

WEST LAFAYETTE WASTEWATER UTILITY
2009 ANNUAL FINANCIAL MANAGEMENT REPORT

APRIL 6, 2010



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American Institute of CPAs
Indiana CPA Society

April 6, 2010

Honorable John Dennis, Mayor and
Members of the Board of Public Works and Safety
Mr. David S. Henderson, Utility Director
City of West Lafayette
City Hall
609 W. Navajo
West Lafayette, Indiana 47906

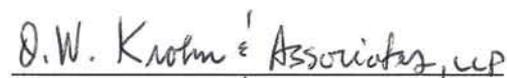
This is a special purpose report directed toward providing information for your review and consideration relative to the financial management of the West Lafayette Wastewater Utility (the "Utility"). The report is designed to provide information that may be helpful to City officials in their role as managers of the Utility.

We have compiled the accompanying Statement of Net Assets of the Utility as of December 31, 2009 and December 31, 2008 and the related Statement of Revenues, Expenses and Changes in Fund Net Assets and Statement of Cash Flows for the calendar years 2009 and 2008 (and supplementary data which is presented only for supplementary analysis purposes) in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Utility's financial position, results of operations and its cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

This report is intended solely for the information and internal use of management of the West Lafayette Wastewater Utility and should not be used for any other purpose. This restriction is not intended to limit distribution of this report, which is a matter of public record.


O.W. Krohn & Associates, LLP

WEST LAFAYETTE WASTEWATER UTILITY

GENERAL COMMENTS

Historical Financial Statements – Pages 1 – 5

The accounts of the Wastewater Utility are maintained and the financial statements are presented on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The accounting guide in use by the Utility is the Uniform System of Accounts for Wastewater (Sewage) Utilities, published by the National Association of Regulatory Utility Commissioners.

The primary activity of the Utility is the collection and treatment of sanitary wastewater. They are also responsible for storm water management and, beginning in 2009, sanitation solid waste handling services were transferred to the Utility.

Included on pages 1 through 5 are the compiled statement of net assets as of December 31, 2009 and December 31, 2008, and the compiled revenues, expenses and changes in fund net assets for the calendar years ended December 31, 2009 and 2008, and the compiled statements of cash flows for calendar year 2009 and 2008. The information presented in this report is based on the recorded books and records of the Utility.

Detail of Operation and Maintenance Expenses – Pages 6 - 7

Pages 6 and 7 include line item operating expense detail by function for 2009 and 2008. Total expenditures increased \$1,208,496 in 2009 compared to the prior year. Approximately 70% of this increase is due to the inclusion of Sanitation and Pollution Prevention System Maintenance costs that were not in the Utility in 2008. Sanitation and recycling revenues which totaled approximated \$625,000 were also received by the Utility for the first time in 2009. These schedules also include the 2009 Budgeted amounts for comparative purposes. Total expenditures exceeded the budget in 2009 by \$278,532 or 6.5%. The largest negative variance was for land application which totaled \$457,017 compared to the \$200,000 budgeted.

Comparison of Fund Balances With Recommended Reserves – Page 8

This schedule highlights the Utility's cash and investment positions as of December 31, 2009. The year end balance of the Improvement Fund does not include \$2,300,000 in funds temporarily loaned to the City. Those funds were repaid in 2010 when the City received its property tax

GENERAL COMMENTS (continued)

settlement. According to the terms of the outstanding bond ordinances, the Utility is required to maintain minimum balances in certain accounts in order to ensure that the Utility has adequate funds to pay the expected costs of operation and maintenance, repay outstanding debt, fund the debt service reserve, and provide an allowance for capital improvements. This analysis demonstrates that the Utility is maintaining all required reserves and has accumulated cash balances to supplement the funding of future projects.

Amortization Schedules and Combined Debt Services – Pages 9 – 14

Pages 9 through 13 present amortization schedules for the principal and interest due on the outstanding 1994, 1998, 2001, 2004, and 2006 Bonds. All of the outstanding revenue bonds were sold to the State Revolving Loan fund at below market subsidized rates of interest ranging from 2.9% to 3.64%. SRF Loan proceeds for the 2004 Bonds have not yet been fully drawn. The 2004 Bond has an additional capacity of \$2.5 million which is expected to be drawn over the next few years. Page 14 contains a combined debt service schedule. Maximum annual debt service totals \$3,178,971.50 in 2011.

