Comprehensive Annual Financial Report

HOME OF
PURDUE
UNIVERSITY

CITY OF
WEST LAFAYETTE
INDIANA

Year Ended December 31, 2006

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST LAFAYETTE, INDIANA

Year Ended December 31, 2006

Prepared By:

Judy Rhodes, IAMC, CMC, CPFA, Clerk-Treasurer

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INTRODUCTORY SECTION

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HOME OF
PURDUE
UNIVERSITY
CITY OF
WEST LAFAYETTE

City Hall
609 West Navajo Street
West Lafayette IN 47906

www.city.west-lafayette.in.us

Mayor Phone 765-775-5100 Clerk-Treasurer Phone 765-775-5150

September 21, 2007

Dear Citizens of West Lafayette and Interested Persons:

I am pleased to present to you the 2006 Comprehensive Annual Financial Report, as well as a summary of all of the services, projects and activities that make West Lafayette a leading "knowledge-centered" community.

West Lafayette is fortunate to be the home of Purdue University, one of the world's pre-eminent centers of research and innovation. The presence of Purdue University, faculty, staff and students in our city bring extraordinary educational, cultural and diversity benefits to our community. Our city is enriched by the presence of two outstanding school corporations and both county and city library facilities.

The City of West Lafayette provides a full range of city services. These include public safety, streets and highways, sanitation and recycling services, public improvements, planning and zoning administration, parks and recreation, general administration and wastewater utility services. Our goal is to provide efficient, cost-effective and quality services that enhance our commitment to vital and safe neighborhoods and make our community the place of choice for businesses to thrive and for people to live, work, learn and raise families.

West Lafayette can take pride that since 1996 our Comprehensive Annual Financial Reports have earned the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association, the highest form of recognition in the area of governmental financial reporting. In addition, Clerk-Treasurer Judy Rhodes earned the Award of Financial Reporting Achievement as the city official primarily responsible for preparing the CAFR. This year's report is prepared in the same tradition of openness, accuracy and clarity in financial reporting. It is my hope that the continued sharing of information, through documents such as this comprehensive report, will enhance communications between City government and all members of our community. We encourage your comments and questions on this report.

Sincerely,

Jan H. Mills

Jan H. Mills, Mayor

CITY OF WEST LAFAYETTE

City Hall
609 West Navajo street
West Lafayette, IN 47906-1995

September 21, 2007

Members of the City of West Lafayette Common Council:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of West Lafayette, Indiana for the fiscal year ended December 31, 2006. This is the ninth CAFR prepared by the City for submission for the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. The CAFR is presented as part of a continuing effort to provide the citizens of West Lafayette with the highest standards of financial accountability and disclosure.

We believe the information as presented is accurate in all material aspects. Responsibility for the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City.

OVERVIEW

Profile of the Government

The City of West Lafayette was incorporated as a municipality in 1928, the community having been governed as the Town of West Lafayette since 1888. It is located about 65 miles northwest of Indianapolis and 120 miles southeast of Chicago. The City extends for 7.67 square miles from the banks of the Wabash River to the north and west. Together with its sister City Lafayette across the Wabash River, West Lafayette is one of the top ten fastest growing regions in the State of Indiana. West Lafayette's population was 28,778 in the 2000 census, a growth rate of 11%.

West Lafayette is the proud home to Purdue University, a public land grant school founded in 1869 by the Indiana State Legislature with a gift from Lafayette merchant and entrepreneur John Purdue. Purdue University is a pre-eminent center of research and innovation enrolling 39,000 undergraduate and graduate students and employing 13,831. Purdue is the predominant force in West Lafayette's history. The presence of Purdue has contributed to a cosmopolitan yet friendly atmosphere. There are 54 different nationalities within the city, and 27 different languages spoken in our educational system.

The City is proud of its safe neighborhoods, outstanding parks and recreation facilities, strong knowledge-centered economy, nationally recognized educational excellence for K – 12, and high quality of life.

The City of West Lafayette is comprised of executive, legislative, and juridical branches. The City is governed pursuant to Indiana statute for municipalities of its population class. The executive branch is organized under two elected officials. The Mayor serves as the head of the executive branch. The Clerk-Treasurer's serves as the City's fiscal officer and clerk. Both are elected to four-year terms of office. The Common Council serves as the legislative branch with the Mayor as presiding officer. It is comprised of seven members, five of whom represent individual council districts and two who represent the City at-large. All serve four-year terms. The Council meets once a month to conduct business. The Council enacts all ordinances and resolutions, and approves the budget , and established funds of the City. The West Lafayette City Court is the judicial branch. The City Judge is an elected official of the City, also serving a four-year term.

The administrative body of the City is the Board of Public Works and Safety. The Board of Works is comprised of three members, the Mayor and two members appointed by her. The Board of Works meets weekly with the Mayor as presiding officer. The Board of Works also serves as the administrative body of the Wastewater Treatment Utility.

The City provides services in the following areas: public safety (police, fire, communications and animal control), community development (planning, neighborhood revitalization, code enforcement and economic development), parks and recreation (recreation, community center, senior citizens, city beautification), solid waste (recycling, trash disposal), transportation (streets, sidewalks, bicycle paths), engineering (building permits and inspection), city court, and general administrative services. In addition, the City provides wastewater utility services.

Certain financing and economic functions are provided by the West Lafayette Equipment Leasing Corporation, the West Lafayette Redevelopment Authority, and the West Lafayette Building Corporation. Although these are legally separate entities, they provide service exclusively to the City, and are therefore included as an integral part of the City's financial statements. Additional information is in Note 1.A. in the Notes to the Financial Statements.

FACTORS AFFECTING FINANCIAL CONDITION

The Information presented in the financial statements may be better understood when economic and related environmental factors specifically impacting the City of West Lafayette are considered. The following sections provide brief summaries of certain key factors related to the local economy, long term financial planning, cash management, risk management, and other matters intended to assist readers of this report in assessing the City's financial condition.

Economic Outlook and Condition

Our City is growing and our economy is strengthening because we have worked cooperatively to market our community as a great place to live, and because we are continuing to focus on collaboration and efficiency in providing great services to our residents. The City of West Lafayette together with the Lafayette Metropolitan area was recognized by several organizations and publications as one of the best communities in which to live and locate a business. Expansion Magazine Management gave us a 5-Star ranking as Best Places in the U.S. to Locate a company and Quality of Life Quotient, one of just 72 in the county. Forbes listed us as one of the "150 Cheapest (and Greatest) Places To Live." Kiplinger's ranked us as 30th in its "Smart Places to Live. " Entrepreneur Magazine and the National Policy Research Council named us 98th hottest U.S. spot for entrepreneurs.

The unemployment rate for Tippecanoe County has been stable and among the lowest in the state of Indiana. In 2006, the unemployment rate was 3.5% compared to the state rate at 4.8% and the U.S. rate at 4.5%. County-wide, the economy benefits from a diversified employment base, a strong manufacturing sector which is posed for over 1,000 new jobs with the addition of Toyota vehicle production at the Subaru of Indiana Automotive, Inc. plant, and the presence of a world-class Big 10 University, Purdue. West Lafayette is home to the 751-acre Purdue Research Park, the first Certified Technology Park in the state and home to 44 companies employing more than 3000 people. In 2006, West Lafayette had the most venture capital investment in the state at $90 million. In conjunction with a successful $1.5 B private funding campaign, Purdue has invested over $426 million in new building projects since 2003 and has over $170 million more planned in new facilities and renovations. While home sales declined by 16% in West Lafayette in 2006, following national trends of a slowing real estate market, the average sale price increased from $157,494 to $178,414.

Our community has seen the successful integration this year of the chamber, economic development, downtown and visioning activities into a single resource, the Lafayette-West Lafayette Development Corporation. The members include local governments, industries, businesses and educators, all working collaboratively for economic growth. That collaborative single resource is one of the reasons for the recognition the community has received. That type of cooperation is rare around the state and across the nation.

Our partnerships with local governments and Purdue University continue to be strong and important. 2006 saw the establishment of the 1st municipal insurance consortium in the state, between West Lafayette and Lafayette, making more affordable healthcare and a national network of physicians available to our employees and their families.

The City grew by a third with the annexation of 1173 acres north of the City limits. We began the long-term Perimeter Parkway Transportation Project with Purdue University and Tippecanoe County. Strategic planning for the conservation and development of the Wabash River Corridor began with the City of Lafayette, the county and Purdue University. All of these ongoing cooperative efforts serve to enhance the quality of life in our community.

Collaboration and partnership with Purdue University continued not only on infrastructure projects, but also to strengthen neighborhoods through the Community Partnerships Committee, and with a memorandum of agreement for police and fire service in the area of campus bordered by University, Stadium, Waldron and State Streets.

The great working partnership with the Purdue Research Foundation and Purdue University is responsible for the continued business growth in the Purdue Research Park. This year's growth was evident in the expansion of the workforce of Cook Biotech; the expansion of the business growth-acceleration services of the Purdue Research Foundation; the acquisition of an entire building by SSCI, and then the acquisition of SSCI by Aptuit; innovation in research awards for Quadraspec, Griffin Analytical Technologies and Imaginestics; the merger of Griffin Analytical Technologies with ICx; the opening of the 65,000 sf International Technology Center and an office of the Schneider Corporation; and the recruitment of mPlexus, a new software developer, to the Purdue Technology Center.

In 2006, we moved to make all public places in West Lafayette smoke-free, ensuring not only better health for our residents, but also assisting our economic development efforts.

Streets and sidewalks were again a major focus in 2006 with projects like Phase I of the Salisbury Safety Improvement Project ($1.2 million), construction on Indian Trail of sidewalk and universal access ramps ($40,000), Tapawingo South construction, spot sidewalk repairs city-wide, Sycamore Lane traffic calming (HES grant of $550,000) and the resurfacing of 2.56 miles of city streets ($349,969). A new street inventory will help prioritize future resurfacing projects based on pavement condition.

The Engineering and Wastewater Utility Departments also collaborated on major wastewater and stormwater projects in 2006. The first pipe for the Western Interceptor Sewer was laid in November and construction will continue through 2007; the engineering design for the renovation of the 2 digesters at the wastewater plant was completed; engineering design began for renovation of both the Green Meadows and BarBarry lift stations; an agreement was reached with American Suburban establishing future service areas; and an evaluation was done of the efficacy of the North River Road interceptor. Work continued on implementation of new stormwater regulations, drainage concerns with the Sagamore Pond and with the Boes Ditch.

The utility secured an $8.3 million State Revolving Fund loan for the plant upgrades that will save the City $2 million in interest, and a $950,000 STAG grant for the renovation of the lift stations. The utility was also recognized with an IDEM Plant Safety Award and a national EPA PISCES award (the only award given in Indiana) for performance and innovation for the Fats/Oils/Grease component of the digester design. The Western Interceptor and digester renovation are the final pieces of the City's long-term control plan for clean water.

Supporting the wastewater and stormwater activities, the Street and Sanitation Department collected 344 tons of sand, dirt and debris from our 82 miles of roads in 2006, helping to keep the Wabash River clean. Six employees collected 1177 tons of leaves. West Lafayette residents recycled 2144 tons of recyclable material in 2006, saving the City $70,209 in tipping fees and generating $111,984 in revenue. Together, recyclables, composted leaves and yard waste saved the City $149,000 in tipping fees.

The 3rd year of the Sagamore West Implementation Project brought new light poles and banners on the parkway; 86 trees planted in the midway, with 20 additional trees and 1500 bushes to be added in the spring; and the filing of permits with INDOT for gateway construction and landscaping in the spring. Private investment along the corridor increased with the opening of Camille's, Spacibo, Jos. A. Bank Clothier and the expansion of KitchenArt.

Neighborhood residents also enjoyed the renovation of several parks this year. Drainage improvements were completed in Lommel Park, and new playground equipment installed. Landscaping was added in both Dubois and Lommel Parks. A kiosk and additional landscaping were part of the improvements in the Northwest Greenway Trailhead Park, and the Wabash Pond Park was completed and landscaped. Safety berms were also added along the edges of the soccer fields on Salisbury Street.

Construction began on the Lincoln Street neighborhood park, and the Tapawingo Park Plaza received necessary repairs on the pedestrian bridge access, and the wonderful addition of the Sonya Margerum Fountain. Community festivals like Dancing in the Streets and Riverfest continue to utilize the great space in Tapawingo Park and bring those fine events to our side of the river.

There was a great deal of activity in the Celery Bog Nature Area this year with the completion of wetland plantings as part of the Wildlife Habitat Improvement Project; the planting of 20 trees along the nature area boundary by Wal-Mart; prairie and savannah restoration plantings in the fall; the reseeding of the berms along the Nature Center drive with native grasses; and the completion of the 1.4 mile footpath and 2 wildlife viewing platforms at the edge of the bog.

Residents enjoyed the new deck at the municipal pool through the summer, and the City experienced a record-setting skating season this winter.

Our much enjoyed trail system increased this year with the completion of a one-mile extension of the Northwest Greenway Trail to the Payless Shopping Center. That linkage allows residents of several neighborhoods and senior living centers to have safe and convenient access to the Sagamore Parkway.

Public safety continues to be a priority in West Lafayette. 2006 saw the hiring of 2 new officers and the 1st Citizens Police Academy. Officers participated in training programs with firearms, K-9, the Special Response Team and an Introduction to Spanish. We initiated a program targeting internet sexual predators and continued enforcement efforts in seatbelt use, driving under the influence and the red light program.

A Memorandum of Understanding was signed with Purdue University that changes the provision of police and fire service in the "island" area of campus to Purdue's jurisdiction. That change will allow consistency of service on campus and allow West Lafayette to focus more efforts in our neighborhoods.

The Fire Department has had an especially busy year of study and planning for the purchase of 2 new fire engines, and for the construction of a new station to better serve the annexed area. The department has again made training and education a high priority, including training on vehicle extrication, terrorism and bird flu preparation, evaluating performance based design and NIMS compliance. 30 firefighters attended the instructor's conference in Indianapolis and many participated in a table-top exercise for District 4 with 30 other emergency services departments.

Grants paid for $43,000 of new fire equipment through Homeland Security – a dispatch radio for station #3, new portable radios for 3 new firefighters, plus additional radio equipment and a backup generator.

The City intends to proceed with several major projects in 2007:

- The completion of Tapawingo South
- Construction of the 1st phase of the Western Sewer Interceptor
- Preliminary engineering for the rebuilding of Cumberland Avenue
- The separation of the Salisbury combined sewers
- Replacement of the BarBarry and Green Meadows lift stations
- Completion of the 1st phase of the Salisbury Safety Improvement Project and ROW acquisition and design of phase 2
- Engineering design of Sycamore Lane and Yeager Road improvements
- Preliminary design of fire station #3

Financial Planning

A three-year financial plan was prepared for the City in 2005 to assist in managing operating needs and funding police and fire pension benefits for the older pension plans that are paid directly by the City. The financial plan provides a framework for evaluating budget priorities, identifying possible funding sources, and estimating the financial impact of budgetary options.

A significant increase in pension benefit expense is expected with the retirement of the remaining members of the 1937 Firefighter's Pension Fund in the 2007 to 2008 time period. The City has increased additions to the Fire Pension Fund and expects to meet its pension benefit obligation without detriment to planned General Fund operating expenditures.

An annexation Fiscal Plan detailing the plan for organization and extension of city services, costs of planned services, methods of financing was approved by the Common Council in January 2006. The City expects to utilize on tax increment financing for building and equipping a third fire station in 2007. Existing resources, primarily in the General Fund, will be used to fund extension of city services in the short-term. An appeal for an increase in the property tax levy to fund a portion of extending city services to the annexation area is anticipated within two years. Given projected growth for the annexation area, annexation is forecast to have a long-term impact of stabilizing and lowering the city tax rate.

Internal Controls

The management of the City of West Lafayette is responsible for establishing and maintaining a system of internal financial controls. The purpose of the internal financial controls is to ensure that the assets of the City are protected from loss, theft or misuse and that adequate accounting data is compiled to allow for the efficient preparation of financial statements in conformance with generally accepted accounting principles. The internal control structure must provide reasonable assurance that these objectives are met within appropriate cost benefit performance. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be received; and that the evaluation of cost and benefits requires estimates and judgments by management. It is the assessment of City management that the internal control structure does meet these criteria. The City consults with the Indiana State Board of Accounts, not only during the audit, but also regularly throughout the year as needed.

Budgetary Controls

In accordance with Indiana statute, the City maintains budgetary controls integrated within the accounting system. The objective of these budgetary controls to ensure compliance with the annual appropriated budget adopted by the City Council and as approved by the Department of Local Government Finance. The annual budget includes the General Fund, the Parks and Recreation Fund, the Police and Fire Pension Funds, the Cumulative Capital Development Fund, the Cumulative Capital Improvement Fund, the Cumulative Building and Firefighting Equipment Fund, the Fire Truck Lease Fund, the Local Road and Street Fund, the Motor Vehicle Highway Fund, the LOHUT Fund, the Economic Development Income Tax Fund, the Law Enforcement Continuing Education Fund, the Firefighting Fund and the Parks Nonreverting Capital - Pool Fund. The Park Board approves the annual budget for the Parks Nonreverting Operating Fund. The Redevelopment Commission approves the budgets for the Sagamore Parkway TIF Fund, the Levee/Village Redevelopment Commission Fund, and the KCB Redevelopment Commission Fund.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major budget classification within a fund, and in the general fund, within a department. The Common Council maintains budgetary control on all funds approved in the annual budget with the exception of the Parks and Recreation Fund, the Nonreverting Capital-Pool Fund and the Nonreverting Operating Fund for which budgetary control is maintained by the Park Board. The Common Council or Park Board may transfer appropriations from one major budget classification to another within a department or fund by ordinance or resolution as long as the annual budget for that department or fund is not exceeded. The Common Council maintains another measure of budgetary control by requiring all transfers within major budget classifications, as well as between major classifications, to be approved by ordinance or resolution. Additional appropriations in excess of the original budget must be approved by the Common Council and subsequently submitted for approval to the Department of Local Government Finance.

The City also maintains an encumbrances account system as one technique of accomplishing budgetary control. Encumbered amounts for goods or services for which delivery or invoicing is not complete can be carried over to the subsequent year as part of the subsequent year net appropriation.

The annual budget is prepared from June through August taking into consideration Council priorities and the City's strategic plan objectives.

Department heads prepare draft budgets in June for presentation to the Council in a series of public work sessions. A budget ordinance is prepared under the Mayor's direction for introduction to the Common Council at its first meeting in August. The budget is advertised per Indiana statute and a public hearing is held prior to final adoption in September. The Clerk-Treasurer's office provides a comprehensive budget packet on prior expenditures, revenues, and estimated fund cash balance forecasts and tax rates for public review which is made available at Council meetings, at the public library, and on the Internet. The Common Council has the power to decrease any major category proposed by the Mayor, but may not increase any budget. Subsequent to Common Council adoption of the budget, the Department of Local Government Finance holds a final budget hearing review and revision in October prior to issuing a final budget approval order by February.

The budgetary process for the Wastewater Treatment Utility is different than from that of the Civil City. The Board of Public Works is the oversight body for utility operations. In December, the Board of Works reviews and approves the utility budget. Budget revisions are approved through the Board of Works. An annual financial review of utility rates is presented to the Common Council in the first half of the year.

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund this comparison is presented on page 70. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report beginning on page 80-81.

Pension Trust and Agency Funds

The City of West Lafayette has 5 pension plans for its employees. All full time employees, with the exception of public safety officers, are members of the Public Employees' Retirement Fund of Indiana (PERF), the public employment retirement system for government employees in the State of Indiana. PERF is clarified as an multiple-employer defined benefit retirement system acting as a common investment and administrative agent for government units in Indiana. The City makes required annual contributions at the level set by PERF. As of July 1, 2006, the City's PERF account has an accrued actuarial liability of $4,207,818, and has an excess of assets of $361,845.

Police and fire department officers hired subsequent to April 30, 1977 are members of the 1977 Police Officers and Firefighters' Pension Fund administered by PERF. This plan is a cost-sharing, multiple-employer defined benefit plan. The City makes required annual contributions at the level set by state statute. Financial reports are available form the State.

Police officers hired prior to May 1, 1977 are members of the Police Pension Fund established in 1925 by the State of Indiana. Firefighters hired prior to May 1, 1977 are members of the Fire Pension Fund established in 1937 by the State of Indiana. Both plans are single employer defined benefit plans administered by the City of West Lafayette. They are funded on a pay-as-you-go basis, with actuarial accrued liabilities currently totaling $18,629,400 as of January 1, 2006, and has a deficit of assets of $17,856,588.

Additional information on funding policies and pension costs is in Note IV C in the Notes to the Financial Statements and Required Supplementary Information.

Cash Management

All cash temporarily idle in 2006 was invested by the City in short-term investments with maturities of two years or less in conformance with Indiana statute 5-13-4 et seq. governing investment of public funds and the City's investment policy. Investments authorized by statute are certificates of deposit at local financial institutions that are qualified as depositories for public funds, U.S. Treasury securities, and U.S. agency securities backed by the full faith and credit of the U.S. government, and certain AAA money market funds with permissible U.S. government securities investments.

The City's investment portfolio in 2006 included overnight repurchase agreements collateralized by U.S. Treasury securities and deposit accounts tied to federal fund rates. The City also holds police and fire pension relief funds in an external investment pool, the Pension Relief Fund, managed by the Public employees' Retirement Fund of Indiana (PERF.) Information related to this investment pool is provided in Note III B.

Risk Management

The City carries traditional insurance for workers' compensation, automobile liability and physical damage, general liability, public officials liability, property and casualty, inland marine and boiler coverage, crime insurance coverage, law enforcement liability and also builders risk and flood insurance for the Wastewater Treatment Utility. A city-wide safety committee meets monthly to review all on-the-job injuries and develop recommendations for injury prevention. The City achieved a workers compensation experience modification rating of 0.94 for 2006, indicating safety experience superior to the state average.

Annual Audit

Indiana statue (IC 5-13-1) requires an annual independent audit of the financial records and transactions of the City to be made by the Indiana State Board of Accounts. Their audit met the requirements of state statutes and was conducted in accordance with generally accepted auditing standards and government auditing standards. The State Board of Accounts concluded, based on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of West Lafayette's financial statements for the year ended

December 31, 2006 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of hits report.

As a recipient of federal and state financial assistance, the City is also required to undergo a single audit in conformity with the provisions of the single audit act of 1984 and the U.S. Office of Management and Budget Circular, A-133. Information related to this single audit is included in this report on pages 105-114.

ACKNOWLEDGMENTS

The preparation of the report has been accomplished with support from the Mayor, Department Heads, and Common Council. We would like to thank the Indiana State Board of Accounts for their excellent professional work with special recognition to John D. Irelan, CPA, Field Supervisor, Marilyn Rudolf, CPA , Special Projects and CAFR Supervisor, and Lead Auditor Gary W. Roberts, and Auditors Leann Tinsley, CPA, and Charlene Quednow. We also acknowledge the assistance of James W. Treat, CPA, partner, with the accounting firm of O. W. Krohn and Associates, LLP.

