

**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, 2015 to December 31, 2015



**FILED**  
12/07/2016



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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
City Controller	Peter L. Gray	01-01-16 to 12-31-16
Mayor	John R. Dennis	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	John R. Dennis Sana G. Booker	01-01-12 to 12-31-15 01-01-16 to 12-31-16
President of the Common Council	Peter Bunder	01-01-15 to 12-31-16
Wastewater Utility Director	David Henderson	01-01-15 to 12-31-16



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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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, 2015, and the related notes to the financial statement as listed in the Table of Contents.

### ***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 (Indiana Code 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, 2015.

***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, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 records 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.

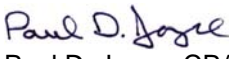
*Other Information*

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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 20, 2016, 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.

  
Paul D. Joyce, CPA  
State Examiner

October 20, 2016



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## 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, 2015, and the related notes to the financial statement, and have issued our report thereon dated October 20, 2016, 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 that we consider to be a material weakness.



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*.

**City of West Lafayette's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**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.

  
Paul D. Joyce, CPA  
State Examiner

October 20, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
General	\$ 2,491,521	\$ 13,171,887	\$ 13,113,723	\$ 2,549,685
Motor Vehicle Highway	2,263,698	1,703,649	1,715,775	2,251,572
Local Road And Street	364,753	279,245	288,189	355,809
Law Enforcement Continuing Ed	12,458	21,389	21,682	12,165
Clerk's Record Perpetuation	6,799	143	3,480	3,462
Fire Fighting	30,913	17,154	14,944	33,123
Rainy Day	354,623	743	-	355,366
Levy Excess	576	-	-	576
Certified Technology Park	127,029	248	-	127,277
Cumulative Capital Development	258,885	782,812	818,578	223,119
Cumulative Building & Firefighting Equipment	43,304	25,981	25,405	43,880
Co Economic Development Income Tax	691,985	1,692,009	1,731,153	652,841
Cumulative Capital Improvement	34	91,127	91,146	15
Self Insurance Fund	(382)	36,288	34,554	1,352
Police Pension	221,075	815,103	840,277	195,901
Fire Pension	277,066	581,316	623,374	235,008
Sales Tax	1,875	6,331	6,425	1,781
Rental Housing Inspection	67,369	168,259	153,967	81,661
Redevelopment Commission 2011 COP	-	132,066	132,066	-
Levee/Village Allocation	4,348,831	4,221,695	5,472,982	3,097,544
WL Building Corp 2011 Bonds	229,409	447,002	443,193	233,218
Redevelopment Authority 2012 Bonds	217,154	489,027	484,700	221,481
Payroll Fund	59,778	6,379,311	6,201,165	237,924
KCB Allocation	2,618,757	2,611,462	3,781,443	1,448,776
SAFER Grant Fund	16,642	883,960	900,522	80
State Court User Fee	-	4,950	4,950	-
INPRS Fund	-	2,063,764	2,063,764	-
CDBG Escrow	-	562	-	562
Community Events NRG	-	2,662	-	2,662
Metro FiberNet Bond	-	39,944	18,597	21,347
Metro FiberNet Allocation	-	39,944	39,944	-
US231N	-	212,541	-	212,541
US231 Purdue	-	191	-	191
Sag Capital	-	300,300	1,844	298,456
KCB Capital	-	300,108	300,000	108
LV Capital	-	300,158	300,000	158
Restricted Donations	952	2	137	817
Community Development Block Grant	1,890	221,670	221,490	2,070
Police Project - Operating Grants	14,229	18,895	20,992	12,132
Public Safety	4,570	142,214	137,240	9,544
Police Unclaimed Property	8,178	1,286	-	9,464
Fire Safety	3,789	4,235	4,000	4,024
Perimeter Parkway	171,711	364	746	171,329
Lindberg/McCormick Road Improvement	70,358	147	-	70,505
Go Greener Commission	1,163	2	100	1,065
Parks Nonreverting Operating	82,564	477,644	411,660	148,548
Wabash Heritage Trail	8,534	18	-	8,552
Parks Nonreverting Gift	133,670	46,229	40,113	139,786
Celery Bog Park	15,274	9,709	11,818	13,165
Parks and Recreation	123,112	1,916,752	1,644,150	395,714
Court Credit Card Fee	36	19	19	36
Online Convenience Fee	8,449	14,048	12,573	9,924
Redevelop Authority 2010 Bonds	598,190	587,071	584,425	600,836
Redevelopment Commission 2005 Ross Ctr Bonds	-	426,700	426,700	-
Sagamore Parkway TIF	533,034	353,129	42,877	843,286
Build Indiana Wabash Landing	9,434	10	9,434	10
Parks Nonreverting Capital - Pool	227,466	709	228,175	-
Fuel Purchasing Internal Service Fund	8,749	240,217	233,577	15,389
City Court Trust	2,349	31,955	28,261	6,043
City Court User Fee - LECE	9,635	4,063	3,705	9,993
North Side Regional Lift Station Escrow	238,843	837	-	239,680
WW SRF Construction Fund	-	2,219,579	2,219,579	-
WL 2004 SRF Bonds Escrow	12,815,131	-	12,815,131	-
WW 14 PRV Construction	2,247,721	2,546	1,155,501	1,094,766
WW 13 Refunding Bond & Interest	1,163,633	2,317,569	2,322,256	1,158,946
WW 14 PRV Bond & Interest	185,639	332,551	400,670	117,520
WW 14 Refunding Bond & Interest	50,893	352,338	212,951	190,280
WW Plant Projects Escrow	41,409	18,245	59,654	-
Cumberland Sewer Escrow	101,460	30	-	101,490
WW SRF Bond & Interest	185,726	519,380	421,747	283,359
WW Stormwater Revenue	469,833	1,325,984	593,578	1,202,239
WW Ret Fk/Sher	-	196,738	-	196,738
Wastewater Utility - Operating	1,002,128	9,120,843	9,792,620	330,351
WW SRF Debt Service Reserve	3,257,372	75,037	-	3,332,409
Wastewater Utility - Improvement	3,605,764	3,072,984	4,876,236	1,802,512
Totals	\$ 42,107,040	\$ 61,875,080	\$ 78,559,957	\$ 25,422,163

