

Comprehensive Annual Financial Report



CITY OF --- WEST LAFAYETTE INDIANA

Year Ended December 31, 2007

FILED
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF WEST LAFAYETTE, INDIANA

Year Ended December 31, 2007

Prepared By:

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

INTRODUCTORY SECTION

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May 27, 2008

Members of the City of West Lafayette Common Council:

I am 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, 2007. This is the tenth 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 by the most recent census estimate is 31,079, approximately 19% of the population of Tippecanoe County.

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 39,100 undergraduate and graduate students and employing close to 15,000. Purdue has been the predominant force in West Lafayette's history. The unparalleled research and educational opportunities at Purdue have made West Lafayette a magnet for professionals from across the world. Purdue was ranked no .4 among the Best Places to Work in Academia in 2007 by *The Scientist*, *The Magazine Of The Life Sciences*.

The City of West Lafayette is comprised of executive, legislative, and judicial 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 the Mayor. 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 is proud of its safe neighborhoods, outstanding parks and recreation facilities including its 17.5-mile trail system, strong knowledge-centered economy, nationally recognized educational excellence for K – 12, and high quality of life.

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 and storm water 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

The unemployment rate for Tippecanoe County has been stable and among the lowest in the State of Indiana. In 2007, the unemployment rate

was 3.7% compared to the Indiana rate at 4.5% and the U.S. rate at 4.5%. County-wide, the economy benefits from a diversified employment base including both a strong manufacturing sector and the strong concentration of bioscience and high-tech companies.

The Lafayette-West Lafayette metropolitan area continues to receive top-of-the-charts national recognition for business attraction and quality of life. Key in these efforts has been the Lafayette-West Lafayette Development Corporation, which has effectively focused resources for local governments, industries, businesses and educators to work collaboratively for economic growth. The Lafayette-West Lafayette metropolitan area was ranked 2nd in Indiana for greatest job growth in 2007. Our area was also ranked no.1 in the nation for the number of jobs available in relation to overall population by CareerBuilder.com. 2007 brought more national recognition for business and careers. Lafayette-West Lafayette has been named one of the 100 Hottest U.S. Cities by *Entrepreneur* magazine, ranked as 24th in the Best Places for Business and Careers listing among Best Smaller Metros by *Forbes* magazine, ranked as 25th best out of *Cities Ranked and Rated* by Frommer's. *Expansion* magazine named West Lafayette-Lafayette as 6th best for business recruitment and attraction among its Top Small Metropolitan areas. In quality of life rankings, recognition also continued in 2007 with no. 2 ranking in Indiana and no. 60 in the nation on the Best Green Places List of *Country Home* magazine, and a 5-Star quality of life rating by *Expansion* magazine. America's Promise Alliance recently named Tippecanoe County one of the 2008 Best Communities for Young People. West Lafayette was also named one of the top 10 'brainiest places to retire' by U.S. News & World Report magazine earlier this year.

Our City is the focal point for knowledge-based entrepreneurship in north central Indiana with the center of innovation being the Purdue Research Park. The pace of growth at the Purdue Research Park accelerated with the addition of 19 new affiliates, 6 new companies, and the addition of 24,960 sq. ft. leased in the June 2007-2008 period. The 725-acre Purdue Research Park now hosts 146 businesses, approximately 100 of which are high-tech firms and entities, with total employment at approximately 2,800 employees. \$121 M of venture capital has been invested at the Research Park. Major building projects

in 2007 included the expansion of MED Institute into the signature former Great Lakes Chemical world headquarters building and the dedication of the 26,000 sq. ft. Lake View Technology Center.

In 2007, the Redevelopment Commission and City Council approved the expansion of the Certified Technology Park section of the Research Park by 300 acres in anticipation of development in the newly annexed area to the north. The City has begun engineering for the reconstruction of Yeager Road which will serve as the major arterial on the east boundary of the expanded Research Park, with the \$4.5 M construction planned to start in 2010 financed by Tax Increment Finance (TIF) funds. The City's Redevelopment Commission pledged \$4.57 M in Certified Technology Park Increment Funds for the construction of a second business incubator, the \$14.55 M Heddy Kurtz Purdue Technology Center, in the Research Park. The Purdue Research Park currently has the largest technology incubation program in the nation at 259,000 sq. ft. The City anticipates the construction of a national software solutions center for EDS to begin at the Research Park in 2008 which will employ 200. The City has pledged to provide \$1.5 M in incentives from TIF funds for this project. The Research Park opened a \$1.4 M childcare facility to accommodate 190 children, thereby enhancing work life quality for employees.

The vibrancy of the Purdue Research Park and the positive economic development climate in our metropolitan area has spurred growth in the City's commercial areas, with commercial building permits increasing to over \$30 M in 2007, an increase of 20% over the prior year. Three major commercial projects were initiated in 2007. The Champion's Centre \$60 M mixed-use development across from the Pete Dye-designed Kampen Golf Course was announced in 2007 and won City Council approval as a Planned Development in 2008. This project will include 94-room Residence Inn and 125 luxury sports condo suites; pool, retail, restaurant and office space. Construction began on the \$8.5 M 10-acre Wabash Commons project to redevelop the former Kmart plaza area on Sagamore West, which is expected to bring three stand alone restaurants and expansion of the strip retail center. A \$30 M Marriott hotel project with Springfield Suites and Fairfield Inn and Suites, to be built, in the Levee Area was announced. This project will bring two hotels totaling 261 rooms to the corner of the newly constructed Tapawingo South Drive and SR 26

(State Street). Construction is anticipated to begin in 2008. The College Park Center retail center adjacent to the Purdue Research Park underwent a \$1 M expansion in 2007.

In the Village area near Purdue University, a major anchor to the new West Lafayette Public Library and the City's Morton Community Center urban cultural center was the completion of the first phase of the \$12 M Chauncey Square mixed-use retail and apartment project. On Sagamore West, the City's northern commercial center, the Nighthawk Trail was extended to provide pedestrian and bicycle access to the Sagamore West business corridor.

In 2007, two major roadway projects were completed. The \$1.1 M Salisbury Street Safety Improvement - Phase 1 provided improved roadway, pedestrian and bicycle access on one of the City's main arterial linking schools, neighborhood and business areas from north to south. Engineering for Phase 2 is scheduled for completion in 2008. Funding for this project is through a combination of road funds, Economic Development Income Tax, and the Cumulative Capital Development Fund.

The \$5.4 M Tapawingo South Extension project added a new connector through the Levee business area from Riverfront development areas to US 231 and Purdue University. This project was funded by \$2.2 M in federal transportation grants and by TIF and Economic Development Income Tax.

The City's economic vitality and transportation safety is a priority in major road projects planned for 2008. Engineering is expected to be complete for the \$3 M Yeager Road reconstruction between the Sagamore West business corridor and Northwestern Ave (US 231). Planning for reconstruction of Cumberland Ave. was completed in 2007 with extensive community participation, and engineering for the Northwestern (US231) to Yeager Road segment is underway in 2008 on this major east-west arterial. Construction of the \$0.97 M Sycamore Lane traffic calming project between Salisbury St. and Sagamore West is planned to begin in 2008. This project is financed about half by federal transportation grants and half by Economic Development Income Tax and the Cumulative Capital Development Fund.

The City's wastewater treatment utility is vital to the City's growth and the importance it places on environmental stewardship. Division I of the Western Sewer Interceptor was completed in 2007 and Division II is underway. The Western Interceptor will complete the City's Long-Term Combined Sewer Overflow (CSO) plan, and provide the infrastructure to support expansion to the west. Funding is provided by a \$12.34 M State Revolving Fund (SRF) grant. The Digester Renovation and Alternate Power project at the wastewater treatment utility plant entered the construction phase in 2007. Funding is provided through \$9.375 M in SRF grants and \$0.8 M in local WWTU improvement funds. The Digester Renovation project will provide new energy efficiency by utilizing methane energy in the treatment process and will provide the only regional fats, oils and grease disposal facility in our region, bringing both economic and environmental benefits to local business.

The City's strategic plan for riverfront development took a step forward in 2007 with the announcement that the Redevelopment Commission would lease property to the Purdue Research Foundation to provide a site for a \$1.5 M Purdue Crew boathouse facility on the banks of the Wabash River just north of the Wabash Heritage Trail overlook. The facility will also provide public access and facilitate additional development and recreation options in this area. Site preparation is expected to begin in 2008. The Redevelopment Commission acquired the \$1.2 M riverfront property with TIF funds in 2006.

The City will be extending its Wabash Heritage Trail link to the riverfront with construction of a 1.06 mile-mile segment along North River Road, Happy Hollow Road and ending with a new trailhead at Happy Hollow Park. In 2007, the City was awarded an \$811,784 federal transportation enhancement grant for this project. Engineering will proceed in 2008 paid by the Cumulative Capital Development Fund.

Financial Planning

West Lafayette has been the most compact city in geographic size and most densely populated city in cities of its class in Indiana. West Lafayette is also remarkable in having a property tax levy that is about the same size of municipalities with approximately half our population. These two factors have shaped West Lafayette's financial planning.

West Lafayette has had the advantage of operating with significantly

fewer employees per capita than municipalities of comparable population, primarily in public safety. The expansion of the City in 2006 by annexation of 1173 acres has resulted in additional costs for extensions of city services, primarily public safety. Three police officers and three firefighters were hired in 2007 to serve the annexation area. A temporary fire station was opened in October 2007 at the existing Parks Maintenance Barn in Cumberland Park. The site of a permanent third fire station is to be determined in 2008. TIF funds were used to furnish and equip the fire station including the purchase of a new fire engine. General Fund resources will be used to pay for the extension of city services in the short-term. The City is currently reviewing the annexation fiscal plan developed in 2005. It is anticipated that the City will be appealing for an increase in the property tax levy over 4 years, beginning in 2009, to fund a portion of extending city services to the annexation area. The amount and timing of the increases will be determined from annual reviews of necessary City services to be provided for the annexation area. The annexation provided 300 acres for expansion of the Purdue Research Park, and additional area for residential and commercial development. Growth in this area will increase the City's tax base and contribute to a stable tax rate. To date residential development in the annexation area has been significantly less than originally forecast, in accordance with the nationwide slow down in housing starts. One new development, a 96-unit condominium development, the Villas at Stonebridge, began construction in 2007.

The City depends on property tax as the single biggest revenue to support ongoing city operations, primarily public safety. In 2008, the State Legislature made significant changes to the property tax system and property tax levies of local jurisdictions. While certain provisions are still to be clarified, the impact on the 2009 City budget appears to be significant in terms of the reduction to the City's property tax levy and the City's obligation to fund pension benefits for the 1925 Police Pension Fund and the 1937 Fire Pension Funds. The State will be assuming responsibility for funding these pension benefits, and is mandating a reduction in the City's levy going forward. The City will be required to submit its 2009 budget to the County Council, along with all other local jurisdictions, for review prior to final adoption. The City's levy is also subject to the provisions of "Circuit Breaker" control, which triggers automatic cuts in property tax levies when the total of all

overlapping property tax levies exceed a cap which is established as a percentage of property assessed valuation, and varies with the type of property. The impact on West Lafayette has been estimated to be minimal in 2009 - 2010.

The implementation of tending of assessed valuation on an annual basis has resulted in unexpected volatility in tax increment revenues. In addition, the Auditor of Tippecanoe County has advised the Redevelopment Commission that a significant overpayment of Tax Increment occurred in 2007, currently estimated at \$1.1 M. A revised 2007 property tax settlement for the County is pending Department of Local Government Finance approval. The Redevelopment Commission has determined after taking revised TIF revenue forecasts into consideration that there are sufficient TIF cash reserves to make the repayments if required, and that all debt service and current project requirements can be met.

The fiscal policies of the City are under review by the new Mayor and Council. Action is anticipated in the current year and in the 2009 budget to address the structural deficit in the General Fund and the reduction in the City's cash reserves.

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, the Clerk's Record Perpetuation 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, the KCB Redevelopment Commission Fund, the Certified Technology Park fund and the Certified Technology Park Grant 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 September 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 reviews the budget and issues a preliminary budget order. A final budget hearing is held by the Department of Local Government Finance prior to issuing a final budget order. The statutory deadline is 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 76 For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report beginning on page 100.

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 a 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, 2007, the City's PERF account has an accrued actuarial liability of \$4,500,614, and has an excess of assets of \$221,119.

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 from 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, \$18,505,800 and a deficit of assets of \$17,194,276 as of January 1, 2007.

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 2007 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 2007 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 2007 because of the City's consistent safety experience superior to the State average.

The City is in the second year of a three-year agreement to participate with the City of Lafayette in the first municipal insurance consortium in the State. This initiative is targeted at accessing more cost effective healthcare insurance and emphasizing wellness measures in a changing and competitive health insurance environment.

Annual Audit

Indiana statute (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, 2007 are fairly

presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this 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 as Supplemental Audit of Federal Awards Section pages 134-145.

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. Ireland, CPA, Field Supervisor, Sherry Parton, CPA, Special Projects and CAFR Supervisor, and Lead Auditor Gary W. Roberts, and Auditors Leann Tinsley, CPA, and Philip Astell. We also acknowledge the assistance of James W. Treat, CPA, partner, with the accounting firm of O. W. Krohn and Associates, LLP.



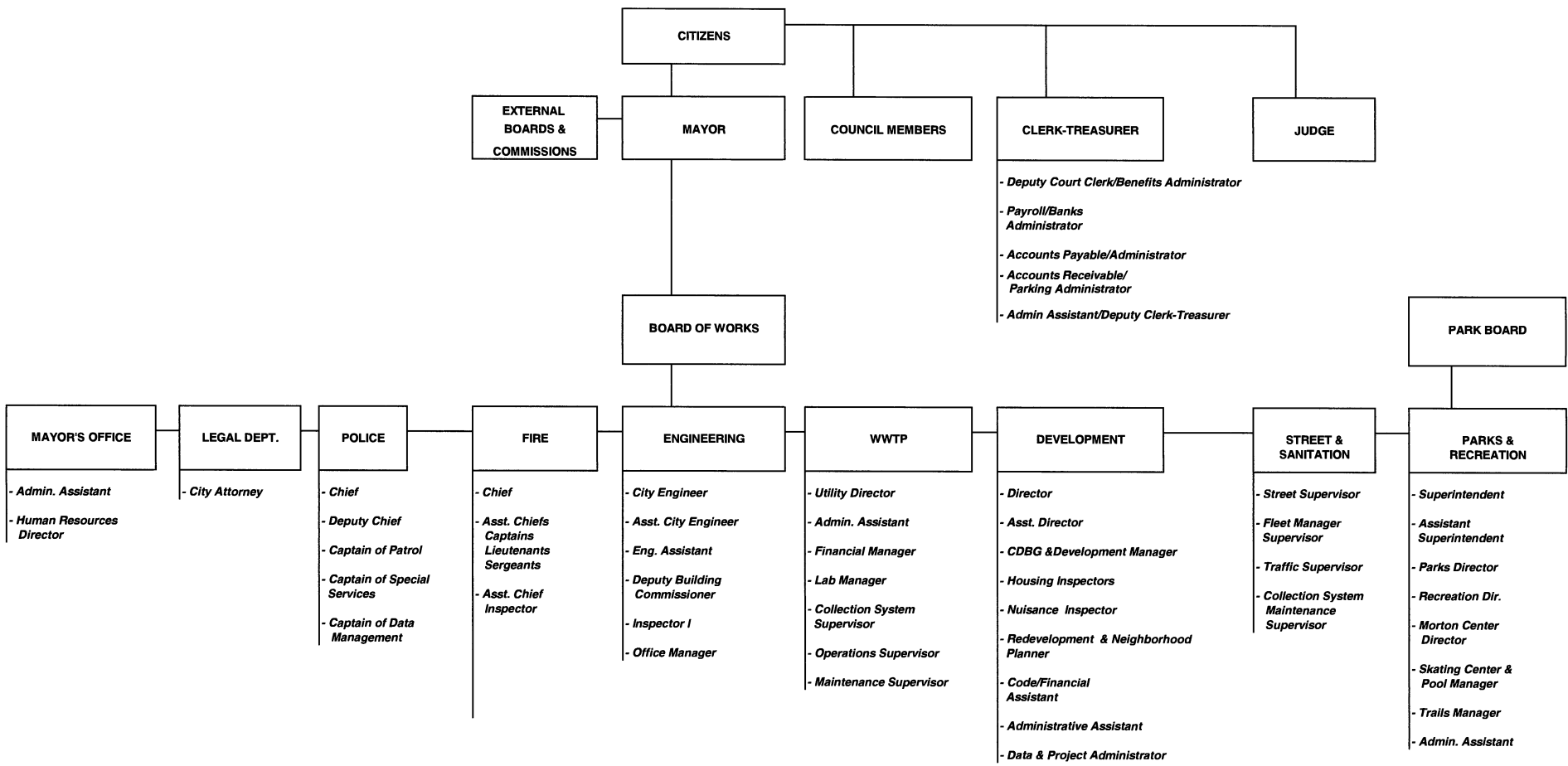
Judy Rhodes, Clerk Treasurer

WEST LAFAYETTE CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
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.westlafayette.in.gov

CITY OF WEST LAFAYETTE ORGANIZATION CHART



CITY OF WEST LAFAYETTE
DEPARTMENTAL SERVICES AND RESPONSIBILITIES

POLICE DEPARTMENT

POLICE CHIEF: Jason L. Dombkowski

The West Lafayette Police Department provides around-the-clock safety, security and police protection throughout the City. The Department is staffed by 48 officers, 19 civilians, 7 crossing guards and 4 volunteers. Police officers also provide bicycle patrols and K-9 patrols. 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 J. Drew

The West Lafayette Fire Department operates three fire stations and provides 24-hour services. The department is staffed by 41 highly trained firefighters, including a chief, a fire inspector/investigator and three assistant chiefs. City fire equipment includes a 95 foot platform truck, three pumper trucks and a one-ton 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 1,500 a year of which approximately 1,000 are medical 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, stormwater, drainage, erosion, 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 S. Henderson

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: Chandler M. Poole

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

STREET COMMISSIONER: 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, 2006

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



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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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, 2007, which collectively comprise the City's primary government basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 respective financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2007, 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 (General and Major Special Revenue funds), as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated May 27, 2008, on our consideration of the City's internal control structure and a report dated May 27, 2008, on its compliance with laws and regulations.

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

STATE BOARD OF ACCOUNTS

May 27, 2008



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2007, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 27, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A 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.

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)

Our consideration 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.

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

May 27, 2008

CITY OF WEST LAFAYETTE
Management's Discussion and Analysis
For the Year Ended December 31, 2007

The discussion and analysis of the City of West Lafayette's financial performance for the year ended December 31, 2007 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 2007 by \$93.35 M (net assets), an increase of \$12.647 M or 15.6% over the prior year. The primary source of growth was a \$10.21 M increase in assets invested in capital assets.
2. Unrestricted assets, resources which may be used to meet the City's ongoing obligations to citizens and creditors, continues to maintain a positive, but declining balance at \$6.236 M, down approximately one-third over the prior year. The 18.5% increase in unrestricted net assets to \$13.718 M in the wastewater treatment utility, the City's sole business-type activity, could not offset the three-fold decline to -\$7.48 M in unrestricted net assets in governmental activities.
3. Total revenues increased by \$8.525 M to \$38.659 M, a 28.2% increase, reversing the decline in revenues since 2004. The largest factors in the rebound in revenues were a \$4.75 M increase in contributions and capital grants related to capital projects; a \$1.808 M increase in property taxes, up 17.5% over the prior year; and a \$0.804 M increase in wastewater utility operating revenue.
4. Total expenses increased to \$26.012 M, an increase of \$4.46 M or 20.7% over the prior year. Over 91% of the increase is for governmental activities, with public safety expense increasing 31.4% or \$1.943 M.
5. Fund balances for governmental funds declined by 7.3% to \$20.127 M. The General Fund year-end unreserved balance declined by 50% to \$1.263 M, more than doubling the rate of decrease experienced in each of the past two years. At year end, the General Fund's unreserved fund balance was 11.7% of the 2007 General Fund expenditures.
6. The City's long-term liabilities at year end totaled \$56.264 M, increasing \$1.30 M primarily due to the increase in the pension obligation. Total bonded debt decreased. The City reinstated utilization of short term capital financing in 2007, authorizing approximately \$300,000 for lease purchase financing of vehicles.

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, 2007, 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 27-29 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 its 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 & 32 of this report, and the reconciliation schedules are found on pages 31 & 33. Combining balance sheets are provided for nonmajor funds in the Supplementary Information section, pages 90-99.

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 statute, 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 76 and major special revenue funds on page 77 as part of Required Supplementary Information, and in combining statements for all other funds as part of Supplementary Information pages 78-82. 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. Pages 34-39.

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. Actuarial analysis is provided by the actuary of Indiana State Pension Oversight Management Commission. Agency 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 40-41 of this report. Additional information pension plans is found in several places in financial section, specifically Note IV. C to the Notes to Financial Statements pages 65-72, and the Schedules of Funding Progress in the Required Supplementary Information [pages 78-79].

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 43-74 of this report, and notes to Required Supplementary Information are found on pages 80-82.

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 75-82 of this report. Combining financial statements for the non-major governmental funds are provided in Supplementary Information on pages 85-106.

