

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF WEST LAFAYETTE  
TIPPECANOE COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
07/19/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Judith C. Rhodes	01-01-12 to 12-31-15
Mayor	John R. Dennis	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	John R. Dennis	01-01-12 to 12-31-15
President of the Common Council	Ann H. Hunt	01-01-12 to 12-31-13
Wastewater Utility Director	David Henderson	01-01-12 to 12-31-13



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT

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

***Report on the Financial Statement***

We have audited the accompanying financial statement of the City of West Lafayette (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

As discussed in Note 1 of the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2012.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated June 6, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.



Bruce Hartman  
State Examiner

June 6, 2013



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, 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, the financial statement of the City of West Lafayette (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated June 6, 2013, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 and correct 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 that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statement is 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*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman  
State Examiner

June 6, 2013

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF WEST LAFAYETTE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 2,440,397	\$ 11,293,329	\$ 10,980,601	\$ 2,753,125
Motor Vehicle Highway	1,441,172	1,154,073	1,176,870	1,418,375
Local Road and Street	245,586	228,180	183,826	289,940
Law Enforcement Continuing Education	12,130	15,904	16,642	11,392
Clerk's Record Perpetuation	20,596	1,546	-	22,142
Firefighting	37,487	17,752	13,376	41,863
Rainy Day	735,592	4,625	-	740,217
Certified Technology Park	126,106	371	-	126,477
Cumulative Capital Development	1,317,018	300,030	598,779	1,018,269
Cumulative Building & Firefighting Equipment	41,030	44,688	46,701	39,017
County Economic Development Income Tax	1,239,891	1,568,885	1,463,437	1,345,339
Cumulative Capital Improvement	4,647	78,557	83,204	-
Police Pension	325,118	631,583	705,212	251,489
Fire Pension	394,601	497,499	693,927	198,173
Sales Tax	1,426	5,869	5,875	1,420
Rental Housing Inspection	79,677	140,759	141,980	78,456
KCB Allocation	1,047,600	2,638,003	3,685,603	-
2011 Redevelopment Commission Cert of Participation- Fire Station	2,396,842	99,871	2,496,713	-
Levee/Village Allocation Fund	4,128,368	4,465,151	2,583,115	6,010,404
2011 WL Building Corp Refunding Bonds - Police Station	223,618	446,000	443,141	226,477
KCB TIF	-	3,818,182	3,818,182	-
2012 Redevelopment Authority Refunding Bonds-Trails	-	281,125	56,045	225,080
2012 Metro FiberNet Economic Development Bonds	-	2,500,000	2,497,750	2,250
Payroll Fund	252,735	3,405,662	3,607,595	50,802
KCB Allocation(Surplus) Fund	-	2,639,256	-	2,639,256
Donations	1,240	1	-	1,241
Asset Forfeiture Fund	5	-	5	-
Community Development Block Grant	-	531,570	531,570	-
Police Grants Projects	13,817	21,942	21,560	14,199
Public Safety	7,442	5,775	5,808	7,409
Police Unclaimed Property	6,143	5	-	6,148
Fire Safety	2,161	4,002	3,293	2,870
Perimeter Parkway	224,953	460,912	492,392	193,473
Lindberg/Mccormick Road Improvement	69,476	437	-	69,913
Go Greener Commission	2,229	4	720	1,513
Parks Nonreverting Operating	138,691	461,659	476,876	123,474
Wabash Heritage Corridor	28,964	56	16,687	12,333
Parks Nonreverting Gift	116,808	43,752	38,064	122,496