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, water, wastewater, electric, gas, storm water, trash, aviation, 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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 the following: peddler licenses, dog tax licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Intergovernmental receipts, which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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, 911 telephone services, recycling fees, dog pound 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.

Penalties, which include fees received for late payments.

Other receipts, which include amounts received from various sources including, but 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, which 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, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Debt service - principal and interest, which includes 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 includes 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.

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**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, the following: 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**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 a cost-sharing 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.



CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*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.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

*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  
One North Capitol, 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 West Lafayette Redevelopment Authority and the West Lafayette Building Corporation (the lessor). The 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 2015 totaled \$1,078,000 and \$447,000, respectively.

**Note 8. Subsequent Events**

A. City Hall, which was closed in February 2014, is scheduled to be demolished in 2016.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

- B. A Combined Sewer Overflow (CSO) project commenced in January 2016 to increase the storage capacity of untreated wastewater/storm water. This will significantly decrease the number of events when untreated wastewater overflows into the Wabash River. In addition to maintaining a clean environment for the citizens and wildlife in the surrounding area, this will also meet upcoming environmental guidelines. A revenue bond for \$22,213,500 was issued on January 29, 2016.
- C. West Lafayette and Purdue University have joined together to redevelop State Street and the surrounding infrastructure.
- a. Benefits include
    - i. a safe, pedestrian-friendly, hub with extra-wide sidewalks, greenspace and ample bike paths.
    - ii. increase consumer traffic along the State Street corridor while diverting through-traffic around this consumer/pedestrian hub.
  - b. This is a public-private partnership, where the developer will build and operate the project for 22 years and then transfer ownership over to the city; known as Build-Operate-Transfer (BOT).
  - c. After construction, annual "availability payments" are anticipated to be \$4.5M to \$4.8M.
  - d. Approximately half of the project will be supported by tax increment funding (TIF) revenues. The remaining amount will be funded by the Purdue Research Foundation through a credit facility until such time that new development is sufficient to make the payments.
  - e. Construction costs are estimated to be between \$60M and \$70M.
  - f. The project started in May 2016 with an estimated completion date of May 2019.
- D. The Williams Street project is related to the diverting through-traffic away from the State Street consumer hub. It is also in conjunction with the CSO project. After the CSO pipe is laid under River Road, Williams Street will be re-graded to be more traffic friendly and a round-about will be installed at the Williams Street/River Road intersection. A lease revenue bond for \$8,922,010 was issued on March 10, 2016.