Government-wide financial analysis

Statement of net assets

The City's primary government assets exceed liabilities by \$93.35 M at the close of 2007. [Figure 1 and Statement of Net Assets, page 20.] The City's net assets increased by \$12.647 M or 15.6% during 2007, with increases for both the City's governmental activities and business-type activities. [Figure 2 and Statement of Activities, page 21.]

Investments in capital assets comprise 71% of the City's net assets (total assets less total liabilities) at \$67.173 M. Net assets for capital assets is reported as 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. The City's capital assets are used to provide services to citizens. Continued strong growth in the investment in capital assets, a \$7.47 M increase for governmental activities and \$2.738 M for the wastewater treatment utility, reflects implementation of infrastructure improvements for quality of life and growth initiatives. However, 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 is designated as restricted or unrestricted. Restricted net assets totaled \$19.942 M at year end, having increased by \$5.426 M or 37.4% during 2007. These dollars that are subject to external restrictions and cannot be spent on everyday operations. The City's governmental activities continue to show strong growth in restricted assets, increasing \$5.265 M, largely from tax increment financing districts and Certified Technology Park grants and increment, which are designated through the Redevelopment Commission for economic development projects.

In contrast, unrestricted net assets totaled \$6.236 M at year end, having decreased \$2.989 M or 32.4% during 2007. Unrestricted assets may be used by the City to meet ongoing obligations. The decline in unrestricted net assets resulted from the dominant effect of the record -\$7.482 M deficit balance for governmental activities in a year in which the rate of decrease in this category more than doubled. The unrestricted net assets in the City's governmental funds have not had a positive balance since 2003, the first year financial statements in conformance with GASB 34 were presented. The major factors in the accelerating growth of the deficit in unrestricted net assets is the concurrent decline in the General Fund balance and the increase in the net pension obligation for the old public safety pension plans, the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan. Although the City maintains separate trust funds for these pension plans and accounts for contributions and benefit expenses in fiduciary statements, the liability for the pensions are general obligations of the City and are born in the primary government's public safety function.

In business-type activities, unrestricted assets grew to \$13.718 M, an 18.5% increase over the prior year in the wastewater treatment utility. For the past three years, wastewater utility's unrestricted assets have increased over \$2 M each year. The most significant factor has been the timing and cost of capital projects. The delays in starting major capital projects and changed timelines for phasing of segments of projects has resulted in lower than anticipated expenditures for locally funded projects and has also resulted in lower debt service costs associated with State Revolving Fund loans for the \$12.38 M Western Interceptor and \$8.345 M Digester Renovation and Alternate Power projects. Additionally, the wastewater utility received \$413,202 in U.S. Environmental Protection Agency grant reimbursements in 2007 for the BarBarry Heights and Green Meadows Lift Stations projects that have been underway since 2006.

[Refer to Note D to the Financial Statements]

Statement of activities

Total City revenues increased to \$38.659 M in 2007, up \$8.526 M or 28.3% from the prior year, primarily due to revenue growth for governmental activities. Revenues for governmental activities totaled \$28.197 M or 73%, the remainder being from business-type activity at \$10.461 M.

Total expenses were \$26.011 M, a 20% increase over the prior year. Governmental activities comprise \$20.594 M or 79.2% of expense and wastewater treatment utility expense at \$5.418 M comprises the remainder. [Figure 4]

Governmental activities revenues and expenses

Governmental activities showed greater reliance on general revenues, compared to program revenues, in 2007 with general revenues increasing to 72% of total governmental activities revenue compared to 64% in the prior year. Total governmental activities revenues increased to \$28.197 M, about \$7.035 M one-third greater than the prior year. Approximately 80% of the increase is attributed to grants and contributions related to the recognition of state and federal grants in support of road projects, primarily the Tapawingo South and Perimeter Parkway projects. The remainder of the increase is due to increased tax revenues, mostly from property tax increment in the City's tax increment financing (TIF) districts, and also higher local option income tax revenues reflecting the overall strong economy in Tippecanoe County. [Figure 3].

Expenses for governmental activities increased by \$4.083 M to \$20.593 M, or 24.7%. Nearly half of the increased expense is related to public safety, the City's largest program. The main cost driver was the net pension obligation, and concomitant pension expense, for the old public safety plans. An actuarial adjustment of minus \$1.1865 M was made to the 2006 beginning net pension obligation, which was the primary cause of the reduction of approximately \$0.9 M for the year, and the concomitant reduction in expense. At the beginning of 2007, an actuarial adjustment of plus \$1.1261 M was made, which again was the primary cause of the change in net pension obligation. In 2007, the net pension obligation increased over \$1.3 M for the year, with the concomitant increase in expense. Since actuarial assumptions are estimates, a change in estimates does not require a prior period restatement. One factor in the 2007 adjustment was the scheduled retirement of the last three firefighters eligible for the DROP option which provides a lump sum benefit upon retirement in addition to the regular monthly pension benefit. The total lump sum benefit for the retirements in 2007 was approximately \$282,000. [Figure 4 and discussion of long-term liabilities on page 16 in this section.]

Expense for highways and streets increased 29.4% in 2007 to \$3.946 M, reflecting a record level of road resurfacing and streetscape refurbishment. General government, the third largest category at \$3.211 M, increased 5.2% reflecting higher operating costs, particularly employee health insurance costs. Culture and recreation expense of \$2.705 M had the highest growth rate at 54.3%. This reflects recognition of culture and recreation expense in capital funds where increasing maintenance and operational expense has been allocated.

Business-type activities revenues and expenses

Revenue to the wastewater treatment utility was increased 16.6% over the prior year to \$10.461 M. Revenues from charges for service (residential sales) rose 11.1% to \$8.120 M due to increases in billable flow. The utility's single largest customer, Purdue University, completed conversion to metered flow from its facilities and the 10% discount in effect since 2005 for assumed infiltration and inflow expired. Revenue from Purdue University increased over 24% while revenue from other customers increased about 5% from the prior year. Utility rates have not been changed since July 1, 2006. Growth in revenue from capital grants and contributions accounts for approximately one-third of the total growth, the largest component being the reimbursement of \$0.521 M to the utility by the Levee/Village Redevelopment Commission Fund for sewer and stormwater improvements in the Village, along with transfer of these assets to the utility. The next largest component was \$0.413 M in U.S. Environmental Protection Agency grant reimbursements for the lift station projects.

Expenses for the wastewater treatment utility increased by \$0.381 M or 7.6% to \$5.418 M after being nearly unchanged for two years. Operating expense for treatment and disposal increased 22.1% or \$0.3025 M due to increased flow to the plant and additional expense necessitated by construction at the plant. All other operating expense declined, and increases in investment earnings exceeded growth in nonoperating expense.

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 increased in 2007, reversing three years of decline. Governmental fund balance totaled \$20.127 M, an increase of \$1.382 M or 7.4%. [Figure 5 and Statement of Revenues, Expenditures, and Changes in Fund Balances, Governmental Funds, page 24]

The trend in governmental fund balance is for the City's chief operating fund, the General Fund, to comprise a much smaller proportion of governmental fund balances. The General Fund balance declined to \$1.263 M, a 31.0% decrease, similar to the rate of decline for 2006. The City has used available fund balance in the General Fund to support higher

expenditures for personnel, which is an increasing share of General Fund expenditures, reaching 81.5% in 2007. Public safety personnel comprise 70% of personnel costs in the General Fund. While increasing personnel costs account for virtually all increase in expenditures in the General Fund over the past three years, more personnel costs and other operating costs have also allocated from the General Fund to other funds based on function and availability of resources.

Fund balances for major funds fluctuate from year to year, the main influence being timing of expenditures and financing sources for capital projects. Fund balances for major funds reached \$4.425 M at year end, with increases in Road Funds and Park and Recreation Fund offsetting declines in the Economic Development Income Tax Fund. The Economic Development Income Tax Fund has increasingly been utilized for support of City operations, as permitted by State statute, rather than capital projects, and costs for litigation of several high profile code enforcement cases accounted for over 70% of the reduction in fund balance in 2007.

The non-major governmental funds have a combined fund balance of \$14.439 M, an increase of \$1.866 M. Funds under Redevelopment Commission authority were the main sources of fund balance growth, The receipt of \$1.059 M of Certified Technology Park increment, reflecting sales tax and income tax collections, was the single largest increase. This increment is pledged to support development in the Certified Technology Park area of the Purdue Research Park.

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 \$40.798 M. approximately one-third of total net assets are unrestricted. Net assets invested in capital assets, net of related debt, total \$26.064 M and restricted assets for debt service and retainage payable total \$1.016 M. Operating income rose 13.3% to \$3.681 M.

[Refer to Statement of Net Assets, Proprietary Funds, page 34.]

Budgetary Analysis

General fund budgetary highlights

Total budgetary expenditures in the General Fund were \$10.5 M, an increase of 3.5% over the prior year. The rate of growth in General Budget expenditures was nearly reduced to half, compared to the rate of increase of the prior two years. Under-expenditure of budget was a record \$0.579 M, which was 5.2% of budget compared to the average reversion of 4.4% over the past five years. The primary contributors to under expenditure were related to timing of cash

expenditures for three retiring firefighter entitlements, timing of filling officer vacancies, and curtailment of discretionary spending across the board in the fourth quarter of the year.

General Fund revenues were \$9.719 M, and increased at a rate of 1.7%, nearly identical to the prior year. The 4% negative revenue variance in property taxes reflects incomplete settlement of \$147,478 of ad valorem levies at year end by the Tippecanoe County Auditor that were remitted in January 2008, after the close of the budgetary fiscal year on December 31. The City increased its allocation of its property tax levy to the General Fund by about \$400,000 or 7.2% in 2007 in order to support higher spending levels and preserve the fund balance.

The negative variance in intergovernmental revenues is primarily due to shortfalls in the certified county option income tax (COIT) distribution. COIT, at approximately \$1.4 M, is the single largest non-property tax source of revenue to the General Fund. The declining trend in the City's share of COIT continued in 2007 due to the formula for distribution of income tax that is based only on the relative size of property tax levies among eligible jurisdictions. The relatively higher growth rate and magnitude of County and Lafayette City levies compared to West Lafayette's levy has continued to reduce the City's proportionate share of income tax. In January 2008, the Tippecanoe County Auditor released excess local option income tax collections to jurisdictions. West Lafayette received \$149,006 in COIT which has been deposited as required in the City's Rainy Day Fund and available for appropriation by the City Council.

[Refer to Budgetary Comparison Schedule, page 76 and Schedule of Expenditures – Budget and Actual – General Fund, page 85-86]

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, local option highway user tax (LOHUT), and capital contributions and grants. The Roads Funds are the sole source for operating and maintenance expenses for roads, and also provides significant funds for capital improvement of City roads, sidewalks, and traffic signals.

Revenues for Roads Funds increased \$0.22 M or 11.2% over the prior year primarily due to establishment of the Perimeter Parkway Fund which is designated to receive grants and contributions for the implementation of the long-term Purdue Transportation Plan for improved access to campus. The large variances in revenues (negative) and expenditures (positive) mostly reflects an initial project schedule that would have resulted in greater activity on this project in 2007. Expenditures decreased \$0.366 M or 16.5% reflecting the ending of major construction activities on the first phase of the Salisbury Street Safety Improvement Project and Tapawingo South. In 2007, the City increased emphasis on its annual

street resurfacing and curb replacement program while forthcoming major road projects were in design and engineering phases.

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 Redevelopment Commission tax Increment funds.

Revenue to the Parks and Recreation Funds was nearly unchanged from the prior year at \$1.767 M. The allocation of property taxes to support Parks operations has continued to increase, up by 11.2% this year to \$1.044 M. Expenditures decreased by 17.6% to \$1.643 primarily due to a decrease in capital outlay for parks facility improvements and equipment.

Economic Development Income Tax Fund revenue was nearly unchanged from the prior year at \$1.413 M. The main source of revenue is distribution of the local option economic development income tax (EDIT), which is subject to the same impact from disparity in growth of tax levies as is COIT. In January 2008, the Tippecanoe County Auditor released excess local option income tax collections to jurisdictions. West Lafayette received \$138,181 in EDIT (Economic Development Income Tax) which has been deposited as required in the City's Rainy Day Fund and available for appropriation by the City Council.

Economic Development Income Tax Fund expenditures also remained close to 2006 levels at \$1.578 M. Major road and trail projects engineering continued to be funded, and also design for the temporary fire station, while funding increased for legal and other operating expense.

[Refer to Budgetary Comparisons Schedule, Major Special Revenue Funds on page 77 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 primary government's capital assets at year end totaled \$113.2 M, net

of accumulated depreciation, with 54% allocated to governmental activities and 46% to wastewater utility. Capital assets increased \$9.965 M or 9.65% over the prior year. Capital assets for governmental activities increased by \$6.232 M, the largest addition reflecting completion of the \$5.39 M Tapawingo South Road. Other major additions were related to Fire Department and include the construction of the \$0.607 M temporary fire station, the \$0.189 M rehabilitation of Fire Station #1, and \$0.890 M for two new fire trucks, one an addition to the new station and one a replacement. A gift of land valued at \$0.433 M was received from the West Lafayette Parks and Recreation Foundation, Inc. Investments in capital assets for the wastewater treatment utility increased \$3.733 M or 7.66% as work progressed on the Western Interceptor, and Digester Renovation and Alternate Power project at the treatment plant, and the BarBarry Heights Lift Station.

[Figure 6; and Section III, Notes C and D to Notes to Financial Statements, pages 54-59; for readers desiring more detailed information on capital asset activities.]

Long-term liabilities

The City's long-term liabilities totaled \$56.264 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 \$46.094 M, divided into revenue bonds payable (43%) for City general governmental activities and loans payable (57%) for the wastewater treatment utility. [Figure 7]

Revenue bond debt was \$19.679 M at year end, a decrease of \$1.237 M or 5.91% reflecting scheduled debt repayment. No new revenue bond debt was incurred in 2007. 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 \$26.415 M at year end are entirely from the State Revolving Fund. These obligations are paid from the revenues earned by the utility. Additional loan draws of \$2.705 M were made for the Western Interceptor, and the Digester Renovation and Alternate Power projects in 2007. Detailed information on long-term debt activity is available in the Notes to the Financial Statements in Section III, Note G pages 61-64]

Other long-term liabilities of \$9.055 M are primarily pension obligations. As previously discussed in the Statement of Activities section, pension liabilities increased 17% or \$1.309 M for governmental activities. The unfunded actuarial accrued liability for these pensions is \$18.395 M as of January 1, 2006. Effective January 1, 2008, the State of Indiana will increase intergovernmental revenue to pay 100% of pension benefits for these two plans. [Refer to Schedules of Funding Progress, page 78.]

Economic Factors and the Next Year's Budgets and Rates

West Lafayette's focus in growing as a "Knowledge Centered Community" has brought continued success as 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. Following on national recognition of the West Lafayette-Lafayette area for business location and entrepreneurship U.S. New & World Report recently named West Lafayette one of the top ten 'brainiest places to retire."

In 2007, the City began to provide services to the 1,173 acres which was annexed in 2006. This area represents a 30% increase in the area of the City and offers opportunities for residential and commercial development. The City expanded its Certified Technology Park to take in approximately 377 acres designated by Purdue Research Park for Phase III expansion, which will provide additional funding for economic development in this area. Single-family residential development in the annexed area has slowed, reflecting the overall housing market, but development of the first phase a new condominium project of attached homes was initiated in 2007 and is scheduled for occupancy in 2008.

The City utilized TIF fund balances in 2007 for capital costs of providing fire protection services to annexed areas, constructing a temporary fire station and purchasing a fire truck. Plans for a permanent third fire station will be finalized in 2008 and construction is expected to begin in 2009. Financing for the fire station will be through TIF bonds. TIF is also being utilized for preliminary engineering on reconstruction and urbanization of Yeager Road which serves the expanded Certified Technology Park area, with construction of the estimated \$4.5 M road improvement planned for 2010.

Operating costs associated with extending city services to the annexation area have been born by the General Fund. Three police officers and three firefighters have been added to provide service to the annexed area. The City plans to add one additional firefighter over three years beginning in 2009. The City expects to be allowed an automatic increase in its property tax levy in 2008 of about \$100,000 based on increase in the value of its assessed valuation attributed to the increase in the geographic area of the City from annexation. The City was not, however, able in 2007 to appeal for a larger increase in the 2008 property tax levy in order to provide the necessary funding for the increased operating costs of extending services to the annexed area, and will rely on fund balances in the General Fund and Rainy Day fund for 2008

expenses. The City expects to utilize newly enacted State statutes to appeal for a phase-in of increases in its property tax levy for annexation costs, beginning in 2009. The Local Government Property Tax Control Board must approve these increases in the City's property tax levy.

In 2007, the wastewater treatment utility entered into an agreed order with the Indiana Department of Environmental Management which grants approval for the City's combined sewer Overflow Long-Term Control Plan in accordance with requirements of the utility's National Pollutant Elimination Discharge System Permit. The last component is the Western Interceptor, of which Division II is currently under construction. No rate increases are planned for 2008.

Trending of property assessment values was mandated by the State to set property values as of March 1, 2007 for taxes payable in 2008. County officials have experienced difficulties in implementing this process. 2007 assessed valuations have not been certified as of May 28, 2008, and consequently the Department of Local Government Finance has not released the 2008 budget orders or tax rates for any jurisdiction in Tippecanoe County. Property tax levies, including the automatic increase for annexation the City anticipates receiving for 2008, are unknown at this time.

In 2007 the Redevelopment Commission again approved the release of residential assessed valuation growth to overlapping jurisdictions in 2008 from the Kalberer/Cumberland/Blackbird TIF district. The Commission approved the release of \$20.1 M in assessed valuation, an action which 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 but cannot be calculated at this time.

The State Board of Accounts has determined in its FY 2007 audit of Tippecanoe County that an excess distribution of tax increment finance increment was made to TIF districts in 2007. The City has not received a report on the amount of the excess or whether correction of the situation will require a refund or the reduction of the 2008 tax increment finance distribution.

In 2008, state statutes were enacted which impact the revenue stream, uses, and operation of tax increment financing districts. Preliminary estimates are that increment to TIF districts may decrease from 28% to 38% in 2009, depending on whether the Tippecanoe School Corporation or the West Lafayette School Corporation is the overlapping school jurisdiction. The impact on City capital plans will be evaluated in 2008.

Municipal elections were held in 2007. The offices of Mayor, Clerk-Treasurer, City Judge and City Council were on the ballot. A new Mayor and a majority of the City Council are newly elected officials.