Jan H. Mills, Mayor

Judy Rhodes, Clerk Treasurer

WEST LAFAYETTE CITY OFFICIALS

Office	Official	Term
Mayor	Jan H. Mills	1/01/04 to 12/31/07
Clerk-Treasurer	Judy Rhodes	1/01/04 to 12/31/07
Judge	Lori Stein Sabol	1/01/04 to 12/31/07
Common Council Members	District 1 - Matthew Plomin	1/01/04 to 7/8/07
	District 1 – William Ross McMullin	7/13/07 to 12/31/07
	District 2 - Carl D. Griffin	1/01/04 to 12/31/07
	District 3 - Ann Hunt	1/01/04 to 12/31/07
	District 4 - Gilbert T. Satterly	1/01/04 to 12/31/07
	District 5 - Gerry J. Keen	1/01/04 to 12/31/07
	At Large - Patti O'Callaghan	1/01/04 to 12/31/07
	At Large - Randy Truitt	1/01/04 to 12/31/07
President of the Board of Public Works	Jan H. Mills	1/01/04 to 12/31/07
Members of the Board of Public Works	Janet L. Broyles	Appointed
	Gilbert T. Satterly	Appointed

WEB SITE: www.city.west-lafayette.in.us

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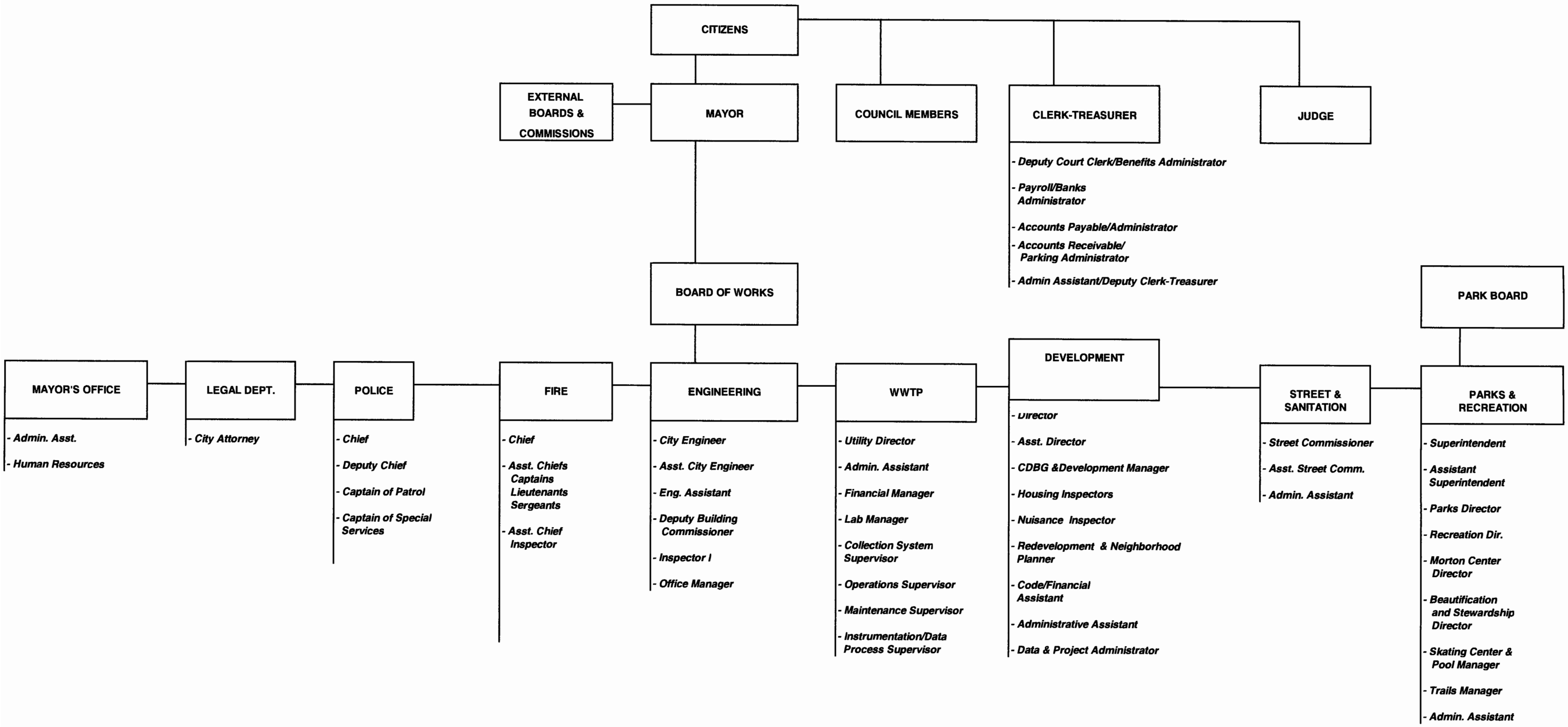
CITY OF WEST LAFAYETTE
ORGANIZATION CHART



CITY OF WEST LAFAYETTE

DEPARTMENTAL SERVICES AND RESPONSIBILITIES

POLICE DEPARTMENT — POLICE CHIEF: Dan Marvin

The West Lafayette Police Department provides around-the-clock safety, security and police protection throughout the City. The Department is staffed by 45 officers, 19 civilians, 7 crossing guards and 4 volunteers. Police officers also provide bicycle patrols in the Village near Purdue University. One D.A.R.E. officer works in the schools during the school year and also provides informational tours of the department to all age groups. Besides routine police patrolling and community presence, West Lafayette police respond to about 16,000 calls for service a year.

FIRE DEPARTMENT — FIRE CHIEF: Philip Drew

The West Lafayette Fire Department operates two fire stations and provides 24-hour services. The department is staffed by 37 highly trained firefighters, including a chief, a fire inspector/investigator and three assistant chiefs. City fire equipment includes a 95 foot platform truck, two pumper trucks, a one-ton service vehicle and service vehicle with foam generating capabilities. The department takes all fire, hazard and first-responder medical emergency calls for West Lafayette. Its runs total about 1,300 a year of which approximately 900 are first responder.

ENGINEERING DEPARTMENT — CITY ENGINEER: David M. Buck, P.E.

The Engineering Department is responsible for the enforcement of the City's ordinances, standards, and codes with regard to zoning, signage, building construction, occupancy, drainage, road and street design/construction, and sanitary and storm sewer design/construction. The department reviews plans for all new construction and renovation projects for any permanent structure or facility. Various permits are required for construction, including Improvement Location Permits, Sign Permits, Storm Water Permits and Excavation Permits. When planning a project, the department staff can answer questions regarding permits and applicable codes.

WASTEWATER TREATMENT UTILITY — PUBLIC WORKS DIRECTOR: David A. Downey

The Wastewater Treatment Department operates a 9.0-million gallon/day activated sludge secondary treatment facility. An expansion and upgrade of the plant was completed and dedicated in 1997. The department collects and transports wastewater from residential, commercial, industrial and institutional sources. The collection system includes 15 lift stations and 117.3 miles of sewers. The treatment plant operates an on-site lab, performing more than 15,000 tests each year. The department employs a staff of 27.

CITY OF WEST LAFAYETTE

DEPARTMENTAL SERVICES AND RESPONSIBILITIES
(continued)

DEPARTMENT OF DEVELOPMENT — DIRECTOR: Jesse C. Andrew III

West Lafayette's Development Department oversees City-wide strategic and long-range planning and economic and business development, retention and expansion. The department manages the City's three Tax Increment Financing (TIF) Districts for the Redevelopment Commission and is responsible for tax abatements granted by the Economic Development Commission. The department also oversees long-range capital budgets and projects for the City, as well as fair housing, housing code enforcement and inspection of more than 7,000 rental units in the City. The department also administers federal funds received from Community Development Block Grants, as well as landscape review.

STREET, SANITATION AND RECYCLING DEPARTMENT — PUBLIC WORKS DIRECTOR: David A. Downey

The services of the Street, Sanitation and Recycling Department include street, curb and sidewalk maintenance, traffic signal maintenance, snow and ice removal, street cleaning and vehicle maintenance. Weekly trash, yard waste and bi-weekly recyclables pick-up services provide full curbside service. This department operates the City's 24-hour recycling center drop off center that collects over 25 recyclable materials.

PARKS AND RECREATION DEPARTMENT — SUPERINTENDENT: Joe Payne

The mission of the department is to improve the quality of life for all residents by providing a wide variety of leisure activities, special events, facilities and services that encourage health, relaxation enjoyment, cultural enrichments and learning, as well as providing opportunities for community involvement. The City's 14 parks encompass more than 400 acres of recreational areas, picnic grounds, nature trails and ADA accessible playgrounds. Facilities include softball fields, tennis, volleyball and basketball courts, Morton Community Center, Lilly Nature Center, Riverside Skating Center, a paved trails network, footpaths, picnic shelters, a municipal pool and neighborhood parks. Major parks include Celery Bog Nature Area and Happy Hollow, Cumberland, Lommel, University Farm and Tapawingo Parks. Global Fest, a celebration of our community's diversity, is held each Labor Day weekend at Morton Community Center. Tapawingo Parks hosts Art on the Wabash, Riverfest, Taste of Tippecanoe and Dancing in the Street Festivals. The department has 19 full time and more than 75 seasonal and part-time employees.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Lafayette Indiana

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

FINANCIAL SECTION

FINANCIAL SECTION

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AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Lafayette (City), as of and for the year ended December 31, 2006, which collectively comprise the City's primary government basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated May 16, 2007, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

STATE BOARD OF ACCOUNTS

May 16, 2007

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Lafayette (City), as of and for the year ended December 31, 2006, and have issued our report thereon dated May 16, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

STATE BOARD OF ACCOUNTS

May 16, 2007

CITY OF WEST LAFAYETTE
Management's Discussion and Analysis
For the Year Ended December 31, 2006

The discussion and analysis of the City of West Lafayette's financial performance for the year ended December 31, 2006 provides an overview of the City's financial activities. The information presented here should be read in conjunction with our letter of transmittal, the basic financial statements, and the notes to the basic financial statements.

Financial Highlights

1. Assets exceeded liabilities at year end 2006 by $80.7 M (net assets). Of this amount, $9.23 M is unrestricted assets which may be used to meet the City's ongoing obligations to citizens and creditors. The growth of resources that are restricted for specific governmental functions compared to those available to support general government activities has resulted in a -$2.35 M balance in unrestricted net assets for governmental activities. In contrast, unrestricted assets for the city's business-type activity, the wastewater treatment utility, increased to a record $11.6 M. Restricted assets and assets invested in capital assets for the entire city increased to nearly $71.5 M.
2. The City's total net assets increased by $8.59 M or 12% in 2006, continuing the pace of growth in the prior year. Both the City's governmental activities and business-type activities showed similar rates of increase.
3. Total revenues decreased $7.3 M or 23.8.%, reflecting a decline in capital grants and contributions for governmental activities, and in contributions and gifts for business-type activities. The trend of decreasing revenues since 2004 is due to the dominant impact of grants and contributions related to capital projects. Revenues from charges for services, taxes, interest, and miscellaneous sources increased over 5% or $1.309 M in 2006 compared to 2005.
4. Total expenses decreased to $22.5 M, a decrease of $7.51 M or 25.9% from the prior year. Over 91% of the decrease was due to absence of new economic development expense for debt compared to the prior year.
5. Fund balances for governmental funds declined by 3.2% to $18.7 M. The General Fund year-end unreserved balance declined by 23.3% to $1.83 M, continuing at nearly the same rate of decrease as reported for 2005. At year end, the General Fund's unreserved fund balance was 18% of the 2006 General Fund expenditures.
6. The City's long-term liabilities at year end totaled $54.96 M, a decrease of $1.81 M or 3.12%. The decrease reflects principal payment on revenue debt and changes in actuarial estimates of pension expense.

Overview of the Financial Statements
The discussion and analysis is an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements, this Comprehensive Annual financial Report (CAFR) includes other Required Supplementary Information, Supplementary Information, and the Statistical Section.

Government-wide financial statements
The government-wide financial statements present the financial picture of the City as a whole from the economic resources measurement focus. The accrual basis of accounting is used similar to the practice of most private-sector businesses. Revenues are reported when they are earned and expenses reported when goods and services are received, regardless of when cash is received or paid.

The government-wide financial statements distinguish the City's governmental activities from its business-type activities. All of the City's basic services are considered to be governmental activities. The governmental activities of the City include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. These services are supported by general revenues such as taxes, intergovernmental revenues, and fees. In contrast, business-type activities provide services that are supported primarily by charges paid by users based on services used. The only business-type activity of the City is the wastewater treatment utility.

The government-wide financial statements are composed of two statements: the statement of net assets and the statement of activities. These two statements provide measures of the City's financial health, or financial position, over the long-term.

The statement of net assets reports all City assets and liabilities as of December 31, 2006, serving the purpose of a balance sheet. The difference between total assets and total liabilities is reported as net assets. Net assets are presented separately for the governmental and business-type activities. Over time, increases or decreases in net assets are one indicator of whether the City's financial position is improving or deteriorating. [Refer to Figure 1, page 20.]

The statement of activities presents information on total City revenues and expenses, serving the purpose of an income statement. In this statement, governmental activities and business-type are listed as separate programs. Net program expense is reported as program expense less program revenue. General revenues are subtracted from net expenses to report the change in net assets for the year. Since program revenue (revenue generated by specific programs through charges for services, grants, and contributions) is separated from general revenue (revenue provided by taxes and other sources not tied to a particular program), this statement shows to what extent each program has to rely on taxes and other general sources for funding. The statement of activities is accrual-based accounting, so that all of the year's revenues and expenses are taken into account regardless of when the cash is received or paid. Thus, revenue and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g. uncollected taxes, and earned, but unused, vacation balances.)

The City has three blended component units which are included as part of the governmental activities in the government-wide financial statements. The blended component units are the West Lafayette Redevelopment Authority, the West Lafayette Equipment Leasing Corporation, and the West Lafayette Building Corporation. The City uses these units, which are legally separate from the City, to finance the acquisition and construction of capital assets. Financing structured as lease obligations to blended component units allows the City to finance necessary capital expenses without exceeding the statutory debt limit of 2% of assessed valuation set by the State of Indiana.

The government-wide financial statements are found on pages 27 and 29 of this report.

Fund financial statements

A fund is a grouping of related accounts that provides control and reporting over cash and other financial resources, related liabilities, and corresponding equity balances. Some funds are required to be established by Indiana statute and by bond covenants, while others are established to help control and manage money for specific purposes. The City of West Lafayette, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

The City carries out is governmental functions and accounts for its activities using many individual funds. Governmental funds use the modified accrual method of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund financial statements focus on financial resources that can be spent in the near future to finance City activities, and provide information on cash flows into and out of funds, and balances of unrestricted resources available at year-end for future spending. Capital assets and other long-term liabilities, are not presented in fund financial statements, only in the citywide financial statements.

Two types of governmental fund statements are provided: the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. Reconciliation schedules are provided to facilitate comparisons between the governmental fund balance sheet and the statement of net assets; and between the statement of revenues, expenditures and changes in fund balances of governmental funds and the statement of activities. The basic governmental fund financial statements can be found on pages 30-33 of this report. Combining balance sheets are provided for nonmajor funds in the Supplementary Information section, beginning on page 84.

A third type of fund-based financial statement is provided to demonstrate another aspect of fund accounting, which is budgetary control. Budgets for governmental funds are established in accordance with Indiana statue, and are adopted on a fund level, except for the General Fund, which is adopted on a departmental level. Budgets are adopted on a cash basis. Budgetary comparison schedules are provided for the General Fund on page 70 and for major special revenue funds on page 71 as part of Required Supplementary Information, and in combining statements for all other funds as part of Supplementary Information. Budgetary variances for the General Fund and major funds are discussed in some detail later in this section.

Proprietary funds

Proprietary funds are used to account for business-type activities, both for services provided primarily to outside customers (enterprise funds) and within the city to internal units (internal service funds). The City has one business-type activity, the wastewater treatment utility, and it utilizes an enterprise fund to report this activity. The City has no internal service funds. The proprietary fund statements consist of the statement of net assets, the statement of revenues, expenses, and other changes in fund net assets, and the statement of cash flows. The proprietary fund statements use the economic resources measurement focus, accrual basis of accounting, just like the government-wide statements. The basic proprietary fund statements can be found on pages 34-36.

Fiduciary funds
Fiduciary funds are funds held by a governmental unit as an agent or a trustee. They are not reflected in the government-wide financial statements because these resources can only be used for designated beneficiaries and are not available to finance the City's own operations. The City holds two types of fiduciary funds: pension trust funds and agency funds. Pension trust funds are used to account for pension plans held by the City on behalf of its employees. The City uses pension trust funds to report the 1925 Police Officers' Pension and the 1937 Firefighters' Pension. Agencies funds are used to account for monies held by the City for an external party. The City uses agency funds to report payroll, sales tax, insurance payments, city court costs, and court collections funds. The basic fiduciary financial statements can be found on pages 37-38 of this report. Additional information on pension plans is found in several places in the financial section, specifically Note III.C. to the Notes to Financial Statements (pages 60-67), and the Schedules of Funding Progress in the Required Supplementary Information (pages 73).

Notes to financial statements
The notes are a required part of the financial statements that provide necessary information for the understanding of the City's financial report. Notes to the basic financial statements can be found on pages 39-67 of this report, and notes to Required Supplementary Information are found on pages 74-76.

Other information
The City is also required to provide more detailed information about certain issues disclosed in required supplementary information (RSI) schedules. The City's RSI schedules include: Budgetary Schedules for the General Fund and Major Special Revenue funds, the Schedules of Funding Progress, and Schedules of Contributions from the Employer and Other Contributing Entities. The RSI schedules and integral notes can be found on pages 69-76 of this report. Combining financial statements for the non-major governmental funds are provided in Supplementary Information beginning on page 84.

Government-wide financial analysis
Statement of net assets
The City's primary government assets exceed liabilities by $80.7 M at the close of 2006. [Figure 1 and Statement of Net Assets, page 27.] The City's net assets increased by $8.6 M or 12% during 2006. [Figure 2 and Statement of Activities,

page 29.] Both the City's business-type activities and the city's governmental activities showed similar rates of increase, contributing $3.93 M and $4.65 M increases, respectively, in net assets.

Investments in capital assets comprise are the largest portion of the City's net assets (total assets less total liabilities) at $57 M. Investment in capital assets (e.g. land; infrastructure including sewers, roads and trails; buildings and improvements; machinery and equipment; and construction in progress), less any debt to acquire these assets that is still outstanding, continue to constitute about 70% of total net assets. The City's capital assets are used to provide services to citizens. These capital assets are not liquid and are not available for future spending. The debt associated with these capital assets must be paid from sources other than capital assets themselves because the capital assets themselves cannot be used to liquidate these liabilities.

The remainder of the City's net assets are designated as restricted or unrestricted. The restricted portion, $14.5 M or 18%, are dollars that are subject to external restrictions and cannot be spent on everyday operations. The unrestricted portion, $9.23 M, or 11%, may be used by the City to meet ongoing obligations. While restricted and unrestricted assets comprise the same proportion of net assets as in the prior year, about 30%, there has been a significant shift within governmental activities and significant growth in business-type activities. In governmental activities, restricted assets increased $2.1 M while unrestricted net assets decreased by $2.3 M resulting in a deficit balance for unrestricted assets of -$2.35 M. The major factors in the change in the governmental activities unrestricted net assets were increasing growth in restricted funding in relation to the General Fund, revealing the deficit in unrestricted assets that is primarily due to the net pension obligation.

In business-type activities, unrestricted assets grew 27% in 2006 to $11.6 M, an 8-fold increase over the past three years. Cash and cash equivalents increased $2.0 M to $6.3 M, a 46% increase from 2005. This growth reflects accumulation of rate revenues in excess of expenses resulting from revised timelines and redesign for the $12.38 M Western Interceptor and the $8.345 M Digester Renovation and Alternate Power projects now underway, and the rehabilitation lift station/force main facilities at Green Meadows ($1.68 M) and Bar Barry Heights ($0.995 M). [Refer to Note D to the Financial Statements]

Statement of activities

Total City revenues were $30.1 M in 2006, a 1.4% decrease from 2005. Governmental activities provided $21.1 M, or 70% of revenues while business-type activities provided about $9 M or 30%.

Total expenses were $21.5 M, a 26% decrease from the prior year. Governmental activities resulted in $16.5 M of expense or 77% and wastewater treatment utility expenses were $5.04 M or 23% of total. [Figure 4]

Governmental activities revenues and expenses

In 2006, 64% of revenue for governmental activities was derived from general revenues and 36% from program revenues. Total governmental activities revenues declined 3% over the prior year due to a reduction in grants and contributions in program revenues related to the timing and extent of grant support for capital projects. General revenues increased over $0.5 M or 4%. Property taxes collected from the City's levies and from tax increment finance districts have now recovered to just above (1.3%) the levels that were collected in 2003 prior to State-mandated changes to property assessment and school general fund levies that negatively impacted revenue generation for the City. Charges for services revenue increased 16% or $0.7 M, reflecting new Major Moves road funding and use of general governmental resources in the Rainy Day Fund to pay public safety pension benefits outside the pension trust funds. [Figure 3]

Expenses for governmental activities decreased $4.5 M or 19%. The reduction is due to two one-time events, the post-year impact of prior year $4.1 M expense related to asset disposal as part of an economic development incentive financing; and revision of actuarial assumptions that decreased the annual pension cost by $0.7 M. [Figure 4 and discussion of long-term liabilities on page 16 in this section.]

Public safety expense is the top program expense at $6.2 M. Expense for highways and streets and general government are in the second tier, $3.05 M and at the same level as the prior year. This represents sustained highway and street construction at record levels, 3-fold higher than in 2004. Culture and recreation expense at $1.75 M is at the third tier and along with economic development program at $0.8 M, decreased due to timing of capital projects. Sanitation expense grew $0.1 M or 16% due to increased operation expense.

Business-type activities revenues and expenses

Revenue to the wastewater treatment utility rose 12% in 2006 to $8.97 M, primarily due to growth in general revenue from contributions and gifts, and from unrestricted investment earnings. Revenue from charges for service increased only 1.7% in contrast to forecasts of a 10.8% increase based on the 10% rate increase that was effective July 1, 2006 and an anticipated increase in flow reported by the utility's major customer, Purdue University. Billable flow from Purdue University actually declined by 18%. Revenue from other customers increased over 13% from the prior year.

The wastewater treatment utility was awarded a reimbursement grant from the U.S. Environmental Protection Agency for $781,165 for the Bar Barry Heights/Green Meadows Lift Station Improvements, and utilized about 9% of the grant in 2006.

Expenses for the wastewater treatment utility were nearly unchanged from the prior year at $5.037 M. Operating expenses apart from depreciation increased about $0.3 M or 11%, but this increase was offset by declines in depreciation expense, resulting in a total operating expense increase of less than $30,000.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Government funds

The City's fund financial statements use modified accrual accounting providing information on near-term inflows, outflows, and balances of available resources. This provides the reader with useful information regarding the City's financial position. The unreserved fund balance of the City's governmental funds gives good insight into its ability to meet current obligations as well as meet the City's ongoing service needs.

The City's governmental year end fund balance in 2006 totaled $18.74 M, a decline of $0.6 M or 3% from the prior year. [Figure 5 and Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds, page 32]

Approximately one-third of fund balance resources are in the designated major funds. The City's chief operating fund is the General Fund. At the end of 2006, the General Fund balance was $1.83 M, a reduction of $0.55 M or 30% decrease. Since the City's record General Fund balance of $3.14 M at year end 2004, the City has been utilizing its available cash balance to support a higher level of expenditures in the General Fund and at the same time reserve proportionally more of the City's property tax levy for growing public safety pension expense and parks expense. The General Fund year end balance is 18% of 2006 General Fund expenditures.

Fund balances for all major funds declined in 2006. Fund balances were used to undertake scheduled capital projects in the Roads Fund and the Economic Development Income Tax Fund. The use of fund balances in Parks and Recreation was both to sustain operating expenses in excess of operating revenue, and to utilize funds collected for capital projects.

Among the projects were the Margerum Fountain and Plaza, Celery Bog viewing decks, and extensive urban forest and parks plantings were completed in 2006.

The non-major governmental funds have a combined fund balance of $12.6 M.

Proprietary funds
The City's proprietary fund uses full accrual accounting to report information in the fund financial statements just as is done in the government-wide financial statements.

Net assets at year end in the City's proprietary wastewater treatment utility fund were $35.75 M. Net assets invested in capital assets, net of related debt, comprise 65% of the total net assets. Restricted assets for debt service constitute about 2.3% of net assets at $855,000, similar to prior years. Operating income rose 11% to $3.25 M. [Refer to Statement of Net Assets, Proprietary Funds, page 34.]

