

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF WEST LAFAYETTE
TIPPECANOE COUNTY, INDIANA

January 1, 2017 to December 31, 2017



FILED
11/21/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Peter L. Gray	01-01-17 to 12-31-18
City Clerk	Sana G. Booker	01-01-16 to 12-31-19
Mayor	John R. Dennis	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Sana G. Booker	01-01-17 to 12-31-18
President of the Common Council	Peter Bunder	01-01-17 to 12-31-18
Wastewater Utility Director	David Henderson	01-01-17 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the City of West Lafayette (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 9, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

October 9, 2018



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AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of West Lafayette (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement, and have issued our report thereon dated October 9, 2018, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

City of West Lafayette's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

October 9, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

CITY OF WEST LAFAYETTE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
General	\$ 3,063,173	\$ 14,092,532	\$ 14,448,903	\$ 2,706,802
Motor Vehicle Highway	2,865,946	4,718,420	3,483,044	4,101,322
Local Road And Street	470,662	427,396	226,187	671,871
Law Enforcement Continuing Ed	13,114	14,500	17,574	10,040
Clerk's Record Perpetuation	3,540	56	-	3,596
Fire Fighting	8,182	8,674	13,479	3,377
Rainy Day	357,938	836	-	358,774
Certified Technology Park	127,533	252	-	127,785
Cumulative Capital Development	165,657	653,551	519,164	300,044
Cumulative Building & Firefighting Equipment	43,036	32,891	33,625	42,302
Co Economic Development Income Tax	907,771	2,003,797	1,305,334	1,606,234
Cumulative Capital Improvement	32	102,208	102,240	-
Self Insurance Fund	431	7,925	7,843	513
Police Pension	148,210	918,075	959,351	106,934
Fire Pension	182,034	669,900	701,976	149,958
Sales Tax	1,925	5,459	5,637	1,747
Rental Housing Inspection	59,767	147,290	153,337	53,720
Redevelopment Commission 2011 COP	3	288,846	288,822	27
Levee/Village Allocation	2,899,856	8,639,543	5,818,196	5,721,203
WL Building Corp 2011 Bonds	230,833	894,717	891,575	233,975
Redevelopment Authority 2012 Bonds	227,620	699,847	927,467	-
Payroll Fund	261,623	6,863,979	6,849,849	275,753
KCB Allocation	2,092,879	4,157,604	2,023,948	4,226,535
State Court User Fee	-	1,824	1,824	-
CDBG Escrow	562	-	-	562
Community Events NRG	3,232	6,321	5,800	3,753
Metro FiberNet Bond	2	91,343	67,200	24,145
Metro FiberNet Allocation	-	91,301	91,301	-
US231N	164,176	316,482	167,100	313,558
US231 Purdue	813	1	380	434
Sag Capital	196,297	206	134,407	62,096
KCB Capital	108	-	-	108
LV Capital	158	-	-	158
Community Crossings	1,247,719	800,771	1,236,714	811,776
Police Asset Forfeiture	42,375	-	-	42,375
Public Arts Team	310	6	-	316
State Street Joint Board	742,498	1,604	107,239	636,863
Redevelopment Authority 16 Bond - Sinking	3,619,731	328,288	3,286,860	661,159
LV Retain - CSO Project	166,763	634	166,750	647
CHIPS-Community Historic Project Support	-	9,576	-	9,576
Restricted Donations	819	2	-	821
Community Development Block Grant	206	409,871	408,685	1,392
Police Project - Operating Grants	16,005	80,657	12,971	83,691
Public Safety	24,862	47,274	15,962	56,174
Police Unclaimed Property	11,835	88	-	11,923
Fire Safety	4,227	419	191	4,455
Perimeter Parkway	171,715	188	171,903	-
Lindberg/McCormick Road Improvement	70,664	165	-	70,829
Go Greener Commission	440	1	306	135
Parks Nonreverting Operating	210,427	485,293	432,312	263,408
Wabash Heritage Trail	8,571	20	-	8,591
Parks Nonreverting Gift	129,880	45,664	33,123	142,421
Celery Bog Park	17,146	4,927	1,274	20,799
Parks and Recreation	91,844	2,446,831	2,327,988	210,687
Court Credit Card Fee	36	59	46	49
Online Convenience Fee	15,679	37,624	30,105	23,198
Redevelop Authority 2010 Bonds	604,864	1,178,630	1,174,653	608,841
Redevelopment Commission 2005 Ross Ctr Bonds	-	425,600	425,600	-
Sagamore Parkway TIF	846,690	462,867	305,863	1,003,694
Build Indiana Wabash Landing	10	-	10	-
Fuel Purchasing Internal Service Fund	21,584	233,378	235,790	19,172
City Court Trust	2,863	19,678	15,170	7,371
City Court User Fee - LECE	12,837	109	109	12,837
WW 13 Refunding Bond & Interest	474,991	1,032,123	988,654	518,460
WW 14 PRV Bond & Interest	117,825	333,122	325,354	125,593
WW 14 Refunding Bond & Interest	451,591	903,922	1,034,844	320,669
WW SRF Bond & Interest	682,627	808,310	1,235,931	255,006
WW Stormwater Revenue	2,074,496	1,676,399	1,673,250	2,077,645
WW 2016 Bond and Interest	263,013	1,355,246	1,344,426	273,833
WW 2016 BAN Bond and Interest	2	37,517	37,500	19
WW 16 Construction Fund	5,232,566	11,260	679,031	4,564,795
WW 16 BAN Construction Fund	1,500,863	150,167	1,178,070	472,960
WW Retainage - CSO Project	1,084,592	4,788	960,000	129,380
WW 2017 Refunding Bond and Interest	-	145,718	145,718	-
Wastewater Utility - Operating	1,208,750	11,471,693	11,706,386	974,057
WW SRF Debt Service Reserve	4,762,628	99,670	-	4,862,298
Wastewater Utility - Improvement	1,948,871	1,123,420	606,909	2,465,382
Totals	\$ 42,382,528	\$ 72,029,355	\$ 71,551,260	\$ 42,860,623