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	
	2007	2006	2007	2006	2007	2006
Assets						
Current and other assets	\$ 23,100,555	\$ 20,968,922	\$ 15,087,112	\$ 12,645,999	\$ 38,187,667	\$ 33,614,921
Capital assets	60,723,228	54,491,383	52,478,630	48,745,437	113,201,858	103,236,820
Total assets	<u>83,823,783</u>	<u>75,460,305</u>	<u>67,565,742</u>	<u>61,391,436</u>	<u>151,389,525</u>	<u>136,851,741</u>
Liabilities						
Long-term liabilities	27,718,884	27,547,449	24,659,855	23,760,323	52,378,739	51,307,772
Other liabilities	3,551,835	2,963,302	2,107,556	1,876,338	5,659,391	4,839,640
Total liabilities	<u>31,270,719</u>	<u>30,510,751</u>	<u>26,767,411</u>	<u>25,636,661</u>	<u>58,038,130</u>	<u>56,147,412</u>
Net assets						
	<u>\$ 52,553,064</u>	<u>\$ 44,949,554</u>	<u>\$ 40,798,331</u>	<u>\$ 35,754,775</u>	<u>\$ 93,351,395</u>	<u>\$ 80,704,329</u>
Invested in capital assets, net of related debt	41,109,444	33,637,831	26,063,775	23,325,547	67,173,219	56,963,378
Restricted	18,925,922	13,660,921	1,016,446	855,000	19,942,368	14,515,921
Unrestricted	(7,482,302)	(2,349,198)	13,718,110	11,574,228	6,235,808	9,225,030
Total net assets	<u>\$ 52,553,064</u>	<u>\$ 44,949,554</u>	<u>\$ 40,798,331</u>	<u>\$ 35,754,775</u>	<u>\$ 93,351,395</u>	<u>\$ 80,704,329</u>

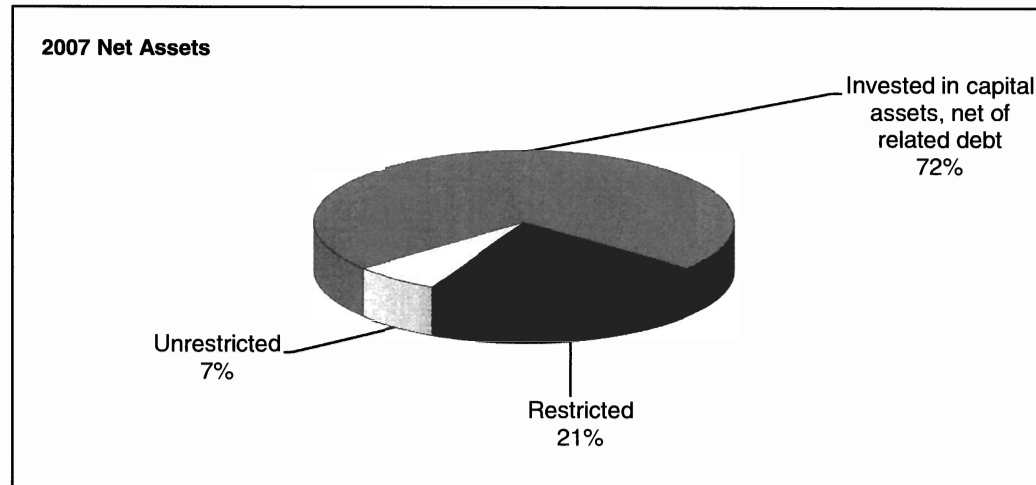


Figure 2
City of West Lafayette
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues:						
Charges for services	\$ 5,485,659	\$ 5,415,248	\$ 8,360,860	\$ 7,557,104	\$ 13,846,519	\$ 12,972,352
Operating grants and contributions	788,270	409,280	-	-	788,270	409,280
Capital grants and contributions	1,492,082	989,026	1,437,901	-	2,929,983	989,026
General revenues:						
Property taxes	12,170,487	10,362,021	-	-	12,170,487	10,362,021
Other state taxes	722,695	705,606	-	-	722,695	705,606
Other local taxes	1,661,003	1,286,702	-	-	1,661,003	1,286,702
Contributions and gifts	4,322,122	659,862	-	853,522	4,322,122	1,513,384
Miscellaneous receipts, net of interest	715,476	516,818	-	-	715,476	516,818
Unrestricted investment earnings	839,694	817,893	662,464	560,116	1,502,158	1,378,009
Total revenues	28,197,488	21,162,456	10,461,225	8,970,742	38,658,713	30,133,198
Expenses:						
General government	3,211,807	3,053,118	-	-	3,211,807	3,053,118
Public safety	8,132,596	6,189,724	-	-	8,132,596	6,189,724
Highways and streets	3,946,050	3,048,988	-	-	3,946,050	3,048,988
Sanitation	712,660	690,388	-	-	712,660	690,388
Economic development	957,513	801,230	-	-	957,513	801,230
Culture and recreation	2,704,932	1,753,442	-	-	2,704,932	1,753,442
Interest Expense	928,420	974,007	-	-	928,420	974,007
Wastewater			5,417,669	5,036,509	5,417,669	5,036,509
Total expenses	20,593,978	16,510,897	5,417,669	5,036,509	26,011,647	21,547,406
Increase (decrease) in net assets	7,603,510	4,651,559	5,043,556	3,934,233	12,647,066	8,585,792
Net assets - January 1	44,949,554	40,297,995	35,754,775	31,820,542	80,704,329	72,118,537
Net assets - December 31	\$ 52,553,064	\$ 44,949,554	\$ 40,798,331	\$ 35,754,775	\$ 93,351,395	\$ 80,704,329

Figure 3
City of West Lafayette
Governmental Activities Revenues

	Governmental Revenues	
	2007	2006
Property Taxes	\$ 12,170,487	\$ 10,362,021
Charges for Services	5,485,659	5,415,248
Capital Grants & Contributions	1,492,082	989,026
Intergovernmental	2,383,698	1,992,308
Miscellaneous	715,476	516,818
Operating Grants & Contributions	788,270	409,280
Unrestricted Investment Earnings	839,694	817,893
Contributions and Gifts	4,322,122	659,862
Totals	\$ 28,197,488	\$ 21,162,456

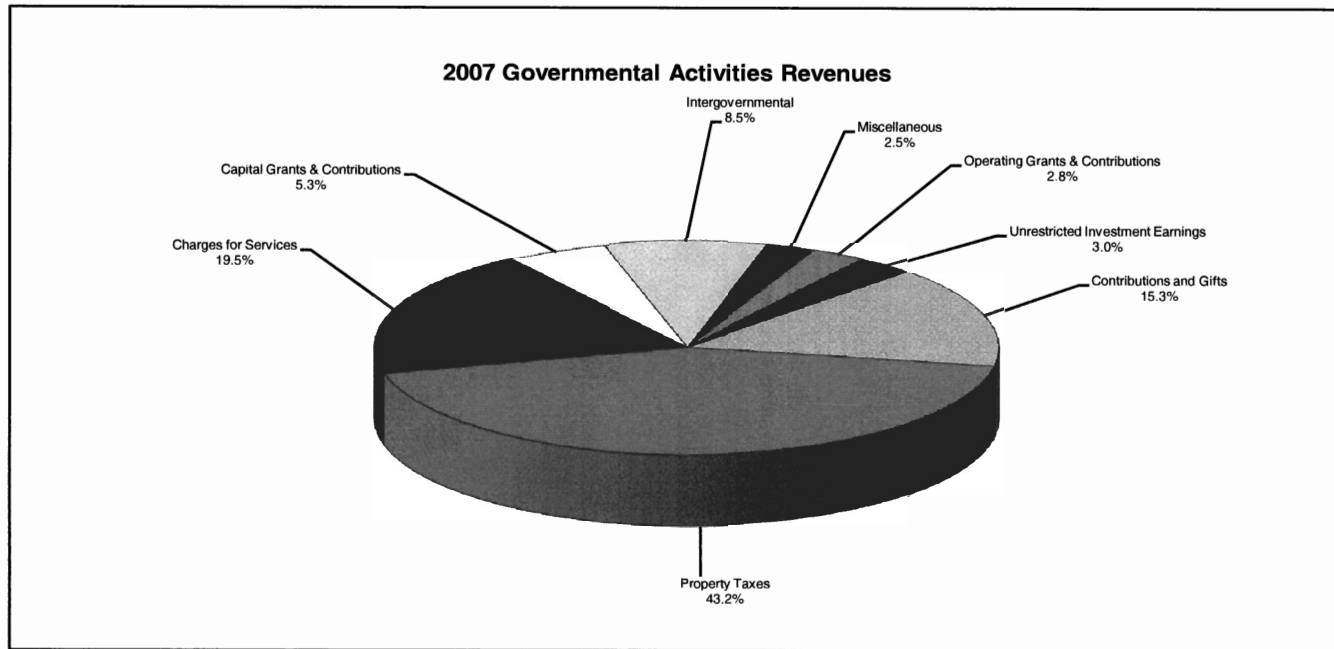


Figure 4
City of West Lafayette
Primary Government Program Expenses

	Governmental Expenses	
	2007	2006
Public Safety	\$ 8,132,596	\$ 6,189,724
Wastewater	5,417,669	5,036,509
General Government	3,211,807	3,053,118
Highways & Streets	3,946,050	3,048,988
Culture & Recreation	2,704,932	1,753,442
Interest Expense	928,420	974,007
Economic Development	957,513	801,230
Sanitation	712,660	690,388
Totals	\$ 26,011,647	\$ 21,547,406

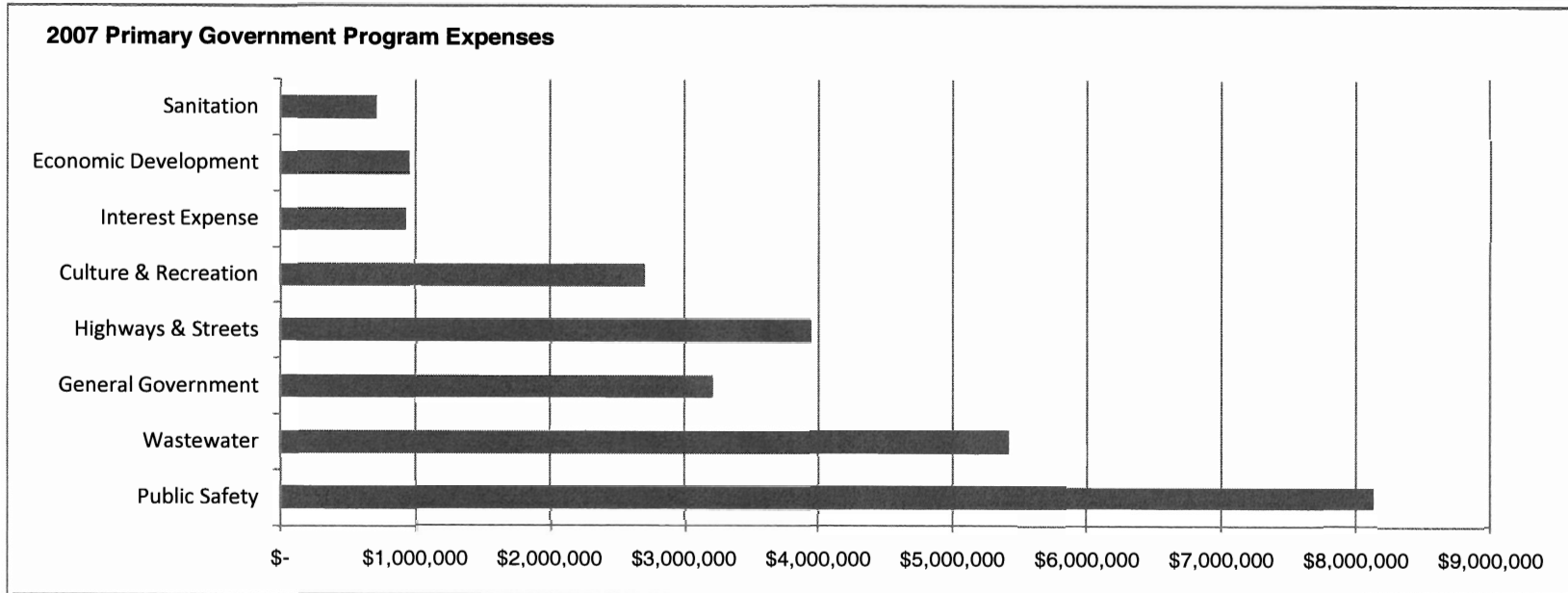


Figure 5
City of West Lafayette
Governmental Fund Balances at Year-End

	Year End Fund Balances	
	2007	2006
General	\$ 1,262,564	\$ 1,830,324
Economic Development Income Tax	1,553,942	1,852,378
Road Funds	1,971,052	1,709,100
Parks and Recreation Funds	900,061	779,800
Nonmajor Governmental Funds	14,439,257	12,573,015
Totals	\$ 20,126,876	\$ 18,744,617

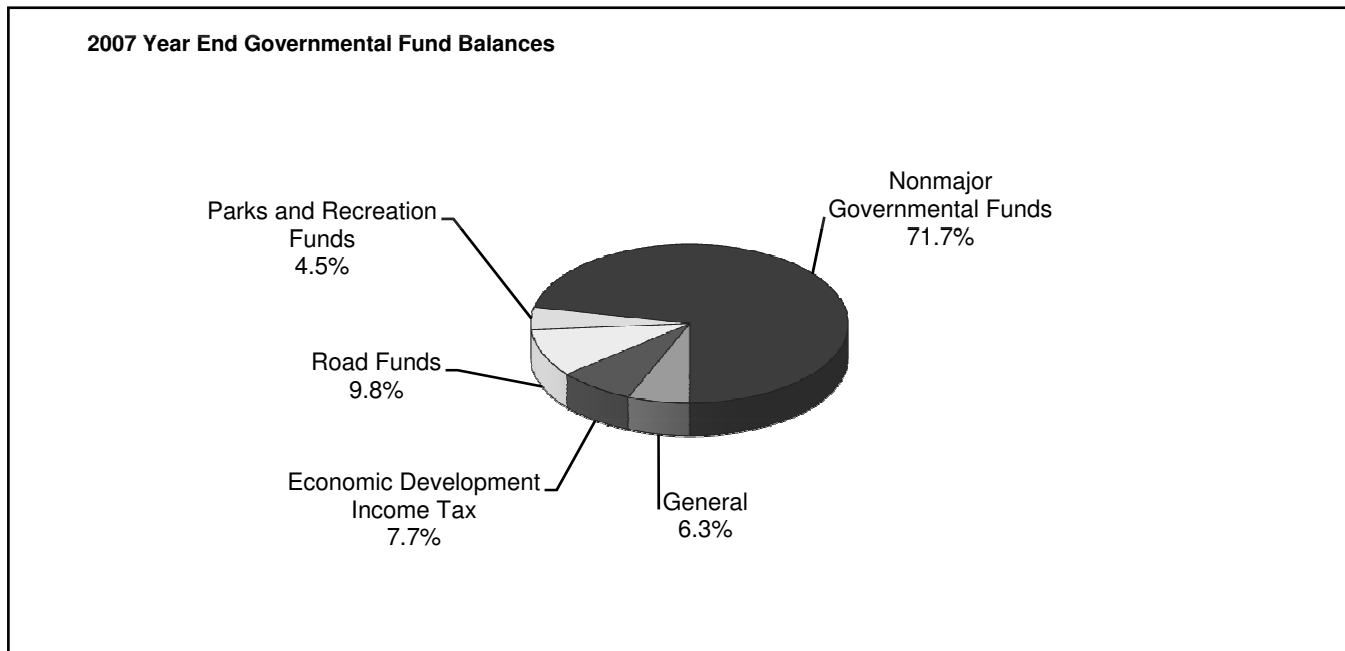


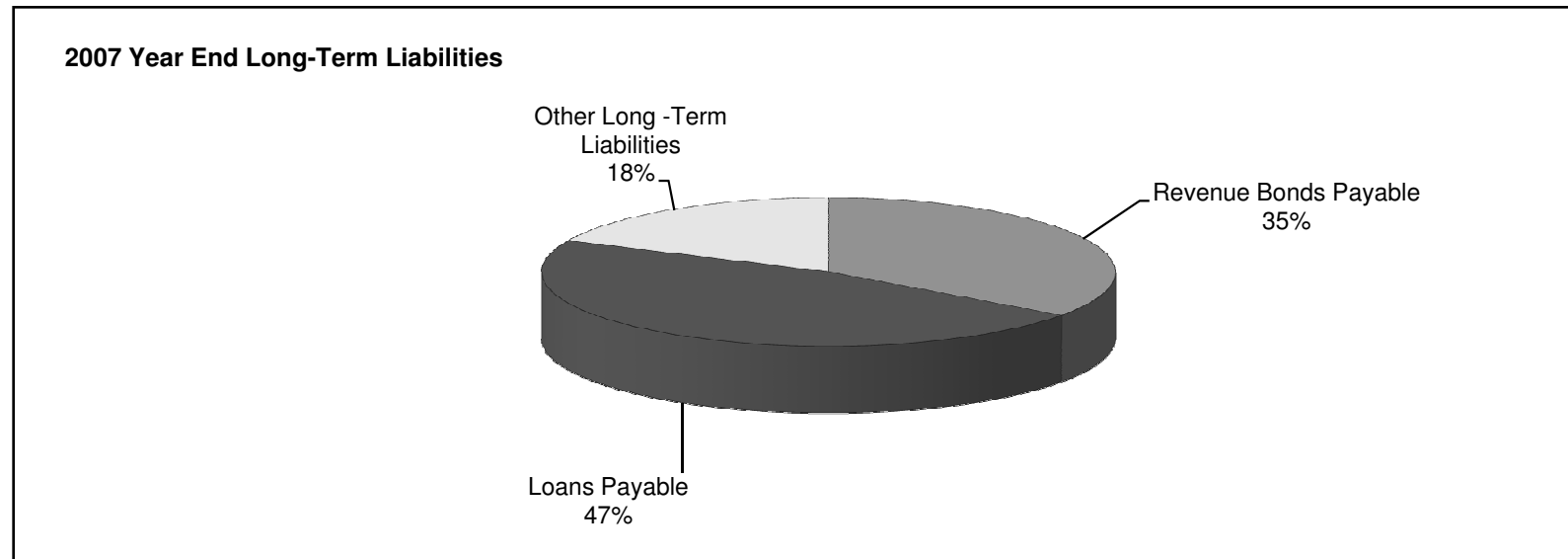
Figure 6
City of West Lafayette
Capital Assets At Year-End
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Land	\$ 14,448,036	\$ 14,009,735	\$ 593,385	\$ 593,385	\$ 15,041,421	\$ 14,603,120
Construction in progress	3,767,741	2,969,367	6,242,936	2,388,826	10,010,677	5,358,193
Buildings	11,960,974	11,724,526	18,603,178	18,880,013	30,564,152	30,604,539
Improvements other than buildings	3,074,102	3,122,827	24,940,446	24,572,105	28,014,548	27,694,932
Machinery and equipment	3,046,155	2,055,744	2,098,685	2,311,108	5,144,840	4,366,852
Infrastructure being depreciated	24,426,220	20,609,184	-	-	24,426,220	20,609,184
Totals	<u>\$ 60,723,228</u>	<u>\$ 54,491,383</u>	<u>\$ 52,478,630</u>	<u>\$ 48,745,437</u>	<u>\$ 113,201,858</u>	<u>\$ 103,236,820</u>

Land and Construction in Progress are not depreciated.

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

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenue Bonds Payable (net of discount)	\$ 19,678,765	\$ 20,915,934	\$ -	\$ -	\$ 19,678,765	\$ 20,915,934
Loans Payable	-	-	26,414,855	25,419,890	26,414,855	25,419,890
Total Bonded Debt	19,678,765	20,915,934	26,414,855	25,419,890	46,093,620	46,335,824
Capital Leases	229,592	-	-	-	229,592	-
Pension Obligation	9,054,809	7,746,117	-	-	9,054,809	7,746,117
Compensated Absences	741,342	748,720	144,662	129,239	886,004	877,959
Other Long -Term Liabilities	10,025,743	8,494,837	144,662	129,239	10,170,405	8,624,076
Total Long-Term Liabilities	\$ 29,704,508	\$ 29,410,771	\$ 26,559,517	\$ 25,549,129	\$ 56,264,025	\$ 54,959,900



CITY OF WEST LAFAYETTE
STATEMENT OF NET ASSETS
December 31, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 14,938,977	\$ 14,599,963	\$ 29,538,940
Cash with fiscal agent	5,809,846	-	5,809,846
Receivables (net of allowances for uncollectibles):			
Interest	67,960	43,060	111,020
Taxes	473,323	-	473,323
Accounts	296,804	331,778	628,582
Intergovernmental	849,611	-	849,611
Internal balances	78,057	(78,057)	-
Inventories	130,293	120,693	250,986
Deferred debits	294,573	-	294,573
Capital assets:			
Land and construction in progress	18,215,777	6,836,321	25,052,098
Other capital assets, net of depreciation	42,507,451	45,642,309	88,149,760
Net pension asset	161,111	69,675	230,786
Total assets	83,823,783	67,565,742	151,389,525
<u>Liabilities</u>			
Accounts payable	753,263	3,256	756,519
Accrued payroll and withholdings payable	420,823	68,192	489,015
Accrued interest payable	392,126	-	392,126
Retainage payable	-	136,446	136,446
Noncurrent liabilities:			
Amounts due within one year:			
Notes and loans payable	-	1,755,000	1,755,000
Capital leases payable	88,971	-	88,971
Revenue bonds - due within one year	1,300,000	-	1,300,000
Compensated absences	596,652	97,494	694,146
Amounts due beyond one year:			
Notes and loans payable	-	24,659,855	24,659,855
Capital leases payable	140,621	-	140,621
Revenue bonds payable (net of discount)	18,378,765	-	18,378,765
Compensated absences	144,689	47,168	191,857
Net pension obligation	9,054,809	-	9,054,809
Total liabilities	31,270,719	26,767,411	58,038,130
<u>Net Assets</u>			
Invested in capital assets, net of related debt	41,109,444	26,063,775	67,173,219
Restricted for:			
Highways and streets	6,423,481	-	6,423,481
Culture and recreation	6,494,119	-	6,494,119
Debt service	1,362,120	880,000	2,242,120
Other purposes	4,646,202	136,446	4,782,648
Unrestricted	(7,482,302)	13,718,110	6,235,808
Total net assets	\$ 52,553,064	\$ 40,798,331	\$ 93,351,395

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, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 3,211,807	\$ 1,201,869	\$ -	\$ -	\$ (2,009,938)	\$ -	\$ (2,009,938)
Public safety	8,132,596	89,094	68,228	-	(7,975,274)	-	(7,975,274)
Highways and streets	3,946,050	3,043,677	17,109	373,969	(511,295)	-	(511,295)
Sanitation	712,660	499,934	-	-	(212,726)	-	(212,726)
Economic development	957,513	-	663,889	1,058,963	765,339	-	765,339
Culture and recreation	2,704,932	651,085	39,044	59,150	(1,955,653)	-	(1,955,653)
Interest expense	928,420	-	-	-	(928,420)	-	(928,420)
Total governmental activities	<u>20,593,978</u>	<u>5,485,659</u>	<u>788,270</u>	<u>1,492,082</u>	<u>(12,827,967)</u>	<u>-</u>	<u>(12,827,967)</u>
Business-type activities:							
Wastewater	<u>5,417,669</u>	<u>8,360,860</u>	<u>-</u>	<u>1,437,901</u>	<u>-</u>	<u>4,381,092</u>	<u>4,381,092</u>
Total business-type activities	<u>5,417,669</u>	<u>8,360,860</u>	<u>-</u>	<u>1,437,901</u>	<u>-</u>	<u>4,381,092</u>	<u>4,381,092</u>
Total primary government	<u>\$ 26,011,647</u>	<u>\$ 13,846,519</u>	<u>\$ 788,270</u>	<u>\$ 2,929,983</u>	<u>(12,827,967)</u>	<u>4,381,092</u>	<u>(8,446,875)</u>
General revenues:							
Property taxes					12,170,487	-	12,170,487
General state distributions					722,695	-	722,695
Local shared revenues					1,661,003	-	1,661,003
Contributions and gifts					4,322,122	-	4,322,122
Miscellaneous receipts (net of interest)					715,476	-	715,476
Unrestricted investment earnings					839,694	662,464	1,502,158
Total general revenues					<u>20,431,477</u>	<u>662,464</u>	<u>21,093,941</u>
Change in net assets					7,603,510	5,043,556	12,647,066
Net assets - beginning					<u>44,949,554</u>	<u>35,754,775</u>	<u>80,704,329</u>
Net assets - ending					<u>\$ 52,553,064</u>	<u>\$ 40,798,331</u>	<u>\$ 93,351,395</u>