Schedule of Gallons Treated and Billed – Page 15

Treated flows in 2009 totaled 2.86 billion gallons, an average of 7.85 MGD. This schedule also summarizes gallons and total dollars billed by month.

Billing Statistics by Meter Size – Page 16

This schedule shows 2009 monthly billing data by meter size including dollars billed, consumption per 1,000 gallons and customer counts.

Current Rates and Charges – Page 17

Page 17 summarizes the Utility's rates and charges for wastewater treatment and solid waste removal services. Wastewater user rates were last amended effective July 1, 2006.

GENERAL COMMENTS (continued)

Projected Operating Revenues and Expenses – Page 18

Projected operating revenues and expenditures are based upon budgeted amounts for 2010 with revenues held relatively flat over the planning period. The 2010 revenue budget incorporates the volume decrease from Purdue University which occurred in 2009 as a permanent change. Billings to Purdue declined \$335,000 or 9% in 2009. Sales to other customer classes increased \$123,000 or 2.5% in 2009 offsetting some of the drop from the university. No rate increases for wastewater, sanitation or storm water have been assumed in the projection. Additional fee revenues for the handling of Fats, Oil and Grease treatment have been included beginning in 2010. Expenditures are trended using the 2010 budget as the baseline with annual increases ranging from 2% to 5% depending upon the type of expenditure. 2009 Actual amounts are shown for comparative purposes.

Five Year Capital Plan – Page 19

Capital projects and related expenditures by functional category are summarized for 2010 through 2014. Specific projects and overall cost estimates have been provided by the Utility Director. Estimates for the Purdue Research Park project have been recently updated by the Utility's consulting engineers and resulted in a \$610,000 reduction in the anticipated costs compared to the amounts included in the 2010 budget. Additionally, general provisions have been included for general equipment and capital expenditures for the sanitation and pollution prevention system maintenance areas. Total expenditures are offset by the remaining SRF Loan draws available from the 2004 Bonds and Proposed SRF Bonds. The 2004 Bonds will fund a portion of the Western Interceptor Division IV. The Proposed SRF Bonds will fund a planned expansion of the collection system in the Purdue Research Park and improvements to Lift Station #7 which are estimated to cost a total of \$3,580,000. Current SRF interest rates for the Utility are 2.81% and additional annual debt service for a 20 year bond issue would add approximately \$245,000. All other projects are shown as paid by funds on hand.

Projected Cash Flows and Bond Coverage – Page 20

This schedule projects cash flows for 2010 through 2014 beginning with operating revenues and expenditures from page 18. Other pledged revenues include interest income, based upon a 1% return on projected cash balances, and tap fees. From the resulting net revenues, which range from \$5.32 to \$4.86 million, we have deducted the current budgeted \$505,500 payment to the City for PILT, debt service for all outstanding (see page 14) and proposed bonds and projected capital expenditures from page 19. Debt service was increased by \$245,000 beginning in 2011

GENERAL COMMENTS (continued)

to represent the estimated payment on a new SRF Bond to fund Purdue Research Park and Soldiers Home Lift Station projects. In 2012-2013, large capital projects under consideration are shown as cash funded. As a result, the projection shows a usage of approximately \$4.6 million of improvement funds through 2014. Bond coverage in 2010, prior to the issuance of any new bonds, would be 172%. For the remainder of the projection which includes new SRF Bonds, calculated coverage ranges from 153% to 142% in 2014. The declining bond coverage trend results from the gradual increase in operating expenditures without new revenue sources in this planning model's baseline assumptions.

Comparison of Budgeted and Actual Revenue, Revenue Requirements and Bond Coverage – Page 21

Revenue requirements are those items which the Utility must provide for in its rates and include: cash operating and maintenance, debt service, capital improvements and payment in lieu of taxes. Any remaining revenues would be for reserves and contingencies. We have compared actual and projected revenues versus revenue requirements for 2009 and the 2010 budget as one measure of the sufficiency of the current rates. The Utility used cash on hand to fund additional capital costs over what was included in the budget for 2009. These projects used approximately \$780,000 of improvement funds. Based upon actual 2009 pledged revenues, operating expenditures and debt service, the Utility generated a 160% bond coverage ratio. The minimum requirement of the SRF program, which has provided the past financings, is 125%.