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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

C. Cash and Investments

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

D. Receipts

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

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

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

Utility fees. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

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

E. Disbursements

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

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

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

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

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

CITY OF WEST LAFAYETTE
NOTES TO FINANCIAL STATEMENT
(Continued)

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

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

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

Funding Policy

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

Note 7. Holding Corporations

The City has entered into capital leases with West Lafayette Redevelopment Authority and the West Lafayette Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessors have been determined to be related-parties of the City. Lease payments during the year 2017 totaled \$894,469 and \$448,000, respectively.

Note 8. Subsequent Events

At the August 15, 2018 meeting of the West Lafayette Redevelopment Commission (Commission), the Commission declared its intent to build two large projects. One project is to completely renovate Morton Community Center to be the permanent City Hall for an estimated \$12,000,000. The other project is to build a recreation center for the City in the amount of \$34,000,000. Bonds are anticipated to be issued for these projects with funding originating in the Levee Village TIF District for City Hall and in the Kalberer/Cumberland/Blackbird TIF District for the recreation center.

Note 9. Other Postemployment Benefits

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

OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

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

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Clerk's Record Perpetuation	Fire Fighting
Cash and investments - beginning	\$ 3,063,173	\$ 2,865,946	\$ 470,662	\$ 13,114	\$ 3,540	\$ 8,182
Receipts:						
Taxes	9,646,455	-	-	-	-	-
Licenses and permits	339,112	-	-	3,240	-	-
Intergovernmental receipts	1,548,887	2,114,104	405,955	-	-	-
Charges for services	62,834	8,106	-	10,737	-	8,661
Fines and forfeits	625,945	-	-	-	48	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,869,299	2,596,210	21,441	523	8	13
Total receipts	14,092,532	4,718,420	427,396	14,500	56	8,674
Disbursements:						
Personal services	11,292,095	498,601	-	-	-	-
Supplies	192,929	136,321	165,016	176	-	-
Other services and charges	1,461,626	84,944	71	17,398	-	13,479
Debt service - principal and interest	10,240	443	-	-	-	-
Capital outlay	71,743	185,485	61,100	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,420,270	2,577,250	-	-	-	-
Total disbursements	14,448,903	3,483,044	226,187	17,574	-	13,479
Excess (deficiency) of receipts over disbursements	(356,371)	1,235,376	201,209	(3,074)	56	(4,805)
Cash and investments - ending	\$ 2,706,802	\$ 4,101,322	\$ 671,871	\$ 10,040	\$ 3,596	\$ 3,377