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

CITY OF WEST LAFAYETTE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

	General	Roads Funds	Parks and Recreation Funds	Economic Development Income Tax	Nonmajor Governmental Funds	Totals
<u>Assets</u>						
Cash and cash equivalents	\$ 1,324,169	\$ 1,908,938	\$ 947,282	\$ 1,710,778	\$ 9,047,810	\$ 14,938,977
Cash with fiscal agent	-	-	-	-	5,809,846	5,809,846
Receivables (net of allowances for uncollectibles):						
Interest	6,213	7,144	3,898	7,520	43,185	67,960
Taxes	227,574	-	39,285	-	206,464	473,323
Accounts	291,740	-	-	2,371	2,693	296,804
Intergovernmental	412,664	195,034	10,908	216,875	14,130	849,611
Interfund receivable	78,057	-	-	-	-	78,057
Total assets	<u>\$ 2,340,417</u>	<u>\$ 2,111,116</u>	<u>\$ 1,001,373</u>	<u>\$ 1,937,544</u>	<u>\$ 15,124,128</u>	<u>\$ 22,514,578</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 244,509	\$ 120,318	\$ 35,693	\$ 146,937	\$ 205,806	\$ 753,263
Accrued payroll and withholdings payable	340,585	19,746	40,517	19,790	185	420,823
Accrued interest payable	-	-	-	-	392,126	392,126
Deferred revenue:						
Unavailable	492,759	-	25,102	216,875	86,754	821,490
Total liabilities	<u>1,077,853</u>	<u>140,064</u>	<u>101,312</u>	<u>383,602</u>	<u>684,871</u>	<u>2,387,702</u>
Fund balances:						
Unreserved, reported in:						
General fund	1,262,564	-	-	-	-	1,262,564
Special revenue funds	-	1,971,052	900,061	1,553,942	5,934,518	10,359,573
Debt service funds	-	-	-	-	1,360,226	1,360,226
Capital projects funds	-	-	-	-	7,144,513	7,144,513
Total fund balances	<u>1,262,564</u>	<u>1,971,052</u>	<u>900,061</u>	<u>1,553,942</u>	<u>14,439,257</u>	<u>20,126,876</u>
Total liabilities and fund balances	<u>\$ 2,340,417</u>	<u>\$ 2,111,116</u>	<u>\$ 1,001,373</u>	<u>\$ 1,937,544</u>	<u>\$ 15,124,128</u>	<u>\$ 22,514,578</u>

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, 2007

Total fund balances for governmental funds	\$		\$ 20,126,876
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.			130,293
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Those assets consist of:			
Land		14,448,036	
Construction in progress		3,767,741	
Buildings, net of \$4,643,215 accumulated depreciation		11,960,974	
Improvements other than buildings, net of \$1,275,469 accumulated depreciation		3,074,102	
Machinery and equipment, net of \$4,597,861 accumulated depreciation		3,046,155	
Infrastructure being depreciated, net of \$13,296,988 accumulated depreciation		<u>24,426,220</u>	
Total capital assets			60,723,228
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.			
			294,573
Some City tax collections related to 2007 that will be collected beyond the 60 day period used to record revenues are reported as deferred revenues in the fund statements. Revenue and a corresponding receivable for this amount are included in the government-wide statements.			
			167,666
State shared revenue appropriated during the State of Indiana's fiscal year ended June 30, 2007, will be collected by the City in calendar year 2008. Revenue and a corresponding receivable for the amount appropriated but not received by December 31, 2007, are included in the government-wide statements. These amounts are reported as receivables in the fund statements but the revenues are deferred.			
			653,824
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, 2007, are:			
Bonds payable		(19,845,000)	
Unamortized premium		166,235	
Capital leases payable		(229,592)	
Compensated absences payable		<u>(741,341)</u>	
Total long-term liabilities			(20,649,698)
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.			
			<u>(8,893,698)</u>
Total net assets of governmental activities			<u>\$ 52,553,064</u>

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, 2007

	General	Roads Funds	Parks and Recreation Funds	Economic Development Income Tax	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 5,800,158	\$ -	\$ 1,026,833	\$ -	\$ 5,311,597	\$ 12,138,588
Licenses and permits	91,335	-	-	-	2,305	93,640
Intergovernmental	2,126,066	1,795,765	86,202	1,301,252	2,123,796	7,433,081
Charges for services	1,118,897	7,770	549,680	-	21,672	1,698,019
Fines and forfeits	528,910	-	-	-	17,159	546,069
Other	311,436	407,465	128,507	112,726	704,371	1,664,505
Total revenues	9,976,802	2,211,000	1,791,222	1,413,978	8,180,900	23,573,902
Expenditures:						
Current:						
General government	2,750,469	-	-	-	6,937	2,757,406
Public safety	6,605,066	-	-	-	107,202	6,712,268
Highways and streets	296,450	1,949,048	-	1,237,414	-	3,482,912
Sanitation	850,362	-	-	-	-	850,362
Economic development	300,169	-	-	-	776,151	1,076,320
Culture and recreation	-	-	1,670,961	-	9,086	1,680,047
Debt service:						
Principal	-	-	-	-	1,250,000	1,250,000
Interest	-	-	-	-	928,420	928,420
Capital outlay	-	-	-	-	3,726,862	3,726,862
Total expenditures	10,802,516	1,949,048	1,670,961	1,237,414	6,804,658	22,464,597
Excess (deficiency) of revenues over (under) expenditures	(825,714)	261,952	120,261	176,564	1,376,242	1,109,305
Other financing sources (uses):						
Transfers in	-	-	-	-	8,649,918	8,649,918
Transfers out	(15,000)	-	-	(475,000)	(8,159,918)	(8,649,918)
Capital leases	272,954	-	-	-	-	272,954
Total other financing sources (uses)	257,954	-	-	(475,000)	490,000	272,954
Net change in fund balances	(567,760)	261,952	120,261	(298,436)	1,866,242	1,382,259
Fund balances - beginning	1,830,324	1,709,100	779,800	1,852,378	12,573,015	18,744,617
Fund balances - ending	\$ 1,262,564	\$ 1,971,052	\$ 900,061	\$ 1,553,942	\$ 14,439,257	\$ 20,126,876

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, 2007

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)	\$ 1,382,259
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is not reported as an expenditure, rather as an increase to the capital assets. This is the amount of capital outlays.	8,706,540
The Statement of Activities reports the costs of capital outlay as an allocation over their estimated useful lives (depreciation expense). This depreciation expense is reported within the governmental activity to which it relates.	(2,418,139)
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.	301,464
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.	(52,214)
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.	(56,556)
The Statement of Activities does not report the acquisition of capital assets through capital leases. However, the governmental funds reports these acquisitions as other financing sources.	(272,954)
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.	<u>13,110</u>
Change in net assets of governmental activities (Statement of Activities)	<u>\$ 7,603,510</u>

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

CITY OF WEST LAFAYETTE
STATEMENT OF NET ASSETS
PROPRIETARY FUND
December 31, 2007

	Business-type Activity - <u>Enterprise Fund</u> Wastewater <u>Utility</u>
<u>Assets</u>	
Current assets:	
Cash and cash equivalents - unrestricted	\$ 8,495,688
Interest receivable	25,293
Accounts receivable (net of allowance for uncollectibles)	331,778
Inventories	120,693
Restricted assets:	
Cash and cash equivalents - restricted	6,104,275
Interest receivable - restricted	<u>17,767</u>
Total current assets	<u>15,095,494</u>
Noncurrent assets:	
Capital assets:	
Land, improvements to land and construction in progress	6,836,321
Other capital assets (net of accumulated depreciation)	45,642,309
Net pension asset	<u>69,675</u>
Total noncurrent assets	<u>52,548,305</u>
Total assets	<u>67,643,799</u>

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

Continued on next page

CITY OF WEST LAFAYETTE
STATEMENT OF NET ASSETS
PROPRIETARY FUND
December 31, 2007
(Continued)

	Business-type Activity - Enterprise Fund Wastewater Utility
<u>Liabilities</u>	
Current liabilities:	
Accounts payable	3,256
Accrued payroll and withholdings payable	68,192
Retainage payable	136,446
Interfund payable	78,057
Total current liabilities	285,951
Noncurrent liabilities:	
Amounts due within one year	
Loans payable	1,755,000
Compensated absences	97,494
Amounts due beyond one year	
Loans payable	24,659,855
Compensated absences payable	47,168
Total noncurrent liabilities	26,559,517
Total liabilities	26,845,468
<u>Net Assets</u>	
Invested in capital assets, net of related debt	26,063,775
Restricted for	
Debt service	880,000
Retainage payable	136,446
Unrestricted	13,718,110
Total net assets	\$ 40,798,331

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 FUND
For The Year Ended December 31, 2007

	Business-type Activity - Enterprise Fund Wastewater Utility
Operating revenues:	
Residential sales	\$ 8,120,362
Other	<u>240,498</u>
Total operating revenues	<u>8,360,860</u>
Operating expenses:	
Collection system - operations and maintenance	373,054
Treatment and disposal expense - operations and maintenance	1,671,015
Customer accounts	168,551
Administration and general	1,224,644
Depreciation and amortization	<u>1,242,563</u>
Total operating expenses	<u>4,679,827</u>
Operating income	<u>3,681,033</u>
Nonoperating revenues (expenses):	
Interest and investment revenue	662,464
Loss on sale of assets	(30,794)
Interest expense	<u>(707,048)</u>
Total nonoperating revenue (expenses)	<u>(75,378)</u>
Income before contributions	3,605,655
Capital contributions	<u>1,437,901</u>
Change in net assets	5,043,556
Total net assets - beginning	<u>35,754,775</u>
Total net assets - ending	<u>\$ 40,798,331</u>

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

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CITY OF WEST LAFAYETTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended December 31, 2007

	<u>Business-type Activity - Enterprise Fund Wastewater Utility</u>
Cash flows from operating activities:	
Receipts from customers and users	\$ 8,416,046
Payments to suppliers	(2,073,584)
Payments to employees	<u>(1,217,871)</u>
Net cash provided by operating activities	<u>5,124,591</u>
Cash flows from capital and related financing activities:	
Capital contributions	942,911
Acquisition and construction of capital assets	(1,806,595)
Principal paid on capital debt	(1,710,000)
Interest paid on capital debt	<u>(707,048)</u>
Net cash used by capital and related financing activities	<u>(3,280,732)</u>
Cash flows from investing activities:	
Interest received	<u>674,742</u>
Net cash provided by investing activities	<u>674,742</u>
Net increase in cash and cash equivalents	2,518,601
Cash and cash equivalents, January 1 (Including \$5,767,109 for debt service requirements reported in restricted accounts.)	<u>12,081,362</u>
Cash and cash equivalents, December 31 (Including \$6,104,275 for debt service requirements reported in restricted accounts.)	<u>\$ 14,599,963</u>

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

Continued on next page

CITY OF WEST LAFAYETTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For The Year Ended December 31, 2007
(Continued)

		Business-type Activity - <u>Enterprise Fund</u> Wastewater Utility
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$	3,681,033
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense		1,242,563
(Increase) decrease in assets:		
Accounts receivable		21,186
Other receivables		34,000
Inventories		2,186
Net pension assets		2,665
Increase (decrease) in liabilities:		
Accounts payable		(30,134)
Accrued payroll and withholdings payable		14,050
Compensated absence payable		15,423
Retainage payable		136,446
Due to other funds		5,173
Total adjustments		<u>1,443,558</u>
Net cash provided by operating activities	\$	<u>5,124,591</u>
Noncash investing, capital and financing activities:		
Capital assets acquired through letter of credit drawdowns	\$	2,704,965
Long-term debt incurred through letter of credit drawdowns		2,704,965
Contributions of capital assets		494,990

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, 2007

	Pension Trust Funds	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 724,861	\$ 206,559
Investments	758,027	-
Receivables:		
Employer	66	-
Interest and dividends	29,475	-
Taxes	9,445	-
Intergovernmental	2,623	-
Total assets	1,524,497	\$ 206,559
<u>Liabilities</u>		
Accounts payable	96	\$ -
Accrued payroll payable	282,682	-
Payroll withholdings payable	-	185,259
Trust payable	-	21,300
Total liabilities	282,778	\$ 206,559
<u>Net Assets</u>		
Held in trust for:		
Employees' pension benefits	\$ 1,241,719	

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, 2007

<u>Additions</u>	<u>Pension Trust Funds</u>
Contributions:	
Employer	\$ 262,773
Intergovernmental	938,058
Plan members	990
Net investment income:	
Interest	<u>122,587</u>
Total additions	<u>1,324,408</u>
 <u>Deductions</u>	
Benefits and refunds paid to plan members and beneficiaries	1,388,765
Administrative expenses	<u>5,448</u>
Total deductions	<u>1,394,213</u>
Changes in net assets	(69,805)
Net assets - beginning	<u>1,311,524</u>
Net assets - ending	<u>\$ 1,241,719</u>

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

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Blended Component Units

The West Lafayette Redevelopment Authority (Authority) is a significant blended component unit of the primary government. The primary government appoints a voting majority of the Authority's board and a financial benefit/burden relationship exists between the primary government and the Authority. Although it is legally separate from the primary government, the Authority is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the City through the issuance of debt to finance construction of capital assets for the City. A copy of the Authority's separately issued financial report may be obtained at 609 W. Navajo St., West Lafayette, Indiana, 47906.

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. A copy of the Corporation's separately issued financial report may be obtained at 609 W. Navajo St., West Lafayette, Indiana, 47906.

B. Government-Wide and Fund Financial Statements

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

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

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The primary government reports the following major governmental funds:

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

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

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

The 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.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Normally, taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. For 2007, these dates were changed to June 15 and November 13, due to reassessment. All property taxes collected by the County Treasurer and available for distribution were not distributed to the primary government prior to December 31 of the year collected. The property taxes that were not distributed by December 31 are reported as receivable and are recognized as revenue on all financial statements. The taxes were received January 4, 2008. 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.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 years
Improvements other than buildings	5,000	Straight-line	5-45 years
Machinery and equipment	5,000	Straight-line	5-20 years
Infrastructure	5,000	Straight-line	10-50 years
Business-type activities (Utility):			
Land	5,000	N/A	N/A
Buildings	5,000	Straight-line	25-50 years
Improvements other than buildings	5,000	Straight-line	50 years
Machinery and equipment	5,000	Straight-line	10-50 years

N/A = Not applicable

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

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

7. Compensated Absences

- a. Sick Leave – primary government employees earn sick leave at the rate of 10 days per year. Unused sick leave may be accumulated to a maximum of 90 days. Upon termination, the City will pay for one-half of the employee's accumulated sick leave up to 45 days, for employees hired after May 1986. Employees hired prior to May 1986 will be compensated in full for the first 30 days and one-half pay for the next 30 days.
- b. Vacation Leave – primary government employees earn vacation leave at rates from 10 to 20 days per year based upon the number of years of service. No more than 5 days of accumulated vacation can be carried over from year to year. Accumulated vacation leave is paid to employees through cash payments upon termination.
- c. Personal Leave – primary government employees earn personal leave at the rate of 2 days per year. Personal leave does not accumulate from year to year.

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

8. Long-Term Obligations

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

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

9. Fund Equity

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

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

III. Detailed Notes on All Funds

A. Deposits

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2007, the City had the following investments:

Investment Type	Primary Government	Investment Maturities (in Years)		Duration
	Fair Value	Less Than 1	More Than 2	
Pension Relief Investment Pool	\$ 530,619	\$ -	\$ -	3.66

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.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, 2007, was \$227,408. 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. The City does not have a formal investment policy for interest rate risk other than to follow state statute.

Interest rate risk of the Pension Relief Fund's fixed income portfolio, using the duration approach, is 3.66.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a formal investment policy for credit risk. The distribution of securities with credit ratings is summarized below.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Standard and Poor's Rating	Moody's Rating	City's Investments Pension Relief Investment Pool
Unrated	Unrated	\$ 530,619

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, 2007, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 14,009,735	\$ 438,301	\$ -	\$ 14,448,036
Construction in progress	2,969,367	2,995,302	2,196,928	3,767,741
Total capital assets, not being depreciated	16,979,102	3,433,603	2,196,928	18,215,777

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities (continued):				
Capital assets, being depreciated:				
Buildings	15,799,157	805,032	-	16,604,189
Improvements other than buildings	4,197,937	162,102	10,468	4,349,571
Machinery and equipment	6,417,863	1,532,239	306,086	7,644,016
Infrastructure being depreciated	<u>32,752,716</u>	<u>4,970,492</u>	<u>-</u>	<u>37,723,208</u>
Total capital assets, being depreciated	<u>59,167,673</u>	<u>7,469,865</u>	<u>316,554</u>	<u>66,320,984</u>
Less accumulated depreciation for:				
Buildings	4,074,631	568,584	-	4,643,215
Improvements other than buildings	1,075,110	201,668	1,309	1,275,469
Machinery and equipment	4,362,119	494,431	258,689	4,597,861
Infrastructure being depreciated	<u>12,143,532</u>	<u>1,153,456</u>	<u>-</u>	<u>13,296,988</u>
Total accumulated depreciation	<u>21,655,392</u>	<u>2,418,139</u>	<u>259,998</u>	<u>23,813,533</u>
Total capital assets, being depreciated, net	<u>37,512,281</u>	<u>5,051,726</u>	<u>56,556</u>	<u>42,507,451</u>
Total governmental activities capital assets, net	<u>\$ 54,491,383</u>	<u>\$ 8,485,329</u>	<u>\$ 2,253,484</u>	<u>\$ 60,723,228</u>

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 593,385	\$ -	\$ -	\$ 593,385
Construction in progress	2,388,826	4,431,505	577,395	6,242,936
Total capital assets, not being depreciated	<u>2,982,211</u>	<u>4,431,505</u>	<u>577,395</u>	<u>6,836,321</u>
Capital assets, being depreciated:				
Buildings	21,158,876	-	-	21,158,876
Improvements other than buildings	30,896,526	1,072,384	54,462	31,914,448
Machinery and equipment	4,910,109	80,055	76,474	4,913,690
Total capital assets being depreciated	<u>56,965,511</u>	<u>1,152,439</u>	<u>130,936</u>	<u>57,987,014</u>
Less accumulated depreciation for:				
Buildings	2,278,863	276,835	-	2,555,698
Improvements other than buildings	6,324,421	700,777	51,196	6,974,002
Machinery and equipment	2,599,001	264,951	48,947	2,815,005
Total accumulated depreciation	<u>11,202,285</u>	<u>1,242,563</u>	<u>100,143</u>	<u>12,344,705</u>
Total capital assets, being depreciated, net	<u>45,763,226</u>	<u>(90,124)</u>	<u>30,793</u>	<u>45,642,309</u>
Total business-type activities capital assets, net	<u>\$ 48,745,437</u>	<u>\$ 4,341,381</u>	<u>\$ 608,188</u>	<u>\$ 52,478,630</u>

**CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)**

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

Governmental activities:	
General government	\$ 408,311
Public safety	360,125
Highways and streets, including depreciation of general infrastructure assets	1,032,274
Sanitation	52,282
Culture and recreation	547,973
Economic development	<u>17,174</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 2,418,139</u></u>
 Business-type activities:	
Wastewater	<u><u>\$ 1,242,563</u></u>

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, 2007	Committed	Required Future Funding
Governmental activities:				
Sagamore West Phase II	\$ 585,500	\$ 583,539	\$ 1,961	\$ -
Salisbury Street Phase I	1,130,410	1,121,672	8,738	-
Salisbury Street Phase II	322,496	265,232	57,264	-
Night Hawk Trail	59,582	56,165	3,417	-
Celery Bog Nature Enhancement	71,426	57,770	13,656	-
Lindberg Road	384,566	265,253	119,313	-
Purdue Transportation Plan Phase II	7,606	7,606	-	-
Sycamore Lane	182,949	62,121	120,828	-
Wabash Landing Garage Rehab	195,350	190,137	5,213	-
Cumberland Avenue Phase I	159,735	135,298	24,437	-
Chauncy Square Phase I	623,902	611,961	11,941	-
Perimeter Parkway	643,150	149,181	493,969	-
Midway Landscape	164,087	134,473	29,614	-
City Parking Lot	2,750	2,750	-	-
Wabash Heritage Trolley Trail	52,358	8,231	44,127	-
Salisbury Street Sewer	54,247	54,247	-	-
Yeager Road Reconstruction	341,280	38,320	302,960	-
Cumberland Park Footpath Bridges	24,958	10,558	14,400	-
Sidewalk Repair/Universal Access Ramp	304,691	-	304,691	-
Pool Safety Improvements Phase I	136,439	13,147	123,292	-
Wabash Landing Garage Phase I	110,004	80	109,924	-
Chauncy Square Phase II	23,520	-	23,520	-
Totals	<u>\$ 5,581,006</u>	<u>\$ 3,767,741</u>	<u>\$ 1,813,265</u>	<u>\$ -</u>