<u>Budgetary Analysis</u>
General fund budgetary highlights
Total budgetary expenditures in the General Fund increased 5.9% over the prior year, reaching $10.15 M in 2006. Public safety continues to be both the largest expenditure category and fastest growing category. The overall increase in expenditures of 6.4% in 2006 matched the prior year's rate. Amendments to the original budget resulted in increased expenditure authority of 2.8%, the prime need being to authorize greater expenditures for public safety. [Refer to Budgetary Comparison Schedule, page 70 and Schedule of Expenditures – Budget and Actual – General Fund, pages 80-81]

Over the past four years, the average budget reversion, or under-expenditure, for the General Fund has been 4.4%. This year, actual expenditures were nearly $470,000 lower than budget resulting in a 4.4% reversion. Under-expenditures in the other services and charges category contributed almost half of reversions, and personal services contributed about 27%.

General Fund revenues were $9.6 M, an increase of approximately $150,00 or 1.6%, compared to a 3% and 2.4% annual growth rate in the prior two years. The total revenue variance was positive, and within $10,500 of budget. Property tax revenue from ad valorem levies is the major revenue source for the General Fund, averaging about $1.3 of property tax to every $1 from other revenue sources. In 2006, property tax totaled $5.42 M and revenue from other sources totaled $4.21 M. The allocation of property tax to the General Fund is 8.5% higher in 2006 than in 2003, however the growth of expenditures in the General Fund has been 15% in the same period.

The single largest non-property tax source of revenue to the General Fund is the county option income tax (COIT). The City's share of Income tax revenue has not grown in the past three years, averaging about $1.4 M per year. Income tax is levied on a taxpayer basis countywide and is then distributed to civil jurisdictions based on the proportionate share of the City's eligible property tax levy compared to the total eligible property levies in the county. Although the amount of COIT distributed throughout the county has risen 6.7% in the past three years, the relatively higher growth rate and magnitude of other levies compared to the City's levy, particularly the County Child & Family Welfare Levy, has continued to reduce the City's proportionate share of income tax. The City's plan to impose an additional levy in 2008 to cover the cost of services provided to a major annexation area will provide some offset to the decline in the City's income tax share, but the trend will continue.

Other major funds budgetary highlights

Roads Funds are comprised of a grouping of special revenue funds that receive state distributions of fuel tax, excise tax, and local option highway user tax. The Roads Funds are the sole source for operating and maintenance expenses for roads, and also provide significant funds for capital improvement of City roads, sidewalks, and traffic signals.

Revenues for Roads funds increased $0.27 M or 16% over the prior year. The increase in largely due to the first of two annual special distributions from the State's Major Moves initiative. The Major Moves revenue is earmarked for additional road work for the reconstruction of Cumberland Avenue programmed for 2007 and 2008. Expenditures increased $0.9 M or 69% reflecting major construction activities on the Salisbury Street Safety Improvement Project and the Tapawingo South Extension. Projects are scheduled on the City's master road capital improvement plan taking into account the most advantageous times for projects to come on line in conjunction with public and private investments and availability of funding sources.

Parks and Recreation Funds are comprised of one fund which is mostly funded by property tax and a grouping of special revenue funds that receive recreation fee revenue, donations, and grants. The Parks and Recreation Funds are the base source for operating and maintenance funds for parks facilities, but increasingly maintenance expenses are funded by the property-tax based Cumulative Capital Development Fund. Major capital improvements are funded out of the Economic Development Income Tax Fund, and the Redevelopment Commission Levee/Village and KCB Tax Increment Funds.

Revenues to the Parks and Recreation Funds increased $0.1M or 6.4% in 2006 to about $1.74 M due to an increase in the allocation of property tax revenue from the City levy. Expenditures increased 15.5% to $1.995 M, with a 9-fold increase in capital outlay for parks facility improvements and equipment.

Economic Development Income Tax fund revenue, which is almost entirely dependent on distributions of the local option economic development income tax (EDIT), increased 11.2% over the prior year. The increase reflects recovery of EDIT distribution back to the levels seen in 2003. While total EDIT distribution to Tippecanoe County has increased approximately 14% since 2003, West Lafayette's allocation has increased just 1.4% over the same period, indicative of the same factors influencing distribution of COIT discussed previously in relation to General Fund revenues.

Economic Development Income tax Fund expenditures increased to $1.6 M an increase or 22% primarily due to Wabash riverfront land acquisition costs for the joint City/Purdue Rowing Club recreational venue.

[Refer to Budgetary Comparisons Schedule, Major Special Revenue Funds on page 71 of Required Supplementary Information.]

Capital Asset and Debt Administration

Capital assets

Capital assets includes land; infrastructure including sewers, trails, and roads; buildings and improvements; machinery and equipment; and construction in progress. The City's primary government's capital assets at year end totaled $103.2 M, net of accumulated depreciation, with 53% allocated to governmental activities and 47% to wastewater utility. Capital assets increased $5.0 M or 5.1% over the prior year. Increases in capital assts for governmental activities reflect land acquisition for road projects, primarily the Tapawingo South Extension project, the completion of the renovation of the basement of City Hall, and the completion of several major infrastructure projects including Clamberer Road Phase 2, Brown Street reconstruction and the Brown Street Overlook, trail extensions for the City's 22 mile network, and the reconstruction the Tapawingo Plaza to site the new Margerum Fountain venue. Investments in depreciable capital assets for the wastewater treatment utility increased $1.7 M or 3.5%.

[Figure 6; and Section III, Notes C and D to Notes to Financial Statements, page 50-55; for readers desiring more detailed information on capital asset activities.)

Long-term liabilities
The City's long-term liabilities totaled $54.96 M at year end, comprised of bonded debt and other long-term liabilities which include pension obligations and compensated absences. The largest class of long-term liabilities is bonded debt at $46.3 M, comprised 45% of revenue bonds payable for City general governmental activities and 55% of loans payable for the wastewater treatment utility. [Figure 7]

Revenue bond debt for the City was $20.9 M at year end, a decrease of $1.2 M or 5% reflecting scheduled debt repayment. No new revenue bond debt was incurred in 2006. Approximately 75% of the debt is payable through lease obligations to blended component units: the West Lafayette Redevelopment Authority, the West Lafayette Building Corporation, and the West Lafayette Equipment Leasing Corporation. The remainder is an obligation of the Redevelopment Commission. Tax Increment Financing revenue is utilized for debt service on 80% of the outstanding bond debt, the only exceptions being use of economic development income tax for the debt on the Police Station and a general property tax levy for the Fire Truck debt.

Loan payables for the wastewater treatment utility which totaled $25.4 M are entirely from the State Revolving Fund. These obligations are paid from the revenues earned by the utility. Additional loan draws of $1.8 M were made for the Western Interceptor project construction and design; and the Digester Renovation and Alternate Power project design as these projects proceeded. Increased indebtedness for these projects was offset by loan repayments, resulting in a year end loan payables balance only about $0.2 M higher than the prior year. Detailed information on long-term debt activity is available in the Notes to the Financial Statements in Section III, Note F pages 56-59]

Other long-term liabilities of $8.6 M are primarily pension obligations. Net pension liability declined 10% from the prior year due to changes in actuarial assumptions and a fresh amortization period for calculating annual required contribution in the 1925 Police Officers' Pension and the 1937 Firefighters' Pension. These changes were approved by the Indiana State Pension Oversight Management Commission. These changes had a corresponding impact on the unfunded actuarial accrued liability for these pensions. As of January 1, 2006, the unfunded actuarial liability for all pensions is $18,218,453, a decrease of over $0.5 M from the prior year. [Refer to Schedules of Funding Progress, page 72.] Fiduciary net assets available for the 1925 Police Officers' Pension and the 1937 Firefighters' Pension increased 65% to $1.28 M in 2006 due to increased allocation of property tax to the pension funds and use of the Rainy Day Fund to pay 40% of pension benefits. The building of assets in the pension funds is part of the City's strategic plan to eliminate or mitigate the need for property tax increase to fund over $0.5 M in additional pension benefit payments over the next two years due to increased retirements.

The City's most recent revenue debt bond rating in 2001 was AA- from Standard and Poor's rating service.

Economic Factors and the Next Year's Budgets and Rates

West Lafayette's focus is growing as a "Knowledge Centered Community." West Lafayette is a place people want to live, drawn from around the world to be part of a diverse and creative community that is the hometown of one of the world's preeminent universities, Purdue University. In 2006, the West Lafayette-Lafayette area was named a 5-Star Best Places in the U.S. to Locate a Company and 5-Star Quality of Life Quotient by Expansion Magazine, 30^{th} in Kiplinger's Personal finance list of 50 smartest cities to live, and 98^{th} hottest U.S. spot for entrepreneurs by the Entrepreneur Magazine and National Policy Research Council, among other national recognition.

The largest annexation in the history of the City was effective in 2006. The City annexed 1,173 acres to the north of the City, an increase of nearly 30% in the area of the City. This annexation provides 377 acres for the Phase III Expansion of the successful Purdue Research Park, increasing its area 2.7-fold. Area was also provided for residential development, with an estimated 2,500 homes by 2020. By August 2007, the City is obligated to provide city services to the newly annexed area. The City will be hiring three additional police officers and three additional fire fighters in 2007. A third fire station will be constructed and equipped, including acquisition of a new fire truck. Economic development income tax funds and the KCB tax increment finance funds will be used for building and equipment costs, and operating expenses will be paid from the General Fund. In accordance with the City's fiscal plan for annexation, a determination will be made in 2007 as part of the FY 2008 budget process for an annexation levy appeal to provide permanent funding for a portion of the increased costs of extending services to the annexed area. This increase in levy must be approved by the Local Government Property Tax Control Board.

The City also expects to continue public/private partnerships with in-fill development within the City. In 2007, the City plans to replace an older fire apparatus with a new fire truck stationed at historic Fire Station No. 1 in Village area to meet first responder and fire protection needs in the area proximate to Purdue University. Funding for the fire truck will come from the Levee/Village tax increment finance district. The City will undertake in 2007 the North Salisbury Sewer Rehabilitation/Separation project in conjunction with the private $25 M Chauncey Square urban mixed-used development in the Village. The wastewater treatment utility will fund this project to provide sewer capacity for higher density development in the traditional commercial center of the City. Along Sagamore Parkway West, the City anticipates the $8.5 M Wabash Commons commercial subdivision at the 10 acre former K-Mart site to begin in 2007, and be included in the City's Sagamore Parkway Improvement planning funded by the Sagamore Parkway tax increment finance district.

The State project to construct a new segment of US 231 to the west and realign SR 26 with US 231, bypassing the campus and City core, will have a significant impact on the City's plans for both surface transportation, sewer infrastructure, and future annexation. This project will link the south end of the City with the northwest, providing high capacity access from the south and west to the City and Purdue. Delay of construction until 2008 will cause some phasing of the Western Interceptor project, but at this point will not for affect other City projects in 2007.

Completion of the two major roads projects is scheduled for 2007, $5.4 M Tapawingo South Extension and the $1.24 M Salisbury Street Safety Improvement. Tapawingo South is a new arterial that will link the Wabash Landing and Riverfront development areas to US 231 South, and is the first segment of the Master Purdue Transportation plan for reconfigured campus access. The Salisbury Street Safety Improvement project provided roadway, sidewalk, and signal improvements to the main north-south arterial in the City core. Planning for Cumberland Avenue Reconstruction with extensive community participation will extend throughout 2007, with construction programmed for 2008.

The wastewater treatment utility will fund approximately $2.75 for capital improvements on the collection system and for National Pollution Discharge Elimination System Phase II Stormwater implementation in 2007. No rate increases are planned.

2007 will be the first year for implementation of trending in property assessment, which is supposed to adjust property values based on changes in market value since assessment was last done effective for taxes payable in 2004. This valuation is carried out through the Wabash Assessor in conjunction with countywide reassessment activity. Tippecanoe

County is among the first counties in Indiana to have completed the trending process and the impact on property tax bills will not be known until tax rates are certified in the spring of 2007.

A new homestead credit for property taxes, funded by a 0.1% increase in the economic development income tax, will be allocated in 2007 to homeowners to neutralize the impact of removal of inventory assessed valuation from computation of the property tax rate. The impact on property taxes in West Lafayette is expected to be minimal as West Lafayette has less than $14.3 M in inventory assessed valuation compared to net assessed valuation (March 1, 2006) for tax purposes of $1,050,204,880.

In 2006, the Redevelopment Commission approved release of $18 M in assessed valuation to overlapping jurisdictions in 2007 from the KCB tax increment finance district. This action will increase the assessed valuation for purposes of calculating tax rates for the city, schools, libraries, and other overlapping jurisdictions. Tax increment property tax collection will be reduced in this TIF district but will not impede planned expenditures or impair debt service obligations because of the magnitude of collections in this district.

The City of West Lafayette has joined with the City of Lafayette to form the Lafayette-West Lafayette Insurance Consortium to jointly purchase comprehensive medical insurance in 2007 for employees of both cities, the first such initiative by municipalities in the State of Indiana. The goal is to realize premium savings and enhanced benefits by purchasing health insurance for a 800-member group, which is a more than a 4-fold increase in the census compared to West Lafayette's prior position in the health care market.

Municipal elections will be held in 2007. The offices of Mayor, Clerk-Treasurer, City Judge and City Council will be on the ballot.

Request For Information

This financial report is designed to provide a General overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the City Clerk-Treasurer, Judith C. Rhodes, 609 West Navajo Street, West Lafayette, Indiana 47906.

Figure 1
City of West Lafayette
Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
Assets	2006	2005	2006	2005	2006	2005
Current and other assets	$ 20,968,922	$ 22,000,742	$ 12,645,999	$ 10,178,223	$ 33,614,921	$ 32,178,965
Capital assets	54,491,383	51,102,085	48,745,437	47,084,101	103,236,820	98,186,186
Total assets	75,460,305	73,102,827	61,391,436	57,262,324	136,851,741	130,365,151
Liabilities						
Long-term liabilities	27,547,449	29,662,829	23,760,323	23,617,745	51,307,772	53,280,574
Other liabilities	2,963,302	3,142,003	1,876,338	1,824,037	4,839,640	4,966,040
Total liabilities	30,510,751	32,804,832	25,636,661	25,441,782	56,147,412	58,246,614
Net assets	$ 44,949,554	$ 40,297,995	$ 35,754,775	$ 31,820,542	$ 80,704,329	$ 72,118,537
Invested in capital assets, net of related debt	33,637,831	28,862,717	23,325,547	21,857,502	56,963,378	50,720,219
Restricted	13,660,921	11,534,608	855,000	825,000	14,515,921	12,359,608
Unrestricted	(2,349,198)	(99,330)	11,574,228	9,138,040	9,225,030	9,038,710
Total net assets	$ 44,949,554	$ 40,297,995	$ 35,754,775	$ 31,820,542	$ 80,704,329	$ 72,118,537

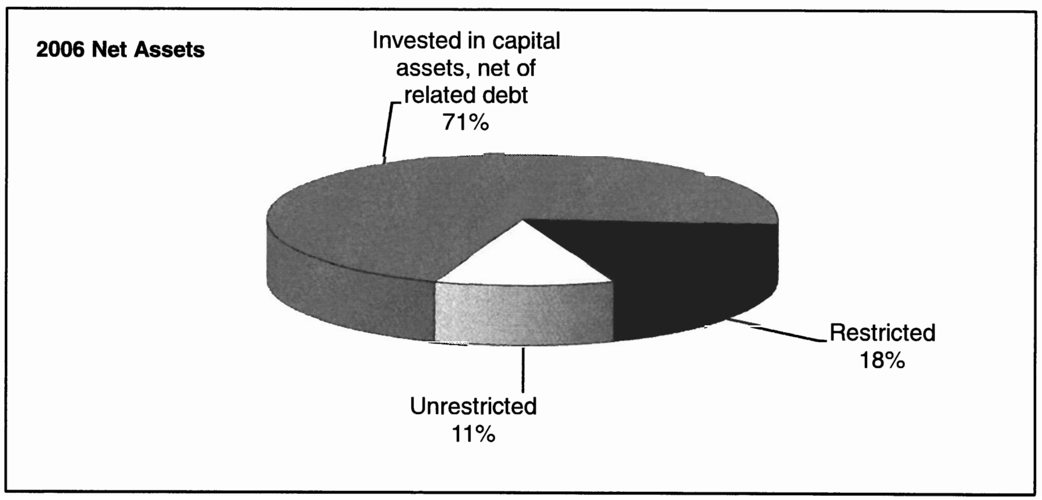


Figure 2
City of West Lafayette
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues:						
Charges for services	$ 5,415,248	$ 4,268,819	$ 7,557,104	$ 7,431,354	$ 12,972,352	$ 11,700,173
Operating grants and contributions	409,280	766,642	-	-	409,280	766,642
Capital grants and contributions	989,026	3,713,518	-	-	989,026	3,713,518
General revenues:						
Property taxes	10,362,021	9,948,214	-	-	10,362,021	9,948,214
Other state taxes	705,606	714,911	-	-	705,606	714,911
Other local taxes	1,286,702	1,326,741	-	-	1,286,702	1,326,741
Franchise Fees		130,326				130,326
Contributions and gifts	659,862	-	853,522	471,464	1,513,384	471,464
Miscellaneous receipts, net of interest	516,818	983,369	-	-	516,818	983,369
Unrestricted investment earnings	817,893	535,325	560,116	295,773	1,378,009	831,098
Total revenues	21,162,456	22,387,865	8,970,742	8,198,591	30,133,198	30,586,456
Expenses:						
General government	3,053,118	2,968,387	-	-	3,053,118	2,968,387
Public safety	6,189,724	6,780,190	-	-	6,189,724	6,780,190
Highways and streets	3,048,988	3,099,739	-	-	3,048,988	3,099,739
Sanitation	690,388	590,396	-	-	690,388	590,396
Health and welfare	-	-	-	-	-	-
Economic development	801,230	7,638,977	-	-	801,230	7,638,977
Culture and recreation	1,753,442	2,073,079	-	-	1,753,442	2,073,079
Interest Expense	974,007	902,509	-	-	974,007	902,509
Wastewater			5,036,509	5,006,664	5,036,509	5,006,664
Total expenses	16,510,897	24,053,277	5,036,509	5,006,664	21,547,406	29,059,941
Increase (decrease) in net assets before transfer	4,651,559	(1,665,412)	3,934,233	3,191,927	8,585,792	1,526,515
Transfers		278,121		(278,121)		-
Increase (decrease) in net assets	4,651,559	(1,387,291)	3,934,233	2,913,806	8,585,792	1,526,515
Net assets - January 1	40,297,995	41,685,286	31,820,542	28,906,736	72,118,537	70,592,022
Net assets - December 31	$ 44,949,554	$ 40,297,995	$ 35,754,775	$ 31,820,542	$ 80,704,329	$ 72,118,537

Figure 3
City of West Lafayette
Governmental Activities Revenues

	Governmental Revenues			
	2006		2005	
Property Taxes	$	10,362,021	$	9,948,214
Charges for Services		5,415,248		4,677,266
Capital Grants & Contributions		989,026		3,713,518
Intergovernmental		1,992,308		2,041,652
Miscellaneous		516,818		983,369
Operating Grants & Contributions		409,280		766,642
Unrestricted Investment Earnings		817,893		535,325
Contributions and Gifts		659,862		-
Totals	$	21,162,456	$	22,665,986

2006 Governmental Activities Revenues

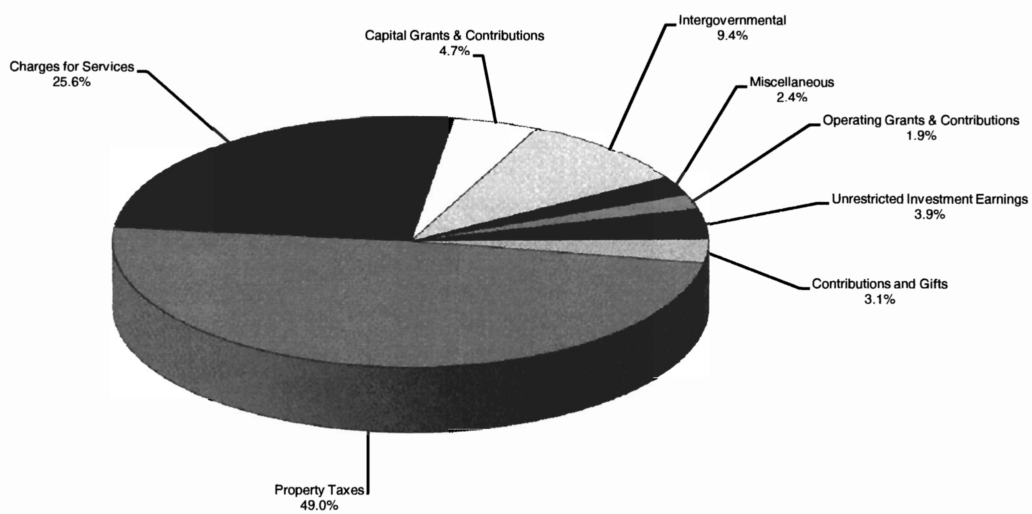


Figure 4
City of West Lafayette
Primary Government Program Expenses

	Governmental Expenses 2006		Governmental Expenses 2005	
Public Safety	$	6,189,724	$	6,780,190
Wastewater		5,036,509		5,006,664
General Government		3,053,118		2,968,387
Highways & Streets		3,048,988		3,099,739
Culture & Recreation		1,753,442		2,073,079
Interest Expense		974,007		902,509
Economic Development		801,230		7,638,977
Sanitation		690,388		590,396
Totals	$	21,547,406	$	29,059,941

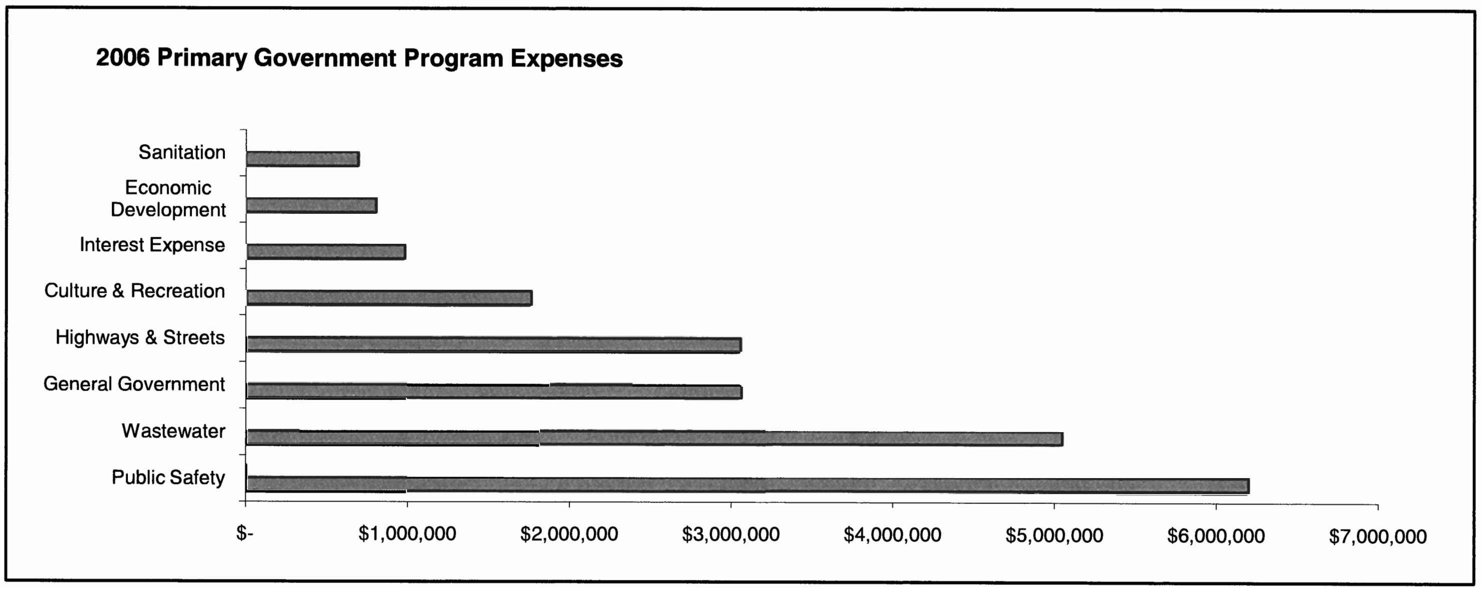


Figure 5
City of West Lafayette
Governmental Fund Balances at Year-End

	Year End Fund Balances			
	2006		2005	
General	$	1,830,324	$	2,385,003
Economic Development Income Tax		1,852,378		2,047,411
Road Funds		1,709,100		1,926,746
Parks and Recreation Funds		779,800		928,646
Redevelopment Commission 2005				9,056
Nonmajor Governmental Funds		12,573,015		12,065,488
Totals	$	18,744,617	$	19,362,350