**Note 9. Other Postemployment Benefits**

The City provides health insurance benefits to eligible retirees and their spouses. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

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#### OTHER INFORMATION - UNAUDITED

The City's Annual Financial 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 City's Annual Financial Report 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 other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF WEST LAFAYETTE  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2015

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Clerk's Record Perpetuation	Fire Fighting	Rainy Day
Cash and investments - beginning	\$ 2,491,521	\$ 2,263,698	\$ 364,753	\$ 12,458	\$ 6,799	\$ 30,913	\$ 354,623
Receipts:							
Taxes	6,821,194	-	-	-	-	-	-
Licenses and permits	311,219	-	-	3,110	-	-	-
Intergovernmental receipts	3,474,393	1,695,434	275,447	-	-	-	-
Charges for services	52,891	-	-	10,630	-	17,071	-
Fines and forfeits	686,550	-	-	55	132	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,825,640	8,215	3,798	7,594	11	83	743
Total receipts	13,171,887	1,703,649	279,245	21,389	143	17,154	743
Disbursements:							
Personal services	9,909,895	376,350	-	-	-	-	-
Supplies	315,239	72,913	236,349	217	-	-	-
Other services and charges	1,209,702	124,817	394	21,465	-	14,944	-
Debt service - principal and interest	4,225	443	-	-	-	-	-
Capital outlay	-	1,141,224	51,446	-	3,480	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,674,662	28	-	-	-	-	-
Total disbursements	13,113,723	1,715,775	288,189	21,682	3,480	14,944	-
Excess (deficiency) of receipts over disbursements	58,164	(12,126)	(8,944)	(293)	(3,337)	2,210	743
Cash and investments - ending	\$ 2,549,685	\$ 2,251,572	\$ 355,809	\$ 12,165	\$ 3,462	\$ 33,123	\$ 355,366

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Levy Excess	Certified Technology Park	Cumulative Capital Development	Cumulative Building & Firefighting Equipment	Co Economic Development Income Tax	Cumulative Capital Improvement	Self Insurance Fund
Cash and investments - beginning	\$ 576	\$ 127,029	\$ 258,885	\$ 43,304	\$ 691,985	\$ 34	\$ (382)
Receipts:							
Taxes	-	-	463,033	24,066	20,137	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	35,386	1,839	1,639,603	91,074	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	248	284,393	76	32,269	53	36,288
Total receipts	-	248	782,812	25,981	1,692,009	91,127	36,288
Disbursements:							
Personal services	-	-	53	-	267,299	-	-
Supplies	-	-	66,345	-	6,070	-	-
Other services and charges	-	-	311,207	10,026	759,203	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	292,333	15,379	47,181	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	148,640	-	651,400	91,146	34,554
Total disbursements	-	-	818,578	25,405	1,731,153	91,146	34,554
Excess (deficiency) of receipts over disbursements	-	248	(35,766)	576	(39,144)	(19)	1,734
Cash and investments - ending	\$ 576	\$ 127,277	\$ 223,119	\$ 43,880	\$ 652,841	\$ 15	\$ 1,352