CITY OF WEST LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Project	Total Project Authorized	Expended to December 31, 2007	Committed	Required Future Funding
Business-type activities:				
Wastewater:				
Western Interceptor	\$ 7,698,639	\$ 3,911,200	\$ 3,787,439	\$ -
Digester	9,583,445	1,266,104	8,317,341	-
Northwestern Avenue Improvement	6,068	6,068	-	-
Impervious Area Analysis	15,870	13,825	2,045	-
Green Meadows Lift Station	77,900	77,900	-	-
Bar Barry Heights Lift Station	1,025,261	967,839	57,422	-
Totals	\$ 18,407,183	\$ 6,242,936	\$ 12,164,247	\$ -

E. Interfund Balances

The composition of interfund balances as of December 31, 2007, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Wastewater Utility	<u>\$ 78,057</u>

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, 2007, were as follows:

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Transfer From	Transfer To Nonmajor Governmental
General Fund	\$ 15,000
Economic Development Income Tax	475,000
Nonmajor governmental	8,159,918
Totals	\$ 8,649,918

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. Capital Leases

The primary government has entered into a capital lease for vehicles. Future minimum lease payments and present values of the net minimum lease payments under the capital lease as of December 31, 2007, are as follows:

2008	\$ 97,731
2009	97,731
2010	48,865
Total minimum lease payments	244,327
Less amount representing interest	14,735
Present value of net minimum lease payments	\$ 229,592

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	Governmental Activities
Machinery and equipment	\$ 272,954
Total	272,954
Accumulated depreciation	-
Total	\$ 272,954

G. Long-Term Liabilities

1. Revenue Bonds

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

Purpose	Interest Rates	Outstanding Principal	Bond Discount	Revenue Bonds, Net
Parking garage - WL Redevelopment Authority	4.00% to 5.25%	\$ 6,115,000	\$ 73,874	\$ 6,041,126
Fire truck - WL Equipment Leasing Corporation	3.2% to 4.5%	285,000	3,702	281,298
Infrastructure - WL Redevelopment Authority	3.375% to 4.75%	4,680,000	41,059	4,638,941
Police station - WL Building Corporation	4.00% to 5.10%	5,110,000	47,600	5,062,400
Ross Enterprise Center - Redevelopment Commission	4.00%	3,655,000	-	3,655,000
Totals		\$ 19,845,000	\$ 166,235	\$ 19,678,765

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Revenue bonds debt service requirements to maturity are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2008	\$ 1,300,000	\$ 899,410
2009	1,360,000	844,648
2010	1,425,000	786,488
2011	1,445,000	724,068
2012	1,455,000	661,353
2013-2017	8,015,000	2,258,923
2018-2022	4,615,000	680,219
2023	230,000	5,865
Totals	<u>\$ 19,845,000</u>	<u>\$ 6,860,974</u>

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, 2007, the 1994 loan had been fully drawn and had an outstanding principal balance of \$10,445,000, the 1998 loan had drawn \$9,020,275 and had an outstanding principal balance of \$6,385,275, the 2001 loan had been fully drawn and had an outstanding principal balance of \$5,605,000 the 2004 loan had drawn \$3,768,401 and had an outstanding balance of \$3,763,401 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	Interest
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	1,495,000	310,060
2013-2017	6,840,000	854,950
2018-2022	2,145,000	190,240
Totals	\$ 16,050,000	\$ 3,016,035

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2007, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Revenue bonds	\$ 21,095,000	\$ -	\$ 1,250,000	\$ 19,845,000	\$ 1,300,000
Capital leases	-	272,954	43,362	229,592	88,971
Pension obligation	7,746,117	2,404,400	1,095,708	9,054,809	-
Compensated absences	748,720	623,061	630,440	741,341	596,652
Total governmental activities long-term liabilities	\$ 29,589,837	\$ 3,300,415	\$ 3,019,510	\$ 29,870,742	\$ 1,985,623

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Loans payable	\$ 25,419,890	\$ 2,704,965	\$ 1,710,000	\$ 26,414,855	\$ 1,755,000
Compensated absences	<u>129,239</u>	<u>120,269</u>	<u>104,846</u>	<u>144,662</u>	<u>97,494</u>
Total business-type activities long-term liabilities	<u>\$ 25,549,129</u>	<u>\$ 2,825,234</u>	<u>\$ 1,814,846</u>	<u>\$ 26,559,517</u>	<u>\$ 1,852,494</u>

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

H. Restricted Assets

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

Bond and interest - cash and cash equivalents	\$ 880,000
Reserve - cash and cash equivalents	2,572,709
Equipment replacement - cash and cash equivalents	2,515,120
Construction retainage - cash and cash equivalents	136,446
Interest receivable	<u>17,767</u>
 Total restricted assets	 <u>\$ 6,122,042</u>

IV. Other Information

A. Risk Management

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

B. Holding Corporation

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

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

C. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Annual required contribution	\$ 244,688	\$ 647,800	\$ 759,800
Interest on net pension obligation	(17,372)	196,400	335,900
Adjustment to annual required contribution	<u>19,797</u>	<u>(244,100)</u>	<u>(417,500)</u>
Annual pension cost	247,113	600,100	678,200
Contributions made	<u>238,284</u>	<u>580,415</u>	<u>515,293</u>
Increase in net pension obligation	8,829	19,685	162,907
Net pension obligation, beginning of year	<u>(239,614)</u>	<u>3,273,708</u>	<u>5,598,509</u>
Net pension obligation, end of year	<u>\$ (230,785)</u>	<u>\$ 3,293,393</u>	<u>\$ 5,761,416</u>

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	5.75%	2,387%	305%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-07	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-06	01-01-06
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market

d. Financial Statements for Defined Benefit Plans

Statements of Fiduciary Net Assets:

<u>Assets</u>	1925 Police Officers' Pension	1937 Firefighters' Pension
Cash and cash equivalents	\$ 151,682	\$ 573,179
Investments	450,206	307,821
Receivables:		
Employer	-	66
Interest and dividends	16,563	12,912
Taxes	1,897	7,548
Intergovernmental	527	2,096
Total Assets	620,875	903,622

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Liabilities</u>		
Accounts payable	-	96
Accrued payroll payable	-	282,682
Total Liabilities	-	282,778
<u>Net Assets</u>		
Held in trust for pension benefit obligations	\$ 620,875	\$ 620,844

Statements of Changes in Fiduciary Net Assets:

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Additions</u>		
Contributions:		
Employer	\$ 51,025	\$ 211,748
Intergovernmental	566,288	371,770
Plan members	-	990
Investment Income:		
Interest	72,994	49,593
Total additions	690,307	634,101

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Deductions</u>		<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Benefits and refunds paid to plan members and beneficiaries		657,193	731,572
Administrative expenses		<u>2,689</u>	<u>2,759</u>
Total deductions		<u>659,882</u>	<u>734,331</u>
 Changes in net assets		30,425	(100,230)
 Net assets - beginning		<u>590,450</u>	<u>721,074</u>
 Net assets - ending		<u>\$ 620,875</u>	<u>\$ 620,844</u>
<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	4%

*2.75% converted members; 4% nonconverted members

CITY OF WEST LAFAYETTE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Three Year Trend Information

PERF			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-05	\$ 190,904	117%	\$ (214,862)
06-30-06	200,746	118%	(239,614)
06-30-07	247,113	96%	(230,785)

1925 Police Officers' Pension Plan			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-04	\$ 936,400	48%	\$ 3,172,933
12-31-05	623,300	84%	3,273,708
12-31-06	600,100	97%	3,293,393

1937 Firefighters' Pension Plan			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-04	\$ 1,005,200	26%	\$ 5,293,417
12-31-05	733,500	58%	5,598,509
12-31-06	678,200	76%	5,761,416

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2007, was comprised of the following:

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	30	21
Current active employees	-	2

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

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

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate, 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, 2007, 2006, and 2005, were \$767,487, \$714,403, and \$690,817, respectively, equal to the required contributions for each year.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund and the 1953 Police Pension Fund. For property taxes first due and payable after December 31, 2008, the Department of Local Governmental Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

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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, 2007

	General Fund			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 5,890,599	\$ 5,890,599	\$ 5,652,679	\$ (237,920)
Licenses and permits	86,340	87,230	91,335	4,105
Intergovernmental	2,242,781	2,232,466	2,135,017	(97,449)
Charges for services	956,000	1,076,768	1,138,343	61,575
Fines and forfeits	407,080	428,525	467,754	39,229
Other	163,680	293,909	306,775	12,866
Total revenues	<u>9,746,480</u>	<u>10,009,497</u>	<u>9,791,903</u>	<u>(217,594)</u>
Expenditures:				
Current:				
General government	2,730,410	2,811,895	2,676,206	135,689
Public safety	6,903,440	6,836,274	6,567,552	268,722
Highways and streets	307,890	313,622	279,108	34,514
Sanitation	787,990	787,990	671,005	116,985
Urban redevelopment and housing	296,780	329,676	306,646	23,030
Total expenditures	<u>11,026,510</u>	<u>11,079,457</u>	<u>10,500,517</u>	<u>578,940</u>
Net change in fund balance	(1,280,030)	(1,069,960)	(708,614)	361,346
Fund balance - beginning	<u>2,032,783</u>	<u>2,032,783</u>	<u>2,032,783</u>	<u>-</u>
Fund balance - ending	<u>\$ 752,753</u>	<u>\$ 962,823</u>	<u>\$ 1,324,169</u>	<u>\$ 361,346</u>

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

CITY OF WEST LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR SPECIAL REVENUE FUNDS
For The Year Ended December 31, 2007

	Roads Funds				Parks and Recreation Funds				Economic Development Income Tax			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,043,904	\$ 1,043,904	\$ 1,001,741	\$ (42,163)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	1,623,607	2,720,251	1,746,885	(973,366)	74,036	83,186	86,202	3,016	1,301,252	1,301,252	1,301,252	-
Charges for services	7,770	7,770	7,770	-	515,000	516,201	549,680	33,479	-	-	-	-
Other	245,000	384,143	425,295	41,152	49,780	118,593	129,627	11,034	58,000	106,000	111,419	5,419
Total revenues	1,876,377	3,112,164	2,179,950	(932,214)	1,682,720	1,761,884	1,767,250	5,366	1,359,252	1,407,252	1,412,671	5,419
Expenditures:												
Current:												
Highways and streets:												
Personal services	505,480	497,864	481,192	16,672	-	-	-	-	313,160	313,160	283,250	29,910
Supplies	566,500	578,448	441,281	137,167	-	-	-	-	-	-	-	-
Other services and charges	1,120,731	1,938,180	876,792	1,061,388	-	-	-	-	1,332,500	1,911,143	1,217,382	693,761
Capital outlay	115,200	203,931	48,758	155,173	-	-	-	-	280,000	138,755	76,929	61,826
Culture and recreation:												
Personal services	-	-	-	-	1,092,290	1,048,672	1,015,006	33,666	-	-	-	-
Supplies	-	-	-	-	103,830	100,992	89,997	10,995	-	-	-	-
Other services and charges	-	-	-	-	534,840	604,913	519,941	84,972	-	-	-	-
Capital outlay	-	-	-	-	28,500	102,216	18,474	83,742	-	-	-	-
Total expenditures	2,307,911	3,218,423	1,848,023	1,370,400	1,759,460	1,856,793	1,643,418	213,375	1,925,660	2,363,058	1,577,561	785,497
Net change in fund balances	(431,534)	(106,259)	331,927	438,186	(76,740)	(94,909)	123,832	218,741	(566,408)	(955,806)	(164,890)	790,916
Fund balances - beginning	1,577,011	1,577,011	1,577,011	-	823,450	823,450	823,450	-	1,875,668	1,875,668	1,875,668	-
Fund balances - ending	\$ 1,145,477	\$ 1,470,752	\$ 1,908,938	\$ 438,186	\$ 746,710	\$ 728,541	\$ 947,282	\$ 218,741	\$ 1,309,260	\$ 919,862	\$ 1,710,778	\$ 790,916

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

CITY OF WEST LAFAYETTE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 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%)
07-01-07	4,279,495	4,500,614	(221,119)	95%	3,869,083	(6%)

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)
01-01-02	\$ 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%	-	0%
01-01-07	590,450	8,936,300	(8,345,850)	7%	-	0%

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-02	\$ 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%)
01-01-07	721,074	9,569,500	(8,848,426)	8%	277,400	(3,190%)

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

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

1925 Police Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12-31-01	\$ 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	642,600	25%	56%
12-31-06	647,800	35%	55%

1937 Firefighters' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
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	21%	35%
12-31-06	759,800	32%	36%

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

CITY OF WEST LAFAYETTE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2007

Note I. Legal Compliance – Budgets

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

A. The City Clerk-Treasurer submits to the Common Council a proposed operating budget for all city budgeted funds, except the Park Nonreverting Operating, the 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:

CITY OF WEST LAFAYETTE
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2007
(Continued)

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, Cumulative Capital Development

Pension trust funds:

Police Officers' Pension, Firefighters' Pension

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

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

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

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

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:

CITY OF WEST LAFAYETTE
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
 December 31, 2007
 (Continued)

	<u>General</u>	<u>Roads Funds</u>	<u>Parks and Recreation Funds</u>	<u>Economic Development Income Tax</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (budgetary basis)	\$ (708,614)	\$ 331,927	\$ 123,832	\$ (164,890)
Adjustments:				
To adjust revenues for accruals	457,853	31,050	25,071	1,307
To adjust expenditures for accruals	<u>(316,999)</u>	<u>(101,025)</u>	<u>(28,642)</u>	<u>(134,853)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis)	<u>\$ (567,760)</u>	<u>\$ 261,952</u>	<u>\$ 120,261</u>	<u>\$ (298,436)</u>

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

**SUPPLEMENTARY
INFORMATION**

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, 2007

Function and Department	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance- Positive (Negative)
General government:				
Mayor				
Personal services	\$ 143,270	\$ 143,270	\$ 138,704	\$ 4,566
Other services and charges	74,500	74,500	61,008	13,492
Capital outlay	1,000	1,000	-	1,000
City Council:				
Personal services	34,080	34,080	34,027	53
Other services and charges	1,000	1,000	330	670
Clerk-Treasurer:				
Personal services	1,423,610	1,531,142	1,504,910	26,232
Supplies	5,000	6,827	5,225	1,602
Other services and charges	363,100	333,250	282,615	50,635
Capital outlay	7,000	10,391	5,975	4,416
City Hall:				
Personal services	24,000	24,000	23,461	539
Supplies	31,650	32,190	29,671	2,519
Other services and charges	121,000	129,160	116,218	12,942
Capital outlay	3,000	3,000	290	2,710
City Court:				
Personal services	48,820	48,820	48,813	7
Supplies	1,300	1,171	1,067	104
Other services and charges	600	888	757	131
City Attorney:				
Personal services	19,030	19,030	19,029	1
Other services and charges	66,250	66,250	56,775	9,475
Capital outlay	200	200	-	200
City Services:				
Other services and charges	362,000	351,726	320,203	31,523
Other General:				
Other disbursements	-	-	27,128	(27,128)
Total general government	<u>2,730,410</u>	<u>2,811,895</u>	<u>2,676,206</u>	<u>135,689</u>
Public safety:				
Fire Department:				
Personal services	2,492,880	2,456,909	2,391,711	65,198
Supplies	58,600	59,600	45,322	14,278
Other services and charges	92,850	101,585	79,757	21,828
Capital outlay	17,000	18,993	17,415	1,578

Continued on next page

CITY OF WEST LAFAYETE
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
 GENERAL FUND
 For The Year Ended December 31, 2007
 (Continued)

Function and Department	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance- Positive (Negative)
Public safety (continued):				
Police Department:				
Personal services	3,791,960	3,599,744	3,561,294	38,450
Supplies	202,450	231,528	202,857	28,671
Other services and charges	139,900	197,373	162,221	35,152
Capital outlay	88,000	150,742	95,286	55,456
Police Merit Commission:				
Personal services	4,000	3,000	887	2,113
Supplies	400	400	42	358
Other services and charges	15,400	16,400	10,760	5,640
Total public safety	<u>6,903,440</u>	<u>6,836,274</u>	<u>6,567,552</u>	<u>268,722</u>
Highways and streets:				
City Engineer:				
Personal services	261,840	261,340	244,328	17,012
Supplies	8,750	11,029	8,914	2,115
Other services and charges	22,800	23,648	13,039	10,609
Capital outlay	14,500	17,605	12,827	4,778
Total highways and streets	<u>307,890</u>	<u>313,622</u>	<u>279,108</u>	<u>34,514</u>
Sanitation				
Sanitation Department:				
Personal services	366,790	369,090	344,125	24,965
Supplies	69,500	89,000	79,135	9,865
Other services and charges	268,700	246,900	209,811	37,089
Capital outlay	83,000	83,000	37,934	45,066
Total sanitation	<u>787,990</u>	<u>787,990</u>	<u>671,005</u>	<u>116,985</u>
Urban Redevelopment and Housing:				
Economic Development:				
Personal services	233,880	233,880	224,225	9,655
Supplies	9,000	9,504	7,520	1,984
Other services and charges	49,900	82,292	71,538	10,754
Capital outlay	4,000	4,000	3,363	637
Total urban redevelopment and housing	<u>296,780</u>	<u>329,676</u>	<u>306,646</u>	<u>23,030</u>
Total general fund	<u>\$ 11,026,510</u>	<u>\$ 11,079,457</u>	<u>\$ 10,500,517</u>	<u>\$ 578,940</u>

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.

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

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

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.

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

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.

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.

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.

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

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

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

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

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

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

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

Lease Escrow – to account for funds deposited by leaseholder in anticipation of capital expenditures.

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

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

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 BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 5,926,342	\$ 40,591	\$ 3,080,877	\$ 9,047,810
Cash with fiscal agent	-	1,705,217	4,104,629	5,809,846
Receivables (net of allowances for uncollectibles):				
Interest	12,675	4,651	25,859	43,185
Taxes	-	2,964	203,500	206,464
Accounts	2,693	-	-	2,693
Intergovernmental	753	823	12,554	14,130
	<u>5,942,463</u>	<u>1,754,246</u>	<u>7,427,419</u>	<u>15,124,128</u>
Total assets	<u>\$ 5,942,463</u>	<u>\$ 1,754,246</u>	<u>\$ 7,427,419</u>	<u>\$ 15,124,128</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 7,760	\$ -	\$ 198,046	\$ 205,806
Accrued payroll and withholdings payable	185	-	-	185
Accrued interest payable	-	392,126	-	392,126
Deferred revenue:				
Unavailable	-	1,894	84,860	86,754
	<u>7,945</u>	<u>394,020</u>	<u>282,906</u>	<u>684,871</u>
Total liabilities	<u>7,945</u>	<u>394,020</u>	<u>282,906</u>	<u>684,871</u>
Fund balances:				
Unreserved, reported in:				
Special revenue funds	5,934,518	-	-	5,934,518
Debt service funds	-	1,360,226	-	1,360,226
Capital projects funds	-	-	7,144,513	7,144,513
	<u>5,934,518</u>	<u>1,360,226</u>	<u>7,144,513</u>	<u>14,439,257</u>
Total fund balances	<u>5,934,518</u>	<u>1,360,226</u>	<u>7,144,513</u>	<u>14,439,257</u>
Total liabilities and fund balances	<u>\$ 5,942,463</u>	<u>\$ 1,754,246</u>	<u>\$ 7,427,419</u>	<u>\$ 15,124,128</u>

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Revenues:				
Taxes	\$ -	\$ 4,690,667	\$ 620,930	\$ 5,311,597
Licenses and permits	2,305	-	-	2,305
Intergovernmental	1,775,029	55,814	292,953	2,123,796
Charges for services	21,672	-	-	21,672
Fines and forfeits	17,159	-	-	17,159
Other	<u>234,696</u>	<u>66,760</u>	<u>402,915</u>	<u>704,371</u>
Total revenues	<u>2,050,861</u>	<u>4,813,241</u>	<u>1,316,798</u>	<u>8,180,900</u>
Expenditures:				
Current:				
General government	6,937	-	-	6,937
Public safety	103,133	4,069	-	107,202
Economic development	765,824	10,327	-	776,151
Culture and recreation	-	9,086	-	9,086
Debt service:				
Principal	-	1,250,000	-	1,250,000
Interest	-	928,420	-	928,420
Capital outlay	<u>-</u>	<u>-</u>	<u>3,726,862</u>	<u>3,726,862</u>
Total expenditures	<u>875,894</u>	<u>2,201,902</u>	<u>3,726,862</u>	<u>6,804,658</u>
Excess (deficiency) of revenues (over) under expenditures	<u>1,174,967</u>	<u>2,611,339</u>	<u>(2,410,064)</u>	<u>1,376,242</u>
Other financing sources (uses):				
Transfers in	4,628,190	2,133,031	1,888,697	8,649,918
Transfers out	<u>(3,412,760)</u>	<u>(4,747,158)</u>	<u>-</u>	<u>(8,159,918)</u>
Total other financing sources (uses)	<u>1,215,430</u>	<u>(2,614,127)</u>	<u>1,888,697</u>	<u>490,000</u>
Net change in fund balances	2,390,397	(2,788)	(521,367)	1,866,242
Fund balances - beginning	<u>3,544,121</u>	<u>1,363,014</u>	<u>7,665,880</u>	<u>12,573,015</u>
Fund balances - ending	<u>\$ 5,934,518</u>	<u>\$ 1,360,226</u>	<u>\$ 7,144,513</u>	<u>\$ 14,439,257</u>