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Rainy Day	Certified Technology Park	Cumulative Capital Development	Cumulative Building & Firefighting Equipment	Co Economic Development Income Tax	Cumulative Capital Improvement
Cash and investments - beginning	\$ 357,938	\$ 127,533	\$ 165,657	\$ 43,036	\$ 907,771	\$ 32
Receipts:						
Taxes	-	-	534,040	26,809	1,878,298	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	39,584	5,987	38,463	102,165
Charges for services	-	-	-	-	71,364	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	836	252	79,927	95	15,672	43
Total receipts	836	252	653,551	32,891	2,003,797	102,208
Disbursements:						
Personal services	-	-	-	-	308,118	-
Supplies	-	-	98,732	-	102,201	-
Other services and charges	-	-	207,405	13,363	409,198	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	152,927	20,262	37,817	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	60,100	-	448,000	102,240
Total disbursements	-	-	519,164	33,625	1,305,334	102,240
Excess (deficiency) of receipts over disbursements	836	252	134,387	(734)	698,463	(32)
Cash and investments - ending	\$ 358,774	\$ 127,785	\$ 300,044	\$ 42,302	\$ 1,606,234	\$ -

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Self Insurance Fund	Police Pension	Fire Pension	Sales Tax	Rental Housing Inspection	Redevelopment Commission 2011 COP
Cash and investments - beginning	\$ 431	\$ 148,210	\$ 182,034	\$ 1,925	\$ 59,767	\$ 3
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	750,114	601,768	-	-	-
Charges for services	-	-	-	-	146,671	-
Fines and forfeits	-	-	-	-	500	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	7,925	167,961	68,132	5,459	119	288,846
Total receipts	7,925	918,075	669,900	5,459	147,290	288,846
Disbursements:						
Personal services	6,897	792,259	634,155	-	141,611	-
Supplies	-	-	-	-	3,441	-
Other services and charges	-	-	71	-	7,385	-
Debt service - principal and interest	-	-	-	-	-	144,411
Capital outlay	-	-	-	-	900	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	946	167,092	67,750	5,637	-	144,411
Total disbursements	7,843	959,351	701,976	5,637	153,337	288,822
Excess (deficiency) of receipts over disbursements	82	(41,276)	(32,076)	(178)	(6,047)	24
Cash and investments - ending	\$ 513	\$ 106,934	\$ 149,958	\$ 1,747	\$ 53,720	\$ 27

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Levee/Village Allocation	WL Building Corp 2011 Bonds	Redevelopment Authority 2012 Bonds	Payroll Fund	KCB Allocation	State Court User Fee
Cash and investments - beginning	\$ 2,899,856	\$ 230,833	\$ 227,620	\$ 261,623	\$ 2,092,879	\$ -
Receipts:						
Taxes	5,479,084	-	-	-	3,917,131	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	336,605	-	-	-	-	-
Charges for services	1	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	1,824
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	2,823,853	894,717	699,847	6,863,979	240,473	-
Total receipts	8,639,543	894,717	699,847	6,863,979	4,157,604	1,824
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	699,430	2,000	-	-	48,528	-
Debt service - principal and interest	20,286	443,028	242,400	-	20,247	-
Capital outlay	4,355,980	-	-	-	1,141,185	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	742,500	446,547	685,067	6,849,849	813,988	1,824
Total disbursements	5,818,196	891,575	927,467	6,849,849	2,023,948	1,824
Excess (deficiency) of receipts over disbursements	2,821,347	3,142	(227,620)	14,130	2,133,656	-
Cash and investments - ending	\$ 5,721,203	\$ 233,975	\$ -	\$ 275,753	\$ 4,226,535	\$ -