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

CITY OF WEST LAFAYETTE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012  
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Celery Bog	28,894	1,092	11,331	18,655
Parks and Recreation	6,219	1,800,968	1,596,396	210,791
Court Credit Card Service Fee	57	555	532	80
KCB Redevelopment Commission-Surplus	3,028,303	2,808,802	5,837,104	1
Imprest Cash	1,325	1,850	1,750	1,425
Online Credit Card Transaction	1,430	13,045	9,992	4,483
2010 Redevelopment Authority Refunding Bonds - Garage	588,297	587,063	585,270	590,090
2002 Redevelopment Authority Bonds-Trails PRP Infra	644,122	2,718,015	3,362,114	23
2005 Redevelopment Commission Bonds - Ross PRP	-	430,850	430,850	-
Levee/Village TIF	-	4,447,547	4,447,547	-
Sagamore Parkway TIF	478,025	597,441	681,519	393,947
Build Indiana Wabash Landing	9,317	59	-	9,376
Parks Nonreverting Capital - Pool	292,733	1,900	10,096	284,537
Fuel Internal Service	330	333,106	332,460	976
City Court Trust	7,885	145,386	143,072	10,199
Law Enforcement Continuing Education (Court)	4,303	3,511	2,975	4,839
State Automated Record Keeping Fee	-	2,766	2,766	-
Judicial Insurance Adjustment Fee	-	524	524	-
State Court Costs	-	20,521	20,521	-
Public Defense Administration Fee	-	2,502	2,502	-
State Judicial Salaries Fee	-	7,502	7,502	-
Court Administration Fee	-	2,578	2,578	-
DNA Sample Processing Fee	-	1,039	1,039	-
Medical Insurance Payment Fund	2,535	45,279	45,304	2,510
Vision Insurance Payment Fund	1	627	628	-
Dental Insurance Payment Fund	1	1,333	1,334	-
State Highway Worksite Zone Fee	-	266	266	-
Huntington Lease/Purchase Escrow	109	-	109	-
Western Interceptor Div V Escrow	-	109,056	109,056	-
Aeration Tank Addition Escrow	-	63,253	-	63,253
Wastewater Utility-Operating	950,404	9,158,890	9,311,732	797,562
Wastewater Utility-Bond And Interest	992,500	3,177,875	2,580,888	1,589,487
Wastewater Utility-Debt Reserve	3,178,972	15,047	11,083	3,182,936
Wastewater Utility - Improvement	9,912,896	2,416,081	5,878,476	6,450,501
Wastewater Utility - Imprest Cash	100	50	-	150
Totals	<u>\$ 37,252,324</u>	<u>\$ 66,723,394</u>	<u>\$ 72,314,865</u>	<u>\$ 31,660,853</u>

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, wastewater, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, recycling fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. 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 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City 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.

**Note 5. Risk Management**

The City may be 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; medical benefits to employees, retirees, and dependents; and natural disasters.

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.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan 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*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan 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.

*Funding Policy*

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

*On Behalf Payments*

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*D. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) 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 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS 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:

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy*

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

**Note 7. Holding Corporations**

The City has entered into capital leases with the West Lafayette Redevelopment Authority and the West Lafayette Building Corporation (the lessors). These lessors were organized as not for profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessors have been determined to be related parties of the City. Lease payments during the year 2012 totaled \$1,635,641.

**Note 8. Other Postemployment Benefits**

In addition to the pension benefits described above, effective January 1, 2004, the City provides postemployment health insurance benefits, as authorized by IC 5-10-8, to all employees who retire from the City 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 percent 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.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

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CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road and Street	Law Enforcement Continuing Education	Clerk's Record Perpetuation	Firefighting	Rainy Day	Certified Technology Park	Cumulative Capital Development	Cumulative Building & Firefighting Equipment
Cash and investments - beginning	\$ 2,440,397	\$ 1,441,172	\$ 245,586	\$ 12,130	\$ 20,596	\$ 37,487	\$ 735,592	\$ 126,106	\$ 1,317,018	\$ 41,030
Receipts:										
Taxes	7,273,614	-	-	-	-	-	-	-	250,736	23,906
Licenses and permits	269,972	-	-	4,500	-	-	-	-	-	-
Intergovernmental	2,611,913	1,131,661	225,990	-	-	-	-	-	17,479	1,674
Charges for services	66,578	-	-	8,408	1,494	17,071	-	-	-	-
Fines and forfeits	677,379	-	-	2,975	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-
Other receipts	393,873	22,412	2,190	21	52	681	4,625	371	31,815	19,108
Total receipts	11,293,329	1,154,073	228,180	15,904	1,546	17,752	4,625	371	300,030	44,688
Disbursements:										
Personal services	9,131,839	329,096	-	-	-	-	-	-	56,664	-
Supplies	571,774	63,309	182,432	199	-	-	-	-	49,793	-
Other services and charges	1,021,464	423,564	1,394	16,443	-	13,376	-	-	225,330	-
Debt service - principal and interest	4,423	4,782	-	-	-	-	-	-	19,304	-
Capital outlay	-	356,119	-	-	-	-	-	-	247,688	46,701
Utility operating expenses	-	-	-	-	-	-	-	-	-	-
Other disbursements	251,101	-	-	-	-	-	-	-	-	-
Total disbursements	10,980,601	1,176,870	183,826	16,642	-	13,376	-	-	598,779	46,701
Excess (deficiency) of receipts over disbursements	312,728	(22,797)	44,354	(738)	1,546	4,376	4,625	371	(298,749)	(2,013)
Cash and investments - ending	\$ 2,753,125	\$ 1,418,375	\$ 289,940	\$ 11,392	\$ 22,142	\$ 41,863	\$ 740,217	\$ 126,477	\$ 1,018,269	\$ 39,017