CITY OF WEST LAFAYETTE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2007

	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	Police Unclaimed Property	Donation	Credit Card Fees
<u>Assets</u>										
Cash and cash equivalents	\$ 18,819	\$ 72,298	\$ 2,000	\$ 269	\$ 128	\$ 8,795	\$ 21,004	\$ 597	\$ 3,350	\$ 709
Receivables (net of allowances for uncollectibles):										
Interest	124	269	-	2	1	33	115	2	-	-
Accounts	1,403	-	-	-	125	-	1,165	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 20,346	\$ 72,567	\$ 2,000	\$ 271	\$ 254	\$ 8,828	\$ 22,284	\$ 599	\$ 3,350	\$ 709
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	\$ -	\$ 1,406	\$ 5,794	\$ -	\$ -	\$ 125	\$ 435	\$ -	\$ -	\$ -
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	1,406	5,794	-	-	125	435	-	-	-
Fund balances:										
Unreserved, reported in:										
Special revenue funds	20,346	71,161	(3,794)	271	254	8,703	21,849	599	3,350	709
Total liabilities and fund balances	\$ 20,346	\$ 72,567	\$ 2,000	\$ 271	\$ 254	\$ 8,828	\$ 22,284	\$ 599	\$ 3,350	\$ 709

Continued on next page

CITY OF WEST LAFAYETTE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2007
 (Continued)

	426 Brown Street Brownfields Grant	Police Station Nonreverting	Levee/Village Allocation	KCB Allocation	Certified Technology Park	Certified Technology Grant	Fire Safety	Police Grant	Totals
Assets									
Cash and cash equivalents	\$ 110	\$ 65,057	\$ 1,598,151	\$ 2,312,132	\$ 1,805,085	\$ -	\$ 3,776	\$ 14,062	\$ 5,926,342
Receivables (net of allowances for uncollectibles):									
Interest	1	284	1,887	3,247	6,696	-	14	-	12,675
Accounts	-	-	-	-	-	-	-	-	2,693
Intergovernmental	-	-	-	-	-	-	-	753	753
Total assets	\$ 111	\$ 65,341	\$ 1,600,038	\$ 2,315,379	\$ 1,811,781	\$ -	\$ 3,790	\$ 14,815	\$ 5,942,463
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,760
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	185	185
Total liabilities	-	-	-	-	-	-	-	185	7,945
Fund balances:									
Unreserved, reported in:									
Special revenue funds	111	65,341	1,600,038	2,315,379	1,811,781	-	3,790	14,630	5,934,518
Total liabilities and fund balances	\$ 111	\$ 65,341	\$ 1,600,038	\$ 2,315,379	\$ 1,811,781	\$ -	\$ 3,790	\$ 14,815	\$ 5,942,463

CITY OF WEST LAFAYETTE
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2007

<u>Assets</u>	Fire Truck Acquisition	Wabash Landing Parking Garage Bonds	Redevelopment Commission 2005	Infrastructure Bonds	West Lafayette Building Corporation	Totals
Cash and cash equivalents	\$ 40,591	\$ -	\$ -	\$ -	\$ -	\$ 40,591
Cash with fiscal agent	53,892	656,773	61,756	654,948	277,848	1,705,217
Receivables (net of allowances for uncollectibles):						
Interest	245	2,040	197	2,034	135	4,651
Taxes	2,964	-	-	-	-	2,964
Intergovernmental	823	-	-	-	-	823
Total assets	\$ 98,515	\$ 658,813	\$ 61,953	\$ 656,982	\$ 277,983	\$ 1,754,246
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Accrued interest payable	\$ 5,646	\$ 125,541	\$ 62,058	\$ 86,754	\$ 112,127	\$ 392,126
Deferred revenue:						
Unavailable	1,894	-	-	-	-	1,894
Total liabilities	7,540	125,541	62,058	86,754	112,127	394,020
 Fund balances:						
Unreserved, reported in:						
Debt service funds	90,975	533,272	(105)	570,228	165,856	1,360,226
Total liabilities and fund balances	\$ 98,515	\$ 658,813	\$ 61,953	\$ 656,982	\$ 277,983	\$ 1,754,246

CITY OF WEST LAFAYETTE
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2007

	Sagamore Parkway TIF	Build Indiana Wabash Landing	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	Cumulative Capital Development	Lease Escrow	Levee Village Redevelopment Commission	KCB Redevelopment Commission	Totals
Assets									
Cash and cash equivalents	\$ 452,662	\$ 8,767	\$ 50,742	\$ 137,272	\$ 2,428,728	\$ 2,706	\$ -	\$ -	\$ 3,080,877
Cash with fiscal agent	-	-	-	-	-	-	904,615	3,200,014	4,104,629
Receivables (net of allowances for uncollectibles):									
Interest	1,477	35	188	488	8,751	-	4,738	10,182	25,859
Taxes	6,523	-	988	-	12,094	-	83,470	100,425	203,500
Intergovernmental	-	-	274	8,922	3,358	-	-	-	12,554
Total assets	\$ 460,662	\$ 8,802	\$ 52,192	\$ 146,682	\$ 2,452,931	\$ 2,706	\$ 992,823	\$ 3,310,621	\$ 7,427,419
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 420	\$ 4,783	\$ 192,843	\$ -	\$ -	\$ -	\$ 198,046
Deferred revenue:									
Unavailable	2,213	-	631	8,922	7,728	-	31,437	33,929	84,860
Total liabilities	2,213	-	1,051	13,705	200,571	-	31,437	33,929	282,906
Fund balances:									
Unreserved, reported in:									
Capital projects funds	458,449	8,802	51,141	132,977	2,252,360	2,706	961,386	3,276,692	7,144,513
Total liabilities and fund balances	\$ 460,662	\$ 8,802	\$ 52,192	\$ 146,682	\$ 2,452,931	\$ 2,706	\$ 992,823	\$ 3,310,621	\$ 7,427,419

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2007

	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	Police Unclaimed Property	Donation	Credit Card Fees
Revenues:										
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,305	\$ -	\$ -	\$ -
Intergovernmental	-	-	513,889	-	-	7,425	-	-	-	-
Charges for services	1,742	15,025	-	-	-	-	4,905	-	-	-
Fines and forfeits	227	-	-	-	-	-	16,932	-	-	-
Other	949	3,357	109,302	15	134	2,219	1,146	95	3,800	7,063
Total revenues	2,918	18,382	623,191	15	134	9,644	25,288	95	3,800	7,063
Expenditures:										
Current:										
General government	-	-	-	-	-	-	-	-	-	6,937
Public safety	-	1,992	-	-	125	11,000	12,548	1,809	450	-
Economic development	-	-	614,926	-	-	-	-	-	-	-
Total expenditures	-	1,992	614,926	-	125	11,000	12,548	1,809	450	6,937
Excess (deficiency) of revenues over (under) expenditures	2,918	16,390	8,265	15	9	(1,356)	12,740	(1,714)	3,350	126
Other financing sources:										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	2,918	16,390	8,265	15	9	(1,356)	12,740	(1,714)	3,350	126
Fund balances - beginning	17,428	54,771	(12,059)	256	245	10,059	9,109	2,313	-	583
Fund balances - ending	\$ 20,346	\$ 71,161	\$ (3,794)	\$ 271	\$ 254	\$ 8,703	\$ 21,849	\$ 599	\$ 3,350	\$ 709

Continued on next page

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	426 Brown Street Brownfields Grant	Police Station Nonreverting	Levee/Village Allocation	KCB Allocation	Certified Technology Park	Certified Technology Grant	Fire Safety	Police Grant	Totals
Revenues:									
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,305
Intergovernmental	-	-	-	-	1,058,963	150,000	-	44,752	1,775,029
Charges for services	-	-	-	-	-	-	-	-	21,672
Fines and forfeits	-	-	-	-	-	-	-	-	17,159
Other	6	4,486	22,543	30,219	44,732	539	743	3,348	234,696
Total revenues	6	4,486	22,543	30,219	1,103,695	150,539	743	48,100	2,050,861
Expenditures:									
Current:									
General government	-	-	-	-	-	-	-	-	6,937
Public safety	-	24,887	-	-	-	-	1,852	48,470	103,133
Economic development	-	-	-	-	-	150,898	-	-	765,824
Total expenditures	-	24,887	-	-	-	150,898	1,852	48,470	875,894
Excess (deficiency) of revenues over (under) expenditures	6	(20,401)	22,543	30,219	1,103,695	(359)	(1,109)	(370)	1,174,967
Other financing sources:									
Transfers in	-	-	2,218,665	2,394,525	-	-	-	15,000	4,628,190
Transfers out	-	-	(1,826,160)	(1,586,600)	-	-	-	-	(3,412,760)
Total other financing sources	-	-	392,505	807,925	-	-	-	15,000	1,215,430
Net change in fund balances	6	(20,401)	415,048	838,144	1,103,695	(359)	(1,109)	14,630	2,390,397
Fund balances - beginning	105	85,742	1,184,990	1,477,235	708,086	359	4,899	-	3,544,121
Fund balances - ending	\$ 111	\$ 65,341	\$ 1,600,038	\$ 2,315,379	\$ 1,811,781	\$ -	\$ 3,790	\$ 14,630	\$ 5,934,518

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, 2007

	Fire Truck Acquisition	Wabash Landing Parking Garage Bonds	Redevelopment Commission 2005	Infrastructure Bonds	West Lafayette Building Corporation	Totals
Revenues:						
Taxes	\$ 77,478	\$ 2,218,664	\$ -	\$ 2,394,525	\$ -	\$ 4,690,667
Intergovernmental	5,814	-	-	50,000	-	55,814
Other	2,786	29,547	2,800	29,705	1,922	66,760
Total revenues	86,078	2,248,211	2,800	2,474,230	1,922	4,813,241
Expenditures:						
Current:						
Public safety	949	-	-	-	3,120	4,069
Economic development	-	8,577	1,750	-	-	10,327
Culture and recreation	-	-	-	9,086	-	9,086
Debt service:						
Principal	70,000	290,000	275,000	395,000	220,000	1,250,000
Interest	13,135	305,165	149,458	213,327	247,335	928,420
Total expenditures	84,084	603,742	426,208	617,413	470,455	2,201,902
Excess (deficiency) of revenues over (under) expenditures	1,994	1,644,469	(423,408)	1,856,817	(468,533)	2,611,339
Other financing sources (uses):						
Transfers in	83,968	558,246	429,500	586,317	475,000	2,133,031
Transfers out	(83,968)	(2,218,665)	-	(2,444,525)	-	(4,747,158)
Total other financing sources (uses)	-	(1,660,419)	429,500	(1,858,208)	475,000	(2,614,127)
Net change in fund balances	1,994	(15,950)	6,092	(1,391)	6,467	(2,788)
Fund balances - beginning	88,981	549,222	(6,197)	571,619	159,389	1,363,014
Fund balances - ending	\$ 90,975	\$ 533,272	\$ (105)	\$ 570,228	\$ 165,856	\$ 1,360,226

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, 2007

	Sagamore Parkway TIF	Build Indiana Wabash Landing	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	Cumulative Capital Development	Lease Escrow	Levee Village Redevelopment Commission	KCB Redevelopment Commission	Totals
Revenues:									
Taxes	\$ 160,467	\$ -	\$ 25,826	\$ -	\$ 316,108	\$ -	\$ 52,033	\$ 66,496	\$ 620,930
Intergovernmental	-	-	1,938	101,079	23,720	-	166,216	-	292,953
Other	20,404	1,158	2,912	4,671	135,316	2,706	64,049	171,699	402,915
Total revenues	180,871	1,158	30,676	105,750	475,144	2,706	282,298	238,195	1,316,798
Expenditures:									
Capital outlay	130,248	45,356	31,953	70,277	525,606	-	1,735,606	1,187,816	3,726,862
Total expenditures	130,248	45,356	31,953	70,277	525,606	-	1,735,606	1,187,816	3,726,862
Excess (deficiency) of revenues over (under) expenditures	50,623	(44,198)	(1,277)	35,473	(50,462)	2,706	(1,453,308)	(949,621)	(2,410,064)
Other financing sources:									
Transfers in	-	-	-	-	-	-	1,267,914	620,783	1,888,697
Total other financing sources	-	-	-	-	-	-	1,267,914	620,783	1,888,697
Net change in fund balances	50,623	(44,198)	(1,277)	35,473	(50,462)	2,706	(185,394)	(328,838)	(521,367)
Fund balances - beginning	407,826	53,000	52,418	97,504	2,302,822	-	1,146,780	3,605,530	7,665,880
Fund balances - ending	\$ 458,449	\$ 8,802	\$ 51,141	\$ 132,977	\$ 2,252,360	\$ 2,706	\$ 961,386	\$ 3,276,692	\$ 7,144,513

CITY OF WEST LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

	Fire Fighting				Community Development Block Grant				Law Enforcement Continuing Education			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	700	2,000	2,305	305
Intergovernmental	-	-	-	-	-	513,889	513,889	-	-	-	-	-
Charges for services	14,700	15,225	15,025	(200)	-	-	-	-	5,600	6,500	4,905	(1,595)
Fines and forfeits	-	-	-	-	-	-	-	-	8,000	8,000	17,190	9,190
Other	2,000	3,100	3,342	242	-	1,787	109,302	107,515	350	1,025	1,075	50
Total revenues	16,700	18,325	18,367	42	-	515,676	623,191	107,515	14,650	17,525	25,475	7,950
Expenditures:												
Current:												
Public safety:												
Other services and charges	10,000	6,775	575	6,200	-	-	-	-	600	600	365	235
Capital outlay	4,200	1,543	11	1,532	-	-	-	-	14,000	14,425	14,269	156
Economic development:												
Personal services	-	-	-	-	-	39,098	39,098	-	-	-	-	-
Other services and charges	-	-	-	-	415,595	951,395	584,094	367,301	-	-	-	-
Total expenditures	14,200	8,318	586	7,732	415,595	990,493	623,192	367,301	14,600	15,025	14,634	391
Net change in fund balances	2,500	10,007	17,781	7,774	(415,595)	(474,817)	(1)	474,816	50	2,500	10,841	8,341
Fund balances - beginning	54,517	54,517	54,517	-	2,001	2,001	2,001	-	10,163	10,163	10,163	-
Fund balances - ending	\$ 57,017	\$ 64,524	\$ 72,298	\$ 7,774	\$ (413,594)	\$ (472,816)	\$ 2,000	\$ 474,816	\$ 10,213	\$ 12,663	\$ 21,004	\$ 8,341

	Police Station Nonreverting				Fire Truck Acquisition			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	-	\$ 78,765	\$ 78,765	\$ 75,586	(3,179)
Intergovernmental	-	-	-	-	5,586	5,586	5,814	228
Other	-	4,599	4,599	-	1,500	2,566	2,817	251
Total revenues	-	4,599	4,599	-	85,851	86,917	84,217	(2,700)
Expenditures:								
Current:								
Public safety:								
Other services and charges	-	90,000	24,887	65,113	83,968	85,368	85,368	-
Total expenditures	-	90,000	24,887	65,113	83,968	85,368	85,368	-
Net change in fund balances	-	(85,401)	(20,288)	65,113	1,883	1,549	(1,151)	(2,700)
Fund balances - beginning	85,345	85,345	85,345	-	95,634	95,634	95,634	-
Fund balances - ending	\$ 85,345	\$ (56)	\$ 65,057	\$ 65,113	\$ 97,517	\$ 97,183	\$ 94,483	\$ (2,700)

Continued on next page

CITY OF WEST LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Wabash Landing Parking Garage Bonds			Cumulative Building and Fire Fighting Equipment				Cumulative Capital Improvement				
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)		Original	Final	(Budgetary Basis)		Original	Final	(Budgetary Basis)	
Revenues:												
Taxes	\$ -	\$ 2,218,665	\$ 2,218,665	\$ -	\$ 26,255	\$ 26,255	\$ 25,195	\$ (1,060)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	1,862	1,862	1,938	76	100,147	101,010	101,080	70
Other	-	30,229	30,229	-	1,300	3,132	2,955	(177)	2,000	4,200	4,644	444
Total revenues	-	2,248,894	2,248,894	-	29,417	31,249	30,088	(1,161)	102,147	105,210	105,724	514
Expenditures:												
Current:												
General government:												
Supplies	-	-	-	-	-	-	-	-	3,500	3,500	577	2,923
Other services and charges	-	608,576	608,576	-	-	-	-	-	85,000	77,293	65,202	12,091
Capital outlay	-	-	-	-	-	-	-	-	15,000	16,900	1,757	15,143
Public safety:												
Other services and charges	-	-	-	-	8,000	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	18,000	32,371	32,371	-	-	-	-	-
Total expenditures	-	608,576	608,576	-	26,000	32,371	32,371	-	103,500	97,693	67,536	30,157
Other financing sources (uses):												
Transfers in	-	558,246	558,246	-	-	-	-	-	-	-	-	-
Transfers out	-	(2,218,665)	(2,218,665)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,660,419)	(1,660,419)	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	(20,101)	(20,101)	-	3,417	(1,122)	(2,283)	(1,161)	(1,353)	7,517	38,188	30,671
Fund balances - beginning	676,874	676,874	676,874	-	53,025	53,025	53,025	-	99,084	99,084	99,084	-
Fund balances - ending	\$ 676,874	\$ 656,773	\$ 656,773	\$ -	\$ 56,442	\$ 51,903	\$ 50,742	\$ (1,161)	\$ 97,731	\$ 106,601	\$ 137,272	\$ 30,671

	Sagamore Parkway TIF			Levee Village Redevelopment Commission				KCB Redevelopment Commission				
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)		Original	Final	(Budgetary Basis)		Original	Final	(Budgetary Basis)	
Revenues:												
Taxes	\$ -	\$ 156,158	\$ 156,158	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	215,760	215,760	-	-	-	-	-	-
Other	-	20,956	20,956	-	64,401	64,401	-	-	176,918	176,918	176,918	-
Total revenues	-	177,114	177,114	-	280,161	280,161	-	-	176,918	176,918	176,918	-
Expenditures:												
General government:												
Other services and charges	-	781	781	-	-	-	-	-	-	-	-	-
Capital outlay	-	131,755	129,467	2,288	-	-	-	-	-	-	-	-
Economic development:												
Other services and charges	-	-	-	-	5,000	5,000	-	-	-	-	-	-
Capital outlay	-	-	-	-	2,009,907	1,730,606	279,301	-	-	-	-	-
Culture and recreation:												
Supplies	-	-	-	-	-	-	-	-	1,427	1,427	-	-
Other services and charges	-	-	-	-	-	-	-	-	67,860	65,460	2,400	-
Capital outlay	-	-	-	-	-	-	-	-	1,222,493	1,120,929	101,564	-
Total expenditures	-	132,536	130,248	2,288	2,014,907	1,735,606	279,301	-	1,291,780	1,187,816	103,964	-
Other financing sources:												
Transfers in	-	-	-	-	1,267,914	1,267,914	-	-	620,783	620,783	620,783	-
Total other financing sources	-	-	-	-	-	-	1,267,914	1,267,914	620,783	620,783	620,783	-
Net change in fund balances	-	44,578	46,866	2,288	(1,734,746)	(187,531)	1,547,215	797,701	(494,079)	(390,115)	103,964	-
Fund balances - beginning	405,796	405,796	405,796	-	1,092,146	1,092,146	1,092,146	-	3,590,129	3,590,129	3,590,129	-
Fund balances - ending	\$ 405,796	\$ 450,374	\$ 452,662	\$ 2,288	\$ 1,092,146	\$ (642,600)	\$ 904,615	\$ 1,547,215	\$ 4,387,830	\$ 3,096,050	\$ 3,200,014	\$ 103,964

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CITY OF WEST LAFAYETTE
 BUDGETARY COMPARISON SCHEDULES
 OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Infrastructure Bonds				Cumulative Capital Development			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:								
Taxes	\$ -	\$ 2,444,525	\$ 2,444,525	\$ -	\$ 321,363	\$ 321,363	\$ 308,383	\$ (12,980)
Intergovernmental	-	-	-	-	22,792	22,792	26,251	3,459
Other	-	30,341	30,341	-	80,000	111,193	136,964	25,771
Total revenues	-	2,474,866	2,474,866	-	424,155	455,348	471,598	16,250
Expenditures:								
General government:								
Supplies	-	-	-	-	82,000	77,444	64,428	13,016
Other services and charges	-	-	-	-	252,000	258,288	192,607	65,681
Capital outlay	-	-	-	-	303,600	121,557	82,821	38,736
Culture and recreation:								
Capital outlay	-	623,749	623,749	-	-	-	-	-
Total expenditures	-	623,749	623,749	-	637,600	457,289	339,856	117,433
Other financing sources (uses):								
Transfers in	-	586,317	586,317	-	-	-	-	-
Transfers out	-	(2,444,525)	(2,444,525)	-	-	-	-	-
Total other financing sources (uses)	-	(1,858,208)	(1,858,208)	-	-	-	-	-
Net change in fund balances	-	(7,091)	(7,091)	-	(213,445)	(1,941)	131,742	133,683
Fund balances - beginning	662,039	662,039	662,039	-	2,296,986	2,296,986	2,296,986	-
Fund balances - ending	\$ 662,039	\$ 654,948	\$ 654,948	\$ -	\$ 2,083,541	\$ 2,295,045	\$ 2,428,728	\$ 133,683