General Overview

While the schedules presented in this report do not represent a comprehensive analysis of current rates and charges, they do give indications of the overall financial performance of the Utility on a historical and projected basis. The Utility continues to maintain a strong financial position with substantial cash balances and reserves, and high bond coverage ratios. Net revenues from operations are stable in the near term which allows for the funding of anticipated capital projects and the issuance of additional bond debt service within the existing rate structure.

The Utility anticipates using approximately 44% of its \$10.5 million improvement fund balance to fund capital projects over the next five years. This balance has been accumulated in the Utility as a result of previous rate increases, the most recent enacted for the period 2004 through 2006. The five year capital plan provides for a prudent, measured use of a portion of the improvement fund, and leaves sufficient funds as a reserve through 2014. The Utility's 1994 SRF Bonds will reach their final maturity in 2016 and make available \$1.34 million of revenues annually for other uses beginning in 2016. Additional cash flows from this bond repayment present an opportunity to minimize potential future rate increases and generate further bonding capacity to support capital needs.

GENERAL COMMENTS (continued)

The Utility is currently evaluating funding needs and priorities for storm water (pollution prevention) operations and maintenance, and capital projects. Additional maintenance and capital project needs could be funded in part by a new storm water fee within the coming year. Based upon the evaluation in progress, the storm water fee that was included in the 2010 budget has been removed from this planning document. This revenue source and the related projects will be incorporated into the Utility's budget and five year plan when finalized later this year.

Management's priorities continue to include financial planning, budgeting and reporting processes intended to insure that the Utility's strong financial position does not decline in the long term. At the same time, the management does not want to increase fees and charges to customers until it becomes a necessity.

WEST LAFAYETTE WASTEWATER UTILITY

HISTORICAL FINANCIAL INFORMATION

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF NET ASSETS

<u>ASSETS</u>	DECEMBER 31	
	2009	2008
CURRENT AND ACCRUED ASSETS:		
OPERATING FUND	\$853,225	\$1,031,643
ACCOUNTS RECEIVABLE - WASTEWATER	177,049	327,820
ACCOUNTS RECEIVABLE - SANITATION	36,273	0
ACCOUNTS RECEIVABLE - LIENS	11,698	0
OTHER ACCOUNTS RECEIVABLE	2,313,017	0
ACCRUED INTEREST RECEIVABLE	31,132	49,589
INVENTORY	124,117	114,649
	<hr/>	<hr/>
TOTAL CURRENT AND ACCRUED ASSETS	3,546,511	1,523,701
	<hr/>	<hr/>
NON-CURRENT ASSETS:		
RESTRICTED ASSETS:		
IMPROVEMENT FUND	8,160,177	11,307,089
BOND AND INTEREST FUND	935,535	910,000
DEBT SERVICE RESERVE FUND	3,035,383	2,800,675
CONSTRUCTION RETAINAGE FUND	386,499	415,794
	<hr/>	<hr/>
TOTAL RESTRICTED ASSETS	12,517,594	15,433,558
	<hr/>	<hr/>
CAPITAL ASSETS:		
LAND	604,120	604,120
PLANT	25,657,374	25,657,374
INTERCEPTOR SEWERS	23,907,911	23,030,437
LIFT STATIONS	7,107,650	6,221,870
VEHICLES AND OTHER EQUIPMENT	5,800,032	4,578,414
ACCUMULATED DEPRECIATION	(15,369,194)	(13,407,913)
CONSTRUCTION IN PROGRESS	22,388,954	17,903,769
	<hr/>	<hr/>
NET CAPITAL ASSETS	70,096,847	64,588,071
	<hr/>	<hr/>
OTHER ASSETS:		
NET PENSION ASSETS	70,295	70,295
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$86,231,247</u>	<u>\$81,615,625</u>

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF NET ASSETS
(CONTINUED)