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	County Economic Development Income Tax	Cumulative Capital Improvement	Police Pension	Fire Pension	Sales Tax	Rental Housing Inspection	KCB Allocation	2011 Redevelopment Commission Cert of Participation Fire Station	Levee/Village Allocation Fund	2011 WL Building Corporation Refunding Bonds- Police Station
Cash and investments - beginning	\$ 1,239,891	\$ 4,647	\$ 325,118	\$ 394,601	\$ 1,426	\$ 79,677	\$ 1,047,600	\$ 2,396,842	\$ 4,128,368	\$ 223,618
Receipts:										
Taxes	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Intergovernmental	1,518,987	78,496	631,122	496,939	-	-	-	-	-	-
Charges for services	-	-	-	-	-	138,624	-	-	1	-
Fines and forfeits	-	-	-	-	-	2,000	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-
Other receipts	49,898	61	461	560	5,869	135	2,638,003	99,871	4,465,150	446,000
Total receipts	1,568,885	78,557	631,583	497,499	5,869	140,759	2,638,003	99,871	4,465,151	446,000
Disbursements:										
Personal services	226,434	-	14,867	42,767	-	120,086	-	-	-	-
Supplies	4,452	-	-	-	-	2,218	-	-	-	-
Other services and charges	749,696	-	690,345	651,160	-	15,211	-	-	637,713	2,000
Debt service - principal and interest	11,436	-	-	-	-	4,463	-	99,516	81,775	441,141
Capital outlay	25,419	-	-	-	-	-	-	2,397,197	1,276,627	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-
Other disbursements	446,000	83,204	-	-	5,875	2	3,685,603	-	587,000	-
Total disbursements	1,463,437	83,204	705,212	693,927	5,875	141,980	3,685,603	2,496,713	2,583,115	443,141
Excess (deficiency) of receipts over disbursements	105,448	(4,647)	(73,629)	(196,428)	(6)	(1,221)	(1,047,600)	(2,396,842)	1,882,036	2,859
Cash and investments - ending	\$ 1,345,339	\$ -	\$ 251,489	\$ 198,173	\$ 1,420	\$ 78,456	\$ -	\$ -	\$ 6,010,404	\$ 226,477

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	KCB TIF	2012 Redevelopment Authority Refunding Bonds-Trails	2012 Metro FiberNet Economic Development Bonds	Payroll Fund	KCB Allocation Surplus Fund	Donations	Asset Forfeiture Fund	Community Development Block Grant	Police Grants Projects
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 252,735	\$ -	\$ 1,240	\$ 5	\$ -	\$ 13,817
Receipts:									
Taxes	3,817,885	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	531,570	21,942
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	297	281,125	2,500,000	3,405,662	2,639,256	1	-	-	-
Total receipts	<u>3,818,182</u>	<u>281,125</u>	<u>2,500,000</u>	<u>3,405,662</u>	<u>2,639,256</u>	<u>1</u>	<u>-</u>	<u>531,570</u>	<u>21,942</u>
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	21,560
Supplies	-	-	-	-	-	-	5	-	-
Other services and charges	-	56,045	-	-	-	-	-	531,570	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	2,497,750	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	3,818,182	-	-	3,607,595	-	-	-	-	-
Total disbursements	<u>3,818,182</u>	<u>56,045</u>	<u>2,497,750</u>	<u>3,607,595</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>531,570</u>	<u>21,560</u>
Excess (deficiency) of receipts over disbursements	-	225,080	2,250	(201,933)	2,639,256	1	(5)	-	382
Cash and investments - ending	\$ -	\$ 225,080	\$ 2,250	\$ 50,802	\$ 2,639,256	\$ 1,241	\$ -	\$ -	\$ 14,199