2006 Year End Governmental Fund Balances

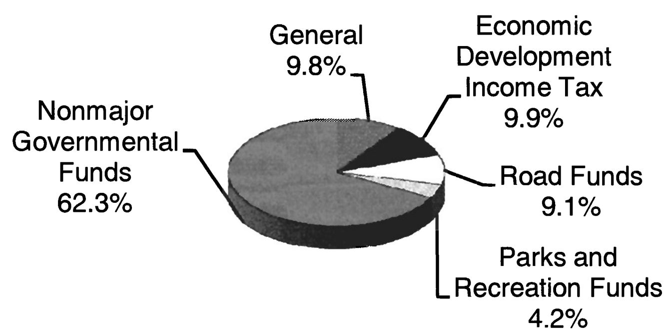


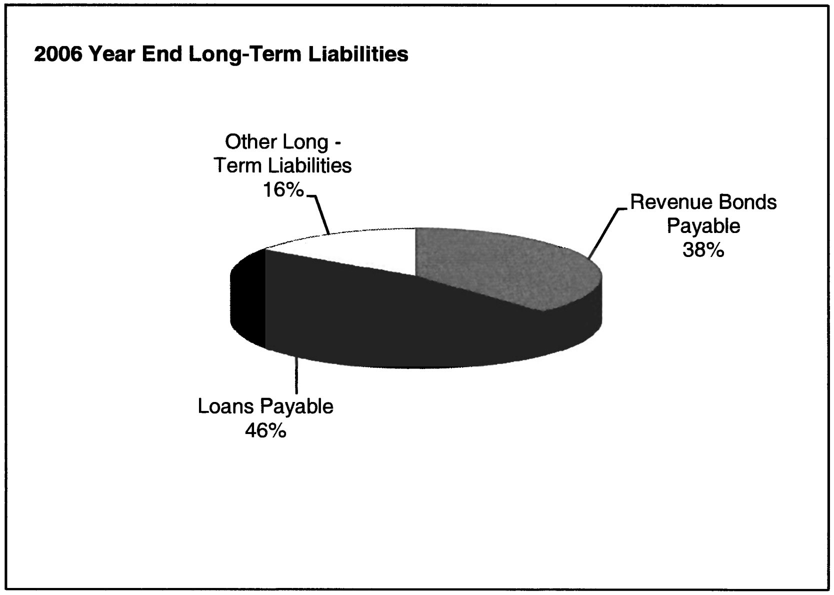
Figure 6
City of West Lafayette
Capital Assets At Year-End
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Land	$ 14,009,735	$ 12,543,013	$ 593,385	$ 593,385	$ 14,603,120	$ 13,136,398
Construction in progress	2,969,367	3,255,212	2,388,826	605,478	5,358,193	3,860,690
Buildings	11,724,526	11,880,897	18,880,013	19,156,849	30,604,539	31,037,746
Improvements other than buildings	3,122,827	2,153,618	24,572,105	24,457,380	27,694,932	26,610,998
Machinery and equipment	2,055,744	2,010,377	2,311,108	2,271,009	4,366,852	4,281,386
Infrastructure being depreciated	20,609,184	19,258,968	-	-	20,609,184	19,258,968
Totals	$ 54,491,383	$ 51,102,085	$ 48,745,437	$ 47,084,101	$ 103,236,820	$ 98,186,186

Land and Construction in Progress are not depreciated.

Figure 7
City of West Lafayette
Outstanding Long-Term Liabilities at Year-end

	Governmental Activites		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenue Bonds Payable (net of discount	$ 20,915,934	$ 22,142,904	$ -	$ -	$ 20,915,934	$ 22,142,904
Loans Payable	-	-	25,419,890	25,226,599	25,419,890	25,226,599
Total Bonded Debt	20,915,934	22,142,904	25,419,890	25,226,599	46,335,824	47,369,503
					-	-
Capital Leases	-	-	-	-	-	-
Pension Obligation	7,746,117	8,637,850	-	-	7,746,117	8,637,850
Compensated Absences	748,720	641,075	129,239	123,764	877,959	764,839
Other Long -Term Liabilities	8,494,837	9,278,925	129,239	123,764	8,624,076	9,402,689
Total Long-Term Liabilties	$ 29,410,771	$ 31,421,829	$ 25,549,129	$ 25,350,363	$ 54,959,900	$ 56,772,192



CITY OF WEST LAFAYETTE
STATEMENT OF NET ASSETS
December 31, 2006

	Primary Government		
Assets	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	$ 12,807,964	$ 12,081,362	$ 24,889,326
Cash with fiscal agent	6,412,046	-	6,412,046
Receivables (net of allowances for uncollectibles):			
Interest	77,077	55,338	132,415
Taxes	135,767	-	135,767
Accounts	250,337	386,964	637,301
Intergovernmental	608,548	-	608,548
Internal balances	72,884	(72,884)	-
Inventories	117,183	122,879	240,062
Deferred debits	319,841	-	319,841
Capital assets:			
Land and construction in progress	16,979,102	2,982,211	19,961,313
Other capital assets, net of depreciation	37,512,281	45,763,226	83,275,507
Net pension asset	167,275	72,340	239,615
Total assets	75,460,305	61,391,436	136,851,741
Liabilities			
Accounts payable	365,786	33,390	399,176
Accrued payroll and withholdings payable	320,339	54,142	374,481
Accrued interest payable	413,855	-	413,855
Noncurrent liabilities:			
Amounts due within one year:			
Notes and loans payable	-	1,705,000	1,705,000
Revenue bonds - due within one year	1,250,000	-	1,250,000
Compensated absences	613,323	83,806	697,129
Amounts due beyond one year:			
Notes and loans payable	-	23,714,890	23,714,890
Revenue bonds payable (net of discount)	19,665,934	-	19,665,934
Compensated absences	135,397	45,433	180,830
Net pension obligation	7,746,117	-	7,746,117
Total liabilities	30,510,751	25,636,661	56,147,412
Net assets			
Invested in capital assets, net of related debt	33,637,831	23,325,547	56,963,378
Restricted for:			
Highways and streets	6,449,920	-	6,449,920
Culture and recreation	5,876,996	-	5,876,996
Debt service	1,334,005	855,000	2,189,005
Unrestricted	(2,349,198)	11,574,228	9,225,030
Total net assets	$ 44,949,554	$ 35,754,775	$ 80,704,329

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

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CITY OF WEST LAFAYETTE
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2006

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Operating	Capital	Primary Government		
Functions/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 3,053,118	$ 816,863	$ -	$ -	$ (2,236,255)	$ -	$ (2,236,255)
Public safety	6,189,724	357,908	24,973	-	(5,806,843)	-	(5,806,843)
Highways and streets	3,048,988	3,024,744	-	72,674	48,430	-	48,430
Sanitation	690,388	480,862	25,683	-	(183,843)	-	(183,843)
Economic development	801,230	116,606	297,148	850,701	463,225	-	463,225
Culture and recreation	1,753,442	618,265	61,476	65,651	(1,008,050)	-	(1,008,050)
Interest expense	974,007	-	-	-	(974,007)	-	(974,007)
Total governmental activities	16,510,897	5,415,248	409,280	989,026	(9,697,343)	-	(9,697,343)
Business-type activities:							
Wastewater	5,036,509	7,557,104	-	-	-	2,520,595	2,520,595
Total business-type activities	5,036,509	7,557,104	-	-	-	2,520,595	2,520,595
Total primary government	$ 21,547,406	$ 12,972,352	$ 409,280	$ 989,026	(9,697,343)	2,520,595	(7,176,748)
General revenues:							
Property taxes					10,362,021	-	10,362,021
Other state taxes - Unrestricted					705,606	-	705,606
Other local taxes - Unrestricted					1,286,702	-	1,286,702
Contributions and gifts					659,862	853,522	1,513,384
Miscellaneous receipts (net of interest)					516,818	-	516,818
Unrestricted investment earnings					817,893	560,116	1,378,009
Total general revenues					14,348,902	1,413,638	15,762,540
Change in net assets					4,651,559	3,934,233	8,585,792
Net assets - beginning					40,297,995	31,820,542	72,118,537
Net assets - ending					$ 44,949,554	$ 35,754,775	$ 80,704,329

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

CITY OF WEST LAFAYETTE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2006

Assets	General	Roads Funds	Parks and Recreation Funds	Economic Development Income Tax	Nonmajor Governmental Funds	Totals
Cash and cash equivalents	$ 2,032,783	$ 1,577,011	$ 823,450	$ 1,875,668	$ 6,499,052	$ 12,807,964
Cash with fiscal agent	-	-	-	-	6,412,046	6,412,046
Receivables (net of allowances for uncollectibles):						
Interest	9,016	7,865	3,918	8,584	47,694	77,077
Taxes	71,100	-	12,150	-	52,517	135,767
Accounts	247,739	-	-	-	2,598	250,337
Intergovernmental	153,155	163,263	10,195	216,471	65,464	608,548
Interfund receivable	72,884	-	-	-	-	72,884
Total assets	$ 2,586,677	$ 1,748,139	$ 849,713	$ 2,100,723	$ 13,079,371	$ 20,364,623
Liabilities and fund balances						
Liabilities:						
Accounts payable	$ 279,330	$ 24,248	$ 13,241	$ 22,372	$ 26,595	$ 365,786
Accrued payroll and withholdings payable	261,719	14,791	34,327	9,502	-	320,339
Accrued interest payable	-	-	-	-	413,855	413,855
Deferred revenue:						
Unavailable	215,304	-	22,345	216,471	65,906	520,026
Total liabilities	756,353	39,039	69,913	248,345	506,356	1,620,006
Fund balances:						
Unreserved, reported in:						
General fund	1,830,324	-	-	-	-	1,830,324
Special revenue funds	-	1,709,100	779,800	1,852,378	3,544,121	7,885,399
Debt service funds	-	-	-	-	1,203,625	1,203,625
Capital projects funds	-	-	-	-	7,825,269	7,825,269
Total fund balances	1,830,324	1,709,100	779,800	1,852,378	12,573,015	18,744,617
Total liabilities and fund balances	$ 2,586,677	$ 1,748,139	$ 849,713	$ 2,100,723	$ 13,079,371	$ 20,364,623

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

CITY OF WEST LAFAYETTE
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
December 31, 2006

Total fund balances for governmental funds		$ 18,744,617
Amounts reported for governmental activities in the statement of net assets are different because:		
Inventories of materials and supplies held at year end are recorded on the statement of activities as expenditures when consumed rather than when purchased. Inventories are recorded as expenditures when purchased rather than consumed in the fund statements.		117,183
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. Those assets consist of:		
Land	$ 14,009,735	
Construction in progress	2,969,367	
Buildings, net of $4,074,631 accumulated depreciation	11,724,526	
Improvements other than buildings, net of $1,075,110 accumulated depreciation	3,122,827	
Machinery and equipment, net of $4,362,119 accumulated depreciation	2,055,744	
Infrastructure being depreciated, net of $12,143,532 accumulated depreciation	20,609,184	
Total capital assets		54,491,383
Bond issuance costs associated with debt issued by the City were reported as expenditures in the governmental funds when the debt was issued, whereas bond issuance costs are deferred in the statement of net assets. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the statement of activities.		319,841
Some city tax collections related to 2006 will be collected beyond the 60 day period used to record revenue in the fund statements. Revenue and a corresponding receivable for this amount are included in the government-wide statements.		135,767
State shared revenue appropriated during the State of Indiana's fiscal year ended June 30, 2006, will be collected by the City in calendar year 2007. Revenue and a corresponding receivable for the amount appropriated but not received by December 31, 2006, are included in the government-wide statements.		384,259
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and therefore, are not reported in the funds. All liabilities, both current and long-term, are reported in the statement of net assets. The discount or premium received when the City issued debt was reported in the governmental funds when the debt was issued, whereas these amounts are deferred and amortized, over the remaining life of the new debt, as an adjustment to interest expense in the statement of activities. Balances at December 31, 2006, are:		
Bonds payable	(21,095,000)	
Unamortized premium	179,066	
Compensated absences payable	(748,720)	
Total long-term liabilities		(21,664,654)
Net pension assets and obligations, including the 1925 Police Officers' Pension Plan, 1937 Firefighters' Pension Plan and the Public Employees Retirement Fund are not due and payable in the current period and therefore, are not reported in the funds, but are included in the government-wide statements.		(7,578,842)
Total net assets of governmental activities		$ 44,949,554

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

CITY OF WEST LAFAYETTE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	General	Roads Funds	Parks and Recreation Funds	Economic Development Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	$ 5,420,099	$ -	$ 926,195	$ -	$ 4,003,570	$ 10,349,864
Licenses and permits	84,023	-	-	-	1,235	85,258
Intergovernmental	2,254,157	1,668,411	133,251	1,303,903	1,297,943	6,657,665
Charges for services	1,060,119	7,770	544,126	-	28,529	1,640,544
Fines and forfeits	477,748	-	-	-	9,593	487,341
Other	313,946	306,529	137,861	103,746	543,463	1,405,545
Total revenues	9,610,092	1,982,710	1,741,433	1,407,649	5,884,333	20,626,217
Expenditures:						
Current:						
General government	2,572,319	-	-	-	6,512	2,578,831
Public safety	6,316,843	-	-	-	710,341	7,027,184
Highways and streets	267,977	2,200,356	-	1,122,682	-	3,591,015
Sanitation	631,727	-	-	-	-	631,727
Economic development	275,905	-	-	-	310,389	586,294
Culture and recreation	-	-	1,890,279	-	4,040	1,894,319
Debt service:						
Principal	-	-	-	-	1,240,000	1,240,000
Interest	-	-	-	-	974,007	974,007
Capital outlay	-	-	-	-	2,720,573	2,720,573
Total expenditures	10,064,771	2,200,356	1,890,279	1,122,682	5,965,862	21,243,950
Excess (deficiency) of revenues over (under) expenditures	(454,679)	(217,646)	(148,846)	284,967	(81,529)	(617,733)
Other financing sources (uses):						
Transfers in	-	-	-	-	6,902,836	6,902,836
Transfers out	(100,000)	-	-	(480,000)	(6,322,836)	(6,902,836)
Total other financing sources (uses)	(100,000)	-	-	(480,000)	580,000	-
Net change in fund balances	(554,679)	(217,646)	(148,846)	(195,033)	498,471	(617,733)
Fund balances - beginning	2,385,003	1,926,746	928,646	2,047,411	12,074,544	19,362,350
Fund balances - ending	$ 1,830,324	$ 1,709,100	$ 779,800	$ 1,852,378	$ 12,573,015	$ 18,744,617

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

CITY OF WEST LAFAYETTE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2006

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balances).	$ (617,733)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,769,576
Net change in revenues that do not provide current financial resources. Revenues are reported on the statement of activities in the year accrued and in the funds when the financial resources are provided.	(123,622)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,003,071
Governmental funds do not report the gains or losses resulting from the retirement or deletion of capital assets. However, in the statement of activities, these gains or losses are computed as the net difference between the net book value of the asset (original cost of the asset less accumulated depreciation) and the value received for the deleted asset. This amount is the net loss on the assets deleted during the year.	(40,140)
Governmental funds do not report the contributions of capital assets. However, in the statement of activities, these contributions are reported as capital contributions.	659,862
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	545
Change in net assets of governmental activities (statement of activities)	$ 4,651,559

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

CITY OF WEST LAFAYETTE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2006

	Business-type Activity - Enterprise Fund Wastewater Utility
Assets	
Current assets:	
Cash and cash equivalents - unrestricted	$ 6,314,253
Interest receivable	27,662
Accounts receivable (net of allowance for uncollectibles)	386,964
Inventories	122,879
Restricted assets:	
Cash and cash equivalents - restricted	5,767,109
Interest receivable - restricted	27,676
Total current assets	12,646,543
Noncurrent assets:	
Capital assets:	
Land, improvements to land and construction in progress	2,982,211
Other capital assets (net of accumulated depreciation)	45,763,226
Net pension asset	72,340
Total noncurrent assets	48,817,777
Total assets	61,464,320
Liabilities	
Current liabilities:	
Accounts payable	33,390
Accrued payroll and withholdings payable	54,142
Interfund payable	72,884
Total current liabilities	160,416
Noncurrent liabilities:	
Amounts due within one year:	
Loans payable	1,705,000
Compensated absences	83,806
Amounts due beyond one year:	
Loans payable	23,714,890
Compensated absences payable	45,433
Total noncurrent liabilities	25,549,129
Total liabilities	25,709,545
Net assets	
Invested in capital assets, net of related debt	23,325,547
Restricted for:	
Debt service	855,000
Unrestricted	11,574,228
Total net assets	$ 35,754,775

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

CITY OF WEST LAFAYETTE
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2006

	Business-type Activity - Enterprise Fund
	Wastewater Utility
Operating revenues:	
Residential sales	$ 7,311,949
Other	245,155
Total operating revenues	7,557,104
Operating expenses:	
Collection system - operations and maintenance	412,156
Treatment and disposal expense - operations and maintenance	1,368,532
Customer accounts	158,741
Administration and general	1,128,193
Depreciation and amortization	1,240,841
Total operating expenses	4,308,463
Operating income	3,248,641
Nonoperating revenues (expenses):	
Interest and investment revenue	560,116
Loss on sale of assets	(33,165)
Interest expense	(694,881)
Total nonoperating revenue (expenses)	(167,930)
Income before contributions	3,080,711
Capital contributions	853,522
Change in net assets	3,934,233
Total net assets - beginning	31,820,542
Total net assets - ending	$ 35,754,775

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

CITY OF WEST LAFAYETTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2006

	Business-type Activity - Enterprise Fund: Wastewater Utility
Cash flows from operating activities:	
Receipts from customers and users	$ 7,486,285
Payments to suppliers	(1,819,436)
Payments to employees	(1,210,946)
Net cash provided by operating activities	4,455,903
Cash flows from capital and related financing activities:	
Proceeds from capital debt	237,162
Capital contributions	73,678
Acquisition and construction of capital assets	(546,785)
Principal paid on capital debt	(1,650,000)
Interest paid on capital debt	(694,881)
Proceeds from sale of capital assets	2,814
Net cash used by capital and related financing activities	(2,578,012)
Cash flows from investing activities:	
Proceeds from sales and maturities of investments	150,000
Interest received	540,558
Net cash used by investing activities	690,558
Net decrease in cash and cash equivalents	2,568,449
Cash and cash equivalents, January 1	9,512,913
Cash and cash equivalents, December 31	$ 12,081,362
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 3,248,641
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	1,240,841
(Increase) decrease in assets:	
Accounts receivable	(70,819)
Inventories	1,202
Prepaid items	40,676
Net pension assets	(7,473)
Increase (decrease) in liabilities:	
Accounts payable	(14,864)
Accrued payroll and withholdings payable	5,579
Compensated absence payable	5,475
Due to other funds	6,645
Total adjustments	1,207,262
Net cash provided by operating activities	$ 4,455,903
Noncash investing, capital and financing activities:	
Capital assets acquired through letter of credit drawdowns	$ 1,606,129
Long-term debt incurred through letter of credit drawdowns	1,606,129
Contributions of capital assets	779,844
Capital assets acquired through accounts payable	5,398

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

CITY OF WEST LAFAYETTE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2006

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	$ 563,436	$ 200,415
Investments	685,835	-
Receivables:		
Interest and dividends	50,987	-
Taxes	6,126	-
Intergovernmental	5,140	-
Total assets	1,311,524	$ 200,415
Liabilities		
Payroll withholdings payable	-	173,658
Trust payable	-	26,757
Total liabilities	-	$ 200,415
Net assets		
Held in trust for:		
Employees' pension benefits	$ 1,311,524	

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

CITY OF WEST LAFAYETTE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For The Year Ended December 31, 2006

Additions	Pension Trust Funds
Contributions:	
Employer	$ 1,101,572
Plan members	4,190
Net investment income:	
Interest	79,194
Total additions	1,184,956
Deductions	
Benefits and refunds paid to plan members and beneficiaries	639,072
Administrative expenses	7,172
Total deductions	646,244
Changes in net assets	538,712
Net assets - beginning	772,812
Net assets - ending	$ 1,311,524

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

<u>Blended Component Units</u>

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The primary government reports the following major governmental funds:

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

The Roads Funds (special revenue) accounts for the financial resources and expenses for construction, operation and maintenance of the local and arterial roads and street system. The Motor Vehicle Highway, Local Roads and Streets, Lindberg-McCormick Road, and Kalberer Road Improvement funds have been combined to form the Roads Funds.

The Parks and Recreation Funds (special revenue) account for the financial resources and expenses for the construction, operation and maintenance of the local public parks system. The Park and Recreation, Park Nonreverting Operating, Wabash Heritage Corridor, Park Gift, Celery Bog, and Park Nonreverting Capital – Pool funds have been combined to form the Parks and Recreation Funds.

Economic Development Income Tax Fund (special revenue) accounts for revenues received from the County Economic Development Income Tax (CEDIT) and is used for construction of projects funded by these revenues.

The primary government reports the following major proprietary fund:

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

Additionally, the primary government reports the following fund types:

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

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

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

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

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

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

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

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

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

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

2. Interfund Transactions and Balances

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

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statutes (IC 6-1.1-17-16) require the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable on the statement of net assets and are recognized as tax revenue on the statement of activities. The net amounts are recognized as receivables on the funds financial statements with an offset to deferred revenue, since these amounts are not considered available.

4. Inventories and Prepaid Items

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

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

5. Restricted Assets

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

6. Capital Assets

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

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

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

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

N/A = Not applicable

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

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

7. Compensated Absences

a. Sick Leave – primary government employees earn sick leave at the rate of ten days per year. Unused sick leave may be accumulated to a maximum of ninety days. Upon termination, the City will pay for one-half of the employee's accumulated sick leave up to forty-five days, for employees hired after May 1986. Employees hired prior to May 1986 will be compensated in full for the first thirty days and one-half pay for the next thirty days.

b. Vacation Leave – primary government employees earn vacation leave at rates from ten to twenty days per year based upon the number of years of service. No more than five days of accumulated vacation can be carried over from year to year. Accumulated vacation leave is paid to employees through cash payments upon termination.

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

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

8. Long-Term Obligations

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

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

9. Fund Equity

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

II. Stewardship, Compliance and Accountability

<u>Budgetary Information</u>

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

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

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

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

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may be at risk. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. All bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2006, the City had the following investments:

	Primary Government	Investment Maturities (in Years)		
Investment Type	Fair Value	Less Than 1	More Than 2	Duration
Pension Relief Investment Pool	$ 480,085	$ -	$ -	3.6

Investment Policies

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

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

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

At the option of the City, an additional distribution in a prior year of police and fire pension relief funds was held for investment in an external investment pool (Pension Relief Fund) by the Public Employees' Retirement Fund of Indiana (PERF). These deferred amounts invested in the fund are available to participating cities and towns at their request. The Pension Relief Fund is invested to a target of 70% fixed income debt instruments and 30% domestic stock. The fair value of the City's investment in the Fund is the same as the value of the pool shares. Domestic stock fair value as of December 31, 2006, was $205,751. Responsibility of regulatory oversight for the pool is assumed by the PERF governing board, under direction by statute to "invest its assets with the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." Utilizing external investment managers, the PERF Board diversifies such investments in accordance with prudent investment standards.

Investment Custodial Credit Risk

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years.