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	CDBG Escrow	Community Events NRG	Metro FiberNet Bond	Metro FiberNet Allocation	US231N	US231 Purdue
Cash and investments - beginning	\$ 562	\$ 3,232	\$ 2	\$ -	\$ 164,176	\$ 813
Receipts:						
Taxes	-	-	-	91,301	316,006	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	2,155	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	4,166	91,343	-	476	1
Total receipts	-	6,321	91,343	91,301	316,482	1
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	4	-	-	-	-
Other services and charges	-	5,796	-	-	4,400	380
Debt service - principal and interest	-	-	67,200	-	-	-
Capital outlay	-	-	-	-	162,700	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	91,301	-	-
Total disbursements	-	5,800	67,200	91,301	167,100	380
Excess (deficiency) of receipts over disbursements	-	521	24,143	-	149,382	(379)
Cash and investments - ending	\$ 562	\$ 3,753	\$ 24,145	\$ -	\$ 313,558	\$ 434

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Sag Capital	KCB Capital	LV Capital	Community Crossings	Police Asset Forfeiture	Public Arts Team
Cash and investments - beginning	\$ 196,297	\$ 108	\$ 158	\$ 1,247,719	\$ 42,375	\$ 310
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	797,027	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	206	-	-	3,744	-	6
Total receipts	206	-	-	800,771	-	6
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,778	-	-	15,607	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	132,629	-	-	1,221,107	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	134,407	-	-	1,236,714	-	-
Excess (deficiency) of receipts over disbursements	(134,201)	-	-	(435,943)	-	6
Cash and investments - ending	\$ 62,096	\$ 108	\$ 158	\$ 811,776	\$ 42,375	\$ 316

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	State Street Joint Board	Redevelopment Authority 16 Bond - Sinking	LV Retain - CSO Project	CHIPS-Community Historic Project Support	Restricted Donations	Community Development Block Grant
Cash and investments - beginning	\$ 742,498	\$ 3,619,731	\$ 166,763	\$ -	\$ 819	\$ 206
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	389,871
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,604	328,288	634	9,576	2	20,000
Total receipts	1,604	328,288	634	9,576	2	409,871
Disbursements:						
Personal services	-	-	-	-	-	8,410
Supplies	-	-	-	-	-	-
Other services and charges	107,239	1,500	166,750	-	-	104,693
Debt service - principal and interest	-	308,969	-	-	-	-
Capital outlay	-	-	-	-	-	295,582
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	2,976,391	-	-	-	-
Total disbursements	107,239	3,286,860	166,750	-	-	408,685
Excess (deficiency) of receipts over disbursements	(105,635)	(2,958,572)	(166,116)	9,576	2	1,186
Cash and investments - ending	\$ 636,863	\$ 661,159	\$ 647	\$ 9,576	\$ 821	\$ 1,392