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Public Safety	Police Unclaimed Property	Fire Safety	Perimeter Parkway	Lindberg/ McCormick Road Improvement	Go Greener Commission	Parks Nonreverting Operating	Wabash Heritage Corridor	Parks Nonreverting Gift
Cash and investments - beginning	\$ 7,442	\$ 6,143	\$ 2,161	\$ 224,953	\$ 69,476	\$ 2,229	\$ 138,691	\$ 28,964	\$ 116,808
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	5,000	-	-	193,124	-	-	-	-	-
Charges for services	-	-	-	-	-	-	459,391	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	775	5	4,002	267,788	437	4	2,268	56	43,752
Total receipts	5,775	5	4,002	460,912	437	4	461,659	56	43,752
Disbursements:									
Personal services	-	-	-	-	-	-	216,409	-	-
Supplies	410	-	1,493	-	-	720	18,042	-	4,240
Other services and charges	398	-	-	-	-	-	225,253	-	31,287
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	5,000	-	1,800	492,392	-	-	5,066	16,687	2,537
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	12,106	-	-
Total disbursements	5,808	-	3,293	492,392	-	720	476,876	16,687	38,064
Excess (deficiency) of receipts over disbursements	(33)	5	709	(31,480)	437	(716)	(15,217)	(16,631)	5,688
Cash and investments - ending	\$ 7,409	\$ 6,148	\$ 2,870	\$ 193,473	\$ 69,913	\$ 1,513	\$ 123,474	\$ 12,333	\$ 122,496

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Celery Bog	Parks and Recreation	Court Credit Card Service Fee	KCB Redevelopment Commission Surplus	Imprest Cash	Online Credit Card Transaction	2010 Redevelopment Authority Refunding Bonds - Garage	2002 Redevelopment Authority Bonds-Trails PRP Infra	2005 Redevelopment Commission Bonds-Trails Ross PRP
Cash and investments - beginning	\$ 28,894	\$ 6,219	\$ 57	\$ 3,028,303	\$ 1,325	\$ 1,430	\$ 588,297	\$ 644,122	\$ -
Receipts:									
Taxes	-	1,032,930	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	73,666	-	-	-	-	-	-	-
Charges for services	-	173,199	555	-	-	13,045	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	1,092	521,173	-	2,808,802	1,850	-	587,063	2,718,015	430,850
Total receipts	1,092	1,800,968	555	2,808,802	1,850	13,045	587,063	2,718,015	430,850
Disbursements:									
Personal services	-	810,115	-	-	-	-	-	-	-
Supplies	80	76,830	-	-	-	-	-	-	-
Other services and charges	-	189,681	532	214,181	-	9,992	4,000	1,850	1,750
Debt service - principal and interest	-	-	-	-	-	-	581,270	3,079,145	429,100
Capital outlay	11,251	-	-	3,932,376	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	519,770	-	1,690,547	1,750	-	-	281,119	-
Total disbursements	11,331	1,596,396	532	5,837,104	1,750	9,992	585,270	3,362,114	430,850
Excess (deficiency) of receipts over disbursements	(10,239)	204,572	23	(3,028,302)	100	3,053	1,793	(644,099)	-
Cash and investments - ending	\$ 18,655	\$ 210,791	\$ 80	\$ 1	\$ 1,425	\$ 4,483	\$ 590,090	\$ 23	\$ -