	DECEMBER 31	
	2009	2008
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT AND ACCRUED LIABILITIES:		
ACCOUNTS PAYABLE	\$151,453	\$166,732
ACCRUED WAGES PAYABLE	102,197	95,540
COMPENSATED ABSENCES	218,173	219,089
ACCRUED INTEREST PAYABLE	1,755	0
RETAINAGE PAYABLE	386,499	415,794
DUE TO OTHER FUNDS	0	39,780
CAPITAL LEASE OBLIGATIONS	182,854	0
CURRENT PORTION OF LONG-TERM DEBT		
1994 BONDS	1,090,000	1,060,000
1998 BONDS	445,000	435,000
2001 BONDS	320,000	310,000
2004 BONDS	5,000	5,000
2006 BONDS	10,000	10,000
	<hr/>	<hr/>
TOTAL CURRENT AND ACCRUED LIABILITIES	2,912,931	2,756,935
NON-CURRENT LIABILITIES:		
1994 BONDS	7,265,000	8,355,000
1998 BONDS	5,235,000	5,680,000
2001 BONDS	4,670,000	4,990,000
2004 BONDS	9,867,578	7,833,291
2006 BONDS	8,325,000	7,135,216
	<hr/>	<hr/>
TOTAL NON-CURRENT LIABILITIES	35,362,578	33,993,507
TOTAL LIABILITIES	<hr/> <hr/>	<hr/> <hr/>
	\$38,275,509	\$36,750,442
NET ASSETS		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	\$32,864,269	\$28,774,564
RESTRICTED	12,201,390	15,088,059
UNRESTRICTED	2,890,079	1,002,560
	<hr/>	<hr/>
TOTAL NET ASSETS	<hr/> <hr/>	<hr/> <hr/>
	\$47,955,738	\$44,865,183

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND NET ASSETS
FOR THE TWELVE MONTHS ENDED

	DECEMBER 31	
	2009	2008
OPERATING REVENUES:		
RESIDENTIAL AND COMMERCIAL SALES	\$5,099,867	\$4,977,081
PURDUE UNIVERSITY SALES	3,328,975	3,664,591
PENALTIES	58,938	78,049
SANITATION TRASH FEES	525,002	0
RECYCLABLE SALES	51,773	0
RECYCLING GRANT	41,500	0
TOTERS AND BINS	6,553	0
OTHER	9,058	0
TOTAL OPERATING REVENUES	9,121,666	8,719,721
OPERATING EXPENSES:		
ADMINISTRATIVE AND GENERAL	1,183,486	869,744
LABORATORY	137,386	175,674
COLLECTION SYSTEM	384,661	411,050
PLANT OPERATION	1,627,032	1,520,642
PLANT MAINTENANCE	66,241	104,323
BILLING EXPENSE	207,324	174,704
SANITATION SOLID WASTE REMOVAL	610,808	0
POLLUTION PREVENTION SYSTEM MAINTENANCE	235,992	0
UNDISTRIBUTED	84,176	72,473
SUB-TOTAL	4,537,106	3,328,610
DEPRECIATION	1,315,352	1,199,948
NET OPERATING INCOME	3,269,208	4,191,163
NON-OPERATING REVENUES (EXPENSES):		
INTEREST INCOME	142,615	331,965
TAP FEES	104,291	124,971
LOSS ON DISPOSAL OF ASSETS	(45,773)	(9,732)
PAYMENT IN LIEU OF TAXES	(428,400)	(401,500)
CAPITAL LEASE INTEREST	(5,848)	0
INTEREST ON 1994 BONDS	(266,550)	(297,900)
INTEREST ON 1998 BONDS	(171,028)	(183,450)
INTEREST ON 2001 BONDS	(149,205)	(158,122)
INTEREST ON 2004 BONDS	0	0
INTEREST ON 2006 BONDS	(77,152)	0
TOTAL NON-OPERATING REVENUES (EXPENSES)	(897,050)	(593,768)
NET INCOME BEFORE CONTRIBUTIONS	2,372,158	3,597,395
CONTRIBUTIONS	718,397	378,624
CHANGE IN NET ASSETS	3,090,555	3,976,019
NET ASSETS - BEGINNING	44,865,183	40,889,164
NET ASSETS - ENDING	\$47,955,738	\$44,865,183