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Police Pension	Fire Pension	Sales Tax	Rental Housing Inspection	Redevelopment Commission 2011 COP	Levee/Village Allocation	WL Building Corp 2011 Bonds
Cash and investments - beginning	\$ 221,075	\$ 277,066	\$ 1,875	\$ 67,369	\$ -	\$ 4,348,831	\$ 229,409
Receipts:							
Taxes	-	-	-	-	-	3,831,560	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	729,536	580,831	-	-	-	118,955	-
Charges for services	-	-	-	139,046	-	2	-
Fines and forfeits	-	-	-	5,000	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	85,567	485	6,331	24,213	132,066	271,178	447,002
Total receipts	815,103	581,316	6,331	168,259	132,066	4,221,695	447,002
Disbursements:							
Personal services	23,042	23,042	-	136,425	-	-	-
Supplies	-	-	-	1,507	-	468	-
Other services and charges	732,050	600,332	-	16,035	-	1,376,952	-
Debt service - principal and interest	-	-	-	-	132,066	-	441,193
Capital outlay	-	-	-	-	-	3,508,562	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	85,185	-	6,425	-	-	587,000	2,000
Total disbursements	840,277	623,374	6,425	153,967	132,066	5,472,982	443,193
Excess (deficiency) of receipts over disbursements	(25,174)	(42,058)	(94)	14,292	-	(1,251,287)	3,809
Cash and investments - ending	\$ 195,901	\$ 235,008	\$ 1,781	\$ 81,661	\$ -	\$ 3,097,544	\$ 233,218



CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Redevelopment Authority 2012 Bonds	Payroll Fund	KCB Allocation	SAFER Grant Fund	State Court User Fee	INPRS Fund	CDBG Escrow
Cash and investments - beginning	\$ 217,154	\$ 59,778	\$ 2,618,757	\$ 16,642	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	2,608,978	398,820	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	4,950	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	489,027	6,379,311	2,484	485,140	-	2,063,764	562
Total receipts	489,027	6,379,311	2,611,462	883,960	4,950	2,063,764	562
Disbursements:							
Personal services	-	-	-	499,868	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	47,280	-	-	-	-
Debt service - principal and interest	482,700	-	-	-	-	-	-
Capital outlay	-	-	2,684,649	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,000	6,201,165	1,049,514	400,654	4,950	2,063,764	-
Total disbursements	484,700	6,201,165	3,781,443	900,522	4,950	2,063,764	-
Excess (deficiency) of receipts over disbursements	4,327	178,146	(1,169,981)	(16,562)	-	-	562
Cash and investments - ending	\$ 221,481	\$ 237,924	\$ 1,448,776	\$ 80	\$ -	\$ -	\$ 562

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Community Events NRG	Metro FiberNet Bond	Metro FiberNet Allocation	US231N	US231 Purdue	Sag Capital	KCB Capital
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	39,944	212,408	191	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	175	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,487	39,944	-	133	-	300,300	300,108
Total receipts	2,662	39,944	39,944	212,541	191	300,300	300,108
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	1,844	1,844
Debt service - principal and interest	-	18,597	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	298,156
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	39,944	-	-	-	-
Total disbursements	-	18,597	39,944	-	-	1,844	300,000
Excess (deficiency) of receipts over disbursements	2,662	21,347	-	212,541	191	298,456	108
Cash and investments - ending	<u>\$ 2,662</u>	<u>\$ 21,347</u>	<u>\$ -</u>	<u>\$ 212,541</u>	<u>\$ 191</u>	<u>\$ 298,456</u>	<u>\$ 108</u>

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	LV Capital	Restricted Donations	Community Development Block Grant	Police Project - Operating Grants	Public Safety	Police Unclaimed Property	Fire Safety
Cash and investments - beginning	\$ -	\$ 952	\$ 1,890	\$ 14,229	\$ 4,570	\$ 8,178	\$ 3,789
Receipts:							
Taxes	-	-	221,560	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	18,895	-	-	-
Charges for services	-	-	-	-	-	-	170
Fines and forfeits	-	-	-	-	140,695	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	300,158	2	110	-	1,519	1,286	4,065
Total receipts	300,158	2	221,670	18,895	142,214	1,286	4,235
Disbursements:							
Personal services	-	-	23,685	20,992	2,111	-	-
Supplies	-	-	-	-	9,428	-	-
Other services and charges	1,844	137	190,485	-	6,477	-	4,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	298,156	-	6,758	-	119,224	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	562	-	-	-	-
Total disbursements	300,000	137	221,490	20,992	137,240	-	4,000
Excess (deficiency) of receipts over disbursements	158	(135)	180	(2,097)	4,974	1,286	235
Cash and investments - ending	<u>\$ 158</u>	<u>\$ 817</u>	<u>\$ 2,070</u>	<u>\$ 12,132</u>	<u>\$ 9,544</u>	<u>\$ 9,464</u>	<u>\$ 4,024</u>