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Levee/Village TIF	Sagamore Parkway TIF	Build Indiana Wabash Landing	Parks Nonreverting Capital Pool	Fuel Internal Service	City Court Trust	Law Enforcement Continuing Education (Court)	State Automated Record Keeping Fee	Judicial Insurance Adjustment Fee
Cash and investments - beginning	\$ -	\$ 478,025	\$ 9,317	\$ 292,733	\$ 330	\$ 7,885	\$ 4,303	\$ -	\$ -
Receipts:									
Taxes	4,447,241	490,347	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	85,644	-	-	-	-	-	-	-
Charges for services	-	-	-	1,086	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	145,386	3,511	2,766	524
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	306	21,450	59	814	333,106	-	-	-	-
Total receipts	<u>4,447,547</u>	<u>597,441</u>	<u>59</u>	<u>1,900</u>	<u>333,106</u>	<u>145,386</u>	<u>3,511</u>	<u>2,766</u>	<u>524</u>
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	486	332,460	-	-	-	-
Other services and charges	-	199,862	-	4,215	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	465,817	-	5,395	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	4,447,547	15,840	-	-	-	143,072	2,975	2,766	524
Total disbursements	<u>4,447,547</u>	<u>681,519</u>	<u>-</u>	<u>10,096</u>	<u>332,460</u>	<u>143,072</u>	<u>2,975</u>	<u>2,766</u>	<u>524</u>
Excess (deficiency) of receipts over disbursements	-	(84,078)	59	(8,196)	646	2,314	536	-	-
Cash and investments - ending	\$ -	\$ 393,947	\$ 9,376	\$ 284,537	\$ 976	\$ 10,199	\$ 4,839	\$ -	\$ -

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	State Court Costs	Public Defense Administration Fee	State Judicial Salaries Fee	Court Administration Fee	DNA Sample Processing Fee	Medical Insurance Payment Fund	Vision Insurance Payment Fund	Dental Insurance Payment Fund	State Highway Worksite Zone Fee
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,535	\$ 1	\$ 1	\$ -
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	20,521	2,502	7,502	2,578	1,039	-	-	-	266
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	45,279	627	1,333	-
<b>Total receipts</b>	<b>20,521</b>	<b>2,502</b>	<b>7,502</b>	<b>2,578</b>	<b>1,039</b>	<b>45,279</b>	<b>627</b>	<b>1,333</b>	<b>266</b>
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	20,521	2,502	7,502	2,578	1,039	45,304	628	1,334	266
<b>Total disbursements</b>	<b>20,521</b>	<b>2,502</b>	<b>7,502</b>	<b>2,578</b>	<b>1,039</b>	<b>45,304</b>	<b>628</b>	<b>1,334</b>	<b>266</b>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(25)	(1)	(1)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,510	\$ -	\$ -	\$ -

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	Huntington Lease/ Purchase Escrow	Western Interceptor Division V Escrow	Aeration Tank Addition Escrow	Wastewater Utility Operating	Wastewater Utility Bond and Interest	Wastewater Utility Debt Reserve	Wastewater Utility Improvement	Wastewater Utility Imprest Cash	Totals
Cash and investments - beginning	\$ 109	\$ -	\$ -	\$ 950,404	\$ 992,500	\$ 3,178,972	\$ 9,912,896	\$ 100	\$ 37,252,324
Receipts:									
Taxes	-	-	-	-	-	-	-	-	17,336,659
Licenses and permits	-	-	-	-	-	-	-	-	274,472
Intergovernmental	-	-	-	-	-	-	422,158	-	8,047,365
Charges for services	-	-	-	-	-	-	-	-	879,452
Fines and forfeits	-	-	-	-	-	-	-	-	868,949
Utility fees	-	-	-	9,140,621	-	-	119,112	-	9,259,733
Other receipts	-	109,056	63,253	18,269	3,177,875	15,047	1,874,811	50	30,056,764
Total receipts	-	109,056	63,253	9,158,890	3,177,875	15,047	2,416,081	50	66,723,394
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	10,969,837
Supplies	-	-	-	-	-	-	-	-	1,308,943
Other services and charges	-	-	-	-	-	-	-	-	5,918,312
Debt service - principal and interest	-	-	-	-	2,580,888	-	180,873	-	7,518,116
Capital outlay	-	-	-	-	-	-	4,916,810	-	16,702,632
Utility operating expenses	-	-	-	5,068,040	-	-	-	-	5,068,040
Other disbursements	109	109,056	-	4,243,692	-	11,083	780,793	-	24,828,985
Total disbursements	109	109,056	-	9,311,732	2,580,888	11,083	5,878,476	-	72,314,865
Excess (deficiency) of receipts over disbursements	(109)	-	63,253	(152,842)	596,987	3,964	(3,462,395)	50	(5,591,471)
Cash and investments - ending	\$ -	\$ -	\$ 63,253	\$ 797,562	\$ 1,589,487	\$ 3,182,936	\$ 6,450,501	\$ 150	\$ 31,660,853