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Police Project - Operating Grants	Public Safety	Police Unclaimed Property	Fire Safety	Perimeter Parkway	Lindberg/McCormick Road Improvement
Cash and investments - beginning	\$ 16,005	\$ 24,862	\$ 11,835	\$ 4,227	\$ 171,715	\$ 70,664
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	80,657	34,817	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	12,457	88	419	188	165
Total receipts	80,657	47,274	88	419	188	165
Disbursements:						
Personal services	12,499	2,414	-	-	-	-
Supplies	-	720	-	-	-	-
Other services and charges	-	1,314	-	191	18,379	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	472	11,514	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	153,524	-
Total disbursements	12,971	15,962	-	191	171,903	-
Excess (deficiency) of receipts over disbursements	67,686	31,312	88	228	(171,715)	165
Cash and investments - ending	\$ 83,691	\$ 56,174	\$ 11,923	\$ 4,455	\$ -	\$ 70,829

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Go Greener Commission	Parks Nonreverting Operating	Wabash Heritage Trail	Parks Nonreverting Gift	Celery Bog Park	Parks and Recreation
Cash and investments - beginning	\$ 440	\$ 210,427	\$ 8,571	\$ 129,880	\$ 17,146	\$ 91,844
Receipts:						
Taxes	-	-	-	-	-	1,323,304
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	98,085
Charges for services	-	475,358	-	2,501	-	161,517
Fines and forfeits	-	478	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1	9,457	20	43,163	4,927	863,925
Total receipts	1	485,293	20	45,664	4,927	2,446,831
Disbursements:						
Personal services	-	147,320	-	-	-	1,248,669
Supplies	-	23,510	-	3,033	1,274	45,764
Other services and charges	306	259,692	-	16,850	-	135,932
Debt service - principal and interest	-	1,128	-	-	-	2,028
Capital outlay	-	-	-	13,240	-	34,000
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	662	-	-	-	861,595
Total disbursements	306	432,312	-	33,123	1,274	2,327,988
Excess (deficiency) of receipts over disbursements	(305)	52,981	20	12,541	3,653	118,843
Cash and investments - ending	\$ 135	\$ 263,408	\$ 8,591	\$ 142,421	\$ 20,799	\$ 210,687

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Court Credit Card Fee	Online Convenience Fee	Redevelop Authority 2010 Bonds	Redevelopment Commission 2005 Ross Ctr Bonds	Sagamore Parkway TIF	Build Indiana Wabash Landing
Cash and investments - beginning	\$ 36	\$ 15,679	\$ 604,864	\$ -	\$ 846,690	\$ 10
Receipts:						
Taxes	-	-	-	-	417,519	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	43,468	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	59	37,624	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	1,178,630	425,600	1,880	-
Total receipts	59	37,624	1,178,630	425,600	462,867	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	46	30,105	2,000	-	27,329	-
Debt service - principal and interest	-	-	583,560	425,600	20,247	-
Capital outlay	-	-	-	-	258,287	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	589,093	-	-	10
Total disbursements	46	30,105	1,174,653	425,600	305,863	10
Excess (deficiency) of receipts over disbursements	13	7,519	3,977	-	157,004	(10)
Cash and investments - ending	\$ 49	\$ 23,198	\$ 608,841	\$ -	\$ 1,003,694	\$ -

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Fuel Purchasing Internal Service Fund	City Court Trust	City Court User Fee - LECE	WW 13 Refunding Bond & Interest	WW 14 PRV Bond & Interest	WW 14 Refunding Bond & Interest
Cash and investments - beginning	\$ 21,584	\$ 2,863	\$ 12,837	\$ 474,991	\$ 117,825	\$ 451,591
Receipts:						
Taxes	233,378	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	19,628	109	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	50	-	1,032,123	333,122	903,922
Total receipts	233,378	19,678	109	1,032,123	333,122	903,922
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	235,790	-	-	-	-	-
Debt service - principal and interest	-	-	-	988,654	325,354	1,034,844
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	15,170	109	-	-	-
Total disbursements	235,790	15,170	109	988,654	325,354	1,034,844
Excess (deficiency) of receipts over disbursements	(2,412)	4,508	-	43,469	7,768	(130,922)
Cash and investments - ending	\$ 19,172	\$ 7,371	\$ 12,837	\$ 518,460	\$ 125,593	\$ 320,669