Interest rate risk of the Pension Relief Fund's fixed income portfolio, using the duration approach, is 3.6.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

		City's Investments
Standard and Poor's Rating	Moody's Rating	Pension Relief Investment Pool
AAA	Aaa	$ 324,056
AA	Aa	26,885
A	A	76,814
BBB	Baa	49,449
Unrated	Unrated	2,881
Total		$ 480,085

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

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

C. Capital Assets

Capital asset activity for the year ended December 31, 2006, was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 12,543,013	$ 1,466,722	$ -	$ 14,009,735
Construction in progress	3,255,212	4,775,478	5,061,323	2,969,367
Total capital assets, not being depreciated	15,798,225	6,242,200	5,061,323	16,979,102
Capital assets, being depreciated:				
Buildings	15,426,823	372,334	-	15,799,157
Improvements other than buildings	3,060,100	1,137,837	-	4,197,937
Machinery and equipment	6,144,400	507,472	234,009	6,417,863
Infrastructure being depreciated	30,368,894	2,383,822	-	32,752,716
Total capital assets, being depreciated	55,000,217	4,401,465	234,009	59,167,673

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated (continued):				
Less accumulated depreciation for:				
Buildings	3,545,926	528,705	-	4,074,631
Improvements other than buildings	906,482	168,628	-	1,075,110
Machinery and equipment	4,134,023	441,925	213,829	4,362,119
Infrastructure being depreciated	11,109,926	1,033,606	-	12,143,532
Total accumulated depreciation	19,696,357	2,172,864	213,829	21,655,392
Total capital assets, being depreciated, net	35,303,860	2,228,601	20,180	37,512,281
Total governmental activities capital assets, net	$ 51,102,085	$ 8,470,801	$ 5,081,503	$ 54,491,383
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 593,385	$ -	$ -	$ 593,385
Construction in progress	605,478	1,783,348	-	2,388,826
Total capital assets, not being depreciated	1,198,863	1,783,348	-	2,982,211
Capital assets, being depreciated:				
Buildings	21,158,876	-	-	21,158,876
Improvements other than buildings	30,102,505	794,021	-	30,896,526
Machinery and equipment	4,628,739	360,787	79,417	4,910,109
Total capital assets, being depreciated	55,890,120	1,154,808	79,417	56,965,511

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities (continued):				
Capital assets, being depreciated (continued):				
Less accumulated depreciation for:				
Buildings	2,002,027	276,836	-	2,278,863
Improvements other than buildings	5,645,125	679,296	-	6,324,421
Machinery and equipment	2,357,730	284,709	43,438	2,599,001
Total accumulated depreciation	10,004,882	1,240,841	43,438	11,202,285
Total capital assets, being depreciated, net	45,885,238	(86,033)	35,979	45,763,226
Total business-type activities capital assets, net	$ 47,084,101	$ 1,697,315	$ 35,979	$ 48,745,437

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

Governmental activities:	
General government	$ 376,387
Public safety	281,548
Highways and streets, including depreciation of general infrastructure assets	922,548
Sanitation	52,738
Culture and recreation	516,095
Economic development	23,548
Total depreciation expense - governmental activities	$ 2,172,864
Business-type activities:	
Wastewater	$ 1,240,841
Total depreciation expense - business-type activities	$ 1,240,841

D. Construction Commitments

Construction work in progress is composed of the following:

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Project	Total Project Authorized	Expended to December 31, 2006	Committed	Required Future Funding
Governmental activities:				
Tapawingo South Road	$ 1,121,429	$ 864,146	$ 257,283	$ -
Sagamore West Phase II	593,216	508,327	84,889	-
Salisbury Street Phase I	1,233,128	983,569	249,559	-
Salisbury Street Phase II	85,100	681	84,419	-
Night Hawk Trail	14,760	5,226	9,534	-
Celery Bog Nature Enhancement	71,726	47,489	24,237	-
Celery Bog Deck and Boardwalk	59,510	59,302	208	-
Lincoln Park	65,047	54,817	10,230	-
Lindberg Road	401,894	262,081	139,813	-
Purdue Transportation Plan	6,589	6,589	-	-
Sycamore Lane	14,999	14,999	-	-
Wabash Landing Sculpture	3,159	3,159	-	-
Wabash Landing Garage Rehab	195,350	7,500	187,850	-
Cumberland Avenue Phase I	159,735	9,735	150,000	-
Fire Station #1 Rehab	46,309	46,309	-	-
Chauncey Square	265,486	56,820	208,666	-
Midway Landscape	37,446	34,528	2,918	-
City Hall Parking Lot	2,750	2,750	-	-
Heritage Trail Trolley Trail	53,358	1,340	52,018	-
Perimeter Parkway	643,150	-	643,150	-
Totals	$ 5,074,141	$ 2,969,367	$ 2,104,774	$ -

Project	Total Project Authorized	Expended to December 31, 2006	Committed	Required Future Funding
Business-type activities:				
Wastewater:				
Western Interceptor	$ 3,410,972	$ 1,505,761	$ 1,905,211	$ -
Digester	1,138,888	784,860	354,028	-
Northwestern Ave Improvement	6,068	6,068	-	-
Impervious Area Analysis	15,870	13,059	2,811	-
Green Meadows Lift Station	77,900	16,130	61,770	-
Barbarry Heights Lift Station	70,000	62,948	7,052	-
Totals	$ 4,719,698	$ 2,388,826	$ 2,330,872	$ -

E. Interfund Balances

The composition of interfund balances as of December 31, 2006, is as follows:

Receivable Fund	Payable Fund	Amount
General	Wastewater Utility	$ 72,884

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

Interfund Transfers

Interfund transfers at December 31, 2006, were as follows:

Transfer From	Transfer To: Nonmajor Governmental	Total
General Fund	$ 100,000	$ 100,000
Economic Development Income Tax	480,000	480,000
Nonmajor governmental	6,322,836	6,322,836
Totals	$ 6,902,836	$ 6,902,836

The primary government typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the general fund to the debt service fund for current-year debt service requirements.

F. Long-Term Liabilities

1. Revenue Bonds

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

Purpose	Interest Rates	Outstanding Principal	Bond Discount	Revenue Bonds, Net
Parking garage - WL Redevelopment Authority	4.00% to 5.25%	$ 6,405,000	$ 78,798	$ 6,326,202
Fire truck - WL Equipment Leasing Corporation	3.2% to 4.5%	355,000	4,628	350,372
Infrastructure - WL Redevelopment Authority	3.375% to 4.75%	5,075,000	45,065	5,029,935
Ross Enterprise Center - Redevelopment Commission	4.00% to 5.10%	3,930,000	50,575	3,879,425
Police station - WL Building Corporation	4.00%	5,330,000	-	5,330,000
Totals		$ 21,095,000	$ 179,066	$ 20,915,934

Revenue bonds debt service requirements to maturity are as follows:

Year Ended December 31	Governmental Activities Principal	Governmental Activities Interest
2007	$ 1,250,000	$ 956,079
2008	1,300,000	902,685
2009	1,360,000	848,188
2010	1,425,000	787,400
2011	1,445,000	727,568
2012-2016	7,960,000	2,639,780
2017-2021	5,385,000	960,234
2021-2023	970,000	47,744
Totals	$ 21,095,000	$ 7,869,678

2. Loans Payable

The City has entered into five loans from the State Revolving Loan Fund for the expansion and renovation of wastewater facilities. Under the terms of the loans, funds are loaned to the City as planned construction costs are accrued to the maximum allowed under the loan. The 1994 loan established a maximum draw of $19,950,000, the 1998 loan established a maximum draw of $9,170,000, the 2001 loan established a maximum draw of $7,000,000, the 2004 loan established a maximum draw of $12,380,000 and the 2006(B) loan established a maximum draw of $8,345,000. At December 31, 2006, the 1994 loan had been fully drawn and had an outstanding principal balance of $11,445,000; the 1998 loan had drawn $8,669,611 and had an outstanding principal balance of $6,444,611; the 2001 loan had been fully drawn and had an outstanding principal balance of $5,900,000; the 2004 loan had drawn $1,414,100 and had an outstanding balance of $1,414,100; and the 2006(B) loan had drawn $216,179 and had an outstanding balance of $216,179. Annual debt service requirements for the 1994 and 2001 loans are as follows. Annual debt service requirements for the 1998, 2004, and 2006(B) loans will not be determined until planned construction projects are completed.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Year Ended December 31	Proprietary Activities Principal	Proprietary Activities Interest
2007	$ 1,295,000	$ 514,450
2008	1,335,000	475,895
2009	1,370,000	436,150
2010	1,410,000	395,360
2011	1,455,000	353,380
2012-2016	7,940,000	1,091,350
2014-2018	2,085,000	250,705
2019-2023	455,000	13,195
Totals	$ 17,345,000	$ 3,530,485

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2006, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Revenue bonds	$ 22,335,000	$ -	$ 1,240,000	$ 21,095,000	$ 1,250,000
Pension obligation	8,637,850	1,245,700	2,137,433	7,746,117	-
Compensated absences	641,075	635,396	527,751	748,720	613,323
Total governmental activities long-term liabilities	$ 31,613,925	$ 1,881,096	$ 3,905,184	$ 29,589,837	$ 1,863,323

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Loans payable	$ 25,226,599	$ 1,843,291	$ 1,650,000	$ 25,419,890	$ 1,295,000
Compensated absences	123,764	106,367	100,892	129,239	83,806
Total business-type activities long-term liabilities	$ 25,350,363	$ 1,949,658	$ 1,750,892	$ 25,549,129	$ 1,378,806

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

G. Restricted Assets

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

Bond and interest - cash and cash equivalents	$ 855,000
Reserve - cash and cash equivalents	2,633,355
Equipment replacement - cash and cash equivalents	2,278,754
Interest receivable	27,676
Total restricted assets	$ 5,794,785

IV. Other Information

A. Risk Management

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

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

Job Related Illnesses or Injuries to Employees

During 2004, the City joined with other governmental entities to participate in the Indiana Public Employers Plan, a public entity risk pool currently operating as a common risk management and insurance program for 860 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses and injuries. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to $1,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the $1,000,000 limit.

B. Holding Corporation

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

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

C. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

b. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

c. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	$ 198,571	$ 661,000	$ 790,700
Interest on net pension obligation	(15,577)	477,500	498,100
Adjustment to annual required contribution	17,752	(578,300)	(603,300)
Annual pension cost	200,746	560,200	685,500
Contributions made	225,498	522,525	428,408
Increase (decrease) in net pension obligation	(24,752)	37,675	257,092
Net pension obligation, beginning of year	(214,862)	2,549,233	4,902,117
Net pension obligation, end of year	$ (239,614)	$ 2,586,908	$ 5,159,209

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	5.75%	2,387%	305%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-05	01-01-05
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-06	01-01-06
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

d. Financial Statements for Defined Benefit Plans

Statements of Fiduciary Net Assets:

Assets	1925 Police Officers' Pension	1937 Firefighters' Pension
Cash and cash equivalents	$ 148,194	$ 415,242
Investments	407,330	278,505
Receivables:		
Interest and dividends	29,470	21,517
Taxes	2,967	3,159
Intergovernmental	2,489	2,651
Total Assets	$ 590,450	$ 721,074
Net Assets		
Held in trust for pension benefit obligations	$ 590,450	$ 721,074

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Statements of Changes in Fiduciary Net Assets:

Additions	1925 Police Officers' Pension	1937 Firefighters' Pension
Contributions:		
Employer	$ 583,621	$ 517,951
Plan members	-	4,190
Investment income:		
Interest	43,130	36,064
Total additions	626,751	558,205
Deductions		
Benefits and refunds paid to plan members and beneficiaries	483,051	156,021
Administrative expenses	2,738	4,434
Total deductions	485,789	160,455
Changes in net assets	140,962	397,750
Net assets - beginning	449,488	323,324
Net assets - ending	$ 590,450	$ 721,074

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

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

PERF

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-04	189,378	113%	(181,704)
06-30-05	190,904	117%	(214,862)
06-30-06	200,746	118%	(239,614)

1925 Police Officers' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-03	728,100	112%	2,289,388
12-31-04	705,900	63%	2,549,233
12-31-05	560,200	93%	2,586,908

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

1937 Firefighters' Pension Plan			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-03	873,600	59%	4,308,489
12-31-04	859,500	31%	4,902,117
12-31-05	685,500	62%	5,159,209

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2006, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	30	20
Current active employees	-	4

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

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

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of PERF. The primary government's contributions to the plan for the years ending December 31, 2006, 2005, and 2004, were $714,403, $690,817, and $648,706, respectively, equal to the required contributions for each year.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2006

	General Fund			
	Budgeted Amounts		Actual	Variance Positive
	Original	Final	(Budgetary Basis)	(Negative)
Revenues:				
Taxes	$ 5,494,089	$ 5,494,089	$ 5,420,099	$ (73,990)
Licenses and permits	86,420	86,545	84,023	(2,522)
Intergovernmental	2,108,841	2,304,904	2,277,780	(27,124)
Charges for services	1,006,680	1,012,656	1,052,049	39,393
Fines and forfeits	474,600	416,335	467,965	51,630
Other	235,975	303,554	326,655	23,101
Total revenues	9,406,605	9,618,083	9,628,571	10,488
Expenditures:				
Current:				
General government	2,790,880	2,780,628	2,576,857	203,771
Public safety	6,277,580	6,561,053	6,400,577	160,476
Highways and streets	293,570	302,313	265,344	36,969
Sanitation	680,690	688,778	631,137	57,641
Urban redevelopment and housing	282,220	285,978	275,180	10,798
Total expenditures	10,324,940	10,618,750	10,149,095	469,655
Net change in fund balance	(918,335)	(1,000,667)	(520,524)	480,143
Fund balance - beginning	2,553,307	2,553,307	2,553,307	-
Fund balance - ending	$ 1,634,972	$ 1,552,640	$ 2,032,783	$ 480,143

The notes to required supplementary information are an integral part of required supplementary information.

CITY OF WEST LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2006

	Roads Funds				Parks and Recreation Funds				Economic Development Income Tax			
	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive
	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)
Revenues:												
Taxes	$ -	$ -	$ -	$ -	$ 938,838	$ 938,838	$ 926,196	$ (12,642)	$ -	$ -	$ -	$ -
Intergovernmental	1,379,010	1,627,959	1,647,505	19,546	75,779	121,174	133,251	12,077	1,298,828	1,307,997	1,313,051	5,054
Charges for services	7,770	7,770	7,770	-	550,900	555,880	544,126	(11,754)	-	-	-	-
Other	201,000	276,038	305,451	29,413	17,800	111,547	137,631	26,084	60,000	91,021	104,357	13,336
Total revenues	1,587,780	1,911,767	1,960,726	48,959	1,583,317	1,727,439	1,741,204	13,765	1,358,828	1,399,018	1,417,408	18,390
Expenditures:												
Current:												
Highways and streets:												
Personal services	565,840	558,743	460,025	98,718	-	-	-	-	300,560	289,560	280,510	9,050
Supplies	439,500	443,169	350,951	92,218	-	-	-	-	-	-	-	-
Other services and charges	643,750	440,194	213,115	227,079	-	-	-	-	1,052,500	1,366,477	971,492	394,985
Capital outlay	533,193	938,515	1,190,080	(251,565)	-	-	-	-	45,000	485,532	349,630	135,902
Culture and recreation:												
Personal services	-	-	-	-	1,088,630	1,046,630	1,025,078	21,552	-	-	-	-
Supplies	-	-	-	-	112,930	119,145	113,522	5,623	-	-	-	-
Other services and charges	-	-	-	-	552,940	1,128,935	550,903	578,032	-	-	-	-
Capital outlay	-	-	-	-	84,200	218,715	305,547	(86,832)	-	-	-	-
Total expenditures	2,182,283	2,380,621	2,214,171	166,450	1,838,700	2,513,425	1,995,050	518,375	1,398,060	2,141,569	1,601,632	539,937
Net change in fund balances	(594,503)	(468,854)	(253,445)	215,409	(255,383)	(785,986)	(253,846)	532,140	(39,232)	(742,551)	(184,224)	558,327
Fund balances - beginning	1,830,456	1,830,456	1,830,456	-	1,077,296	1,077,296	1,077,296	-	2,059,892	2,059,892	2,059,892	-
Fund balances - ending	$ 1,235,953	$ 1,361,602	$ 1,577,011	$ 215,409	$ 821,913	$ 291,310	$ 823,450	$ 532,140	$ 2,020,660	$ 1,317,341	$ 1,875,668	$ 558,327

The notes to the required supplementary information are an integral part of required supplementary information.

CITY OF WEST LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	$ 3,450,947	$ 3,805,859	$ (354,912)	91%	$ 3,302,701	(11%)
07-01-05	3,628,477	3,991,563	(363,086)	91%	3,406,947	(11%)
07-01-06	3,845,973	4,207,818	(361,845)	91%	3,788,451	(10%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-01	$ 409,075	$ 11,269,300	$ (10,860,225)	4%	$ 39,700	(27,356%)
01-01-02	379,149	9,459,600	(9,080,451)	4%	41,100	(22,094%)
01-01-03	826,463	9,255,100	(8,428,637)	9%	41,900	(20,116%)
01-01-04	728,217	9,287,200	(8,558,983)	8%	43,000	(19,905%)
01-01-05	559,340	9,164,100	(8,604,760)	6%	44,400	(19,380%)
01-01-06	449,488	8,987,500	(8,538,012)	5%	-	No Covered Payroll

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-01	$ 409,175	$ 10,026,400	$ (9,617,225)	4%	$ 317,400	(3,030%)
01-01-02	295,192	10,235,200	(9,940,008)	3%	328,500	(3,026%)
01-01-03	614,940	10,233,900	(9,618,960)	6%	377,000	(2,551%)
01-01-04	523,030	10,120,100	(9,597,070)	5%	302,000	(3,178%)
01-01-05	337,773	10,128,500	(9,790,727)	3%	311,100	(3,147%)
01-01-06	323,324	9,641,900	(9,318,576)	3%	272,000	(3,426%)

The notes to required supplementary information are an integral part of required supplementary information.

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

1925 Police Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12-31-00	$ 1,100,700	45%	25%
12-31-01	1,146,500	21%	27%
12-31-02	1,000,200	34%	71%
12-31-03	1,022,500	12%	67%
12-31-04	1,071,600	12%	30%
12-31-05	661,000	24%	55%

1937 Firefighters' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12-31-00	$ 1,060,700	24%	19%
12-31-01	1,088,300	11%	20%
12-31-02	1,149,100	9%	25%
12-31-03	1,169,900	2%	31%
12-31-04	1,234,800	3%	19%
12-31-05	790,700	13%	21%

The notes to required supplementary information are an integral part of required supplementary information.

CITY OF WEST LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2006

Note 1. Legal Compliance – Budgets

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

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

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

C. In September of each year, the city budgeted funds for the next year are approved by the Common Council through the passage of an ordinance.

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

E. The Redevelopment Commission authorizes the expenditures of the Levee/Village Redevelopment Commission and KCB Redevelopment Commission funds through additional appropriations adopted throughout the ensuing year.

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

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

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

Major Funds:
General Fund
Special revenue funds:
Roads Funds, Parks and Recreation Funds, Economic Development Income Tax

Nonmajor funds:
Special revenue funds:
Fire Fighting, Community Development Block Grant, Law Enforcement Continuing Education, Police Station Nonreverting

Debt service funds:
Fire Truck Acquisition, Wabash Landing Parking Garage Bonds, Infrastructure Bonds

Capital projects funds:
Cumulative Building and Fire Fighting Equipment, Cumulative Capital Improvement, Sagamore Parkway TIF, Levee/Village Redevelopment Commission, KCB Redevelopment Commission, Infrastructure Bonds, Cumulative Capital Development

Pension trust funds:
Police Officers' Pension, Firefighters' Pension

I. Budgeted amounts are originally adopted or amended by the Common Council and approved by the Indiana Department of Local Government Finance for funds for which property taxes are levied or for which highway use taxes are received. The net effect of individual amendments to the budget increased the original appropriations by $7,404,155. The final budgeted amounts were adjusted by the amounts of beginning and ending encumbrances in order to be comparable to the actual budget basis expenditures.

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

CITY OF WEST LAFAYETTE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2006
(Continued)

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

1. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).

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

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

	General	Roads Funds	Parks and Recreation Funds	Economic Development Income Tax
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (budgetary basis)	$ (520,524)	$ (253,445)	$ (253,846)	$ (184,224)
Adjustments:				
To adjust revenues for accruals	(18,479)	21,984	230	(9,759)
To adjust expenditures for accruals	(15,676)	13,815	104,770	(1,050)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis)	$ (554,679)	$ (217,646)	$ (148,846)	$ (195,033)

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

SUPPLEMENTARY INFORMATION

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Major Governmental Funds

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

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

General Government:
- **Mayor**
- **Clerk-Treasurer**
- **City Council**
- **City Hall**
- **City Court**
- **City Attorney**
- **City Services**

Public Safety:
- **Fire Department**
- **Police Department**
- **Police Merit Commission**

Highways and Streets:
- **City Engineer**

Sanitation:
- **Sanitation Department**

Urban Redevelopment and Housing:
- **Economic Development**

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

Roads – funds set aside from state gasoline tax distributions for the specific purpose of constructing and maintaining local streets and alleys.
Parks and Recreation – to account for the operation of the City park system.
Economic Development Income Tax – to account for revenues received from the County Economic Development Income Tax (CEDIT) and used for construction of projects funded by these revenues.

CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For The Year Ended December 31, 2006

Function and Department	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance-Positive (Negative)
General government:				
Mayor:				
Personal services	$ 140,460	$ 140,460	$ 137,613	$ 2,847
Other services and charges	54,200	63,453	60,874	2,579
Capital outlay	1,000	1,000	-	1,000
City Council:				
Personal services	34,080	34,080	34,080	-
Other services and charges	2,000	2,000	-	2,000
Clerk-Treasurer:				
Personal services	1,513,170	1,374,484	1,335,750	38,734
Supplies	5,000	6,325	5,284	1,041
Other services and charges	374,900	368,371	277,064	91,307
Capital outlay	11,000	16,842	11,290	5,552
City Hall:				
Personal services	24,100	24,100	23,275	825
Supplies	25,350	31,493	28,731	2,762
Other services and charges	113,000	145,582	129,782	15,800
Capital outlay	3,000	4,949	3,151	1,798
City Court:				
Personal services	47,860	47,860	47,643	217
Supplies	1,300	2,143	1,629	514
Other services and charges	500	630	420	210
City Attorney:				
Personal services	18,510	18,807	18,807	-
Other services and charges	66,250	125,250	121,228	4,022
Capital outlay	200	200	-	200
City Services:				
Other services and charges	355,000	347,856	315,493	32,363
Other General:				
Other disbursements	-	24,743	24,743	-
Total general government	2,790,880	2,780,628	2,576,857	203,771
Public Safety:				
Fire Department:				
Personal services	2,258,690	2,268,692	2,235,480	33,212
Supplies	34,900	40,218	33,088	7,130
Other services and charges	103,600	107,246	75,526	31,720
Capital outlay	15,500	37,399	34,794	2,605
Police Department:				
Personal services	3,478,450	3,501,142	3,473,166	27,976
Supplies	175,400	203,648	183,364	20,284
Other services and charges	128,100	144,708	125,895	18,813
Capital outlay	65,500	112,274	106,318	5,956

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CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For The Year Ended December 31, 2006
(Continued)

Function and Department	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance- Positive (Negative)
Public Safety (continued):				
Police Merit Commission:				
Personal services	2,040	2,059	2,040	19
Supplies	700	700	199	501
Other services and charges	14,700	42,967	30,707	12,260
Other Public Safety:				
Other disbursements - rainy day transfer	-	100,000	100,000	-
Total public safety	6,277,580	6,561,053	6,400,577	160,476
Highways and Streets:				
City Engineer:				
Personal services	241,520	245,520	237,417	8,103
Supplies	11,250	11,634	5,546	6,088
Other services and charges	30,300	31,467	18,690	12,777
Capital outlay	10,500	13,692	3,691	10,001
Total highways and streets	293,570	302,313	265,344	36,969
Sanitation:				
Sanitation Department:				
Personal services	357,490	351,490	334,410	17,080
Supplies	59,500	101,500	92,706	8,794
Other services and charges	263,700	235,788	204,021	31,767
Total sanitation	680,690	688,778	631,137	57,641
Urban Redevelopment and Housing:				
Economic Development:				
Personal services	219,820	219,820	219,820	-
Supplies	8,500	9,621	8,095	1,526
Other services and charges	49,900	52,537	43,771	8,766
Capital outlay	4,000	4,000	3,494	506
Total urban redevelopment and housing	282,220	285,978	275,180	10,798
Total general fund	$ 10,324,940	$ 10,618,750	$ 10,149,095	$ 469,655

Nonmajor Governmental Funds

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

Clerk's Records Perpetuation – to account for fees used for the preservation and improvement of the record keeping system.
Fire Fighting – to account for additional capital costs related to providing fire protection to the City. Funding is provided by contractual arrangements with specific areas outside the contiguous city limits for fire protection.
Community Development Block Grant – to account for funds granted to the City by the U.S. Department of Housing and Urban Development under the Community Development Block Grant entitlement programs.
500 Brown Street Brownfields Grant – to account for funds granted by the Indiana Development Finance Authority for the study and reclamation of the 500 Brown Street Brownfields site.
Local Law Enforcement Block Grant – to account for revenues received from the U.S. Department of Justice related to public safety.
Public Safety – to account for revenues received from local sources for community policing.
Law Enforcement Continuing Education – to account for court fees and the sale of reports and permits used for the continuing education and training of law enforcement officers.
Police Unclaimed Property – to account for funds retained by police action and unclaimed after a set amount of time. Funds are required to be used for public safety expenditures.
Credit Card Fees – to account for convenience fees paid for enhanced access to online court and parking ticket fines payments. The service fees are used to provide the service.
Rainy Day – to account for transfers of funds representing unexpended appropriations of other funds. Funds are appropriated and expended for any purpose permitted by state statutes for other revenues of the City.
426 Brown Street Brownfields Grant – to account for funds granted by the Indiana Development Finance Authority for the study and reclamation of the 426 Brown Street Brownfields site.
Police Station Nonreverting – to account for proceeds of the sale of real property to the West Lafayette Building Corporation related to the construction of the new police station. Funds are to be used for revitalization of vacated public space.
Levee/Village Allocation – to account for property tax proceeds of the Levee/Village TIF district held by the trustee pursuant to the trust indenture of the Wabash Landing Parking Garage bond issue.
KCB Allocation – to account for property tax proceed of the KCB TIF district held by the trustee pursuant to the trust indentures of the infrastructure and Ross Enterprise Center Bonds.
Certified Technology Park – to account for the state certified technology park distributions for funding improvements at the Purdue Research Park.
Certified Technology Grant – to account for state technology development grant awards for funding improvements at the Purdue Research Park.
Fire Safety – to account for donations for fire prevention and fire educational activities.
DHS Firefighter Assistance Grant – to account for U.S. Department of Homeland Security assistance to firefighters grant awards for fire safety purposes.

