>	<u>(454,681)</u>	<u>(1,971,525)</u>
Other financing sources (uses):				
Transfers in	3,584,587	907,800	4,086,061	8,578,448
Transfers out	<u>(2,845,721)</u>	<u>-</u>	<u>(811,044)</u>	<u>(3,656,765)</u>
Total other financing sources (uses)	<u>738,866</u>	<u>907,800</u>	<u>3,275,017</u>	<u>4,921,683</u>
Net change in fund balances	108,544	21,278	2,820,336	2,950,158
Fund balances - beginning	<u>5,054,577</u>	<u>209,839</u>	<u>3,920,067</u>	<u>9,184,483</u>
Fund balances - ending	<u>\$ 5,163,121</u>	<u>\$ 231,117</u>	<u>\$ 6,740,403</u>	<u>\$ 12,134,641</u>

CITY OF WEST LAFAYETTE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2009

	Clerk's Records Perpetuation	Fire Fighting	Community Development Block Grant	500 Brown Street Brownfields Grant	CEDIT	Local Law Enforcement Block Grant	Public Safety	Law Enforcement Continuing Education	Police Unclaimed Property	Donation	Credit Card Fees
Assets											
Cash and cash equivalents	\$ 17,540	\$ 43,261	\$ 2,000	\$ -	\$ 1,281,520	\$ -	\$ 20,480	\$ 7,062	\$ 2,537	\$ 1,713	\$ 2,057
Receivables (net of allowances for uncollectibles):											
Interest	28	37	-	-	1,275	-	5	6	1	-	-
Accounts	60	-	-	-	4,234	-	10,475	2,045	-	-	-
Intergovernmental	-	-	-	-	285,087	-	-	-	-	-	-
Total assets	\$ 17,628	\$ 43,298	\$ 2,000	\$ -	\$ 1,572,116	\$ -	\$ 30,960	\$ 9,113	\$ 2,538	\$ 1,713	\$ 2,057
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	\$ -	\$ 1,650	\$ 70,736	\$ -	\$ 48,767	\$ -	\$ -	\$ 382	\$ -	\$ 786	\$ -
Accrued payroll and withholdings payable	-	-	-	-	13,487	-	-	-	-	-	-
Deferred revenues - unavailable	-	-	-	-	221,672	-	-	-	-	-	-
Total liabilities	-	1,650	70,736	-	283,926	-	-	382	-	786	-
Fund balances:											
Unreserved, reported in:											
Special revenue funds	17,628	41,648	(68,736)	-	1,288,190	-	30,960	8,731	2,538	927	2,057
Total liabilities and fund balances	\$ 17,628	\$ 43,298	\$ 2,000	\$ -	\$ 1,572,116	\$ -	\$ 30,960	\$ 9,113	\$ 2,538	\$ 1,713	\$ 2,057

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CITY OF WEST LAFAYETTE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2009
 (Continued)

	<u>Rainy Day</u>	<u>426 Brown Street Brownfields Grant</u>	<u>Police Station Nonreverting</u>	<u>Levee/Village Allocation</u>	<u>Certified Technology Park</u>	<u>Certified Technology Grant</u>	<u>Fire Safety</u>	<u>DHS Firefighter Grant</u>	<u>Police Grant</u>	<u>Go Greener</u>	<u>Totals</u>
<u>Assets</u>											
Cash and cash equivalents	\$ 739,647	\$ -	\$ 4	\$ 1,819,076	\$ 918,060	\$ -	\$ 1,251	\$ 48	\$ 14,374	\$ 2,150	\$ 4,872,780
Receivables (net of allowances for uncollectibles):											
Interest	948	-	-	35	568	-	-	-	-	2	2,905
Accounts	-	-	-	-	-	-	2,000	-	-	-	18,814
Intergovernmental	340,383	-	-	-	-	-	-	-	1,913	-	627,383
Total assets	<u>\$ 1,080,978</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 1,819,111</u>	<u>\$ 918,628</u>	<u>\$ -</u>	<u>\$ 3,251</u>	<u>\$ 48</u>	<u>\$ 16,287</u>	<u>\$ 2,152</u>	<u>\$ 5,521,882</u>
<u>Liabilities and Fund Balances</u>											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,321
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-	1,281	-	14,768
Deferred revenues - unavailable	-	-	-	-	-	-	-	-	-	-	221,672
Total liabilities	-	-	-	-	-	-	-	-	1,281	-	358,761
Fund balances:											
Unreserved, reported in:											
Special revenue funds	1,080,978	-	4	1,819,111	918,628	-	3,251	48	15,006	2,152	5,163,121
Total liabilities and fund balances	<u>\$ 1,080,978</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 1,819,111</u>	<u>\$ 918,628</u>	<u>\$ -</u>	<u>\$ 3,251</u>	<u>\$ 48</u>	<u>\$ 16,287</u>	<u>\$ 2,152</u>	<u>\$ 5,521,882</u>