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Perimeter Parkway	Lindberg/ McCormick Road Improvement	Go Greener Commission	Parks Nonreverting Operating	Wabash Heritage Trail	Parks Nonreverting Gift	Celery Bog Park
Cash and investments - beginning	\$ 171,711	\$ 70,358	\$ 1,163	\$ 82,564	\$ 8,534	\$ 133,670	\$ 15,274
Receipts:							
Taxes	-	-	-	-	-	6,000	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	470,588	-	1,387	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	364	147	2	7,056	18	38,842	9,709
Total receipts	364	147	2	477,644	18	46,229	9,709
Disbursements:							
Personal services	-	-	-	147,948	-	-	-
Supplies	-	-	-	15,793	-	3,128	1,381
Other services and charges	746	-	100	245,871	-	21,021	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,048	-	15,864	10,437
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	100	-
Total disbursements	746	-	100	411,660	-	40,113	11,818
Excess (deficiency) of receipts over disbursements	(382)	147	(98)	65,984	18	6,116	(2,109)
Cash and investments - ending	<u>\$ 171,329</u>	<u>\$ 70,505</u>	<u>\$ 1,065</u>	<u>\$ 148,548</u>	<u>\$ 8,552</u>	<u>\$ 139,786</u>	<u>\$ 13,165</u>

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Parks and Recreation	Court Credit Card Fee	Online Convenience Fee	Redevelop Authority 2010 Bonds	Redevelopment Commission 2005 Ross Ctr Bonds	Sagamore Parkway TIF	Build Indiana Wabash Landing
Cash and investments - beginning	\$ 123,112	\$ 36	\$ 8,449	\$ 598,190	\$ -	\$ 533,034	\$ 9,434
Receipts:							
Taxes	1,032,919	-	-	-	-	351,803	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	78,939	-	-	-	-	-	-
Charges for services	157,733	-	14,048	-	-	-	-
Fines and forfeits	-	19	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	647,161	-	-	587,071	426,700	1,326	10
Total receipts	1,916,752	19	14,048	587,071	426,700	353,129	10
Disbursements:							
Personal services	1,143,782	-	-	-	-	-	-
Supplies	60,637	-	-	-	-	-	-
Other services and charges	97,547	19	12,573	-	-	21,775	-
Debt service - principal and interest	-	-	-	582,425	426,700	-	-
Capital outlay	-	-	-	-	-	21,102	9,434
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	342,184	-	-	2,000	-	-	-
Total disbursements	1,644,150	19	12,573	584,425	426,700	42,877	9,434
Excess (deficiency) of receipts over disbursements	272,602	-	1,475	2,646	-	310,252	(9,424)
Cash and investments - ending	\$ 395,714	\$ 36	\$ 9,924	\$ 600,836	\$ -	\$ 843,286	\$ 10

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Parks Nonreverting Capital - Pool	Fuel Purchasing Internal Service Fund	City Court Trust	City Court User Fee - LECE	North Side Regional Lift Station Escrow	WW SRF Construction Fund	WL 2004 SRF Bonds Escrow
Cash and investments - beginning	\$ 227,466	\$ 8,749	\$ 2,349	\$ 9,635	\$ 238,843	\$ -	\$ 12,815,131
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	364	-	-	-	-	-	-
Fines and forfeits	-	-	31,942	4,063	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	345	240,217	13	-	837	2,219,579	-
Total receipts	709	240,217	31,955	4,063	837	2,219,579	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	936	233,577	-	-	-	-	-
Other services and charges	326	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	8,829	-	-	-	-	2,196,915	-
Utility operating expenses	-	-	-	-	-	22,664	-
Other disbursements	218,084	-	28,261	3,705	-	-	12,815,131
Total disbursements	228,175	233,577	28,261	3,705	-	2,219,579	12,815,131
Excess (deficiency) of receipts over disbursements	(227,466)	6,640	3,694	358	837	-	(12,815,131)
Cash and investments - ending	\$ -	\$ 15,389	\$ 6,043	\$ 9,993	\$ 239,680	\$ -	\$ -