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED

	DECEMBER 31	
	2009	2008
CASH FLOW FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM CUSTOMERS	\$6,901,981	\$8,729,103
CASH PAID TO SUPPLIERS, EMPLOYERS AND OTHERS	(4,586,424)	(3,101,635)
NET CASH FROM OPERATING ACTIVITIES	2,315,557	5,627,468
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
PAYMENT IN LIEU OF TAXES	(428,400)	(401,500)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	(428,400)	(401,500)
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:		
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(6,343,351)	(12,877,018)
CAPITAL LEASE FINANCING	255,440	0
CHANGE IN RETAINAGE PAYABLE	(29,295)	279,348
SRF PROCEEDS - 2004 AND 2006 REVENUE BONDS	3,239,071	11,158,652
PRINCIPAL PAID ON 1994 REVENUE BONDS	(1,060,000)	(1,030,000)
PRINCIPAL PAID ON 1998 REVENUE BONDS	(435,000)	(420,000)
PRINCIPAL PAID ON 2001 REVENUE BONDS	(310,000)	(305,000)
PRINCIPAL PAID ON 2004 REVENUE BONDS	(5,000)	(5,000)
PRINCIPAL PAID ON 2006 REVENUE BONDS	(10,000)	0
INTEREST PAID ON 1994 REVENUE BONDS	(266,550)	(297,900)
INTEREST PAID ON 1998 REVENUE BONDS	(171,028)	(183,450)
INTEREST PAID ON 2001 REVENUE BONDS	(149,205)	(158,122)
INTEREST PAID ON 2004 REVENUE BONDS	(317,894)	(254,186)
INTEREST PAID ON 2006 REVENUE BONDS	(285,808)	(97,083)
INTEREST PAID ON CAPITAL LEASES	(4,093)	0
PRINCIPAL PAID ON CAPITAL LEASES	(72,586)	0
TAP FEES COLLECTED	104,291	124,971
CONTRIBUTIONS	718,397	378,624
NET CASH FROM CAPITAL AND FINANCING ACTIVITIES	(5,142,611)	(3,686,164)
CASH FLOWS FROM INVESTING ACTIVITIES:		
INTEREST ON INVESTMENTS	161,072	325,436
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,094,382)	1,865,240
CASH, BEGINNING OF YEAR	16,465,201	14,599,961
CASH, END OF YEAR	\$13,370,819	\$16,465,201

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED
(CONTINUED)

	<u>DECEMBER 31</u>	
	<u>2009</u>	<u>2008</u>
RECONCILIATION OF NET OPERATING INCOME TO CASH PROVIDED FROM OPERATIONS:		
NET OPERATING REVENUES	\$3,269,208	\$4,191,163
ADJUSTMENTS TO RECONCILE NET OPERATING REVENUES TO NET CASH PROVIDED BY OPERATIONS :		
DEPRECIATION	1,315,352	1,199,948
(INCREASE) DECREASE IN:		
ACCOUNTS RECEIVABLE	150,771	3,958
ACCOUNTS RECEIVABLE - SANITATION	(36,273)	0
ACCOUNTS RECEIVABLE - LIENS	(11,698)	0
OTHER ACCOUNTS RECEIVABLE	(2,313,017)	0
INVENTORY	(9,468)	6,044
NET PENSION ASSETS	0	(620)
INCREASE (DECREASE) IN:		
ACCOUNTS PAYABLE	(15,279)	163,476
ACCRUED WAGES PAYABLE	6,657	27,349
COMPENSATED ABSENCES	(916)	74,427
DUE TO OTHER FUNDS	(39,780)	(38,277)
NET CASH PROVIDED FROM OPERATIONS	<u>\$2,315,557</u>	<u>\$5,627,468</u>

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY
HISTORICAL SUPPLEMENTAL INFORMATION