CITY OF WEST LAFAYETTE
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2009

<u>Assets</u>	<u>Fire Truck Acquisition</u>	<u>Redevelopment Commission 2005</u>	<u>West Lafayette Building Corporation</u>	<u>Totals</u>
Cash and cash equivalents	\$ 25,603	\$ -	\$ -	\$ 25,603
Cash with fiscal agent	56,899	-	284,401	341,300
Receivables (net of allowances for uncollectibles):				
Interest	7	-	3	10
Taxes	23,466	-	-	23,466
Intergovernmental	<u>841</u>	<u>-</u>	<u>-</u>	<u>841</u>
Total assets	<u>\$ 106,816</u>	<u>\$ -</u>	<u>\$ 284,404</u>	<u>\$ 391,220</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accrued interest payable	\$ 2,632	\$ 53,258	\$ 100,155	\$ 156,045
Deferred revenue:				
Unavailable	<u>4,058</u>	<u>-</u>	<u>-</u>	<u>4,058</u>
Total liabilities	<u>6,690</u>	<u>53,258</u>	<u>100,155</u>	<u>160,103</u>
Fund balances:				
Unreserved, reported in:				
Debt service funds	<u>100,126</u>	<u>(53,258)</u>	<u>184,249</u>	<u>231,117</u>
Total liabilities and fund balances	<u>\$ 106,816</u>	<u>\$ -</u>	<u>\$ 284,404</u>	<u>\$ 391,220</u>

CITY OF WEST LAFAYETTE
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2009

	Sagamore Parkway TIF	Build Indiana Wabash Landing	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	Cumulative Capital Development	Sun Trust Lease Escrow	National City Lease Escrow	Levee Village Redevelopment Commission	KCB Redevelopment Commission	Totals
Assets										
Cash and cash equivalents	\$ 540,473	\$ 9,080	\$ 23,912	\$ 37,114	\$ 1,659,618	\$ -	\$ -	\$ -	\$ -	\$ 2,270,197
Cash with fiscal agent	-	-	-	-	-	-	122,437	1,651,032	2,699,192	4,472,661
Receivables (net of allowances for uncollectibles):										
Interest	631	12	18	107	2,017	-	-	103	160	3,048
Taxes	135,169	-	6,667	-	78,346	-	-	-	-	220,182
Accounts	-	-	-	-	4,275	-	-	-	-	4,275
Intergovernmental	12,482	-	239	7,476	2,811	-	-	-	-	23,008
Total assets	\$ 688,755	\$ 9,092	\$ 30,836	\$ 44,697	\$ 1,747,067	\$ -	\$ 122,437	\$ 1,651,135	\$ 2,699,352	\$ 6,993,371
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 10,074	\$ -	\$ 209,406	\$ -	\$ -	\$ -	\$ -	\$ 219,480
Deferred revenue:										
Unavailable	11,357	-	1,153	7,475	13,503	-	-	-	-	33,488
Total liabilities	11,357	-	11,227	7,475	222,909	-	-	-	-	252,968
Fund balances:										
Unreserved, reported in:										
Capital projects funds	677,398	9,092	19,609	37,222	1,524,158	-	122,437	1,651,135	2,699,352	6,740,403
Total liabilities and fund balances	\$ 688,755	\$ 9,092	\$ 30,836	\$ 44,697	\$ 1,747,067	\$ -	\$ 122,437	\$ 1,651,135	\$ 2,699,352	\$ 6,993,371