CITY OF WEST LAFAYETTE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	WW 14 PRV Construction	WW 13 Refunding Bond & Interest	WW 14 PRV Bond & Interest	WW 14 Refunding Bond & Interest	WW Plant Projects Escrow	Cumberland Sewer Escrow	WW SRF Bond & Interest
Cash and investments - beginning	\$ 2,247,721	\$ 1,163,633	\$ 185,639	\$ 50,893	\$ 41,409	\$ 101,460	\$ 185,726
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,546	2,317,569	332,551	352,338	18,245	30	519,380
Total receipts	2,546	2,317,569	332,551	352,338	18,245	30	519,380
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	2,322,256	400,670	212,951	-	-	421,747
Capital outlay	1,114,516	-	-	-	59,654	-	-
Utility operating expenses	40,985	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	1,155,501	2,322,256	400,670	212,951	59,654	-	421,747
Excess (deficiency) of receipts over disbursements	(1,152,955)	(4,687)	(68,119)	139,387	(41,409)	30	97,633
Cash and investments - ending	\$ 1,094,766	\$ 1,158,946	\$ 117,520	\$ 190,280	\$ -	\$ 101,490	\$ 283,359

CITY OF WEST LAFAYETTE  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2015  
(Continued)

	WW Stormwater Revenue	WW Ret Fk/Sher	Wastewater Utility - Operating	WW SRF Debt Service Reserve	Wastewater Utility - Improvement	Totals
Cash and investments - beginning	\$ 469,833	\$ -	\$ 1,002,128	\$ 3,257,372	\$ 3,605,764	\$ 42,107,040
Receipts:						
Taxes	-	-	-	-	-	16,032,613
Licenses and permits	-	-	-	-	-	314,329
Intergovernmental receipts	-	-	-	-	-	8,740,332
Charges for services	-	-	-	-	-	864,105
Fines and forfeits	-	-	-	-	-	873,406
Utility fees	1,315,076	-	8,746,302	-	89,074	10,150,452
Penalties	-	-	32,377	-	-	32,377
Other receipts	10,908	196,738	342,164	75,037	2,983,910	24,867,466
Total receipts	1,325,984	196,738	9,120,843	75,037	3,072,984	61,875,080
Disbursements:						
Personal services	207,979	-	1,945,110	-	-	14,727,581
Supplies	-	-	-	-	-	1,023,988
Other services and charges	12,076	-	152,183	-	-	5,995,275
Debt service - principal and interest	-	-	-	-	81,092	5,527,065
Capital outlay	-	-	-	-	970,596	12,875,943
Utility operating expenses	371,579	-	3,231,311	-	742,385	4,408,924
Other disbursements	1,944	-	4,464,016	-	3,082,163	34,001,181
Total disbursements	593,578	-	9,792,620	-	4,876,236	78,559,957
Excess (deficiency) of receipts over disbursements	732,406	196,738	(671,777)	75,037	(1,803,252)	(16,684,877)
Cash and investments - ending	\$ 1,202,239	\$ 196,738	\$ 330,351	\$ 3,332,409	\$ 1,802,512	\$ 25,422,163



CITY OF WEST LAFAYETTE  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2015

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 316,702	\$ 1,192,330
Governmental activities	<u>1,082,375</u>	<u>104,913</u>
Totals	<u>\$ 1,399,077</u>	<u>\$ 1,297,243</u>