WEST LAFAYETTE WASTEWATER UTILITY

DETAIL OF OPERATION AND MAINTENANCE EXPENSES
FOR THE TWELVE MONTHS ENDED

	DECEMBER 31		BUDGET 2009
	2009	2008	
ADMINISTRATION - GENERAL			
UTILITY ADMINISTRATION WAGES	\$334,834	\$280,825	\$ 336,696
UTILITY ADMINISTRATION INSURANCE	56,885	43,288	37,445
UTILITY ADMINISTRATION BENEFITS	48,780	47,588	40,859
CITY ADMINISTRATION WAGES	317,580	284,609	351,495
CITY ADMINISTRATION INSURANCE	51,146	27,360	58,918
CITY ADMINISTRATION BENEFITS	47,778	32,446	48,434
SUPPLIES	7,700	17,513	16,000
PUBLIC RELATIONS	824	118	1,280
CONSULTING	233,657	52,829	80,000
LEGAL	11,947	17,703	16,000
PRINTING & ADVERTISING	1,751	5,005	6,000
EDUCATION & TRAVEL	751	3,093	2,500
SUBSCRIPTIONS & DUES	2,164	1,346	1,300
POSTAGE	0	3,834	4,000
TELEPHONE	8,189	6,478	8,000
SERVICE CONTRACTS	30,758	15,870	7,610
OFFICE EQUIP/REPAIR	14,591	9,152	5,500
LIENS & AUDITS	1,501	8,032	5,600
PERMIT & FEES	12,650	12,655	14,000
	<u>1,183,486</u>	<u>869,744</u>	<u>1,041,637</u>
LABORATORY			
WAGES	77,214	106,599	79,500
INSURANCE	8,346	18,611	5,500
EMPLOYEE BENEFITS	11,059	17,036	8,672
SUPPLIES	18,979	21,234	20,000
EQUIPMENT	4,041	1,888	2,000
SERVICE CONTRACTS	530	4,053	4,000
CONSULTING	13,227	6,063	6,000
MISCELLANEOUS	116	190	500
EQUIPMENT REPAIR	3,874	0	1,050
	<u>137,386</u>	<u>175,674</u>	<u>127,222</u>
COLLECTION SYSTEM			
WAGES	214,227	196,551	207,345
INSURANCE	49,722	41,088	38,969
EMPLOYEE BENEFITS	32,569	33,805	30,186
SUPPLIES & MATERIALS	32,439	18,297	50,000
MACHINERY & TOOLS	0	0	540
VEHICLE MAINTENANCE	9,159	16,648	15,000
CSO MONITORS	19,307	21,899	50,000
CONTRACTUAL	13,387	46,212	45,884
LIFT STATIONS	13,851	34,683	24,000
EQUIPMENT-LEASE	0	1,867	1,000
	<u>384,661</u>	<u>411,050</u>	<u>462,924</u>
PLANT MAINTENANCE			
SUPPLIES & MATERIALS	21,640	28,137	20,000
BLDG. GROUNDS SUPPLIES & MATERIALS	0	6,916	-
GASOLINE	18,995	26,807	27,000
LUBRICANTS	277	0	1,000
EQUIPMENT REPAIR (FIXED)	19,946	38,353	26,000
MACHINERY & TOOLS	5,383	4,110	4,000
	<u>66,241</u>	<u>104,323</u>	<u>78,000</u>

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

DETAIL OF OPERATION AND MAINTENANCE EXPENSES
FOR THE TWELVE MONTHS ENDED

	DECEMBER 31		BUDGET 2009
	2009	2008	
PLANT OPERATION			
WAGES	445,470	437,361	425,925
INSURANCE	83,848	75,244	89,352
EMPLOYEE BENEFITS	66,568	74,780	57,283
UTILITIES	380,788	376,501	374,300
SAFETY	10,149	3,992	5,310
UNIFORMS	17,119	15,914	14,600
SUPPLIES	12,805	12,692	11,000
CHEMICALS	71,573	58,052	60,000
POLYMER	3,320	0	4,000
TRAINING	20,473	20,614	28,000
SERVICE CONTRACTS	31,774	36,782	30,000
LANDFILL	15,740	18,513	20,000
LAND APPLICATION	457,017	386,979	200,000
EMERGENCY CONTRACTUAL	7,376	375	3,100
MACHINERY & TOOLS	3,012	2,843	3,200
SUBTOTAL	<u>1,627,032</u>	<u>1,520,642</u>	<u>1,326,070</u>
BILLING EXPENSE			
WAGES	92,078	98,563	101,592
INSURANCE	25,587	25,797	26,691
EMPLOYEE BENEFITS	14,099	16,145	12,317
SUPPLIES & POSTAGE	21,340	20,180	24,000
BILLING AND SERVICE CONTRACTS	37,003	0	4,100
BAD DEBT	1,526	3,216	5,000
TRAINING	198	0	1,500
OFFICE EQUIPMENT REPAIRS	1,894	0	500
LIEN FEES AND OTHER	13,599	10,803	4,400
SUBTOTAL	<u>207,324</u>	<u>174,704</u>	<u>180,100</u>
SANITATION SOLID WASTE REMOVAL			
WAGES	236,140	0	283,966
INSURANCE	48,880	0	58,861
EMPLOYEE BENEFITS	41,334	0	40,613
SUPPLIES	89,374	0	128,055
SERVICES	195,080	0	258,040
SUBTOTAL	<u>610,808</u>	<u>0</u>	<u>769,535</u>
POLLUTION PREVENTION SYSTEM MAINTENANCE			
WAGES	113,816	0	113,346
INSURANCE	31,020	0	22,828
EMPLOYEE BENEFITS	20,762	0	17,051
SUPPLIES	15,767	0	25,088
SERVICES	54,627	0	10,800
SUBTOTAL	<u>235,992</u>	<u>0</u>	<u>189,113</u>
UNDISTRIBUTED EXPENSE			
INSURANCE	62,777	61,133	62,778
INJURIES & DAMAGES	0	0	5,150
WORKERS' COMP INSURANCE	21,399	11,340	16,045
SUBTOTAL	<u>84,176</u>	<u>72,473</u>	<u>83,973</u>
TOTAL OPERATING EXPENSES	<u>\$4,537,106</u>	<u>\$3,328,610</u>	<u>\$4,258,574</u>