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2009

	Clerk's Records Perpetuation	Fire Fighting	Community Development Block Grant	500 Brown Street Brownfields Grant	CEDIT	Local Law Enforcement Block Grant	Public Safety	Law Enforcement Continuing Education	Police Unclaimed Property	Donation	Credit Card Fees
Revenues:											
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,530	\$ -	\$ -	\$ -
Intergovernmental	-	-	382,362	-	1,453,351	-	59,859	-	-	-	-
Charges for services	-	16,249	8,247	-	-	-	-	8,239	-	-	8,424
Fines and forfeits	1,586	-	-	-	-	-	-	4,896	-	-	-
Other	323	272	-	-	93,385	-	2,456	1,132	1,558	5,396	-
Total revenues	<u>1,909</u>	<u>16,521</u>	<u>390,609</u>	<u>-</u>	<u>1,546,736</u>	<u>-</u>	<u>62,315</u>	<u>17,797</u>	<u>1,558</u>	<u>5,396</u>	<u>8,424</u>
Expenditures:											
Current:											
General government	6,000	-	-	-	-	-	-	-	-	-	6,849
Public safety	-	49,352	-	-	-	(1)	45,254	26,523	-	-	-
Highways and Streets	-	-	-	-	1,464,426	-	-	-	-	-	-
Economic development	-	-	455,933	-	-	-	-	-	-	4,469	-
Total expenditures	<u>6,000</u>	<u>49,352</u>	<u>455,933</u>	<u>-</u>	<u>1,464,426</u>	<u>(1)</u>	<u>45,254</u>	<u>26,523</u>	<u>-</u>	<u>4,469</u>	<u>6,849</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,091)</u>	<u>(32,831)</u>	<u>(65,324)</u>	<u>-</u>	<u>82,310</u>	<u>1</u>	<u>17,061</u>	<u>(8,726)</u>	<u>1,558</u>	<u>927</u>	<u>1,575</u>
Other financing sources:											
Transfers in	-	-	-	-	93	-	259	-	-	-	-
Transfers out	-	-	-	(276)	(476,001)	(259)	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(276)</u>	<u>(475,908)</u>	<u>(259)</u>	<u>259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,091)	(32,831)	(65,324)	(276)	(393,598)	(258)	17,320	(8,726)	1,558	927	1,575
Fund balances - beginning	<u>21,719</u>	<u>74,479</u>	<u>(3,412)</u>	<u>276</u>	<u>1,681,788</u>	<u>258</u>	<u>13,640</u>	<u>17,457</u>	<u>980</u>	<u>-</u>	<u>482</u>
Fund balances - ending	<u>\$ 17,628</u>	<u>\$ 41,648</u>	<u>\$ (68,736)</u>	<u>\$ -</u>	<u>\$ 1,288,190</u>	<u>\$ -</u>	<u>\$ 30,960</u>	<u>\$ 8,731</u>	<u>\$ 2,538</u>	<u>\$ 927</u>	<u>\$ 2,057</u>

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CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Rainy Day	426 Brown Street Brownfields Grant	Police Station Nonreverting	Levee/Village Allocation	Certified Technology Park	Certified Technology Grant	Fire Safety	DHS Firefighter Grant	Police Grant	Go Greener	Totals
Revenues:											
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,530
Intergovernmental	340,382	-	-	-	2,837,633	155,000	-	125,658	35,000	-	5,389,245
Charges for services	-	-	-	-	-	-	-	-	-	-	41,159
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	6,482
Other	10,687	-	24	1,248	5,255	-	2,008	48	-	1,219	125,011
Total revenues	351,069	-	24	1,248	2,842,888	155,000	2,008	125,706	35,000	1,219	5,565,427
Expenditures:											
Current:											
General government	-	-	-	-	-	-	-	-	-	6,202	19,051
Public safety	-	-	35,327	-	-	-	1,298	125,658	34,898	-	318,309
Highways and Streets	-	-	-	-	-	-	-	-	-	-	1,464,426
Economic development	-	-	-	-	3,778,412	155,149	-	-	-	-	4,393,963
Total expenditures	-	-	35,327	-	3,778,412	155,149	1,298	125,658	34,898	6,202	6,195,749
Excess (deficiency) of revenues over (under) expenditures	351,069	-	(35,303)	1,248	(935,524)	(149)	710	48	102	(4,983)	(630,322)
Other financing sources:											
Transfers in	-	-	-	3,577,100	-	-	-	-	-	7,135	3,584,587
Transfers out	-	(113)	-	(2,369,072)	-	-	-	-	-	-	(2,845,721)
Total other financing sources	-	(113)	-	1,208,028	-	-	-	-	-	7,135	738,866
Net change in fund balances	351,069	(113)	(35,303)	1,209,276	(935,524)	(149)	710	48	102	2,152	108,544
Fund balances - beginning	729,909	113	35,307	609,835	1,854,152	149	2,541	-	14,904	-	5,054,577
Fund balances - ending	\$ 1,080,978	\$ -	\$ 4	\$ 1,819,111	\$ 918,628	\$ -	\$ 3,251	\$ 48	\$ 15,006	\$ 2,152	\$ 5,163,121