Nonmajor Governmental Funds

(Continued)

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

Fire Truck Acquisition – to account for the accumulation of resources for and payment of a revenue bond issue of the West Lafayette Equipment Leasing Corporation. Bond proceeds were used for the purchase of a new fire truck.
Wabash Landing Parking Garage Bonds – to account for the accumulation of resources for and payment of revenue bonds issued by the West Lafayette Redevelopment Authority. Bond proceeds were used for the acquisition and construction of a parking garage.
Infrastructure Bonds – to account for revenues received from the sale of revenue bonds by the West Lafayette Redevelopment Authority and for the construction of Purdue Research Park infrastructure and Greenway Trails projects funded by these revenues.
Redevelopment Commission 2005 Fund – to account for revenues received from the sale of the Redevelopment District Tax Incremental Revenue Bonds of 2005 and is used for the purchase of capital assets.

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

Sagamore Parkway TIF – to account for expenditures for public improvements in the Sagamore Parkway tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before the redevelopment (tax increment).
Build Indiana – Wabash Landing – to account for expenditures of Build Indiana grant funds relating to the construction of public improvements along the Wabash Landing Project.
Cumulative Building and Fire Fighting Equipment – to account for certain capital expenditures related to community police and fire protection. Financing is provided by a specific annual tax levy to the extent that other revenues are insufficient to provide such funding.
Cumulative Capital Improvement – to account for state cigarette tax distributions used for acquisition and maintenance of capital assets and computer technology acquisition and support.
Police Building Construction – to account for expenditures related to the constructing and equipping of a new police station. Funding is provided from the sale of city property and accumulated earnings.
Levee/ Village Redevelopment Commission – to account for expenditures for public improvements in the Levee/Village tax incremental financing district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of property in the district before redevelopment (tax increment).
KCB Redevelopment Commission – to account for expenditures for public improvements in the Kalberer/Cumberland/Blackbird tax incremental district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of the property in the district before redevelopment (tax increment).
Cumulative Capital Development – to account for expenditures relating to the purchase or lease of capital improvements in the City.
West Lafayette Building Corporation – to account for the proceeds of bonds by the West Lafayette Building Corporation and secured by a lease for the construction of a police station.

CITY OF WEST LAFAYETTE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2006

Assets	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Cash and cash equivalents	$ 3,550,498	$ 40,909	$ 2,907,645	$ 6,499,052
Cash with fiscal agent	-	1,454,298	4,957,748	6,412,046
Receivables (net of allowances for uncollectibles):				
Interest	7,648	5,911	34,135	47,694
Taxes	-	1,027	51,490	52,517
Accounts	2,598	-	-	2,598
Intergovernmental	-	862	64,602	65,464
Total assets	$ 3,560,744	$ 1,503,007	$ 8,015,620	$ 13,079,371
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ 16,623	$ -	$ 9,972	$ 26,595
Accrued interest payable	-	297,493	116,362	413,855
Deferred revenue:				
Unavailable	-	1,889	64,017	65,906
Total liabilities	16,623	299,382	190,351	506,356
Fund balances:				
Unreserved, reported in:				
Special revenue funds	3,544,121	-	-	3,544,121
Debt service funds	-	1,203,625	-	1,203,625
Capital projects funds	-	-	7,825,269	7,825,269
Total fund balances	3,544,121	1,203,625	7,825,269	12,573,015
Total liabilities and fund balances	$ 3,560,744	$ 1,503,007	$ 8,015,620	$ 13,079,371

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Revenues:				
Taxes	$ -	$ 3,516,192	$ 487,378	$ 4,003,570
Licenses and permits	1,235	-	-	1,235
Intergovernmental	984,250	6,097	307,596	1,297,943
Charges for services	28,529	-	-	28,529
Fines and forfeits	9,593	-	-	9,593
Other	98,863	64,747	379,853	543,463
Total revenues	1,122,470	3,587,036	1,174,827	5,884,333
Expenditures:				
Current:				
General government	6,512	-	-	6,512
Public safety	708,441	1,900	-	710,341
Economic development	305,708	4,681	-	310,389
Culture and recreation	-	4,040	-	4,040
Debt service:				
Principal	-	1,025,000	215,000	1,240,000
Interest	-	713,627	260,380	974,007
Capital outlay	-	-	2,720,573	2,720,573
Total expenditures	1,020,661	1,749,248	3,195,953	5,965,862
Excess (deficiency) of revenues (over) under expenditures	101,809	1,837,788	(2,021,126)	(81,529)
Other financing sources (uses):				
Transfers in	3,543,876	1,619,188	1,739,772	6,902,836
Transfers out	(2,878,960)	(3,437,867)	(6,009)	(6,322,836)
Total other financing sources (uses)	664,916	(1,818,679)	1,733,763	580,000
Net change in fund balances	766,725	19,109	(287,363)	498,471
Fund balances - beginning	2,777,396	1,184,516	8,112,632	12,074,544
Fund balances - ending	$ 3,544,121	$ 1,203,625	$ 7,825,269	$ 12,573,015

CITY OF WEST LAFAYETTE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2006

Assets	Clerk's Records Perpetuation	Fire Fighting	Community Development Block Grant	500 Brown Street Brownfields Grant	Local Law Enforcement Block Grant	Public Safety	Law Enforcement Continuing Education
Cash and cash equivalents	$ 16,177	$ 54,517	$ 2,001	$ 255	$ 244	$ 10,046	$ 10,163
Receivables (net of allowances for uncollectibles):							
Interest	75	254	-	1	1	56	44
Accounts	1,176	-	-	-	-	-	1,422
Total assets	$ 17,428	$ 54,771	$ 2,001	$ 256	$ 245	$ 10,102	$ 11,629
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ -	$ -	$ 14,060	$ -	$ -	$ 43	$ 2,520
Total liabilities	-	-	14,060	-	-	43	2,520
Fund balances:							
Unreserved, reported in:							
Special revenue funds	17,428	54,771	(12,059)	256	245	10,059	9,109
Total liabilities and fund balances	$ 17,428	$ 54,771	$ 2,001	$ 256	$ 245	$ 10,102	$ 11,629

Continued on next page

CITY OF WEST LAFAYETTE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2006
(Continued)

Assets	Police Unclaimed Property	Donation	Credit Card Fees	Rainy Day	426 Brown Street Brownfields Grant	Police Station Nonreverting	Levee/Village Allocation
Cash and cash equivalents	$ 2,302	$ -	$ 583	$ -	$ 105	$ 85,345	$ 1,183,693
Receivables (net of allowances for uncollectibles):							
Interest	11	-	-	-	-	397	1,297
Accounts	-	-	-	-	-	-	-
Total assets	$ 2,313	$ -	$ 583	$ -	$ 105	$ 85,742	$ 1,184,990
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-	-	-
Fund balances:							
Unreserved, reported in:							
Special revenue funds	2,313	-	583	-	105	85,742	1,184,990
Total liabilities and fund balances	$ 2,313	$ -	$ 583	$ -	$ 105	$ 85,742	$ 1,184,990

Continued on next page

CITY OF WEST LAFAYETTE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2006
(Continued)

Assets	KCB Allocation	Certified Technology Park	Certified Technology Grant	Fire Safety	DHS Firefighter Assistance Grant	Totals
Cash and cash equivalents	$ 1,475,030	$ 704,804	$ 357	$ 4,876	$ -	$ 3,550,498
Receivables (net of allowances for uncollectibles):						
Interest	2,205	3,282	2	23	-	7,648
Accounts	-	-	-	-	-	2,598
Total assets	$ 1,477,235	$ 708,086	$ 359	$ 4,899	$ -	$ 3,560,744
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 16,623
Total liabilities	-	-	-	-	-	16,623
Fund balances:						
Unreserved, reported in:						
Special revenue funds	1,477,235	708,086	359	4,899	-	3,544,121
Total liabilities and fund balances	$ 1,477,235	$ 708,086	$ 359	$ 4,899	$ -	$ 3,560,744

CITY OF WEST LAFAYETTE
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2006

Assets	Fire Truck Acquisition	Wabash Landing Parking Garage Bonds	Infrastructure Bonds	Redevelopment Commission 2005	Totals
Cash and cash equivalents	$ 40,909	$ -	$ -	$ -	$ 40,909
Cash with fiscal agent	54,725	676,874	662,039	60,660	1,454,298
Receivables (net of allowances for uncollectibles):					
Interest	276	2,722	2,670	243	5,911
Taxes	1,027	-	-	-	1,027
Intergovernmental	862	-	-	-	862
Total assets	$ 97,799	$ 679,596	$ 664,709	$ 60,903	$ 1,503,007
Liabilities and Fund Balances					
Liabilities:					
Accrued interest payable	$ 6,929	$ 130,374	$ 93,090	$ 67,100	$ 297,493
Deferred revenue:					
Unavailable	1,889	-	-	-	1,889
Total liabilities	8,818	130,374	93,090	67,100	299,382
Fund balances:					
Unreserved, reported in:					
Debt service funds	88,981	549,222	571,619	(6,197)	1,203,625
Total liabilities and fund balances	$ 97,799	$ 679,596	$ 664,709	$ 60,903	$ 1,503,007

CITY OF WEST LAFAYETTE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2006

Assets	Sagamore Parkway TIF	Build Indiana Wabash Landing	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	Police Building Construction	Levee Village Redevelopment Commission	KCB Redevelopment Commission	Cumulative Capital Development	West Lafayette Building Corporation	Totals
Cash and cash equivalents	$ 405,796	$ 52,754	$ 53,025	$ 99,084	$ -	$ -	$ -	$ 2,296,986	$ -	$ 2,907,645
Cash with fiscal agent	-	-	-	-	-	1,092,146	3,590,129	-	275,473	4,957,748
Receivables (net of allowances for uncollectibles):										
Interest	2,030	246	230	461	-	5,090	15,401	10,399	278	34,135
Taxes	1,924	-	372	-	-	19,474	25,623	4,097	-	51,490
Intergovernmental	-	-	313	8,776	-	49,544	-	5,969	-	64,602
Total assets	$ 409,750	$ 53,000	$ 53,940	$ 108,321	$ -	$ 1,166,254	$ 3,631,153	$ 2,317,451	$ 275,751	$ 8,015,620
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	$ -	$ -	$ 837	$ 2,041	$ -	$ -	$ -	$ 7,094	$ -	$ 9,972
Accrued interest payable	-	-	-	-	-	-	-	-	116,362	116,362
Deferred revenue:										
Unavailable	1,924	-	685	8,776	-	19,474	25,623	7,535	-	64,017
Total liabilities	1,924	-	1,522	10,817	-	19,474	25,623	14,629	116,362	190,351
Fund balances:										
Unreserved, reported in:										
Capital projects funds	407,826	53,000	52,418	97,504	-	1,146,780	3,605,530	2,302,822	159,389	7,825,269
Total liabilities and fund balances	$ 409,750	$ 53,000	$ 53,940	$ 108,321	$ -	$ 1,166,254	$ 3,631,153	$ 2,317,451	$ 275,751	$ 8,015,620

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2006

	Clerk's Records Perpetuation	Fire Fighting	Community Development Block Grant	500 Brown Street Brownfields Grant	Local Law Enforcement Block Grant	Public Safety	Law Enforcement Continuing Education
Revenues:							
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,235
Intergovernmental	-	-	297,148	-	-	11,160	-
Charges for services	1,054	14,309	-	-	-	-	7,032
Fines and forfeits	1,176	-	-	-	-	-	8,417
Other	773	2,583	-	23	12	14,492	482
Total revenues	3,003	16,892	297,148	23	12	25,652	17,166
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	27,189	18,930
Economic development	-	-	305,708	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	-	-	305,708	-	-	27,189	18,930
Excess (deficiency) of revenues over (under) expenditures	3,003	16,892	(8,560)	23	12	(1,537)	(1,764)
Other financing sources:							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Net change in fund balances	3,003	16,892	(8,560)	23	12	(1,537)	(1,764)
Fund balances - beginning	14,425	37,879	(3,499)	233	233	11,596	10,873
Fund balances - ending	$ 17,428	$ 54,771	$ (12,059)	$ 256	$ 245	$ 10,059	$ 9,109

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2006
(Continued)

	Police Unclaimed Property	Donation	Credit Card Fees	Rainy Day	426 Brown Street Brownfields Grant	Police Station Nonreverting	Levee/Village Allocation
Revenues:							
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	6,134	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	230	575	-	6,290	6	7,962	14,774
Total revenues	230	575	6,134	6,290	6	7,962	14,774
Expenditures:							
Current:							
General government	-	-	6,512	-	-	-	-
Public safety	2,095	575	-	427,116	-	230,332	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total expenditures	2,095	575	6,512	427,116	-	230,332	-
Excess (deficiency) of revenues over (under) expenditures	(1,865)	-	(378)	(420,826)	6	(222,370)	14,774
Other financing sources:							
Transfers in	-	-	-	100,000	-	6,009	1,484,574
Transfers out	-	-	-	-	-	-	(1,288,450)
Total other financing sources	-	-	-	100,000	-	6,009	196,124
Net change in fund balances	(1,865)	-	(378)	(320,826)	6	(216,361)	210,898
Fund balances - beginning	4,178	-	961	320,826	99	302,103	974,092
Fund balances - ending	$ 2,313	$ -	$ 583	$ -	$ 105	$ 85,742	$ 1,184,990

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2006
(Continued)

	KCB Allocation	Certified Technology Park	Certified Technology Grant	Fire Safety	DHS Firefighter Assistance Grant	Totals
Revenues:						
Licenses and permits	$ -	$ -	$ -	$ -	$ -	$ 1,235
Intergovernmental	-	675,942	-	-	-	984,250
Charges for services	-	-	-	-	-	28,529
Fines and forfeits	-	-	-	-	-	9,593
Other	24,314	22,066	19	4,262	-	98,863
Total revenues	24,314	698,008	19	4,262	-	1,122,470
Expenditures:						
Current:						
General government	-	-	-	-	-	6,512
Public safety	-	-	-	2,101	103	708,441
Economic development	-	-	-	-	-	305,708
Culture and recreation	-	-	-	-	-	-
Total expenditures	-	-	-	2,101	103	1,020,661
Excess (deficiency) of revenues over (under) expenditures	24,314	698,008	19	2,161	(103)	101,809
Other financing sources:						
Transfers in	1,953,293	-	-	-	-	3,543,876
Transfers out	(1,590,510)	-	-	-	-	(2,878,960)
Total other financing sources	362,783	-	-	-	-	664,916
Net change in fund balances	387,097	698,008	19	2,161	(103)	766,725
Fund balances - beginning	1,090,138	10,078	340	2,738	103	2,777,396
Fund balances - ending	$ 1,477,235	$ 708,086	$ 359	$ 4,899	$ -	$ 3,544,121

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For The Year Ended December 31, 2006

	Fire Truck Acquisition	Wabash Landing Parking Garage Bonds	Infrastructure Bonds	Redevelopment Commission 2005	Totals
Revenues:					
Taxes	$ 78,325	$ 1,484,574	$ 1,953,293	$ -	$ 3,516,192
Intergovernmental	6,097	-	-	-	6,097
Other	2,779	29,847	29,418	2,703	64,747
Total revenues	87,201	1,514,421	1,982,711	2,703	3,587,036
Expenditures:					
Current:					
Public safety	1,900	-	-	-	1,900
Economic development	-	2,125	-	2,556	4,681
Culture and recreation	-	-	4,040	-	4,040
Debt service:					
Principal	70,000	280,000	375,000	300,000	1,025,000
Interest	15,903	316,631	227,993	153,100	713,627
Total expenditures	87,803	598,756	607,033	455,656	1,749,248
Excess of revenues over expenditures	(602)	915,665	1,375,678	(452,953)	1,837,788
Other financing sources:					
Transfers in	-	586,180	595,308	437,700	1,619,188
Transfers out	-	(1,484,574)	(1,953,293)	-	(3,437,867)
Total other financing uses	-	(898,394)	(1,357,985)	437,700	(1,818,679)
Net change in fund balances	(602)	17,271	17,693	(15,253)	19,109
Fund balances - beginning	89,583	531,951	553,926	9,056	1,184,516
Fund balances - ending	$ 88,981	$ 549,222	$ 571,619	$ (6,197)	$ 1,203,625

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For The Year Ended December 31, 2006

	Sagamore Parkway TIF	Build Indiana Wabash Landing	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	Police Building Construction	Levee Village Redevelopment Commission	KCB Redevelopment Commission	Cumulative Capital Development	West Lafayette Building Corporation	Totals
Revenues:										
Taxes	$ 146,664	$ -	$ 28,393	$ -	$ -	$ -	$ -	$ 312,321	$ -	$ 487,378
Intergovernmental	-	-	2,210	102,810	-	174,759	-	27,817	-	307,596
Other	28,135	2,689	2,483	23,008	23	62,092	156,326	101,672	3,425	379,853
Total revenues	174,799	2,689	33,086	125,818	23	236,851	156,326	441,810	3,425	1,174,827
Expenditures:										
Debt service:										
Principal	-	-	-	-	-	-	-	-	215,000	215,000
Interest	-	-	-	-	-	-	-	-	260,380	260,380
Capital outlay	265,387	-	17,133	154,207	-	1,663,426	337,552	235,485	47,383	2,720,573
Total expenditures	265,387	-	17,133	154,207	-	1,663,426	337,552	235,485	522,763	3,195,953
Excess (deficiency) of revenues over (under) expenditures	(90,588)	2,689	15,953	(28,389)	23	(1,426,575)	(181,226)	206,325	(519,338)	(2,021,126)
Other financing sources (uses):										
Transfers in	-	-	-	-	-	702,270	557,502	-	480,000	1,739,772
Transfers out	-	-	-	-	(6,009)	-	-	-	-	(6,009)
Total other financing sources (uses)	-	-	-	-	(6,009)	702,270	557,502	-	480,000	1,733,763
Net change in fund balances	(90,588)	2,689	15,953	(28,389)	(5,986)	(724,305)	376,276	206,325	(39,338)	(287,363)
Fund balances - beginning	498,414	50,311	36,465	125,893	5,986	1,871,085	3,229,254	2,096,497	198,727	8,112,632
Fund balances - ending	$ 407,826	$ 53,000	$ 52,418	$ 97,504	$ -	$ 1,146,780	$ 3,605,530	$ 2,302,822	$ 159,389	$ 7,825,269

CITY OF WEST LAFAYETTE
BUDGETARY COMPARISON SCHEDULES
OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	Fire Fighting				Community Development Block Grant				Law Enforcement Continuing Education			
	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive
	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)
Revenues:												
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-	400	700	1,235	535
Intergovernmental	-	-	-	-	-	297,148	297,148	-	-	-	-	-
Charges for services	14,000	14,309	14,309	-	-	-	-	-	5,950	5,650	7,032	1,382
Fines and forfeits	-	-	-	-	-	-	-	-	8,000	8,700	6,995	(1,705)
Other	900	1,988	2,470	482	-	-	-	-	300	435	478	43
Total revenues	14,900	16,297	16,779	482	-	297,148	297,148	-	14,650	15,485	15,740	255
Expenditures:												
Current:												
Public safety												
Supplies	-	-	-	-	-	-	-	-	600	600	-	600
Other services and charges	-	-	-	-	-	-	-	-	17,000	17,050	16,410	640
Capital outlay	6,000	6,000	-	6,000	-	-	-	-	-	-	-	-
Economic Development												
Personal services	-	-	-	-	-	39,903	39,903	-	-	-	-	-
Supplies	-	-	-	-	-	8	8	-	-	-	-	-
Other services and charges	-	-	-	-	52,240	298,585	281,668	16,917	-	-	-	-
Total expenditures	6,000	6,000	-	6,000	52,240	338,496	321,579	16,917	17,600	17,650	16,410	1,240
Net change in fund balances	8,900	10,297	16,779	6,482	(52,240)	(41,348)	(24,431)	16,917	(2,950)	(2,165)	(670)	1,495
Fund balances - beginning	37,738	37,738	37,738	-	26,432	26,432	26,432	-	10,833	10,833	10,833	-
Fund balances - ending	$ 46,638	$ 48,035	$ 54,517	$ 6,482	$ (25,808)	$ (14,916)	$ 2,001	$ 16,917	$ 7,883	$ 8,668	$ 10,163	$ 1,495

	Police Station Nonreverting				Rainy Day				Fire Truck Acquisition			
	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive
	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)
Revenues:												
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 79,397	$ 79,397	$ 78,325	$ (1,072)
Intergovernmental	-	-	-	-	-	-	-	-	6,408	6,408	6,097	(311)
Other	-	14,869	14,869	-	4,000	107,868	107,483	(385)	1,200	2,308	2,739	431
Total revenues	-	14,869	14,869	-	4,000	107,868	107,483	(385)	87,005	88,113	87,161	(952)
Expenditures:												
Current:												
Public safety:												
Other services and charges	-	350,633	272,633	78,000	320,000	427,500	427,116	384	86,742	89,039	89,039	-
Total expenditures	-	350,633	272,633	78,000	320,000	427,500	427,116	384	86,742	89,039	89,039	-
Net change in fund balances	-	(335,764)	(257,764)	78,000	(316,000)	(319,632)	(319,633)	(1)	263	(926)	(1,878)	(952)
Fund balances - beginning	343,109	343,109	343,109	-	319,633	319,633	319,633	-	97,512	97,512	97,512	-
Fund balances - ending	$ 343,109	$ 7,345	$ 85,345	$ 78,000	$ 3,633	$ 1	$ -	$ (1)	$ 97,775	$ 96,586	$ 95,634	$ (952)