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	WW SRF Bond & Interest	WW Stormwater Revenue	WW 2016 Bond and Interest	WW 2016 BAN Bond and Interest	WW 16 Construction Fund	WW 16 BAN Construction Fund
Cash and investments - beginning	\$ 682,627	\$ 2,074,496	\$ 263,013	\$ 2	\$ 5,232,566	\$ 1,500,863
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	1,670,357	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	808,310	6,042	1,355,246	37,517	11,260	150,167
Total receipts	808,310	1,676,399	1,355,246	37,517	11,260	150,167
Disbursements:						
Personal services	-	203,814	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	13,300	-	-	-	-
Debt service - principal and interest	1,152,698	63,137	1,344,426	37,500	-	-
Capital outlay	-	1,097,156	-	-	396,000	1,177,320
Utility operating expenses	-	295,843	-	-	283,031	750
Other disbursements	83,233	-	-	-	-	-
Total disbursements	1,235,931	1,673,250	1,344,426	37,500	679,031	1,178,070
Excess (deficiency) of receipts over disbursements	(427,621)	3,149	10,820	17	(667,771)	(1,027,903)
Cash and investments - ending	\$ 255,006	\$ 2,077,645	\$ 273,833	\$ 19	\$ 4,564,795	\$ 472,960

CITY OF WEST LAFAYETTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	WW Retainage - CSO Project	WW 2017 Refunding Bond and Interest	Wastewater Utility - Operating	WW SRF Debt Service Reserve	Wastewater Utility - Improvement	Totals
Cash and investments - beginning	\$ 1,084,592	\$ -	\$ 1,208,750	\$ 4,762,628	\$ 1,948,871	\$ 42,382,528
Receipts:						
Taxes	-	-	-	-	-	23,863,325
Licenses and permits	-	-	-	-	-	342,352
Intergovernmental receipts	-	-	-	-	-	7,387,557
Charges for services	-	-	-	-	-	949,905
Fines and forfeits	-	-	-	-	-	686,215
Utility fees	-	-	11,177,765	-	124,676	12,972,798
Penalties	-	-	153,039	-	-	153,039
Other receipts	4,788	145,718	140,889	99,670	998,744	25,674,164
Total receipts	4,788	145,718	11,471,693	99,670	1,123,420	72,029,355
Disbursements:						
Personal services	-	-	2,054,667	-	-	17,351,529
Supplies	-	-	-	-	-	773,121
Other services and charges	-	-	166,237	-	-	4,280,512
Debt service - principal and interest	-	145,718	-	-	202,992	7,585,110
Capital outlay	-	-	56,805	-	242,597	11,126,808
Utility operating expenses	960,000	-	3,104,461	-	147,582	4,791,667
Other disbursements	-	-	6,324,216	-	13,738	25,642,513
Total disbursements	960,000	145,718	11,706,386	-	606,909	71,551,260
Excess (deficiency) of receipts over disbursements	(955,212)	-	(234,693)	99,670	516,511	478,095
Cash and investments - ending	\$ 129,380	\$ -	\$ 974,057	\$ 4,862,298	\$ 2,465,382	\$ 42,860,623

CITY OF WEST LAFAYETTE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 157,628	\$ 885,873
Governmental activities	<u>1,066,466</u>	<u>99,066</u>
Totals	<u>\$ 1,224,094</u>	<u>\$ 984,939</u>