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 For The Year Ended December 31, 2009

	Fire Truck Acquisition	Redevelopment Commission 2005	West Lafayette Building Corporation	Totals
Revenues:				
Taxes	\$ 84,543	\$ -	\$ -	\$ 84,543
Intergovernmental	6,404	-	-	6,404
Other	226	(18)	93	301
Total revenues	91,173	(18)	93	91,248
Expenditures:				
Current:				
Public safety	950	-	-	950
Economic development	-	-	1,870	1,870
Debt service:				
Principal	80,000	300,000	240,000	620,000
Interest	6,759	123,275	224,916	354,950
Total expenditures	87,709	423,275	466,786	977,770
Excess (deficiency) of revenues over (under) expenditures	3,464	(423,293)	(466,693)	(886,522)
Other financing sources (uses):				
Transfers in	-	431,800	476,000	907,800
Total other financing sources (uses)	-	431,800	476,000	907,800
Net change in fund balances	3,464	8,507	9,307	21,278
Fund balances - beginning	96,662	(61,765)	174,942	209,839
Fund balances - ending	\$ 100,126	\$ (53,258)	\$ 184,249	\$ 231,117

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2009

	Sagamore Parkway TIF	Build Indiana Wabash Landing	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	Cumulative Capital Development	Sun Trust Lease Escrow	National City Lease Escrow	Levee Village Redevelopment Commission	KCB Redevelopment Commission	Totals
Revenues:										
Taxes	\$ 297,846	\$ -	\$ 24,026	\$ -	\$ 282,555	\$ -	\$ -	\$ -	\$ -	\$ 604,427
Intergovernmental	90,520	-	1,819	88,245	21,397	-	-	-	-	201,981
Other	56,837	101	436	839	45,632	62,567	254,369	2,317	3,815	426,913
Total revenues	445,203	101	26,281	89,084	349,584	62,567	254,369	2,317	3,815	1,233,321
Expenditures:										
Capital outlay	120,273	-	71,446	20,879	719,523	62,567	131,932	416,452	144,930	1,688,002
Total expenditures	120,273	-	71,446	20,879	719,523	62,567	131,932	416,452	144,930	1,688,002
Excess (deficiency) of revenues over (under) expenditures	324,930	101	(45,165)	68,205	(369,939)	-	122,437	(414,135)	(141,115)	(454,681)
Other financing sources:										
Transfers in	-	-	-	-	-	-	-	1,773,384	2,312,677	4,086,061
Transfers out	-	-	-	(100,000)	(5,868)	-	-	(190,267)	(514,909)	(811,044)
Total other financing sources	-	-	-	(100,000)	(5,868)	-	-	1,583,117	1,797,768	3,275,017
Net change in fund balances	324,930	101	(45,165)	(31,795)	(375,807)	-	122,437	1,168,982	1,656,653	2,820,336
Fund balances - beginning	352,468	8,991	64,774	69,017	1,899,965	-	-	482,153	1,042,699	3,920,067
Fund balances - ending	\$ 677,398	\$ 9,092	\$ 19,609	\$ 37,222	\$ 1,524,158	\$ -	\$ 122,437	\$ 1,651,135	\$ 2,699,352	\$ 6,740,403