CITY OF WEST LAFAYETTE
BUDGETARY COMPARISON SCHEDULES
OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	Wabash Landing Parking Garage Bonds				Cumulative Building and Fire Fighting Equipment				Cumulative Capital Improvement			
	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive
	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)
Revenues:												
Taxes	$ -	$ 1,484,574	$ 1,484,574	$ -	$ 28,780	$ 28,780	$ 28,393	$ (387)	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	2,323	2,323	2,210	(113)	100,147	101,105	102,810	1,705
Other	-	29,072	29,072	-	1,000	1,775	2,390	615	2,000	5,640	23,496	17,856
Total revenues	-	1,513,646	1,513,646	-	32,103	32,878	32,993	115	102,147	106,745	126,306	19,561
Expenditures:												
Current:												
General government												
Supplies	-	-	-	-	-	-	-	-	1,500	1,872	1,331	541
Other services and charges	-	603,423	603,423	-	-	-	-	-	142,000	153,851	134,864	18,987
Capital outlay	-	-	-	-	-	-	-	-	15,000	36,084	25,673	10,411
Public safety												
Other services and charges	-	-	-	-	8,000	9,900	700	9,200	-	-	-	-
Capital outlay	-	-	-	-	18,000	23,846	20,296	3,550	-	-	-	-
Total expenditures	-	603,423	603,423	-	26,000	33,746	20,996	12,750	158,500	191,807	161,868	29,939
Other financing sources (uses):												
Transfers in	-	586,180	586,180	-	-	-	-	-	-	-	-	-
Transfers out	-	(1,484,574)	(1,484,574)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(898,394)	(898,394)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	11,829	11,829	-	6,103	(868)	11,997	12,865	(56,353)	(85,062)	(35,562)	49,500
Fund balances - beginning	665,045	665,045	665,045	-	41,028	41,028	41,028	-	134,646	134,646	134,646	-
Fund balances - ending	$ 665,045	$ 676,874	$ 676,874	$ -	$ 47,131	$ 40,160	$ 53,025	$ 12,865	$ 78,293	$ 49,584	$ 99,084	$ 49,500

	Sagamore Parkway TIF				Levee Village Redevelopment Commission				KCB Redevelopment Commission			
	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive
	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)
Revenues:												
Taxes	$ -	$ 146,664	$ 146,664	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	125,215	125,215	-	-	-	-	-
Other	-	27,951	27,951	-	-	63,164	63,164	-	150,517	150,517	150,517	-
Total revenues	-	174,615	174,615	-	-	188,379	188,379	-	150,517	150,517	150,517	-
Expenditures:												
General government												
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	384,203	296,042	88,161	-	-	-	-	-	-	-	-
Economic development												
Capital outlay	-	-	-	-	-	2,326,473	1,663,427	663,046	-	-	-	-
Culture and recreation												
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	692,709	362,006	330,703
Total expenditures	-	384,203	296,042	88,161	-	2,326,473	1,663,427	663,046	-	692,709	362,006	330,703
Other financing sources:												
Transfers in	-	-	-	-	-	702,270	702,270	-	557,502	557,502	557,502	-
Total other financing sources	-	-	-	-	-	-	702,270	702,270	557,502	557,502	557,502	-
Net change in fund balances	-	(209,588)	(121,427)	88,161	-	(2,138,094)	(772,778)	1,365,316	708,019	15,310	346,013	330,703
Fund balances - beginning	527,223	527,223	527,223	-	1,864,924	1,864,924	1,864,924	-	3,244,116	3,244,116	3,244,116	-
Fund balances - ending	$ 527,223	$ 317,635	$ 405,796	$ 88,161	$ 1,864,924	$ (273,170)	$ 1,092,146	$ 1,365,316	$ 3,952,135	$ 3,259,426	$ 3,590,129	$ 330,703

CITY OF WEST LAFAYETTE
BUDGETARY COMPARISON SCHEDULES
OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	Infrastructure Bonds				Cumulative Capital Development			
	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive
	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)
Revenues:								
Taxes	$ -	$ 1,953,293	$ 1,953,293	$ -	$ 316,585	$ 316,585	$ 312,322	$ (4,263)
Intergovernmental	-	-	-	-	1,318,698	1,324,088	1,322,845	(1,243)
Other	-	28,654	28,654	-	35,000	91,000	94,326	3,326
Total revenues	-	1,981,947	1,981,947	-	1,670,283	1,731,673	1,729,493	(2,180)
Expenditures:								
General government								
Personal services	-	-	-	-	48,000	60,548	60,487	61
Supplies	-	-	-	-	84,000	52,771	37,313	15,458
Other services and charges	-	612,697	612,697	-	173,570	236,586	200,198	36,388
Culture and recreation								
Capital outlay	-	181,808	-	181,808	-	-	-	-
Total expenditures	-	794,505	612,697	181,808	305,570	349,905	297,998	51,907
Other financing sources (uses):								
Transfers in	-	595,308	595,308	-	-	-	-	-
Transfers out	-	(1,953,293)	(1,953,293)	-	-	-	-	-
Total other financing sources (uses)	-	(1,357,985)	(1,357,985)	-	-	-	-	-
Net change in fund balances	-	(170,543)	11,265	181,808	1,364,713	1,381,768	1,431,495	49,727
Fund balances - beginning	650,774	650,774	650,774	-	865,491	865,491	865,491	-
Fund balances - ending	$ 650,774	$ 480,231	$ 662,039	$ 181,808	$ 2,230,204	$ 2,247,259	$ 2,296,986	$ 49,727

Fiduciary Funds

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

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

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

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

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

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

Insurance Payments – to account for the provision of health benefits to terminated employees under COBRA requirements.

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

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

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
December 31, 2006

	Pension Trust Funds		
Assets	Police Pension	Firefighter's Pension	Totals
Cash and cash equivalents	$ 148,194	$ 415,242	$ 563,436
Investments	407,330	278,505	685,835
Receivables:			
Interest and dividends	29,470	21,517	50,987
Taxes	2,967	3,159	6,126
Intergovernmental	2,489	2,651	5,140
Total assets	590,450	721,074	1,311,524
Net assets			
Held in trust for:			
Employees' pension benefits	$ 590,450	$ 721,074	$ 1,311,524

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
December 31, 2006

	Agency Funds					
	Payroll	Sales Tax	Insurance Payments	City Court Costs	Court Collections	Totals
Assets						
Cash and cash equivalents	$ 173,658	$ 586	$ -	$ 15,373	$ 10,798	$ 200,415
Liabilities						
Payroll withholdings	$ 173,658	$ -	$ -	$ -	$ -	$ 173,658
Trust payable	-	586	-	15,373	10,798	26,757
Total liabilities	$ 173,658	$ 586	$ -	$ 15,373	$ 10,798	$ 200,415

CITY OF WEST LAFAYETTE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
For The Year Ended December 31, 2006

Additions	Police Pension	Firefighter's Pension	Totals
Contributions:			
Employer	$ 583,621	$ 517,951	$ 1,101,572
Plan members	-	4,190	4,190
Investment income:			
Interest	43,130	36,064	79,194
Total additions	626,751	558,205	1,184,956
Deductions			
Benefits and refunds paid to plan members and beneficiaries	483,051	156,021	639,072
Administrative expenses	2,738	4,434	7,172
Total deductions	485,789	160,455	646,244
Changes in net assets	140,962	397,750	538,712
Net assets - beginning	449,488	323,324	772,812
Net assets - ending	$ 590,450	$ 721,074	$ 1,311,524

CITY OF WEST LAFAYETTE
BUDGETARY COMPARISON SCHEDULES
BUDGETED PENSION TRUST FUNDS
For The Year Ended December 31, 2006

	Police Pension				Fireman's Pension			
	Budgeted Amounts		Actual	Variance Positive	Budgeted Amounts		Actual	Variance Positive
	Original	Final	(Budgetary Basis)	(Negative)	Original	Final	(Budgetary Basis)	(Negative)
Revenues:								
Taxes	$ 229,251	$ 229,251	$ 226,164	$ (3,087)	$ 244,138	$ 244,138	$ 240,850	$ (3,288)
Intergovernmental	353,504	355,151	354,251	(900)	266,705	275,400	274,443	(957)
Other	18,000	21,569	21,971	402	19,100	18,648	23,901	5,253
Total revenues	600,755	605,971	602,386	(3,585)	529,943	538,186	539,194	1,008
Expenditures:								
Personal services	2,580	2,580	2,573	7	6,670	6,670	2,610	4,060
Supplies	100	100		100	200	200	82	118
Other services and charges	518,560	518,560	483,216	35,344	375,430	374,456	157,982	216,474
Capital outlay	-	-	-	-	250	250	-	250
Total expenditures	521,240	521,240	485,789	35,451	382,550	381,576	160,674	220,902
Net change in fund balances	79,515	84,731	116,597	31,866	147,393	156,610	378,520	221,910
Fund balances - beginning	438,927	438,927	438,927	-	315,227	315,227	315,227	-
Fund balances - ending	$ 518,442	$ 523,658	$ 555,524	$ 31,866	$ 462,620	$ 471,837	$ 693,747	$ 221,910

CITY OF WEST LAFAYETTE
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2006

	Payroll	Sales Tax	Insurance Payments	City Court Costs	Court Collections	Totals
Assets:						
Cash and cash equivalents - January 1, 2006	$ 167,750	$ 463	$ 282	$ 18,448	$ 10,802	$ 197,745
Additions	2,783,495	1,695	14,511	219,016	60,461	3,079,178
Deductions	2,777,587	1,572	14,793	222,091	60,465	3,076,508
Cash and cash equivalents - December 31, 2006	173,658	586	-	15,373	10,798	200,415
Total assets - December 31, 2006	$ 173,658	$ 586	$ -	$ 15,373	$ 10,798	$ 200,415
Liabilities:						
Payroll withholdings - January 1, 2006	$ 167,750	$ -	$ -	$ -	$ -	$ 167,750
Additions	2,783,495	-	-	-	-	2,783,495
Deductions	2,777,587	-	-	-	-	2,777,587
Payroll withholdings - December 31, 2006	173,658	-	-	-	-	173,658
Trust payable - January 1, 2006	-	463	282	18,448	10,802	29,995
Additions	-	1,695	14,511	219,016	60,461	295,683
Deductions	-	1,572	14,793	222,091	60,465	298,921
Trust payable - December 31, 2006	-	586	-	15,373	10,798	26,757
Total liabilities - December 31, 2006	$ 173,658	$ 586	$ -	$ 15,373	$ 10,798	$ 200,415

CITY OF WEST LAFAYETTE
EXIT CONFERENCE

The contents of this report were discussed on May 16, 2007, with Jan Mills, Mayor; Judith Rhodes, Clerk-Treasurer; and David Downey and Loraine Wilkins, Utility Representatives. Our audit disclosed no material items that warrant comment at this time.

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STATISTICAL SECTION

STATISTICAL SECTION

Statistical Section

This part of the City of West Lafayette comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents | **Page**

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information

CITY OF WEST LAFAYETTE
Net Assets by Component
As of December 31,

	2006	2005	2004	2003
Governmental Activities:				
Invested in capital assets, net of related debt	$ 33,637,831	$ 28,862,717	$ 30,001,473 (1)	$ 17,365,591
Restricted	13,660,921	11,534,608	12,011,256	11,274,461
Unrestricted	(2,349,198)	(99,330)	(454,291)	1,218,533
Total governmental activities net assets	$ 44,949,554	$ 40,297,995	$ 41,558,438	$ 29,858,585
Business - Type Activities:				
Invested in capital assets, net of related debt	$ 23,325,547	$ 21,857,502	$ 20,988,211	$ 18,744,886
Restricted	855,000	825,000	838,673	5,409,661
Unrestricted	11,574,228	9,138,040	7,024,996 (2)	1,457,253
Total business - type activities net assets	$ 35,754,775	$ 31,820,542	$ 28,851,880	$ 25,611,800
Primary government:				
Invested in capital assets, net of related debt	$ 56,963,378	$ 50,720,219	$ 50,989,684	$ 36,110,477
Restricted	14,515,921	12,359,608	12,849,929	16,684,122
Unrestricted	9,225,030	9,038,710	6,570,705	2,675,786
Total primary government net assets	$ 80,704,329	$ 72,118,537	$ 70,410,318	$ 55,470,385

The City of West Lafayette implemented GASB 34 for the fiscal year ended December 31, 2003. Information prior to the implementation of GASB 34 is not available.

(1) The increase is due to $10.9 M in contributions and gifts for major capital projects that were recognized as completed, as projects were accounted for under GASB 34.

(2) The increase is due to reclassification of equipment replacement funds as unrestricted and the increase in the improvement fund due to higher revenue from a rate increase and reduced expense from delay in scheduled capital projects.

CITY OF WEST LAFAYETTE
Changes in Net Assets
For the years ended December 31,

	2006	2005		2004	2003
Expenses:					
Governmental Activities:					
General government	$ 3,053,118	$ 2,968,387		$ 2,572,974	$ 3,117,831
Public safety	6,189,724	6,780,190		8,173,328	6,547,564
Highways and streets	3,048,988	3,099,739		1,071,057	529,086
Sanitation	690,388	590,396		621,448	648,167
Economic development	801,230	7,638,977	(1)	1,226,720	1,470,227
Culture and recreation	1,753,442	2,073,079		1,587,540	3,135,924
Interest Expense	974,007	902,509		902,862	-
Total governmental activities expenses	16,510,897	24,053,277		16,155,929	15,448,799
Business-Type Activities:					
Wastewater	5,036,509	5,006,664		4,271,050	4,095,213
Total business-type activities expenses	5,036,509	5,006,664		4,271,050	4,095,213
Total primary government expenses	21,547,406	29,059,941		20,426,979	19,544,012
Program Revenues:					
Governmental Activities:					
Charges for services:					
General Government	816,863	436,486		992,117	599,780
Public Safety	357,908	35,655		39,570	284,188
Highways and streets	3,024,744	2,602,247		2,302,092	2,340,915
Sanitation	480,862	469,577		466,781	458,291
Economic development	116,606	123,552		102,123	122,216
Culture and recreation	618,265	601,302		635,737	665,920
Operating grants and contributions					
Public Safety	24,973	43,709		54,918	80,733
Highways and streets	-	9,148		-	-
Sanitation	25,683	-		41,500	40,000
Economic development	297,148	550,704		513,095	595,898
Culture and recreation	61,476	163,081		136,677	93,384
Capital grants and contributions					
Public Safety	-	139,899		-	-
Highways and streets	72,674	1,383,177		47,716	176,080
Economic development	850,701	2,171,456		5,617	44,358
Culture and recreation	65,651	18,986		93,001	3,534
Total governmental activities revenues	6,813,554	8,748,979		5,430,944	5,505,297
Governmental activities:					
Business-Type Activities:					
Wastewater:					
Charges for services (1)	7,557,104	7,431,354		6,624,041	5,646,531
Total business-type activities revenues	7,557,104	7,431,354		6,624,041	5,646,531
Total primary government revenues	14,370,658	16,180,333		12,054,985	11,151,828

(1) The increase is due to a $4.1 M charge for loss on disposal of the Ross Enterprise Center and $2.155 M expense to Purdue Research Park for business incubator and fiber optics infrastructure.

CITY OF WEST LAFAYETTE
Changes in Net Assets
For the years ended December 31,
(continued)

	2006	2005	2004		2003	
Net Revenues (expenses):						
Governmental activities	(9,697,343)	(15,304,298)	(10,724,985)		(9,943,502)	
Business-type activities	2,520,595	2,424,690	2,352,991		1,551,318	
Total net revenues (expenses):	(7,176,748)	(12,879,608)	(8,371,994)		(8,392,184)	
Taxes:						
Property Taxes	10,362,021	9,948,214	9,450,977		10,226,118	
Intergovernmental revenue	-	-	-		2,230,014	(2)
Other state taxes - unrestricted	705,606	714,911	758,882		-	
Other local taxes - unrestricted	1,286,702	1,326,741	1,651,753		-	
Franchise fees	-	130,326	123,765		116,645	
Contributions and gifts	659,862	-	10,900,464	(3)	-	
Loss on capital assets	-	-	(2,248,328)	(4)	-	
Miscellaneous receipts (net of interes	516,818	983,369	1,211,355		368,586	
Unrestricted investment earnings	817,893	535,325	233,694		225,666	
Transfers		278,121	249,656		208,095	
Total Governmental activities:	14,348,902	13,917,007	22,332,218		13,375,124	
Business - Type activities:						
Contributions and gifts	853,522	471,464	1,085,305		687,640	
Miscellaneous receipts (net of interest)	-	-	-		(780)	
Loss on capital assets	-	-	(77,650)		-	
Unrestricted investment earnings	560,116	295,773	129,090		102,417	
Transfers	-	(278,121)	(249,656)		(208,095)	
Total Business - Type activities:	1,413,638	489,116	887,089		581,182	
Total Primary Government	15,762,540	14,406,123	23,219,307		13,956,306	
Change in net assets						
Governmental activities	4,651,559	(1,387,291)	11,607,233		3,431,622	
Business-type activities	3,934,233	2,913,806	3,240,080		2,132,500	
Total primary government	$ 8,585,792	$ 1,526,515	$ 14,847,313		$ 5,564,122	

The City of West Lafayette implemented GASB 34 for the fiscal year ended December 31, 2003. Information prior to the implementation of GASB 34 is not available.

(1) The increase in revenues in the past 4 years is due to a phased-in rate increase.

(2) In 2004, income tax was reclassified from intergovernmental to other state and local taxes-unrestricted.

(3) The increase in contributions and gifts is for major capital projects that were recognized as completed, as projects were accounted for under GASB 34.

(4) The loss on capital assets reflects the $4.1 M charge for loss on disposal of the Ross Enterprise Center from a Redevelopment Commission real estate transaction designed to pay for the Purdue Research Foundation's rehabilitation of the facility.

CITY OF WEST LAFAYETTE
Fund Balances of Government Funds
As of December 31,

	2006	2005	2004	2003
General Fund				
Reserved *	$ -	$ -	$ -	$ -
Unreserved	1,830,324	2,385,003	3,141,412	2,493,526
Total general fund	$ 1,830,324	$ 2,385,003	$ 3,141,412	$ 2,493,526
All other governmental funds:				
Reserved *	$ -	$ -	$ -	$ -
Unreserved, reported in:				
Special revenue funds	7,885,399	7,689,255	5,447,494	4,795,092
Debt service funds	1,203,625	621,534	1,901,043	2,538,745
Capital projects funds	7,825,269	8,666,558	8,907,381	8,383,640
Total all other governmental funds	$ 16,914,293	$ 16,977,347	$ 16,255,918	$ 15,717,477

Note: The City of West Lafayette has elected to present only four years of data for this schedule.

* The City reauthorizes encumbrances from prior years as additions to appropriations at the beginning of the current year, therefore, they did not have reserved funds at the end of the year.

CITY OF WEST LAFAYETTE
Changes in Fund Balances of Governmental Funds
For the years ended December 31,

	2006	2005	2004	2003
Revenues				
Taxes	$ 10,349,864	$ 9,972,944	$ 9,552,713	$ 10,096,475
License and Permits	85,258	84,378	91,851	70,631
Intergovernmental	6,657,665	8,900,814	6,761,469	6,006,376
Charges for Services	1,640,544	1,323,149	1,571,105	1,491,197
Fines and Forfeits	487,341	244,082	453,557	385,680
Other	1,405,545	1,679,523	866,677	725,136
Total Revenues	20,626,217	22,204,890	19,297,372	18,775,495
Expenditures				
General Government	2,578,831	2,492,825	2,283,607	2,363,606
Public Safety	7,027,184	6,394,626	5,629,836	5,564,439
Highways and Streets	3,591,015	2,863,265	2,551,682	3,069,212
Sanitation	631,727	583,970	634,384	642,844
Economic development	586,294	7,175,420 (1)	-	-
Culture and Recreation	1,894,319	1,849,818	1,899,417	1,779,476
Urban redevelopment and housing	-	-	842,798	898,939
Capital Outlay	2,720,573	3,575,558	3,748,138	8,868,257
Debt Service:				
Principal	1,240,000	910,000	295,000	165,000
Interest	974,007	902,509	366,913	372,696
Total Expenditures	21,243,950	26,747,991	18,251,775	23,724,469
Excess (deficiency) of revenues over (under) expenditures	(617,733)	(4,543,101)	1,045,597	(4,948,974)
Other Financing Sources (Uses)				
Financing by capital lease	-	-	140,730	214,491
Transfers in	6,902,836	7,508,958	3,493,741	556,738
Transfers out	(6,902,836)	(7,230,837)	(3,493,741)	(556,738)
Issuance of debt	-	4,230,000	-	-
Total other financing sources (uses)	-	4,508,121	140,730	214,491
Net change in fund balance	$ (617,733)	$ (34,980)	$ 1,186,327	$ (4,734,483)
Debt service as a percentage of noncapital expenditures	12.0%	7.8%	4.6%	3.6%

Note: The City of West Lafayette has elected to present only four years of data for this schedule.

(1) The increase is due to a $4.1 M charge for loss on disposal of the Ross Enterprise Center and $2.155 M expense to Purdue Research Park for business incubator and fiber optic infrastructure.

CITY OF WEST LAFAYETTE
Assessed Value and True Tax Value of Taxable Property
Last Ten Fiscal Years

	Real Property						Total		
	Residential, Commercial and Industrial	Utilities	Total Real Property	Personal Property	Total Real and Personal Property	Less Tax Increment District	Assessed Value (1)	True Tax Value (2)	Total Direct Tax Rate
2006	$ 364,714,027	$ 4,648,483	$ 369,362,510	$ 21,616,753	$ 390,979,263	$ 59,752,783	$ 331,226,480	$ 993,679,439	$ 0.7387
2005	369,607,698	7,628,413	377,236,111	21,979,223	399,215,334	66,120,427	333,094,907	999,284,722	0.7088
2004	369,788,422	5,825,993	375,614,415	22,283,563	397,897,978	65,897,323	332,000,655	996,001,964	0.6802
2003	353,610,277	5,603,410	359,213,687	27,932,053	387,145,740	50,221,503	336,924,237	1,010,772,710	0.7046
2002	195,778,435	6,498,910	202,277,345	24,913,343	227,190,688	19,706,880	207,483,808	622,451,424	0.9811
2001	189,723,555	5,927,780	195,651,335	23,998,800	219,650,135	16,329,030	203,321,105	609,963,315	2.8436
2000	185,469,155	5,791,400	191,260,555	22,928,280	214,188,835	13,915,620	200,273,215	600,819,645	2.7656
1999	182,383,415	5,968,270	188,351,685	22,097,410	210,449,095	12,647,830	197,801,265	593,403,795	2.6658
1998	180,078,380	5,445,780	185,524,160	22,153,750	207,677,910	12,680,810	194,997,100	584,991,300	2.5902
1997	172,627,760	5,299,190	177,926,950	20,076,470	198,003,420	8,856,140	189,147,280	567,441,840	2.5042

(1) Property reassessments were effective in 1997 and 2003.
(2) True tax value is 3 times assessed value. Beginning in 2002, tax rates were based upon $100 of true tax value. In prior years, the rate was per $100 of assessed value.

Source: Tippecanoe County Auditor's Office - Total Assessed and true tax values by category are from the abstracts. The County was unable to provide a more detailed historical breakdown by classification of real property. In the future, the City plans to work with the County to extract assessed value by class of real property and report that information in this statement.