CITY OF WEST LAFAYETTE
SCHEDULE OF LEASES AND DEBT
December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Cardinal Copier Solutions	Copier Lease Purchase	\$ 2,922	8/1/2017	7/1/2020
Cardinal Copier Solutions	Copier Lease Purchase	841	1/1/2017	12/1/2021
Cardinal Copier Solutions	Copier Lease Purchase	900	2/1/2016	1/1/2021
Cardinal Copier Solutions	Copier Lease Purchase	2,100	2/1/2016	1/1/2021
Cardinal Copier Solutions	Copier Lease Purchase	864	4/1/2016	3/1/2021
Cardinal Copier Solutions	Copier Lease Purchase	1,128	7/1/2016	6/1/2021
Cardinal Copier Solutions	Copier Lease Purchase	2,268	7/1/2016	6/1/2021
Cardinal Copier Solutions	Copier Lease Purchase	2,028	7/1/2016	6/1/2021
Crossroads Bank	Copier Lease Purchase	2,492	5/31/2015	11/30/2019
West Lafayette Redevelopment Authority	Refund 2001 Lease Rental Bonds	585,500	2/1/2011	2/1/2022
West Lafayette Building Corporation	Police Station	448,500	1/15/2012	1/15/2023
West Lafayette Redevelopment Authority	Construction of William Street	314,000	8/1/2016	2/1/2039
West Lafayette Economic Development Corporation	State Street Project	<u>5,443,909</u>	8/1/2018	2/1/2040
Total governmental activities		<u>6,807,452</u>		
Wastewater:				
Crossroads Bank	Copier Lease Purchase	2,329	5/31/2015	11/30/2019
Huntington National Bank	WW/SW/San Truck Lease 2016	263,801	11/22/2016	9/1/2019
Old National Bank	2017 Peterbilt 520 Sanitation Truck	<u>113,012</u>	1/8/2018	12/8/2020
Total Wastewater		<u>379,142</u>		
Total of annual lease payments		<u>\$ 7,186,594</u>		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	2005 Redevelopment District Tax Increment Revenue Bonds - Ross Enterprise Center Renovation	\$ 210,000	\$ 214,200
Revenue bonds	2012 WL Economic Development Revenue Bonds (Metro FiberNet Project)	2,320,000	172,000
Revenue bonds	2015 WL Redevelopment District Tax Increment Revenue Bonds (KCB)	271,000	20,904
Revenue bonds	2015 WL Redevelopment District Tax Increment Revenue Bonds (Levee/Village)	271,000	20,904
Revenue bonds	2015 WL Redevelopment District Tax Increment Revenue Bonds (Sagamore)	271,000	20,904
Notes and loans payable	2011 WL Redevelopment District Certificates of Participation - Conditional Installment Sales Contract - Fire Station #3 Design & Construction	<u>2,305,000</u>	<u>1,539,755</u>
Total governmental activities		<u>5,648,000</u>	<u>1,988,667</u>
Wastewater:			
Revenue bonds	Sewage Works Refunding Bonds 2013 - Refunded 1994 1998 & 2001 Sewage Works SRF Loans	3,800,000	1,029,920
Revenue bonds	Sewage Works Refunding Revenue Bond 2017 - Refunded SRF 2006	7,390,000	829,293
Revenue bonds	Sewage Works Refunding Revenue Bonds 2014 - Refunded 2004B Bonds	12,074,000	904,628
Revenue bonds	Sewage Works Revenue Bonds 2014 - Main Extension & Treatment Plant Upgrades	3,305,000	337,252
Revenue bonds	Sewage Works Revenue Bonds 2014B - Lift Station & Force Main	2,330,000	163,930
Revenue bonds	Sewage Works Revenue Bonds 2016	19,570,000	1,356,550
Revenue bonds	Sewage Works SRF 2012 - Regional Lift Station & Force Main	3,965,000	279,475
Notes and loans payable	Bond Anticipation Notes 2016	<u>1,500,000</u>	<u>37,500</u>
Total Wastewater		<u>53,934,000</u>	<u>4,938,548</u>
Totals		<u>\$ 59,582,000</u>	<u>\$ 6,927,215</u>