CITY OF WEST LAFAYETTE
BUDGETARY COMPARISON SCHEDULES
OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

	Fire Fighting				Community Development Block Grant				Law Enforcement Continuing Education			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		Original	Final			Original	Final			
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	2,000	3,530	3,530	-
Intergovernmental	-	-	-	-	382,362	382,362	-	-	-	-	-	-
Charges for services	15,000	16,249	16,249	-	-	-	-	6,000	8,183	8,183	-	
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	5,252	5,252
Other	1,600	800	725	(75)	-	8,247	8,247	-	-	1,141	1,141	-
Total revenues	16,600	17,049	16,974	(75)	-	390,609	390,609	-	8,000	12,854	18,106	5,252
Expenditures:												
Current:												
Public safety:												
Personal services	26,000	26,000	26,000	-	-	-	-	-	-	-	-	-
Supplies	10,000	10,000	2,919	7,081	-	-	-	500	500	384	116	
Other services and charges	19,000	26,361	16,161	10,200	-	-	-	29,000	29,664	25,875	3,789	
Capital outlay	11,986	11,986	8,411	3,575	-	-	-	-	-	-	-	
Economic development:												
Personal services	-	-	-	-	-	8,760	8,760	-	-	-	-	-
Other services and charges	-	-	-	-	311,496	858,398	385,236	473,162	-	-	-	-
Total expenditures	66,986	74,347	53,491	20,856	311,496	867,158	393,996	473,162	29,500	30,164	26,259	3,905
Net change in fund balances	(50,386)	(57,298)	(36,517)	20,781	(311,496)	(476,549)	(3,387)	473,162	(21,500)	(17,310)	(8,153)	9,157
Fund balances - beginning	79,778	79,778	79,778	-	5,387	5,387	5,387	-	15,215	15,215	15,215	-
Fund balances - ending	\$ 29,392	\$ 22,480	\$ 43,261	\$ 20,781	\$ (306,109)	\$ (471,162)	\$ 2,000	\$ 473,162	\$ (6,285)	\$ (2,095)	\$ 7,062	\$ 9,157

	Police Station Nonreverting				Rainy Day Fund				Fire Truck Acquisition			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		Original	Final			Original	Final			
Revenues:												
Taxes	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ 82,882	\$ 99,571	\$ 82,463	(17,108)
Intergovernmental	-	-	-	-	-	423,841	423,841	-	6,084	6,084	6,404	320
Other	-	87	87	-	7,000	8,937	10,022	1,085	850	274	277	3
Total revenues	-	87	87	-	7,000	432,778	433,863	1,085	89,816	105,929	89,144	(16,785)
Expenditures:												
Current:												
Public safety:												
Other services and charges	-	53,650	53,378	272	-	-	-	-	-	89,295	89,295	-
Total expenditures	-	53,650	53,378	272	-	-	-	-	-	89,295	89,295	-
Net changes in fund balances	-	(53,563)	(53,291)	(272)	7,000	432,778	433,863	1,085	89,816	16,634	(151)	(16,785)
Fund balances - beginning	53,295	53,295	53,295	-	305,784	305,784	305,784	-	82,653	82,653	82,653	-
Fund balances - ending	\$ 53,295	\$ (268)	\$ 4	\$ (272)	\$ 312,784	\$ 738,562	\$ 739,647	\$ 1,085	\$ 172,469	\$ 99,287	\$ 82,502	\$ (16,785)

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CITY OF WEST LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2009
 (Continued)

	Cumulative Capital Development				Cumulative Building and Fire Fighting Equipment				Cumulative Capital Improvement			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		Original	Final			Original	Final			
Revenues:												
Taxes	\$ 276,901	\$ 213,240	\$ 283,407	\$ 70,167	\$ 23,546	\$ 29,191	\$ 24,332	\$ (4,859)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	20,324	20,324	21,397	1,073	1,728	1,728	1,819	91	92,089	91,454	88,243	(3,211)
Other	60,000	36,266	43,119	6,853	500	500	475	(25)	2,300	750	806	56
Total revenues	357,225	269,830	347,923	78,093	25,774	31,419	26,626	(4,793)	94,389	92,204	89,049	(3,155)
Expenditures:												
Current:												
General government:												
Supplies	58,000	56,338	39,708	16,630	-	-	-	-	11,110	21,681	20,879	802
Other services and charges	228,040	178,893	155,742	23,151	-	-	-	-	-	184	100,184	(100,000)
Capital outlay	545,270	652,943	334,972	317,971	-	-	-	-	-	-	-	-
Public safety:												
Other services and charges	-	-	-	-	35,000	31,480	22,269	9,211	-	-	-	-
Capital outlay	-	-	-	-	20,000	41,956	39,382	2,574	-	-	-	-
Total expenditures	831,310	888,174	530,422	357,752	55,000	73,436	61,651	11,785	11,110	21,865	121,063	(99,198)
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	(474,085)	(618,344)	(182,499)	435,845	(29,226)	(42,017)	(35,025)	6,992	83,279	70,339	(32,014)	(102,353)
Fund balances - beginning	1,842,117	1,842,117	1,842,117	-	58,937	58,937	58,937	-	69,128	69,128	69,128	-
Fund balances - ending	\$ 1,368,032	\$ 1,223,773	\$ 1,659,618	\$ 435,845	\$ 29,711	\$ 16,920	\$ 23,912	\$ 6,992	\$ 152,407	\$ 139,467	\$ 37,114	\$ (102,353)