CITY OF WEST LAFAYETTE
Direct and Overlapping Property Tax Rates (A)
Last Ten Fiscal Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
City Direct Rates										
City General	$ 0.5536	$ 0.5552	$ 0.5273	$ 0.5001	$ 0.6951	$ 2.1414	$ 1.8660	$ 1.9489	$ 1.9593	$ 1.7777
Police Pension	0.0231	0.0150	0.0120	0.0118	0.0493	0.1062	0.2210	0.1608	0.0601	0.1224
Fire Pension	0.0246	0.0150	0.0035	0.0033	0.0265	0.0529	0.1139	0.0633	0.0168	0.0776
Park & Recreation	0.0946	0.0805	0.0934	0.1005	0.1572	0.4030	0.4246	0.3527	0.4139	0.3994
Tax Increment Replacement	-	-	-	0.0411	-	-	-	-	-	-
Cum Cap Development	0.0319	0.0319	0.0319	0.0319	0.0424	0.1271	0.1271	0.1271	0.1271	0.1271
Cum Fire Special	0.0029	0.0029	0.0043	0.0043	0.0043	0.0130	0.0130	0.0130	0.0130	-
Fire Truck Lease	0.0080	0.0083	0.0078	0.0116	0.0063	-	-	-	-	-
Total Direct Rate	$ 0.7387	$ 0.7088	$ 0.6802	$ 0.7046	$ 0.9811	$ 2.8436	$ 2.7656	$ 2.6658	$ 2.5902	$ 2.5042
Overlapping Rates:										
State Rate	0.0024	0.0024	0.0024	0.0033	0.0033	0.0100	0.0100	0.0100	0.0100	0.0100
County Rate	0.4098	0.3549	0.3419	0.3283	0.4024	1.3425	1.2317	1.7110	1.7357	1.4331
Solid Waste	0.0025	0.0025	0.0023	0.0023	0.0023	0.0035	-	-	-	-
Township Rates	0.0023	0.0023	0.0006	0.0006	0.0009	0.0059	0.0060	0.0059	0.0059	0.0058
Library Rates (B)	0.1284	0.1562	0.1457	0.1456	0.0813	0.2324	0.2283	0.2116	0.2076	0.1959
School Rates (B)	1.6189	0.1549	1.4894	0.1419	2.1954	6.5673	6.4317	6.2526	5.8054	5.5187

(A) For the period 2006 - 2002 tax rates are based upon the true tax value which is three times assessed value. Prior to 2002, tax rates were based upon $100 of assessed value.
(B) Library and School Districts represent weighted average rates.

Source: Tippecanoe County Auditor's Office

CITY OF WEST LAFAYETTE
Principal Taxpayers
Current and Nine Years Ago

Taxpayer	2006 Assessed Value	2006 Rank	2006 Percent of Total City Assessed Value *	1997 Assessed Value	1997 Rank	1997 Percent of Total City Assessed Value *
Purdue Research Foundation	$ 11,559,637	1	3.49%	$ 2,629,650	4	1.39%
Basham, John R. II, Connie L.	7,106,830	2	2.15%			
McCormick Place Apartment Acquisitions LLC Etal	6,844,967	3	2.07%			
SH Pool A Williamsburg on the Wabash LLC	6,745,143	4	2.04%			
State Farm Mutual Auto Insurance Co.	6,117,570	5	1.85%	5,265,900	1	2.78%
KMF Purdue LLC	6,044,220	6	1.82%			
Wal-Mart real Estate Business Trust	4,942,333	7	1.49%			
Weida, Jerry M., Patti A.	4,795,067	8	1.45%	2,041,210	6	1.08%
Bioanalytical Systems Inc.	4,505,490	9	1.36%	1,558,330	9	0.82%
River Market Development LLC	3,811,787	10	1.15%			
CTS Corporation				4,673,100	2	2.47%
William M. Fleischhauer				3,309,380	3	1.75%
PSI Energy, Inc,				2,047,900	5	1.08%
General Telephone Company				1,637,660	7	0.87%
Peppermill Village Oxford Assoc.				1,596,060	8	0.84%
James L., Sheila A. Cochran				1,553,550	10	0.82%
	$ 62,473,044		18.86%	$ 26,312,740		13.91%

Source: Tippecanoe County Auditor's Office

* Based on City's assessed values as reported on assessed value table.

CITY OF WEST LAFAYETTE
Property Tax Levies and Collections
Last Ten Years

	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Property Taxes Levied (A)	$ 7,331,075	$ 6,777,909	$ 6,634,773	$ 6,387,821	$ 5,631,766	$ 5,450,218	$ 4,841,408	$ 4,813,874	$ 4,864,262	$ 4,342,073
Property Taxes Collected (B)	$ 7,232,347	$ 6,760,564	$ 6,491,012	$ 6,428,897	$ 5,597,203	$ 5,449,539	$ 4,873,707	$ 4,848,877	$ 4,884,436	$ 4,363,005
Percent Collection	98.65%	99.74%	97.83%	100.64%	99.39%	99.99%	100.67%	100.73%	100.41%	100.48%

(A) Source: Annual Budget Order
(B) Source: West Lafayette Cities & Towns Annual Report

Note: Tippecanoe County Auditor's Office system is not set-up to track collections by year levied. The amount collected includes any delinquent payment plus any penalty or interest applicable. As of the end of 2006, total delinquent property tax due to the City for 2006 and all prior years was approximately $150,589.

CITY OF WEST LAFAYETTE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities						Business Activities			
	Property Tax	Revenue Bonds								
	Equipment Lease Corporation	EDIT Bonds	Tax Increment Bonds	Capital Leases	Notes Payable	Total Governmental Activities	Sewage Revenue Bonds	Total Primary Government	Percentage of Personal Income [1]	Debt per Capita [1]
2006	$ 355,000	$ 5,330,000	$ 15,410,000	$ -	$ -	$ 21,095,000	$ 25,419,890	$ 46,514,890	7.77%	$ 1,604
2005	425,000	5,545,000	16,365,000	-	-	22,335,000	25,226,599	47,561,599	8.21%	1,661
2004	495,000	5,750,000	12,770,000	180,903	-	19,195,903	26,514,851	45,710,754	8.04%	1,597
2003	555,000	5,950,000	13,360,000	254,354	-	20,119,354	27,803,066	47,922,420	8.54%	1,662
2002	615,000	5,950,000	13,465,000	224,372	-	20,254,372	27,964,070	48,218,442	8.81%	1,681
2001	615,000	-	7,295,000	64,767	-	7,974,767	24,683,837	32,658,604	6.18%	1,156
2000	-	-	6,500,000	63,146	-	6,563,146	21,119,133	27,682,279	5.25%	962
1999	-	-	-	72,237	-	72,237	19,832,893	19,905,130	3.89%	699
1998	-	-	-	100,548	1,300,000	1,400,548	19,207,688	20,608,236	4.15%	731
1997	-	-	-	138,030	1,300,000	1,438,030	17,545,958	18,983,988	3.94%	680

[1] Population and personal income data can be found in the Demographics and Economic Schedule

CITY OF WEST LAFAYETTE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

	Equipment Lease Corp Bonds	Ratio of Net Bonded Debt to Assessed Value*	Net Bonded Debt Per Capita *
2006	$ 355,000	0.11%	$ 12
2005	425,000	0.13%	15
2004	495,000	0.15%	17
2003	555,000	0.16%	19
2002	615,000	0.30%	21
2001	615,000	0.30%	22
2000	-	N/A	-
1999	-	N/A	-
1998	-	N/A	-
1997	-	N/A	-

* The City's population can be found in the Demographics and Economics Schedule and the assessed value can be found on the Assessed Value Schedule.

Notes: This debt does not appear on the calculation of legal debt margin schedule because these bonds are structured as a lease bond which, in the State of Indiana, are not subjected to the 2% legal margin.

CITY OF WEST LAFAYETTE
Direct and Overlapping Debt
At December 31, 2006

Governmental Unit	Outstanding Debt	Percent Applicable to West Lafayette	Amount Applicable to West Lafayette
Direct Debt:			
City of West Lafayette	$ 21,095,000	100.00%	$ 21,095,000
Overlapping Debt Paid with Property Taxes:			
Tippecanoe School Corporation	110,995,000	2.76%	3,063,462
West Lafayette Community School Corp	26,621,059	99.45%	26,474,643
Tippecanoe County Library	4,910,000	3.44%	168,904
West Lafayette Library	10,260,000	100.00%	10,260,000
Tippecanoe County	12,220,000	13.46%	1,644,812
Other Overlapping Debt:			
Income Tax Supported Debt			
Tippecanoe County Economic Development Income Tax Bonds	8,125,000	13.46%	1,093,625
Subtotal Overlapping Debt	$ 173,131,059		$ 42,705,446
Total Direct and Overlapping Debt			**$ 63,800,446**

Notes: (1) The percentage of overlapping debt applicable is estimated using assessed values. The percentages are calculated by determining the portion of another governmental unit's assessed value that is within the City's corporate boundaries and dividing it by each unit total assessed value.

(2) Overlapping governments are those that coincide, as least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF WEST LAFAYETTE
Legal Debt Margin
December 31, 2006

Legal Debt Margin Calculation for Fiscal Year 2006

Assessed value	$ 331,226,480
Debt Limit (2% of assessed value)	6,624,530
Debt applicable to limit	-
Legal debt margin	$ 6,624,530

	Debt Limit	Total net debt applicable to limit	Legal debt margin	Total net debt applicable to the limit as a percentage of debt limit
2006	$ 6,624,530	$ -	$ 6,624,530	0.00%
2005	6,661,898	-	6,661,898	0.00%
2004	6,640,013	-	6,640,013	0.00%
2003	6,738,485	-	6,738,485	0.00%
2002	4,149,676	-	4,149,676	0.00%
2001	4,066,422	-	4,066,422	0.00%
2000	4,005,464	-	4,005,464	0.00%
1999	3,956,025	-	3,956,025	0.00%
1998	3,899,942	-	3,899,942	0.00%
1997	3,782,946	-	3,782,946	0.00%

(A) All outstanding debt of the City is structured as lease transactions or tax increment district bonds. Neither of these types of obligations are subject to the City's 2% limitation shown above.

CITY OF WEST LAFAYETTE
Governmental Activities Pledged Revenue Coverage
Last Ten Fiscal Years

	Tax Increment Bonds				Economic Development Income Tax Bonds			
		Debt Service				Debt Service		
	Tax Increment Revenue	Principal	Interest	Coverage	EDIT Revenue	Principal	Interest	Coverage
2006	$ 3,437,867	$ 940,000	$ 702,458	2.09	$ 1,303,903	$ 220,000	$ 256,080	2.74
2005	3,071,796	810,000	623,561	2.14	1,172,192	210,000	264,580	2.47
2004	2,966,788	625,000	590,776	2.44	1,233,869	200,000	272,680	2.61
2003	3,505,904	385,000	608,620	3.53	1,288,713	100,000	278,680	3.40
2002	1,628,802	-	550,131	2.96	1,518,616	-	164,112	9.25
2001	1,329,408	6,500,000 (1)	536,250	0.19	-	-	-	N/A
2000	1,161,914	-	-	N/A	-	-	-	N/A
1999	1,132,199	-	-	N/A	-	-	-	N/A
1998	1,024,818	-	-	N/A	-	-	-	N/A
1997	933,037	-	-	N/A	-	-	-	N/A

(1) The 2000 TIF Bonds were issued for $6.5 million and repaid in 2001 with new bonds with significantly lower interest rates.

Source: Pledged revenue data is based upon actual annual tax Increment and EDIT distributions to the City. Since there was no scheduled debt service or outstanding revenue bonds in 1997 - 2000, the coverage test is not applicable.

CITY OF WEST LAFAYETTE
Business - Type Activities Pledged Revenue Coverage
Last Ten Fiscal Years

	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Sewage Revenue Bond Debt Service Requirements			Coverage	Monthly Rate Base (3)	Rate per 1000 Gallons (3)
				Principal	Interest	Total			
2006	$ 7,557,104	$ 3,067,622	$ 4,489,482	$ 1,650,000	$ 694,881	$ 2,344,881	1.91	$ 16.83	$ 5.61
2005	7,431,351	2,768,680	4,662,671	1,605,000	765,956	2,370,956	1.97	15.33	5.11
2004	6,624,041	2,559,997	4,064,044	1,560,000	800,362	2,360,362	1.72	13.68	4.56
2003	5,646,531	2,363,917	3,282,614	1,515,000	836,072	2,351,072	1.40	12.21	4.07
2002	5,030,722	2,480,989	2,549,733	1,215,000	780,944	1,995,944	1.28	11.10	3.70
2001	4,570,678	2,266,867	2,303,811	1,185,000	658,439	1,843,439	1.25	8.67	2.89
2000	4,647,754	2,018,675	2,629,079	810,000	517,650	1,327,650	1.98	8.25	2.75
1999	4,426,015	2,135,385	2,290,630	785,000	541,575	1,326,575	1.73	8.01	2.67
1998	3,822,617	2,205,560	1,617,057	765,000	494,363	1,259,363	1.28	7.62	2.54
1997	3,980,610	2,345,328	1,635,282	740,000	536,428	1,276,428	1.28	7.62	2.54

(1) Gross Revenues include sewage works operating.
(2) Operating Expenses include all sewage works expenses except interest on debt, depreciation and amortization.
(3) The City has implemented phased in sewer rate increases over the past nine years to fund increasing debt service and operating costs. This schedule shows the change in rates over the past ten years. The base rate assumes a minimum usage of 3,000 gallons.

CITY OF WEST LAFAYETTE
Demographic and Economic Statistics
Last Ten Years

	City of West Lafayette					Tippecanoe County (3)		
	Population (1)	School Enrollment (2)	Unemployment Rate (3)	Personal Income *(millions of dollars) (4)*	Per Capita Personal Income (4)	Population	Personal Income *(millions of dollars)*	Per Capita Personal Income
2006	28,997	2,001	3.5%	$ 598.8	$ 20,650	156,169	4,411.0	28,639
2005	28,626	2,048	4.0%	579.6	20,246	154,024	4,169.2	27,406
2004	28,625	1,994	4.4%	568.2	19,849	152,129	3,921.6	25,931
2003	28,840	1,980	4.4%	561.2	19,459	151,230	3,795.5	25,292
2002	28,688	2,044	4.0%	547.3	19,078	150,066	3,690.2	24,647
2001	28,247	1,993	3.2%	528.3	18,704	149,721	3,614.1	24,228
2000	28,778	1,876	2.4%	527.7	18,337	148,955	3,345.4	22,638
1999	28,491	1,940	2.6%	512.0	17,970	142,475	3,265.3	22,338
1998	28,204	2,037	2.5%	496.7	17,611	141,274	3,024.3	20,855
1997	27,917	2,060	2.8%	481.8	17,259	138,535	2,856.5	19,800

Sources:

1) Population for 1997 through 1999 is trended from the actual 1990 census level based upon City Officials' assumption of even annual growth during this period. Estimated population for 2001 - 2006 is from the U.S. Census Bureau.

2) State of Indiana, Department of Education for students attending West Lafayette School Corporation schools.

3) State of Indiana, Department of Workforce Development (IDWD). Tippecanoe County Personal Income and Per Capita Income figures are for the prior calendar year.

4) Personal Income and per capita income statistics are not maintained by the State for municipalities. In order to provide personal income data for the required ratios outlined in GASB 44, we have used 2000 census data as the baseline for this table. The 2000 census reported per capita personal income for the City was $18,337. We have assumed a 2% annual growth rate in personal income to estimate per capita income for 2001 - 2006 and from 1999 - 1997.

CITY OF WEST LAFAYETTE
Principal Employers
Current year and nine years ago

	2006			1997		
Employer	Employees	Rank	Percentage of Total City Employment *	Employees	Rank	Percentage of Total City Employment *
Purdue University **	13,831	1	97.74%	12,250	1	88.96%
State Farm Mutual Auto Insurance Co.	692	2	4.89%	605	2	4.39%
Bioanalytical Systems Inc. **	380	3	2.69%			
West Lafayette School Corporation	215	4	1.52%	300	6	2.18%
City of West Lafayette	200	5	1.41%			
Wal-Mart	200	6	1.41%	212	7	1.54%
Pay Less Supermarket	190	7	1.34%	190	8	1.38%
Chemtura	150	8	1.06%			
Purdue Employees Federal Credit Union	150	9	1.06%			
Marsh Supermarket	144	10	1.02%	150	9	1.09%
Whirlpool Corporation				425	3	3.09%
Great Lakes Chemical				310	4	2.25%
CTS Corporation				309	5	2.24%
K-Mart				110	10	0.80%

* Total employment as used above represents the total employment of all employers located within City limits. Total Employment for 2006 and 1997 was 14,151 and 13,770 respectively.

** The numbers of employees reported above is employment total however, not all of the entity is within the City's jurisdiction.

Source: Lafayette/West Lafayette Development Corporation, employers and Stats Indiana

CITY OF WEST LAFAYETTE

Full-Time-Equivalent City Government Employees by Function/Program

Last Five Years

	Full-time Equivalent Employees as of December 31,				
	2006	2005	2004	2003	2002
General government					
Mayor	4	4	4	5	5
Clerk-Treasurer	5.2	5.2	5.2	5.2	5.2
Court	0.8	0.8	0.8	0.8	0.8
City Hall	0.7	0.7	0.7	0.7	0.7
Engineering	6	6	3	5	5
Development	6	6	6	6	8
Public Safety					
Police					
Officers	43	45	45	43	40
Civilians	15.6	15.6	15.6	15.6	15.6
Fire					
Firefighters and Officers	38	37	35	35	35
Highway and Streets	7.9	7.7	9.2	8.3	7.7
Sanitation	9	7	8	8.5	7.8
Culture and Recreation	20	23	21	20	20
Economic Development	4	4	3	3	2
Wastewater	24.6	26.1	27.1	29.4	27.4
TOTAL	184.8	188.1	183.6	185.5	180.2

NOTE: This schedule was not presented prior to 2006. Data was not readily available before 2002. Table will be expanded with future reports to eventually display ten years.

CITY OF WEST LAFAYETTE
Operating Indicators by Function/Program
Last Three Years

	2006	2005	2004
General Government			
Engineering			
Building Permits Issued:			
Residential (Single/Multi Families)	79	168	174
Commercial	303	242	267
Estimated Property Value of Building Permits Issued	$ 43,262,293	$ 33,174,022	$ 48,978,122
Number of Building Inspections	1,481	1,532	1,574
Development (code enforcement)			
Rental Units Inspected	952	744	696
Nuisance Inspections	515	505	583
Neighborhood Associations	16	14	14
City Court			
Court Cases Filed	2,635	2,509	2,019
Clerk-Treasurer			
Number of W-2s Issued	350	339	331
Number of 1099-Rs Issued	51	53	54
Number of Claims Processed	9,420	9,406	8,693
Number of Receipts Issued	10,085	10,154	10,541
Public Safety			
Police			
Calls for Service	15,637	16,639	17,953
Parking Enforcement Tickets	16,826	19,841	20,940
Traffic Enforcement Arrests and Warnings	13,556	13,945	14,959
Criminal Arrests	2,155	2,193	2,098
Juvenile Arrests	50	89	89
Fire			
Runs	1,339	1,381	1,380
Fire Inspections	573	609	630
Sanitation			
Trash Collected (Tons)	4,226	4,090	5,045
Recycling (Tons)	2,147	1,638	2,128
Highways and Street			
Street Sweeping (Tons)	376	338	479
Asphalt Pothole Repair (Tons)	118	116	96
Culture and Recreation			
Municipal Pool Attendance	22,282	24,018	21,420
Riverside Skating Center Attendance	15,324	14,262	11,983
Recreation Class Participants	6,799	7,019	7,913
Wastewater Treatment Utility			
Plant Design Capacity (MGAL)	3,285	3,285	3,294
Actual Flow (MGAL)	3,216	3,156	3,533

NOTE: This schedule was not presented prior to 2006. Data was not readily available before 2004. Table will be expanded with future reports to eventually display ten years.

CITY OF WEST LAFAYETTE
Capital Asset Statistics by Function/Program
Last Three Fiscal Years

	2006	2005	2004
Engineering			
Capital Projects Managed	11	11	7
Capital Projects Completed	3	4	1
Police			
K-9 Units	1	1	1
Squad Patrol Cars	12	12	12
Parking Control Vehicles	3	3	3
Police Stations	1	1	1
Fire			
Fire Truck Apparatus	3	3	3
Fire Stations	2	2	2
Economic Development			
Tax Abatements	3	1	4
TIF Increment	$3,584,531	$3,212,379	$3,061,700
Sanitation			
Sanitation Packer Trucks	4	4	4
Recycling Trucks	2	2	2
Highways and Street			
Contracted Street Resurfacing (Miles)	2.56	2.25	2.33
Miles of Streets	82	82	82
Culture and Recreation			
City Parks	14	13	13
Community Center	1	1	1
Municipal Pool	1	1	1
Park Acreage	409.5	409	409
Wastewater Treatment Utility			
Wastewater Treatment Plant	1	1	1
Lift Stations	15	14	14

NOTE: This schedule was not presented prior to 2006. Data was not readily available before 2004. Table will be expanded with future reports to eventually display ten years.

CITY OF WEST LAFAYETTE

Ten Largest Wastewater Customers
Last Three Fiscal Years

	2006		2005		2004	
	Charges	Percentage of Revenue	Charges	Percentage of Revenue	Charges	Percentage of Revenue
Purdue University	$ 2,474,222	33.90%	$ 2,394,273	33.46%	$ 1,910,276	29.93%
Indiana Veterans Home	147,105	2.02%	151,029	2.11%	121,505	1.90%
Regency Williamsburg LTD	85,927	1.18%	92,575	1.29%	68,970	1.08%
Beau Jardin Apartments	62,222	85.00%	93,799	1.31%	54,939	86.00%
Sagamore Ridge Apts/Purdue Prop.	58,575	80.00%	62,781	88.00%	52,667	83.00%
Westminster Village	46,026	63.00%	42,945	60.00%	43,886	69.00%
University Inn LLC	44,970	62.00%	37,394	52.00%	35,341	55.00%
Wabash Valley Hospital	38,904	53.00%	44,119	62.00%	49,162	77.00%
Brookman Inc. (Levee Tan & Laundry)	37,145	51.00%	36,985	52.00%	33,011	52.00%
Franciscan Hm (George Davis Manor)	32,651	45.00%	-	0.00%	-	0.00%
University Place	30,040	41.00%	-	0.00%	-	0.00%
Friendship House	-	0.00%	24,896	0.35%	22,967	0.36%

Source: West Lafayette Wastewater Treatment Utility, Billing Department

SUPPLEMENTAL AUDIT OF FEDERAL AWARDS SECTION

SUPPLEMENTAL AUDIT OF FEDERAL AWARDS SECTION

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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

Compliance

We have audited the compliance of the City of West Lafayette (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2006. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006.

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

May 16, 2007

CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2006

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Direct Grant			
CDBG - Entitlement and (HUD Administered) Small Cities Cluster			
Community Development Block Grants/Entitlement Grants	14.218		
		B-04-MC-18-0009	$ 41,312
		B-05-MC-18-0009	213,226
		B-06-MC-18-0009	67,042
Total for program			321,580
Total for cluster			321,580
Total for federal grantor agency			321,580
U.S. DEPARTMENT OF TRANSPORTATION			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	STP-9979(018)	3,506
		BRO-9936(009)	174,759
Total for program			178,265
Total for cluster			178,265
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PT-06-04-07-51	9,955
		J8-06-04-04-01	4,950
Pass-Through City of Lafayette			
Highway Safety Cluster			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	PT-07-04-01-47	11,947
		K8-07-03-61-20	728
		154AL-06-03-03-22	5,903
		154AL-07-02-02-04	420
		157IN-06-04-06-03	28,277
Total for program			62,180
Total for cluster			62,180
Total for federal grantor agency			240,445

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, 2006
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Pass-Through Indiana Department of Environmental Management			
Congressionally Mandated Projects	66.202		
		XP-97560501-0	73,680
Total for program			73,680
Capitalization Grants for Clean Water State Revolving Funds			
	66.458	CS 182075-01	233,306
		CS 182400-01	483,274
		CS 182400-02	95,205
Total for program			811,785
Total for federal grantor agency			885,465
Total federal awards expended			$ 1,447,490

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

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

Note I. Basis of Presentation

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

Note II. Subrecipients

Of the federal expenditures presented in the schedule, the primary government provided federal awards to subrecipients as follows for the year ended December 31, 2006:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grants/Entitlement Grants	14.218	$ 68,984

CITY OF WEST LAFAYETTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:

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

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

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

Identification of Major Programs:

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

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

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF WEST LAFAYETTE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.