CITY OF WEST LAFAYETTE  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 1,858,753	\$ 372,740
Wastewater	1,233,426	354,184
Totals	\$ 3,092,179	\$ 726,924

CITY OF WEST LAFAYETTE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Huntington National Bank Equipment Finance	Vehicle/Equipment Lease Purchase 2010	\$ 19,312	06-21-10	06-21-13
IKON Office Solutions	Copier Lease Purchase	2,248	08-01-09	08-01-14
IKON Office Solutions	Copier Lease Purchase	<u>2,175</u>	01-01-11	01-01-16
Total governmental activities		<u>23,735</u>		
Wastewater:				
Huntington National Bank Equipment Finance	Vehicle/Equipment Lease Purchase 2011	63,711	08-31-11	09-01-14
Huntington National Bank Equipment Finance	Vehicle/Equipment Lease Purchase 2010	35,333	06-01-10	06-21-13
IKON Office Solutions	Copier Lease (Capital Lease)	<u>2,452</u>	03-25-10	03-25-15
Total Wastewater		<u>101,496</u>		
Total of annual lease payments		<u>\$ 125,231</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	2005 Redevelopment District Tax Increment Revenue Bonds - Ross Enterprise Center Renovation	\$ 2,100,000	\$ 430,500
Capital Lease	2010 WL Redevelopment Authority Lease Rental Refunding Bonds - Wabash Landing Garage	4,690,000	581,370
Capital Lease	2011 WL Building Corp. First Mortgage Lease Rental Refunding Bonds - Police Station	4,065,000	440,523
Capital Lease	2012 WL Redevelopment Authority Lease Rental Revenue Refunding Bonds - Greenway Trails & PRP Infrastructure	2,085,000	484,183
Revenue bonds	2012 WL Economic Development Revenue Bonds (Metro FiberNet Project)	2,500,000	-
Notes and loans payable	2011 WL Redevelopment District Certificates of Participation - Conditional Installment Sales Contract - Fire Station #3 Design & Construction	<u>2,470,000</u>	<u>134,614</u>
Total governmental activities		<u>17,910,000</u>	<u>2,071,190</u>
Wastewater:			
Notes and loans payable	Sewage Works SRF 1998 - N River Rd Interceptor & Lift Station	4,305,000	609,845
Notes and loans payable	Sewage Works SRF 2001 - Wet Weather Treatment & Happy Hollow Interceptor	4,000,000	466,000
Notes and loans payable	Sewage Works SRF 2004 - Western Interceptor	12,350,000	454,540
Notes and loans payable	Sewage Works SRF 2006 - Digester Renovation	8,300,000	307,990
Notes and loans payable	Sewage Works SRF 1994 - Treatment Plant Expansion & Upgrade	4,985,000	1,339,550
Notes and loans payable	Sewage Works SRF 2012 - Regional Lift Station & Force Main	<u>634,320</u>	<u>42,175</u>
Total Wastewater		<u>34,574,320</u>	<u>3,220,100</u>
Totals		<u>\$ 52,484,320</u>	<u>\$ 5,291,290</u>

CITY OF WEST LAFAYETTE  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2012

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.