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 December 31, 2007

	Pension Trust Funds		
	Police Pension	Firefighter's Pension	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 151,682	\$ 573,179	\$ 724,861
Investments	450,206	307,821	758,027
Receivables:			
Employer	-	66	66
Interest and dividends	16,563	12,912	29,475
Taxes	1,897	7,548	9,445
Intergovernmental	527	2,096	2,623
	620,875	903,622	1,524,497
Total assets			
<u>Liabilities</u>			
Accounts payable	-	96	96
Accrued payroll and withholdings payable	-	282,682	282,682
	-	282,778	282,778
Total liabilities			
<u>Net Assets</u>			
Held in trust for:			
Employees' pension benefits	\$ 620,875	\$ 620,844	\$ 1,241,719
	620,875	620,844	1,241,719

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 December 31, 2007

	Agency Funds					Totals
	Payroll	Sales Tax	Insurance Payments	City Court Costs	Court Collections	
<u>Assets</u>						
Cash and cash equivalents	\$ 185,259	\$ 4,939	\$ -	\$ 16,046	\$ 315	\$ 206,559
<u>Liabilities</u>						
Payroll withholdings	\$ 185,259	\$ -	\$ -	\$ -	\$ -	\$ 185,259
Trust payable	-	4,939	-	16,046	315	21,300
Total liabilities	\$ 185,259	\$ 4,939	\$ -	\$ 16,046	\$ 315	\$ 206,559

CITY OF WEST LAFAYETTE
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2007

<u>Additions</u>	<u>Police Pension</u>	<u>Firefighter's Pension</u>	<u>Totals</u>
Contributions:			
Employer	\$ 51,025	\$ 211,748	\$ 262,773
Intergovernmental	566,288	371,770	938,058
Plan members	-	990	990
Investment income:			
Interest	<u>72,994</u>	<u>49,593</u>	<u>122,587</u>
Total additions	<u>690,307</u>	<u>634,101</u>	<u>1,324,408</u>
<u>Deductions</u>			
Benefits and refunds paid to plan members and beneficiaries	657,193	731,572	1,388,765
Administrative expenses	<u>2,689</u>	<u>2,759</u>	<u>5,448</u>
Total deductions	<u>659,882</u>	<u>734,331</u>	<u>1,394,213</u>
Changes in net assets	30,425	(100,230)	(69,805)
Net assets - beginning	<u>590,450</u>	<u>721,074</u>	<u>1,311,524</u>
Net assets - ending	<u>\$ 620,875</u>	<u>\$ 620,844</u>	<u>\$ 1,241,719</u>

CITY OF WEST LAFAYETTE
BUDGETARY COMPARISON SCHEDULES
BUDGETED PENSION TRUST FUNDS
For The Year Ended December 31, 2007

	Police Pension				Fireman's Pension			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:								
Taxes	\$ 50,410	\$ 50,410	\$ 48,374	\$ (2,036)	\$ 200,589	\$ 200,589	\$ 192,488	\$ (8,101)
Intergovernmental	336,076	609,441	609,587	146	254,226	396,652	394,731	(1,921)
Charges for services	-	-	-	-	-	33,616	-	(33,616)
Other	16,400	45,476	48,285	2,809	15,190	15,190	51,587	36,397
Total revenues	402,886	705,327	706,246	919	470,005	646,047	638,806	(7,241)
Expenditures:								
Personal services	2,630	2,630	2,625	5	6,720	6,720	2,663	4,057
Supplies	100	100	65	35	200	200	-	200
Other services and charges	678,910	678,910	657,192	21,718	776,800	494,969	448,890	46,079
Capital outlay	-	-	-	-	250	250	-	250
Total expenditures	681,640	681,640	659,882	21,758	783,970	502,139	451,553	50,586
Net change in fund balances	(278,754)	23,687	46,364	22,677	(313,965)	143,908	187,253	43,345
Fund balances - beginning	555,524	555,524	555,524	-	693,747	693,747	693,747	-
Fund balances - ending	\$ 276,770	\$ 579,211	\$ 601,888	\$ 22,677	\$ 379,782	\$ 837,655	\$ 881,000	\$ 43,345

CITY OF WEST LAFAYETTE
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2007

	Payroll	Sales Tax	Insurance Payments	City Court Costs	Court Collections	Totals
Assets:						
Cash and cash equivalents - January 1, 2007	\$ 173,658	\$ 586	\$ -	\$ 15,373	\$ 10,798	\$ 200,415
Additions	2,894,190	6,174	12,579	222,565	55,528	3,191,036
Deductions	<u>2,882,589</u>	<u>1,821</u>	<u>12,579</u>	<u>221,892</u>	<u>66,011</u>	<u>3,184,892</u>
Cash and cash equivalents - December 31, 2007	<u>185,259</u>	<u>4,939</u>	<u>-</u>	<u>16,046</u>	<u>315</u>	<u>206,559</u>
Total assets - December 31, 2007	<u>\$ 185,259</u>	<u>\$ 4,939</u>	<u>\$ -</u>	<u>\$ 16,046</u>	<u>\$ 315</u>	<u>\$ 206,559</u>
Liabilities:						
Payroll withholdings - January 1, 2007	\$ 173,658	\$ -	\$ -	\$ -	\$ -	\$ 173,658
Additions	2,894,190	-	-	-	-	2,894,190
Deductions	<u>2,882,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,882,589</u>
Payroll withholdings - December 31, 2007	<u>185,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,259</u>
Trust payable - January 1, 2007	-	586	-	15,373	10,798	26,757
Additions	-	6,174	12,579	222,565	55,528	296,846
Deductions	<u>-</u>	<u>1,821</u>	<u>12,579</u>	<u>221,892</u>	<u>66,011</u>	<u>302,303</u>
Trust payable - December 31, 2007	<u>-</u>	<u>4,939</u>	<u>-</u>	<u>16,046</u>	<u>315</u>	<u>21,300</u>
Total liabilities - December 31, 2007	<u>\$ 185,259</u>	<u>\$ 4,939</u>	<u>\$ -</u>	<u>\$ 16,046</u>	<u>\$ 315</u>	<u>\$ 206,559</u>

CITY OF WEST LAFAYETTE
EXIT CONFERENCE

The contents of this report were discussed on May 27, 2008, with John Dennis, Mayor; Judith C. Rhodes, Clerk-Treasurer; Susan K. Goldman, Board of Works Representative; and David Henderson and Loraine Wilkins, Utility Representatives. The officials concurred with our findings.

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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.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	111-116
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue source , property tax.	117-120
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	111-126
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	127-129
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	130-132

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 beginning in that year.

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 41,109,444	\$ 33,637,831	\$ 28,862,717	\$ 30,001,473 (1)	\$ 17,365,591
Restricted	18,925,922	13,660,921	11,534,608	12,011,256	11,274,461
Unrestricted	(7,482,302)	(2,349,198)	(99,330)	(454,291)	1,218,533
Total governmental activities net assets	<u>\$ 52,553,064</u>	<u>\$ 44,949,554</u>	<u>\$ 40,297,995</u>	<u>\$ 41,558,438</u>	<u>\$ 29,858,585</u>
Business - Type Activities:					
Invested in capital assets, net of related debt	\$ 26,063,775	\$ 23,325,547	\$ 21,857,502	\$ 20,988,211	\$ 18,744,886
Restricted	1,016,446	855,000	825,000	838,673	5,409,661
Unrestricted	13,718,110	11,574,228	9,138,040	7,024,996 (2)	1,457,253
Total business - type activities net assets	<u>\$ 40,798,331</u>	<u>\$ 35,754,775</u>	<u>\$ 31,820,542</u>	<u>\$ 28,851,880</u>	<u>\$ 25,611,800</u>
Primary government:					
Invested in capital assets, net of related debt	\$ 67,173,219	\$ 56,963,378	\$ 50,720,219	\$ 50,989,684	\$ 36,110,477
Restricted	19,942,368	14,515,921	12,359,608	12,849,929	16,684,122
Unrestricted	6,235,808	9,225,030	9,038,710	6,570,705	2,675,786
Total primary government net assets	<u>\$ 93,351,395</u>	<u>\$ 80,704,329</u>	<u>\$ 72,118,537</u>	<u>\$ 70,410,318</u>	<u>\$ 55,470,385</u>

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.

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses:					
Governmental Activities:					
General government	\$ 3,211,807	\$ 3,053,118	\$ 2,968,387	\$ 2,572,974	\$ 3,117,831
Public safety	8,132,596	6,189,724	6,780,190	8,173,328	6,547,564
Highways and streets	3,946,050	3,048,988	3,099,739	1,071,057	529,086
Sanitation	712,660	690,388	590,396	621,448	648,167
Economic development	957,513	801,230	7,638,977 (1)	1,226,720	1,470,227
Culture and recreation	2,704,932	1,753,442	2,073,079	1,587,540	3,135,924
Interest Expense	928,420	974,007	902,509	902,862	-
Total governmental activities expenses	<u>20,593,978</u>	<u>16,510,897</u>	<u>24,053,277</u>	<u>16,155,929</u>	<u>15,448,799</u>
Business-Type Activities:					
Wastewater	5,417,669	5,036,509	5,006,664	4,271,050	4,095,213
Total business-type activities expenses	<u>5,417,669</u>	<u>5,036,509</u>	<u>5,006,664</u>	<u>4,271,050</u>	<u>4,095,213</u>
Total primary government expenses	<u>26,011,647</u>	<u>21,547,406</u>	<u>29,059,941</u>	<u>20,426,979</u>	<u>19,544,012</u>
Program Revenues:					
Governmental Activities:					
Charges for services:					
General Government	1,201,869	816,863	436,486	992,117	599,780
Public Safety	89,094	357,908	35,655	39,570	284,188
Highways and streets	3,043,677	3,024,744	2,602,247	2,302,092	2,340,915
Sanitation	499,934	480,862	469,577	466,781	458,291
Economic development	-	116,606	123,552	102,123	122,216
Culture and recreation	651,085	618,265	601,302	635,737	665,920
Operating grants and contributions					
Public Safety	68,228	24,973	43,709	54,918	80,733
Highways and streets	17,109	-	9,148	-	-
Sanitation	-	25,683	-	41,500	40,000
Economic development	663,889	297,148	550,704	513,095	595,898
Culture and recreation	39,044	61,476	163,081	136,677	93,384
Capital grants and contributions					
Public Safety	-	-	139,899	-	-
Highways and streets	373,969	72,674	1,383,177	47,716	176,080
Economic development	1,058,963	850,701	2,171,456	5,617	44,358
Culture and recreation	59,150	65,651	18,986	93,001	3,534
Total governmental activities revenues	<u>7,766,011</u>	<u>6,813,554</u>	<u>8,748,979</u>	<u>5,430,944</u>	<u>5,505,297</u>
Governmental activities:					
Business-Type Activities:					
Wastewater:					
Charges for services (1)	8,360,860	7,557,104	7,431,354	6,624,041	5,646,531
Capital Grants and Contributions	1,437,901	-	-	-	-
Total business-type activities revenues	<u>9,798,761</u>	<u>7,557,104</u>	<u>7,431,354</u>	<u>6,624,041</u>	<u>5,646,531</u>
Total primary government revenues	<u>17,564,772</u>	<u>14,370,658</u>	<u>16,180,333</u>	<u>12,054,985</u>	<u>11,151,828</u>

(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)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Revenues (expenses):					
Governmental activities	(12,827,967)	(9,697,343)	(15,304,298)	(10,724,985)	(9,943,502)
Business-type activities	4,381,092	2,520,595	2,424,690	2,352,991	1,551,318
Total net revenues (expenses):	<u>(8,446,875)</u>	<u>(7,176,748)</u>	<u>(12,879,608)</u>	<u>(8,371,994)</u>	<u>(8,392,184)</u>
Taxes:					
Property Taxes	12,170,487	10,362,021	9,948,214	9,450,977	10,226,118
Intergovernmental revenue	-	-	-	-	2,230,014 (2)
Other state taxes - unrestricted	722,695	705,606	714,911	758,882	-
Other local taxes - unrestricted	1,661,003	1,286,702	1,326,741	1,651,753	-
Franchise fees	-	-	130,326	123,765	116,645
Contributions and gifts	4,322,122 (5)	659,862	-	10,900,464 (3)	-
Loss on capital assets	-	-	-	(2,248,328) (4)	-
Miscellaneous receipts (net of interest)	715,476	516,818	983,369	1,211,355	368,586
Unrestricted investment earnings	839,694	817,893	535,325	233,694	225,666
Transfers	-	-	278,121	249,656	208,095
Total Governmental activities:	<u>20,431,477</u>	<u>14,348,902</u>	<u>13,917,007</u>	<u>22,332,218</u>	<u>13,375,124</u>
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	662,464	560,116	295,773	129,090	102,417
Transfers	-	-	(278,121)	(249,656)	(208,095)
Total Business - Type activities:	<u>662,464</u>	<u>1,413,638</u>	<u>489,116</u>	<u>887,089</u>	<u>581,182</u>
Total Primary Government	<u>21,093,941</u>	<u>15,762,540</u>	<u>14,406,123</u>	<u>23,219,307</u>	<u>13,956,306</u>
Change in net assets					
Governmental activities	7,603,510	4,651,559	(1,387,291)	11,607,233	3,431,622
Business-type activities	5,043,556	3,934,233	2,913,806	3,240,080	2,132,500
Total primary government	<u>\$ 12,647,066</u>	<u>\$ 8,585,792</u>	<u>\$ 1,526,515</u>	<u>\$ 14,847,313</u>	<u>\$ 5,564,122</u>

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.

(5) Recognition of state and federal grants in support of road projects, primarily the Tapawingo South an perimeter Parkway projects.

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund					
Reserved *	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,262,564	1,830,324	2,385,003	3,141,412	2,493,526
Total general fund	<u>\$ 1,262,564</u>	<u>\$ 1,830,324</u>	<u>\$ 2,385,003</u>	<u>\$ 3,141,412</u>	<u>\$ 2,493,526</u>
All other governmental funds:					
Reserved *	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	10,359,573	7,885,399	7,689,255	5,447,494	4,795,092
Debt service funds	1,360,226	1,203,625	621,534	1,901,043	2,538,745
Capital projects funds	7,144,513	7,825,269	8,666,558	8,907,381	8,383,640
Total all other governmental funds	<u>\$ 18,864,312</u>	<u>\$ 16,914,293</u>	<u>\$ 16,977,347</u>	<u>\$ 16,255,918</u>	<u>\$ 15,717,477</u>

Note: The City of West Lafayette has elected to present only five 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,

	2007	2006	2005	2004	2003
Revenues					
Taxes	\$ 12,138,588	\$ 10,349,864	\$ 9,972,944	\$ 9,552,713	\$ 10,096,475
License and Permits	93,640	85,258	84,378	91,851	70,631
Intergovernmental	7,433,081	6,657,665	8,900,814	6,761,469	6,006,376
Charges for Services	1,698,019	1,640,544	1,323,149	1,571,105	1,491,197
Fines and Forfeits	546,069	487,341	244,082	453,557	385,680
Other	1,664,505	1,405,545	1,679,523	866,677	725,136
Total Revenues	23,573,902	20,626,217	22,204,890	19,297,372	18,775,495
Expenditures					
General Government	2,757,406	2,578,831	2,492,825	2,283,607	2,363,606
Public Safety	6,712,268	7,027,184	6,394,626	5,629,836	5,564,439
Highways and Streets	3,482,912	3,591,015	2,863,265	2,551,682	3,069,212
Sanitation	850,362	631,727	583,970	634,384	642,844
Economic development	1,076,320	586,294	7,175,420 (1)	-	-
Culture and Recreation	1,680,047	1,894,319	1,849,818	1,899,417	1,779,476
Urban redevelopment and housing	-	-	-	842,798	898,939
Capital Outlay	3,726,862	2,720,573	3,575,558	3,748,138	8,868,257
Debt Service:					
Principal	1,250,000	1,240,000	910,000	295,000	165,000
Interest	928,420	974,007	902,509	366,913	372,696
Total Expenditures	22,464,597	21,243,950	26,747,991	18,251,775	23,724,469
Excess (deficiency) of revenues over (under) expenditures	1,109,305	(617,733)	(4,543,101)	1,045,597	(4,948,974)
Other Financing Sources (Uses)					
Financing by capital lease	272,954	-	-	140,730	214,491
Transfers in	8,649,918	6,902,836	7,508,958	3,493,741	556,738
Transfers out	(8,649,918)	(6,902,836)	(7,230,837)	(3,493,741)	(556,738)
Issuance of debt	-	-	4,230,000	-	-
Total other financing sources (uses)	272,954	-	4,508,121	140,730	214,491
Net change in fund balance	\$ 1,382,259	\$ (617,733)	\$ (34,980)	\$ 1,186,327	\$ (4,734,483)
Debt service as a percentage of noncapital expenditures	11.6%	12.0%	7.8%	4.6%	3.6%

Note: The City of West Lafayette has elected to present only five 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 Real and Personal Property	Less Tax Increment District	Total		Total Direct Tax Rate
	Residential, Commercial and Industrial	Utilities	Total Real Property	Personal Property (3)			Assessed Value (1)	True Tax Value (2)	
2007	\$ 399,599,167	\$ 4,872,397	\$ 404,471,564	\$ 15,693,013	\$ 420,164,577	\$ 62,747,630	\$ 357,416,947	\$ 1,072,250,841	\$ 0.7248
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

(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.

(3) Decrease in 2007 reflects change in status of business inventories to non-taxable.

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

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
City Direct Rates										
City General	\$ 0.5609	\$ 0.5536	\$ 0.5552	\$ 0.5273	\$ 0.5001	\$ 0.6951	\$ 2.1414	\$ 1.8660	\$ 1.9489	\$ 1.9593
Police Pension	0.0048	0.0231	0.0150	0.0120	0.0118	0.0493	0.1062	0.2210	0.1608	0.0601
Fire Pension	0.0191	0.0246	0.0150	0.0035	0.0033	0.0265	0.0529	0.1139	0.0633	0.0168
Park & Recreation	0.0994	0.0946	0.0805	0.0934	0.1005	0.1572	0.4030	0.4246	0.3527	0.4139
Tax Increment Replacement	-	-	-	-	0.0411	-	-	-	-	-
Cum Cap Development	0.0306	0.0319	0.0319	0.0319	0.0319	0.0424	0.1271	0.1271	0.1271	0.1271
Cum Fire Special	0.0025	0.0029	0.0029	0.0043	0.0043	0.0043	0.0130	0.0130	0.0130	0.0130
Fire Truck Lease	0.0075	0.0080	0.0083	0.0078	0.0116	0.0063	-	-	-	-
Total Direct Rate	\$ 0.7248	\$ 0.7387	\$ 0.7088	\$ 0.6802	\$ 0.7046	\$ 0.9811	\$ 2.8436	\$ 2.7656	\$ 2.6658	\$ 2.5902
Overlapping Rates:										
State Rate	0.0024	0.0024	0.0024	0.0024	0.0033	0.0033	0.0100	0.0100	0.0100	0.0100
County Rate	0.4433	0.4098	0.3549	0.3419	0.3283	0.4024	1.3425	1.2317	1.7110	1.7357
Solid Waste	0.0026	0.0025	0.0025	0.0023	0.0023	0.0023	0.0035	-	-	-
Township Rates	0.0023	0.0023	0.0023	0.0006	0.0006	0.0009	0.0059	0.0060	0.0059	0.0059
Library Rates (B)	0.2095	0.1284	0.1562	0.1457	0.1456	0.0813	0.2324	0.2283	0.2116	0.2076
School Rates (B)	1.5822	1.6189	0.1549	1.4894	0.1419	2.1954	6.5673	6.4317	6.2526	5.8054

(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 LAFAYETTEPrincipal Taxpayers
Current and Nine Years Ago

Taxpayer	2007			1998		
	Assessed Value	Rank	Percent of Total City Assessed Value *	Assessed Value	Rank	Percent of Total City Assessed Value *
Purdue Research Foundation	\$ 12,741,957	1	3.57%	\$ 2,578,880	6	1.32%
Basham, John R. II, Connie L.	9,481,493	2	2.65%			
SH Pool A Williamsburg on the Wabash LLC	7,496,067	3	2.10%			
McCormick Place Apartment Acquisitions LLC Etal	6,175,867	4	1.73%			
Weida, Jerry M., Patti A.	6,048,133	5	1.69%	2,041,210	9	1.05%
KMF Purdue LLC	5,418,620	6	1.52%			
Wal-Mart Real Estate Business Trust	5,000,567	7	1.40%	2,855,190	4	1.46%
River Market Development LLC	4,887,843	8	1.37%			
Purdue Properties I LLC	4,740,100	9	1.33%			
State Farm Mutual Auto Insurance Co.	5,707,693	10	1.60%	5,788,600	1	2.97%
CTS Corporation				3,743,060	2	1.92%
B and L, LLC William M. Fleischhauer				3,472,590	3	1.78%
Regency Williamsburg LTD				2,747,140	5	1.41%
Great Lakes Chemical Corp.				2,281,610	7	1.17%
Bioanalytical Systems Inc.				2,087,680	8	1.07%
PSI Energy, Inc,				1,885,920	10	0.97%
	<u>\$ 67,698,340</u>		<u>18.94%</u>	<u>\$ 29,481,880</u>		<u>15.12%</u>

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Property Taxes Levied (A)	<u>\$ 7,776,167</u>	<u>\$ 7,331,075</u>	<u>\$ 6,777,909</u>	<u>\$ 6,634,773</u>	<u>\$ 6,387,821</u>	<u>\$ 5,631,766</u>	<u>\$ 5,450,218</u>	<u>\$ 4,841,408</u>	<u>\$ 4,813,874</u>	<u>\$ 4,864,262</u>
Property Taxes Collected (B)	<u>\$ 7,473,832</u>	<u>\$ 7,232,347</u>	<u>\$ 6,760,564</u>	<u>\$ 6,491,012</u>	<u>\$ 6,428,897</u>	<u>\$ 5,597,203</u>	<u>\$ 5,449,539</u>	<u>\$ 4,873,707</u>	<u>\$ 4,848,877</u>	<u>\$ 4,884,436</u>
Percent Collection	<u>96.11%</u>	<u>98.65%</u>	<u>99.74%</u>	<u>97.83%</u>	<u>100.64%</u>	<u>99.39%</u>	<u>99.99%</u>	<u>100.67%</u>	<u>100.73%</u>	<u>100.41%</u>

(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 2007, total delinquent property tax due to the City for 2007 and all prior years was approximately \$170,422.