CITY OF WEST LAFAYETTE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
IKON Office Solutions	Copier Lease Purchase	\$ 2,175	01/01/11	01/01/16
West Lafayette Redevelopment Authority	2010 WL Redevelopment Authority Lease Rental Refunding Bonds - Wabash Landing Garage	581,264	02/01/11	02/01/22
West Lafayette Redevelopment Authority	2012 WL Redevelopment Authority Lease Rental Revenue Refunding Bonds - Greenway Trails & PRP Infrastructure	481,850	01/15/13	01/15/17
West Lafayette Building Corporation	2011 WL Building Corp. First Mortgage Lease Rental Refunding Bonds - Police Station	445,428	01/12/12	01/15/23
Total governmental activities		<u>1,510,717</u>		
Wastewater:				
Huntington Public Capital Corp	2013 Refuse Truck Equipment Lease Purchase	<u>78,150</u>	03/01/14	09/01/16
Total of annual lease payments		<u>\$ 1,588,867</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	\$ 1,010,000	\$ 431,500
Revenue bonds	2012 WL Economic Development Revenue Bonds (Metro FiberNet Project)	2,500,000	237,900
Revenue bonds	2015 WL Redevelopment District Tax Increment Revenue Bonds (Levee/Village)	300,000	30,127
Revenue bonds	2015 WL Redevelopment District Tax Increment Revenue Bonds (KCB)	300,000	30,127
Revenue bonds	2015 WL Redevelopment District Tax Increment Revenue Bonds (Sagamore)	300,000	30,127
Notes and loans payable	2011 WL Redevelopment District Certificates of Participation - Conditional Installment Sales Contract - Fire Station #3 Design & Construction	<u>2,380,000</u>	<u>131,066</u>
Total governmental activities		<u>6,790,000</u>	<u>890,847</u>
Wastewater:			
Revenue bonds	Sewage Works Refunding Bonds 2013 - Refunded 1994 1998 & 2001 Sewage Works SRF Loans	6,935,000	2,317,604
Revenue bonds	Sewage Works Revenue Bonds 2014 - Main Extension & Treatment Plant Upgrades	3,775,000	334,660
Revenue bonds	Sewage Works Refunding Revenue Bonds 2014 - Refunded 2004B Bonds	12,796,000	380,512
Notes and loans payable	Sewage Works Revenue Bonds 2014B - Lift Station & Force Main	2,363,121	163,655
Notes and loans payable	Sewage Works SRF 2006 - Digester Renovation	8,265,000	306,755
Notes and loans payable	Sewage Works SRF 2012 - Regional Lift Station & Force Main	<u>3,810,627</u>	<u>67,850</u>
Total Wastewater		<u>37,944,748</u>	<u>3,571,036</u>
Totals		<u>\$ 44,734,748</u>	<u>\$ 4,461,883</u>

CITY OF WEST LAFAYETTE  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2015

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	\$ 16,654,728
Infrastructure	60,853,859
Buildings	19,675,699
Improvements other than buildings	3,303,308
Machinery, equipment, and vehicles	9,319,575
Construction in progress	<u>15,668,200</u>
Total governmental activities	<u>125,475,369</u>
Wastewater:	
Land	604,120
Infrastructure	42,792,410
Buildings	28,243,183
Improvements other than buildings	24,499
Machinery, equipment, and vehicles	1,580,606
Construction in progress	<u>6,524,675</u>
Total Wastewater	<u>79,769,493</u>
Total capital assets	<u><u>\$ 205,244,862</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the Major Federal Program**

We have audited the City of West Lafayette's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2015. The City's major federal program is 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 Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the 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 its major federal program for the year ended December 31, 2015.

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

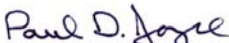
**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the 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 types of requirements that could have a direct and material effect on the 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

October 20, 2016

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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, 2015