	Ending Balance
Governmental activities:	
Land	\$ 15,692,796
Infrastructure	25,802,859
Buildings	9,858,466
Improvements other than buildings	2,868,907
Machinery, equipment, and vehicles	2,495,527
Construction in progress	13,720,512
Total governmental activities	70,439,067
Wastewater:	
Land	604,120
Infrastructure	40,453,907
Buildings	29,174,460
Machinery, equipment, and vehicles	2,090,878
Construction in progress	3,246,398
Total Wastewater	75,569,763
Total capital assets	\$ 146,008,830

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

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

We have audited the City of West Lafayette's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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; 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

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

Management of the City is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman  
State Examiner

June 6, 2013

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the City. The schedule and notes are presented as intended by the City.

CITY OF WEST LAFAYETTE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	Direct Grant			
Community Development Block Grants/Entitlement Grants		14.218	B-09-MC-18-0009	\$ 9,513
Community Development Block Grants/Entitlement Grants		14.218	B-10-MC-18-0009	95,870
Community Development Block Grants/Entitlement Grants		14.218	B-11-MC-18-0009	335,674
Community Development Block Grants/Entitlement Grants		14.218	B-12-MC-18-0009	<u>90,543</u>
Total - Community Development Block Grants/Entitlement Grants				<u>531,600</u>
Total - CDBG - Entitlement Grants Cluster				<u>531,600</u>
Total - Department of Housing and Urban Development				<u>531,600</u>
<u>Department of Justice</u>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program 2012 JAG \$10K & Under Equipment Grant	Indiana Criminal Justice Institutue	16.738	2009-DJ-BX-0049	<u>5,000</u>
Total - JAG Program Cluster				<u>5,000</u>
Total - Department of Justice				<u>5,000</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Dept of Transportation			
Safe Routes to School		20.205	DES 0800009	21,347
Happy Hollow Road		20.205	DES 0900002	11,870
Perimeter Parkway Phase I		20.205	DES 0501163	193,124
Yeager Road Engineering		20.205	DES 6000696	<u>85,644</u>
Total - Highway Planning and Construction				<u>311,985</u>
Total - Highway Planning and Construction Cluster				<u>311,985</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, 2012  
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Transportation (continued)</u>				
Highway Planning and Construction				
Highway Safety Cluster				
Alcohol Impaired Driving Countermeasures Incentive Grants 1	City of Lafayette			
Aggressive Driving		20.601	2012-402-13	2,791
Fatal Alcohol Crash Team		20.601	K8-2011-03-02-07	746
Fatal Alcohol Crash Team		20.601	1286	500
DUI Task Force		20.601	K8-2012-03-03-30	7,618
DUI Task Force		20.601	1285	1,190
Big City/Big County Enforcement Program		20.601	PT-12-11-04-28	<u>9,098</u>
Total - Alcohol Impaired Driving Countermeasures Incentive Grants 1				<u>21,943</u>
Total - Highway Safety Cluster				<u>21,943</u>
Total - Department of Transportation				<u>333,928</u>
<u>Environmental Protection Agency</u>				
Capitalization Grants for Clean Water State Revolving Funds SRF 2012	Indiana Finance Authority	66.458	WW12792206	<u>240,407</u>
Total - Environmental Protection Agency				<u>240,407</u>
<u>Department of Homeland Security</u>				
Disaster Grants- Public Assistance (Presidentially Declared Disasters)	Indiana Criminal Justice Institutue	97.036	FY 2012	<u>2,137</u>
Total Department of Homeland Security				<u>2,137</u>
Total federal awards expended				<u>\$ 1,113,072</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 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of West Lafayette (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2012:

Program Title	Federal CFDA Number	2012
Community Development Block Grants/Entitlement Grants	14.218	\$ <u>61,402</u>

CITY OF WEST LAFAYETTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
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 OMB Circular A-133?	no

Identification of Major Programs:

\_\_\_\_\_ Name of Federal Program or Cluster \_\_\_\_\_  
CDBG - Entitlement Grants Cluster  
Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? no

**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  
EXIT CONFERENCE

The contents of this report were discussed on June 6, 2013, with John R. Dennis, Mayor; Judith C. Rhodes, Clerk-Treasurer; and Ann H. Hunt, President of the Common Council. Our audit disclosed no material items that warrant comment at this time.