	Sagamore Parkway TIF				Levee Village Redevelopment Commission				KCB Redevelopment Commission			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		Original	Final			Original	Final			
Revenues:												
Taxes	\$ -	\$ 178,091	\$ 178,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	151,599	151,599	-	-	-	-	-	-	-	-	-
Other	-	55,788	56,488	700	-	2,944	2,944	-	5,603	5,603	5,603	-
Total revenues	-	385,478	386,178	700	-	2,944	2,944	-	5,603	5,603	5,603	-
Expenditures:												
General government:												
Other services and charges	-	148,690	120,275	28,415	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Economic development:												
Other services and charges	-	-	-	-	433,405	60,601	372,804	-	-	-	-	-
Capital outlay	-	-	-	-	694,923	355,851	339,072	-	-	-	-	-
Culture and recreation:												
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	1,163,336	598,878	564,458	54,458
Capital outlay	-	-	-	-	-	-	-	-	113,360	60,961	52,399	52,399
Total expenditures	-	148,690	120,275	28,415	-	1,128,328	416,452	711,876	-	1,276,696	659,839	616,857
Other financing sources:												
Transfers in	-	-	-	-	-	1,773,384	1,773,384	-	2,312,677	2,312,677	2,312,677	-
Transfers out	-	-	-	-	-	(190,267)	(190,267)	-	-	-	-	-
Total other financing sources	-	-	-	-	-	1,583,117	1,583,117	-	2,312,677	2,312,677	2,312,677	-
Net change in fund balances	-	236,788	265,903	(27,715)	-	457,733	1,169,609	(711,876)	2,318,280	1,041,584	1,658,441	(616,857)
Fund balances - beginning	274,570	274,570	274,570	-	481,423	481,423	481,423	-	1,040,751	1,040,751	1,040,751	-
Fund balances - ending	\$ 274,570	\$ 511,358	\$ 540,473	\$ (27,715)	\$ 481,423	\$ 939,156	\$ 1,651,032	\$ (711,876)	\$ 3,359,031	\$ 2,082,335	\$ 2,699,192	\$ (616,857)

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Fiduciary Funds

Pension trust funds – used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans. The City maintains the following pension trust funds:

Police Pension – to account for the provision of retirement and disability benefits to police officers hired prior to May 1, 1977. Financing is provided by mandatory contributions by active members, state pension relief distributions and a specific annual property tax levy.

Firefighter's Pension – to account for the provision of retirement and disability benefits to firefighters hired prior to May 1, 1977. Financing is provided by mandatory contributions by active members, state pension relief distributions and a specific annual property tax levy.

Agency funds – used to account for resources that are custodial in nature. They generally are amounts held by the City on behalf of third parties. The City maintains the following agency funds.

Payroll - to account for the payroll of City employees. Gross payroll is treated as an expenditure in other City funds and transferred into this fund, which is used to pay net payroll to employees and the withholdings amounts to the appropriate governmental agencies.

Sales Tax – to account for sales tax collected on various commercial activities sponsored by the parks and recreation and sanitation departments and held until due the appropriate State agency.

Insurance Payments – to account for post-employment provision of health benefits under COBRA and PERF requirements paid by eligible terminated employees.

City Court Costs – to account for the payment of court fines and fees to the State of Indiana.

Court Collections – to account for the receipt of fines, costs and trust items collected by the operations of the West Lafayette City Court and the payment of those collections to the proper governmental agencies.