CITY OF WEST LAFAYETTE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2017

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 16,654,728
Infrastructure	90,390,123
Buildings	18,924,226
Improvements other than buildings	3,549,268
Machinery, equipment, and vehicles	10,314,609
Construction in progress	<u>1,948,910</u>
Total governmental activities	<u>141,781,864</u>
Wastewater:	
Land	604,120
Infrastructure	82,079,121
Buildings	39,152,170
Improvements other than buildings	33,336
Machinery, equipment, and vehicles	8,804,795
Construction in progress	<u>432,152</u>
Total Wastewater	<u>131,105,694</u>
Total capital assets	<u>\$ 272,887,558</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

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

Report on Compliance for the Major Federal Program

We have audited the City of West Lafayette's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2017. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

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

(Continued)


Report on Internal Control over Compliance

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

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

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

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


Paul D. Joyce, CPA
State Examiner

October 9, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CITY OF WEST LAFAYETTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Farmers Market Promotion Program USDA Farmers Market Promotion	Indiana Department of Agriculture	10.168	14-FMPPX-IN-0068	\$ -	\$ 5,469
Cooperative Forestry Assistance	Indiana Department of Natural Resources	10.664	FY 2015	-	17,222
Total - Department of Agriculture				-	22,691
<u>Department of Housing and Urban Development</u>					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	Direct Grant	14.218			
CDBG 2014-2015			B-14-MC-18-0009	-	3,864
CDBG 2015-2016			B-15-MC-18-0009	92,393	167,088
CDBG 2016-2017			B-16-MC-18-0009	153,706	218,920
Total - Community Development Block Grants/Entitlement Grants				246,099	389,872
Total - CDBG - Entitlement Grants Cluster				246,099	389,872
Total - Department of Housing and Urban Development				246,099	389,872
<u>Department of Justice</u>					
Bulletproof Vest Partnership Program	Indiana Criminal Justice Institute	16.607	1121	-	10,136
Edward Byrne Memorial Justice Assistance Grant Program Edward Byrne Memorial JAG	Indiana Criminal Justice Institute	16.738	2014-DJ-BX-1191	-	34,817
Total - Department of Justice				-	44,953
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Sagamore Pkwy Trail			A-249-15-L140038	-	43,468
Kingston Trail			A-249-15-L140038	-	75,000
Happy Hollow Road Reconstruction			DES 0900002	-	261,605
Total - Highway Planning and Construction Cluster				-	380,073
Highway Safety Cluster					
National Priority Safety Programs	Indiana Criminal Justice Institute	20.616			
DUI Task Force 2016			D3-16-10228	-	5,330
Operation Pull Over 2017			D3-17-11091	-	5,265
Operation Pull Over 2018			D3-18-11894	-	32
DUI Task Force 2018			D3-18-12053	-	32
Total - National Priority Safety Programs				-	10,659
Total - Highway Safety Cluster				-	10,659
Total - Department of Transportation				-	390,732
Total federal awards expended				\$ 246,099	\$ 848,248

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

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Summary of Significant Accounting Policies

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

CITY OF WEST LAFAYETTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

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

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Highway Planning and Construction Cluster	Unmodified
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

FINDING 2017-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Condition

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

The City had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the City's SEFA.

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

Context

The SEFA presented for audit contained the following errors:

1. The Farmers Market Promotion Program expenditures were overstated by \$5,000.
2. The Cooperative Forestry Assistance program expenditures were understated by \$17,222.
3. The Highway Planning and Construction Cluster expenditures were overstated by \$366,249.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

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

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the City's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.



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

5 October 2018

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action:
Peter L Gray, City Controller

Contact Phone Number:
(765) 775-5151

Views of Responsible Official:
We concur with the finding.

Description of Corrective Action Plan:

The process for recording the Schedule of Expenditures of Federal Awards (SEFA) into Gateway will be reviewed and refined to ensure accuracy of the information. The receipting process of grant money will also be reviewed. This will include a visual flowchart of the receipt process, which will demonstrate the segregation of duties.

Anticipated Completion Date:

31 December 2018

Respectfully submitted by,

Peter L Gray, City Controller

OTHER REPORTS

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