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

Governmental Activities										
	Property Tax		Revenue Bonds			Total Governmental Activities	Business Activities		Percentage of Personal Income ¹	Debt per Capita ¹
	Equipment Lease Corporation	EDIT Bonds	Tax Increment Bonds	Capital Leases	Notes Payable		Sewage Revenue Bonds	Total Primary Government		
2006	\$ 285,000	\$ 5,110,000	\$ 14,450,000	\$ 229,592	\$ -	\$ 20,074,592	\$ 26,414,855	\$ 46,489,447	7.10%	\$ 1,496
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

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 *
2007	\$ 285,000	0.08%	\$ 9
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	-

* 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, 2007

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Percent Applicable to West Lafayette</u>	<u>Amount Applicable to West Lafayette</u>
Direct Debt:			
City of West Lafayette	\$ 20,074,592	100.00%	\$ 20,074,592
Overlapping Debt Paid with Property Taxes:			
Tippecanoe School Corporation	95,920,000	3.25%	3,117,400
West Lafayette Community School Corp	25,322,581	99.44%	25,180,775
Tippecanoe County Library	4,680,000	4.05%	189,540
West Lafayette Library	9,735,000	100.00%	9,735,000
Tippecanoe County	11,720,000	14.41%	1,688,852
Other Overlapping Debt:			
Income Tax Supported Debt			
Tippecanoe County Economic Development Income Tax Bonds	5,105,000	14.41%	735,631
Subtotal Overlapping Debt	\$ 152,482,581		\$ 40,647,198
Total Direct and Overlapping Debt			\$ 60,721,790

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, 2007

Legal Debt Margin Calculation for Fiscal Year 2007

Assessed value	\$ 357,416,947
Debt Limit (2% of assessed value)	7,148,339
Debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 7,148,339</u></u>

	<u>Debt Limit</u>	<u>Total net debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Total net debt applicable to the limit as a percentage of debt limit</u>
2007	\$ 7,148,339	-	\$ 7,148,339	0.00%
2006	6,224,530	-	6,224,530	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%

(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

<u>Tax Increment Bonds</u>					<u>Economic Development Income Tax Bonds</u>				
<u>Tax Increment Revenue</u>	<u>Debt Service</u>			<u>Coverage</u>	<u>EDIT Revenue</u>	<u>Debt Service</u>			<u>Coverage</u>
	<u>Principal</u>	<u>Interest</u>				<u>Principal</u>	<u>Interest</u>		
2007	\$ 4,613,189	\$ 975,000	\$ 665,256	2.81	\$ 1,301,252	\$ 225,000	\$ 246,950	2.76	
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	

(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 Base Rate (3)	Rate per 1000 Gallons (3)
				Principal	Interest	Total			
2007	\$ 8,360,860	\$ 3,437,264	\$ 4,923,596	\$ 1,710,000	\$ 707,048	\$ 2,417,048	2.04	\$ 16.83	\$ 5.61
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

(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
2007	31,079	2,038	3.1%	\$ 654.6	\$ 21,063	163,364	\$ 4,423.4	\$ 28,639 (5)
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

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 - 2007 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 - 2007 and from 1999 - 1998.
- 5) Per Capita income for this year not yet available through the U.S. Census Bureau.

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

<u>Employer</u>	<u>2007</u>			<u>1998</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment *</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment *</u>
Purdue University **	15,000	1	106.85%	10,000	1	71.98%
State Farm Mutual Auto Insurance Co.	692	2	4.93%	678	2	4.88%
Bioanalytical Systems Inc. **	300	3	2.14%	175	9	1.26%
West Lafayette School Corporation	215	4	1.53%	296	5	2.13%
Wal-Mart	200	5	1.42%	212	7	1.53%
City of West Lafayette	194	6	1.38%			
Pay Less Supermarket	190	7	1.35%			
MED Institute	175	8	1.25%			
Chemtura	150	9	1.07%			
Purdue Employees Federal Credit Union	150	10	1.07%			
Marsh Supermarket				150	10	1.08%
Whirlpool Corporation				400	3	2.88%
Great Lakes Chemical				375	4	2.70%
CTS Corporation				255	6	1.84%
Pay Less Supermarket				190	8	1.37%

* Total employment as used above represents the total employment of all employers located within City limits. Total Employment for 2007 and 1998 was 14,039 and 13,893 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 Six Years

	Full-time Equivalent Employees as of December 31,					
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General government						
Mayor	4	4	4	4	5	5
Clerk-Treasurer	5.2	5.2	5.2	5.2	5.2	5.2
Court	0.8	0.8	0.8	0.8	0.8	0.8
City Hall	0.8	0.7	0.7	0.7	0.7	0.7
Engineering	6	6	6	3	5	5
Development	2	6	6	6	6	8
Public Safety						
Police						
Officers	48	43	45	45	43	40
Civilians	17.5	15.6	15.6	15.6	15.6	15.6
Fire						
Firefighters and Officers	41	38	37	35	35	35
Highway and Streets	8	7.9	7.7	9.2	8.3	7.7
Sanitation	6	9	7	8	8.5	7.8
Culture and Recreation	21.1	20	23	21	20	20
Economic Development	7	4	4	3	3	2
Wastewater	26.1	24.6	26.1	27.1	29.4	27.4
TOTAL	<u>193.5</u>	<u>184.8</u>	<u>188.1</u>	<u>183.6</u>	<u>185.5</u>	<u>180.2</u>

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 Four Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Government				
Engineering				
Building Permits Issued:				
Residential (Single/Multi Families)	118	79	168	174
Commercial	254	303	242	267
Estimated Property Value of Building Permits Issued	\$ 51,608,956	\$ 43,262,293	\$ 33,174,022	\$ 48,978,122
Number of Building Inspections	1,731	1,481	1,532	1,574
Development (code enforcement)				
Rental Units Inspected	2,963	952	744	696
Nuisance Inspections	443	515	505	583
Neighborhood Associations	16	16	14	14
City Court				
Court Cases Filed	2,833	2,635	2,509	2,019
Clerk-Treasurer				
Number of W-2s Issued	345	350	339	331
Number of 1099-Rs Issued	50	51	53	54
Number of Claims Processed	9,161	9,420	9,406	8,693
Number of Receipts Issued	10,774	10,085	10,154	10,541
Public Safety				
Police				
Calls for Service	16,809	15,637	16,639	17,953
Parking Enforcement Tickets	17,260	16,826	19,841	20,940
Traffic Enforcement Arrests and Warnings	11,998	13,556	13,945	14,959
Criminal Arrests	2,189	2,155	2,193	2,098
Juvenile Arrests	56	50	89	89
Fire				
Runs	1,543	1,339	1,381	1,380
Fire Inspections	529	573	609	630
Sanitation				
Trash Collected (Tons)	4,275	4,226	4,090	5,045
Recycling (Tons)	2,218	2,147	1,638	2,128
Highways and Street				
Street Sweeping (Tons)	557	376	338	479
Asphalt Pothole Repair (Tons)	95	118	116	96
Culture and Recreation				
Municipal Pool Attendance	23,656	22,282	24,018	21,420
Riverside Skating Center Attendance	14,463	14,962	11,736	12,030
Recreation Class Participants	6,681	6,799	7,019	7,913
Wastewater Treatment Utility				
Plant Design Capacity (MGAL)	3,285	3,285	3,285	3,294
Actual Flow (MGAL)	3,145	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				
	2007	2006	2005	2004
Engineering				
Capital Projects Managed	17	11	11	7
Capital Projects Completed	5	3	4	1
Police				
K-9 Units	2	1	1	1
Squad Patrol Cars	15	12	12	12
Parking Control Vehicles	4	3	3	3
Police Stations	1	1	1	1
Fire				
Fire Truck Apparatus	5	3	3	3
Fire Stations	3	2	2	2
Economic Development				
Tax Abatements	2	3	1	4
TIF Increment	\$4,892,172	\$3,584,531	\$3,212,379	\$3,061,700
Sanitation				
Sanitation Packer Trucks	4	4	4	4
Recycling Trucks	2	2	2	2
Highways and Street				
Contracted Street Resurfacing (Miles)	2.8	2.56	2.25	2.33
Miles of Streets	72.8	72.8	62	62
Culture and Recreation				
City Parks	14	14	13	13
Community Center	1	1	1	1
Municipal Pool	1	1	1	1
Park Acreage	417	417	417	417
Wastewater Treatment Utility				
Wastewater Treatment Plant	1	1	1	1
Lift Stations	15	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 Four Fiscal Years

	2007		2006		2005		2004	
	Charges	Percentage of Revenue	Charges	Percentage of Revenue	Charges	Percentage of Revenue	Charges	Percentage of Revenue
Purdue University	\$ 3,076,729	36.80%	\$ 2,474,222	32.74%	\$ 2,394,273	32.22%	\$ 1,910,276	28.84%
Indiana Veterans Home	139,978	1.67%	147,105	1.95%	151,029	2.03%	121,505	1.83%
Regency Williamsburg LTD	86,158	1.03%	85,927	1.14%	92,575	1.25%	68,970	1.04%
Beau Jardin Apartments	61,435	0.73%	62,222	0.82%	93,799	1.26%	54,939	0.83%
Sagamore Ridge Apts/Purdue Prop.	62,559	0.75%	58,575	0.78%	62,781	0.84%	52,667	0.80%
Westminster Village	52,386	0.63%	46,026	0.61%	42,945	0.58%	43,886	0.66%
University Inn LLC	50,518	0.60%	44,970	0.60%	37,394	0.50%	35,341	0.53%
Wabash Valley Hospital	47,074	0.56%	38,904	0.51%	44,119	0.59%	49,162	0.74%
Brookman Inc. (Levee Tan & Laundry)	39,361	0.47%	37,145	0.49%	36,985	0.50%	33,011	0.50%
Franciscan Hm (George Davis Manor)	29,957	0.36%	32,651	0.43%	-	-	-	-
University Place	34,395	0.41%	30,040	0.40%	-	-	-	-
Friendship House	35,169	0.42%	-	-	24,896	0.34%	22,967	0.35%

Source: West Lafayette Wastewater Treatment Utility, Billing Department

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SUPPLEMENTAL AUDIT OF FEDERAL AWARDS SECTION

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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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 each of its major federal programs for the year ended December 31, 2007. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

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)

Internal Control Over Compliance

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

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is 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. We consider the deficiencies in internal control over compliance described in items 2007-1 and 2007-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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

The City's responses to the findings identified in our audit are described in the accompanying Corrective Action Plan section of the report. We did not audit the City's response and, accordingly, we express no opinion on it.

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 27, 2008

CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG - Entitlement and (HUD Administered) Small Cities Cluster Community Development Block Grants/Entitlement Grants	14.218		
		B-04-MC-18-0009	\$ 9,990
		B-05-MC-18-0009	40,015
		B-06-MC-18-0009	464,597
		B-07-MC-18-0009	<u>108,589</u>
Total for federal grantor agency			<u>623,191</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through City of Lafayette			
Bulletproof Vest Partnership	16.607	FY 2006	2,728
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Justice Assistance Grant Program	16.783	06-DJ-048	<u>8,100</u>
Total for federal grantor agency			<u>10,828</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
		0501(063)	184,324
		06CM0016	50,000
		BRO-9936(009)	<u>166,216</u>
Total for cluster			<u>400,540</u>
Pass-Through City of Lafayette			
Highway Safety Cluster			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		
		154AL 07-02-02-04	1,539
		PT-07-04-01-47	29,201
		K8-07-03-61-20	<u>14,028</u>
Total for cluster			<u>44,768</u>
Total for federal grantor agency			<u>445,308</u>

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

CITY OF WEST LAFAYETTE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2007
 (Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Congressionally Mandated Projects	66.202	XP-97560501 01	490,282
Pass-Through Indiana Finance Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS 182075-01 CS 182400-01 CS 182400-02	322,241 1,936,811 <u>191,059</u>
Total for program			<u>2,450,111</u>
Total for federal grantor agency			<u>2,940,393</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Public Assistance Grant	97.036	157-UUB9T-00	<u>17,108</u>
Total federal awards expended			<u>\$ 4,036,828</u>

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

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

Note I. Basis of Presentation

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

Note II. Subrecipients

Of the federal expenditures presented in the schedule, the primary government provided federal awards to subrecipients as follows for the year ended December 31, 2007:

Program Title	Federal CFDA Number	Amount Provided to Subrecipients
Community development block grants	14.218	\$ <u>68,011</u>

CITY OF WEST LAFAYETTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

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

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?	yes
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Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants
66.202	Congressionally Mandated Projects

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

Auditee qualified as low-risk auditee?	yes
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CITY OF WEST LAFAYETTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-1, FAILURE TO FILE REPORTS TIMELY AND PROPERLY COMPLETED

Federal Agency: Environmental Protection Agency
Federal Program: Congressionally Mandated Projects
CFDA Number: 66.202
Federal Award Number: XP-97560501-0

The City's grant with the Environmental Protection Agency has a project period of August 1, 2006 to December 31, 2008. Per the Grant Agreement signed by the Environmental Protection Agency on July 25, 2006, and the Mayor on August 9, 2006, interim financial status reports are due annually within 90 days following the end of each twelve-month period, semiannual technical progress reports are due within 30 days following the end of each six-month period, and MBE/WBE (women and minority business enterprises) utilization reports are due within 30 days of the end of each fiscal quarter. The City did not file any reports until February 2008 when an interim financial status report for the period September 1, 2006 to December 31, 2007, a semiannual technical report, and a WBE/MBE utilization report for the fiscal year 2007 were submitted.

Instructions on completing the EPA Form 5700-52A, the MBE/WBE Utilization Under Federal Grants, Cooperative Agreements, and Inter-agency Agreements report, direct recipients to include the Federal Financial Assistance Program Title or CFDA number, the contracts awarded under the assistance agreement, the procurement amount, and the steps the grantee is taking to achieve the MBE/WBE program requirements if no MBE/WBE procurements were accomplished during the reporting period. The City omitted the Federal Financial Assistance Program Title or CFDA number on the report filed February 14, 2008, for the year 2007. The City also reported that no contracts were issued and no procurement dollars spent although a construction contract with a base bid of \$882,465 was awarded and disbursements totaling \$882,307.46 were made in 2007. As the City reported no procurements, they did not detail what steps they were taking to achieve the MBE/WBE program requirements.

The City's personnel were not aware of all grant guidelines and requirements. Also, no monitoring was established to insure reports were properly and timely filed.

As a result, the City did not comply with the grant's requirements concerning reporting and the grantor is unable to monitor the City's activities in a timely manner.

The City should obtain all grant guidelines and requirements and disseminate the same to all appropriate employees. Monitoring procedures should be established to insure reports are properly completed and timely filed.

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

FINDING 2007-2, FAILURE TO COMPLY WITH SECTION 129 OF PUBLIC LAW 100-590, THE SMALL BUSINESS ADMINISTRATION REAUTHORIZATION AND AMENDMENT ACT OF 1988

Federal Agency: Environmental Protection Agency
Federal Program: Congressionally Mandated Projects
CFDA Number: 66.202
Federal Award Number: XP-97560501-0

Per the grant agreement signed by the Environmental Protection Agency on July 25, 2006, and the Mayor on August 9, 2006, the City agreed to comply with Section 129 of Public Law 100-590, the Small Business Administration Reauthorization and Amendment Act of 1988. The City would utilize the following affirmative steps relative to Small Business in Rural Areas (SBRAs) if contracts were awarded:

- (a) placing SBRAs on solicitation lists;
- (b) ensuring that SBRAs are solicited whenever they are potential sources;
- (c) dividing total requirements when economically feasible, into small tasks or quantities to permit maximum participation by SBRAs;
- (d) establishing delivery schedules, where the requirements of work will permit, which would encourage participation by SBRAs;
- (e) using the services of the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce, as appropriate: and
- (f) requiring the contractor, if it awards subcontracts, to take the affirmative steps in subparagraphs a. through e. of this condition.

The City did not take the affirmative steps relative to SBRAs as noted above. Nor did the City include a provision to the construction contract awarded in 2007 that the contractor must comply with Section 129 of Public Law 100-590, the Small Business Administration Reauthorization and Amendment Act of 1988 or detail the affirmative steps to be taken if subcontracts were awarded.

The City's personnel were not aware of all grant guidelines and requirements resulting in noncompliance with special provisions. The goals of Section 129 of Public Law 100-590, the Small Business Administration Reauthorization and Amendment Act of 1988 have not been promoted through expenditure of grant funds.

The City should identify all grant guidelines and requirements and develop methods such as checklists to insure all requirements are met. Monitoring of compliance activities should be performed by designated individuals.

CITY OF WEST LAFAYETTE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



Office of the Clerk-Treasurer

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609 West Navajo Street
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clerk@westlafayette.in.gov


FINDING NO. 2007-1

Federal Agency: Agency: Environmental Protection Agency
Federal Program: Congressionally Mandated Projects CFDA 66.202
CFDA Number: 66.202
Federal Award Number: XP-97560501-0
Auditee Contact Person: Judith C. Rhodes
Auditee title: City Clerk-Treasurer
Phone Number: (765) 775-5150
Expected Completion Date: July 1, 2008

Corrective Action Planned:

A review of the internal control system for administration of federal grants to the City of West Lafayette Wastewater Treatment Utility will be conducted by the newly hired Utility Director in conjunction with the City Clerk-Treasurer. Internal control procedures will be designed and implemented to ensure that the internal control deficiencies noted are adequately corrected.

The Wastewater Treatment Utility Financial Manager shall be provided with a reporting schedule in conformance with grant requirements. All financial reports and MBE/WBE reports shall be approved and signed by the Clerk-Treasurer. All delinquent reports shall be filed and all incorrect reports shall be corrected and refiled.


Clerk-Treasurer Judith C. Rhodes

5/27/08
Date

**Office of the Clerk-Treasurer**

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 609 West Navajo Street
 West Lafayette, Indiana 47906-1995
 765.775.5150
 Fax: 765.775.5159
 clerk@westlafayette.in.gov

FINDING NO. 2007-2

Federal Agency: Agency: Environmental Protection Agency
 Federal Program: Congressionally Mandated Projects CFDA 66.202
 CFDA Number: 66.202
 Federal Award Number: XP-97560501-0
 Auditee Contact Person: Judith C. Rhodes
 Auditee title: City Clerk-Treasurer
 Phone Number: (765) 775-5150
 Expected Completion Date: July 1, 2008

Corrective Action Planned:

A review of the internal control system for administration of federal grants to the City of West Lafayette Wastewater Treatment Utility will be conducted by the newly hired Utility Director in conjunction with the City Clerk-Treasurer. Internal control procedures will be designed and implemented to ensure that the internal control deficiencies noted are adequately corrected.

The Utility Director shall monitor and certify to the West Lafayette Board of Public Works and Safety, the governing body of the Wastewater Utility, that all procurement activities, bid specifications and contracts comply with all grant requirements.

The City has already implemented the engineering services and construction contracts on the grant projects. Contractors in the field on this grant project will be notified of the Small Business in Rural Areas (SBRA) requirements and to make periodic reports on affirmative steps relative to the SBRA. The City will provide documentation from the USDA, U.S. Environmental Protection Agency, and Small Business Administration to contractors to assist in compliance with the SBRA requirements.


 Clerk-Treasurer Judith C. Rhodes

5/27/08
 Date