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	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Farmers' Market and Local Food Promotion Program USDA Farmers Market Promotion	Indiana Department of Agriculture	10.168	14-FMPPX-IN-0068	\$ -	\$ 16,137
Urban and Community Forestry Program Urban Forestry Grant	Indiana Department of Natural Resources	10.675	IRN305-2-6	-	10,000
Total - Department of Agriculture				-	26,137
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/Entitlement Grants	Direct Grant	14.218			
CDBG 2011-2012			B-11-MC-18-0009	-	3,114
CDBG 2012-2013			B-12-MC-18-0009	200	20,017
CDBG 2013-2014			B-13-MC-18-0009	10,300	40,374
CDBG 2014-2015			B-14-MC-18-0009	37,425	147,572
CDBG 2015-2016			B-15-MC-18-0009	10,413	10,413
Total - Department of Housing and Urban Development				58,338	221,490
<u>Department of Justice</u>					
Bulletproof Vest Partnership Program	Indiana Criminal Justice Institute	16.607			
Bulletproof Vest Partnership Program FY2012			BUBX12061404	-	2,438
Bulletproof Vest Partnership Program FY2013			BUBX13069282	-	1,492
Bulletproof Vest Partnership Program FY2014			BUBX14074228	-	3,060
Total - Department of Justice				-	6,990
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 0900002	-	118,955
Happy Hollow Road Reconstruction				-	118,955
Total - Highway Planning and Construction Cluster				-	118,955
Highway Safety Cluster					
Alcohol Impaired Driving Countermeasures Incentive Grants I	City of Lafayette	20.601			
Operation Pull Over 2015			3000	-	12,606
DUI Task Force 2015			3025	-	6,289
Total - Highway Safety Cluster				-	18,895
Total - Department of Transportation				-	137,850
<u>Department of Homeland Security</u>					
Staffing for Adequate Fire and Emergency Response (SAFER)	Direct Grant				
SAFER Grant		97.083	EMW-2013-FH-00271	-	398,820
Total - Department of Homeland Security				-	398,820
Total federal awards expended				\$ 58,338	\$ 791,287

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 (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
97.083	Staff for Adequate Fire and Emergency Response (SAFER)	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
----------------------------------------	----

**Section II - Financial Statement Findings**

**FINDING 2015-001 - MAJOR CUSTOMER WASTEWATER BILLINGS**

*Condition*

There was a deficiency in the internal control system concerning the billing procedures for the Wastewater Utility's major customer, Purdue University (University), that is considered a material weakness. The University, who provided approximately 38 percent of the Wastewater Utility's revenue for 2015, read their own water meters and submitted those readings to the City. The City calculated the amount owed based on the reported water consumption. The Wastewater Utility did not implement internal control procedures to ensure that accurate meter readings were used to calculate the University's bill.

CITY OF WEST LAFAYETTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

*Cause*

The Utility did not establish a system of internal control procedures over water meter readings at the University to ensure the accuracy of the meter reading used to calculate the University's bill.

*Effect*

Without a proper system of internal control in place that operated effectively, material errors in receipts from inaccurate billing could have remained undetected.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



**Finance Department**  
Peter L. Gray, City Controller  
711 West Navajo Street  
West Lafayette, Indiana 47906  
765.775.5150  
Controller@WestLafayette.in.gov

20 October 2016

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2014-001***

Fiscal year in which the finding initially occurred: 2014

Contact Person Responsible for Corrective Action: David S. Henderson, Utility Director

Contact Phone Number: (765) 775-5145

#### Status of Audit Finding:

The Corrective Action Plan is still ongoing. West Lafayette and Purdue University have met several times to develop a meter read verification program that will begin in the 4th quarter of 2016. A portion of meters will be verified each month such that all meters will be verified at least annually. The University will create groups of meters that are in close proximity to each other. West Lafayette will determine the timing when each meter groups will be audited. WL can re-audit any group throughout the year.

Respectfully submitted by,

  
Peter L Gray, City Controller





**Finance Department**  
Peter L. Gray, City Controller  
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20 October 2016

## CORRECTIVE ACTION PLAN

### ***FINDING 2015-001***

Contact Person Responsible for Corrective Action: David S. Henderson, Utility Director  
Contact Phone Number: (765) 775-5145

### Views of Responsible Official:

We concur with the finding.

### Description of Corrective Action Plan:

Officials from West Lafayette and Purdue University will meet to determine the appropriate procedure to verify meter reading accuracy. It will cover verifying 100% of the meters over the course of the next 12 months. This procedure will be reviewed, at least, on an annual basis to incorporate any changes in the billing or meter reading structure.

### Anticipated Completion Date:

First group of meters to be verified by 11/30/2016.

Respectfully submitted by,

  
Peter L. Gray, City Controller

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.