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 December 31, 2009

	Pension Trust Funds		
	Police Pension	Firefighter's Pension	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 279,720	\$ 319,247	\$ 598,967
Receivables:			
Interest and dividends	65	70	135
Total assets	279,785	319,317	599,102
<u>Net Assets</u>			
Held in trust for:			
Employees' pension benefits	\$ 279,785	\$ 319,317	\$ 599,102

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 December 31, 2009

	Agency Funds					Totals
	Payroll	Sales Tax	Insurance Payments	City Court Costs	Court Collections	
<u>Assets</u>						
Cash and cash equivalents	\$ 217,266	\$ 1,274	\$ 405	\$ 8,405	\$ 2,438	\$ 229,788
<u>Liabilities</u>						
Payroll withholdings	\$ 217,266	\$ -	\$ -	\$ -	\$ -	\$ 217,266
Trust payable	-	1,274	405	8,405	2,438	12,522
Total liabilities	\$ 217,266	\$ 1,274	\$ 405	\$ 8,405	\$ 2,438	\$ 229,788

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2009

<u>Additions</u>	<u>Police Pension</u>	<u>Firefighter's Pension</u>	<u>Totals</u>
Contributions:			
Employer	\$ 728,610	\$ 571,693	\$ 1,300,303
Private Donations	135	-	135
Investment income:			
Interest	<u>768</u>	<u>1,004</u>	<u>1,772</u>
Total additions	<u>729,513</u>	<u>572,697</u>	<u>1,302,210</u>
 <u>Deductions</u>			
Benefits and refunds paid to plan members and beneficiaries	716,633	284,757	1,001,390
Administrative expenses	<u>2,784</u>	<u>2,857</u>	<u>5,641</u>
Total deductions	<u>719,417</u>	<u>287,614</u>	<u>1,007,031</u>
Changes in net assets	10,096	285,083	295,179
Net assets - beginning	<u>269,689</u>	<u>34,234</u>	<u>303,923</u>
Net assets - ending	<u>\$ 279,785</u>	<u>\$ 319,317</u>	<u>\$ 599,102</u>

CITY OF WEST LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 BUDGETED PENSION TRUST FUNDS
 For The Year Ended December 31, 2009

	Police Pension				Fireman's Pension			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:								
Intergovernmental	\$ 761,206	\$ 728,610	\$ 728,610	\$ -	\$ 935,004	\$ 581,832	\$ 571,692	\$ (10,140)
Other	2,000	1,135	1,179	44	5,800	1,200	1,289	89
Total revenues	<u>763,206</u>	<u>729,745</u>	<u>729,789</u>	<u>44</u>	<u>940,804</u>	<u>583,032</u>	<u>572,981</u>	<u>(10,051)</u>
Expenditures:								
Personal services	2,784	2,784	2,784	-	2,825	2,825	2,825	-
Other services and charges	718,620	718,755	716,633	2,122	565,210	565,322	567,583	(2,261)
Total expenditures	<u>721,404</u>	<u>721,539</u>	<u>719,417</u>	<u>2,122</u>	<u>568,035</u>	<u>568,147</u>	<u>570,408</u>	<u>(2,261)</u>
Net change in fund balances	41,802	8,206	10,372	2,166	372,769	14,885	2,573	(12,312)
Fund balances - beginning	269,348	269,348	269,348	-	316,674	316,674	316,674	-
Fund balances - ending	<u>\$ 311,150</u>	<u>\$ 277,554</u>	<u>\$ 279,720</u>	<u>\$ 2,166</u>	<u>\$ 689,443</u>	<u>\$ 331,559</u>	<u>\$ 319,247</u>	<u>\$ (12,312)</u>

CITY OF WEST LAFAYETTE
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2009

	Payroll	Sales Tax	Insurance Payments	City Court Costs	Court Collections	Totals
Assets:						
Cash and cash equivalents - January 1, 2009	\$ 181,821	\$ 6,290	\$ 868	\$ 20,039	\$ 1,052	\$ 210,070
Additions	3,139,560	5,687	13,153	177,634	50,804	3,386,838
Deductions	<u>3,104,115</u>	<u>10,703</u>	<u>13,616</u>	<u>189,269</u>	<u>49,418</u>	<u>3,367,121</u>
Cash and cash equivalents - December 31, 2009	<u>217,266</u>	<u>1,274</u>	<u>405</u>	<u>8,404</u>	<u>2,438</u>	<u>229,787</u>
Total assets - December 31, 2009	<u>\$ 217,266</u>	<u>\$ 1,274</u>	<u>\$ 405</u>	<u>\$ 8,404</u>	<u>\$ 2,438</u>	<u>\$ 229,787</u>
Liabilities:						
Payroll withholdings - January 1, 2009	\$ 181,821	\$ -	\$ -	\$ -	\$ -	\$ 181,821
Additions	3,139,560	-	-	-	-	3,139,560
Deductions	<u>3,104,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,104,115</u>
Payroll withholdings - December 31, 2009	<u>217,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>217,266</u>
Trust payable - January 1, 2009	-	6,290	868	20,039	1,052	28,249
Additions	-	5,687	13,153	177,634	50,804	247,278
Deductions	<u>-</u>	<u>10,703</u>	<u>13,616</u>	<u>189,269</u>	<u>49,418</u>	<u>263,006</u>
Trust payable - December 31, 2009	<u>-</u>	<u>1,274</u>	<u>405</u>	<u>8,404</u>	<u>2,438</u>	<u>12,521</u>
Total liabilities - December 31, 2009	<u>\$ 217,266</u>	<u>\$ 1,274</u>	<u>\$ 405</u>	<u>\$ 8,404</u>	<u>\$ 2,438</u>	<u>\$ 229,787</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF WEST LAFAYETTE, TIPPECANOE COUNTY, INDIANA

Compliance

We have audited the compliance of the City of West Lafayette (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, we do not express such an opinion on the effectiveness of the City's internal control over compliance.

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is a more than remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the City's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 29, 2010

CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Grant			
Farmer's Market Promotion Program	10.168	12-25-G0583	\$ 14,768
Pass-Through Indiana Department of Natural Resources Cooperative Forestry Assistance Urban Forestry Putting Trees to Work	10.664	FY 2007	1,950
Total for federal grantor agency			<u>16,718</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG - Entitlement and (HUD Administered) Small Cities Cluster Community Development Block Grants/Entitlement Grants	14.218	B-06-MC-18-0009 B-07-MC-18-0009 B-08-MC-18-0009 B-09-MC-18-0009	200 1,506 321,660 <u>36,898</u>
Total for program			<u>360,264</u>
CDBG - American Recovery and Reinvestment Act (ARRA) Funded Community Development Block Grants/Entitlement Grants	14.253	B-09-MY-18-0009	<u>33,732</u>
Total for cluster			<u>393,996</u>
Total for federal grantor agency			<u>393,996</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through City of Lafayette Bulletproof Vest Partnership	16.607	FY 2009	<u>450</u>
Direct Grant Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-1634	<u>25,171</u>
Total for federal grantor agency			<u>25,621</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	STP-600696 PRJT H0501 (163) PRJT 080011	151,599 134,294 <u>45,026</u>
Total for cluster			<u>330,919</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION (continued)</u>			
Pass-Through City of Lafayette			
Highway Safety Cluster			
State and Community Highway Safety	20.600		<u>15,281</u>
Total for program			<u>15,281</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		
DUI Task Force		K8-2009-03-03-29	4,581
DUI Task Force		K8-2010-03-03-29	1,907
FCRE		K4-2009-08-01-19	8,187
BCC		PT-10-04-04-31	<u>2,583</u>
Total for program			<u>17,258</u>
Total for cluster			<u>32,539</u>
Total for federal grantor agency			<u>363,458</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Congressionally Mandated Projects	66.202	XP-97560501 01	<u>185,288</u>
Pass-Through Indiana Finance Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS 182400-01	735,571
		CS 182400-02	<u>432,762</u>
Total for program			<u>1,168,333</u>
Total for federal grantor agency			<u>1,353,621</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW-2008-FO-12162	<u>125,658</u>
Total for federal grantor agency			<u>125,658</u>
Total federal awards expended			<u>\$ 2,279,072</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF WEST LAFAYETTE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of West Lafayette (primary government) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note II. Subrecipients

Of the federal expenditures presented in the schedule, the primary government provided federal awards to subrecipients as follows for the year ended December 31, 2009:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community development block grants	14.218	<u>\$ 61,722</u>

CITY OF WEST LAFAYETTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	no

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	no
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Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
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CITY OF WEST LAFAYETTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF WEST LAFAYETTE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF WEST LAFAYETTE
EXIT CONFERENCE

The contents of this report were discussed on July 29, 2010, with John Dennis, Mayor; Judith C. Rhodes, Clerk-Treasurer; and Ann H. Hunt, President of the Common Council. Our report disclosed no material items that warrant comment at this time.