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

COMPARISON OF ACCOUNT BALANCES WITH MINIMUM REQUIREMENTS
AT DECEMBER 31, 2009

	BALANCE AT 12/31/2009	MINIMUM RESERVE REQUIRED		AVAILABLE FOR TRANSFER
OPERATING FUND	\$853,225	\$727,525	(1)	\$125,700
BOND & INTEREST FUND	935,535	935,535	(2)	0
DEBT SERVICE RESERVE FUND	3,035,383	3,035,383	(3)	0
IMPROVEMENT FUND	8,160,177	0	(4)	8,160,177
CONSTRUCTION RETAINAGE FUND	386,499	386,499	(5)	0
TOTALS	<u>\$13,370,819</u>	<u>\$5,084,942</u>		<u>\$8,285,877</u>

(1) AN AMOUNT EQUAL TO TWO MONTHS OPERATING EXPENSES.

(2) AMOUNT EQUAL TO THE NEXT TWELVE MONTHS PRINCIPAL AND NEXT SIX MONTHS INTEREST. AT 12/31/09, THE 1/1/10 INTEREST PAYMENTS WERE MADE. THE REMAINING FUND BALANCE PROPERLY REFLECTS 50% OF THE 7/1/10 PRINCIPAL DUE.

(3) AN AMOUNT EQUAL TO THE MAXIMUM ANNUAL COMBINED DEBT SERVICE ON ALL OUTSTANDING BONDS BUILT UP OVER 60 MONTHS FROM DATE OF CLOSING ON EACH SRF LOAN. CURRENT REQUIREMENT CALCULATED AS FOLLOWS:

	TOTAL RESERVE REQUIREMENT	# MONTHS	12/31/2009 REQUIREMENT
1994 Bonds	\$1,112,640	60	\$1,112,640
1998 Bonds	508,636	60	508,636
2001 Bonds	381,477	60	381,477
2004 Bonds	699,374	60	699,374
2006 Bonds	476,845	42	333,256
TOTAL	<u>\$3,178,972</u>		<u>\$3,035,383</u>

(4) BALANCE DOES NOT INCLUDE \$2,300,000 IN FUNDS TEMPORILY LOANED TO THE CITY WHICH WERE REPAID AFTER YEAR END. NO RESTRICTIONS ON TRANSFERS FROM THESE FUNDS WHICH ARE BOARD DESIGNATED FOR FUTURE PLANT EXPANSION AND IMPROVEMENTS, REPLACEMENTS AND EXTENSION OF THE SEWAGE WORKS.

(5) NOT AVAILABLE FOR TRANSFER; HELD IN ESCROW UNTIL COMPLETION AND ACCEPTANCE OF RELATED CONTRACTOR PROJECT.

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE

\$8,355,000 SEWAGE WORKS REVENUE BONDS OF 1994

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2010	\$8,355,000	\$1,090,000	3.00%	\$125,325.00	\$1,215,325.00	\$1,215,325.00
1/1/2011				108,975.00	108,975.00	
7/1/2011	7,265,000	1,125,000	3.00%	108,975.00	1,233,975.00	1,342,950.00
1/1/2012				92,100.00	92,100.00	
7/1/2012	6,140,000	1,155,000	3.00%	92,100.00	1,247,100.00	1,339,200.00
1/1/2013				74,775.00	74,775.00	
7/1/2013	4,985,000	1,190,000	3.00%	74,775.00	1,264,775.00	1,339,550.00
1/1/2014				56,925.00	56,925.00	
7/1/2014	3,795,000	1,230,000	3.00%	56,925.00	1,286,925.00	1,343,850.00
1/1/2015				38,475.00	38,475.00	
7/1/2015	2,565,000	1,265,000	3.00%	38,475.00	1,303,475.00	1,341,950.00
1/1/2016				19,500.00	19,500.00	
7/1/2016	1,300,000	<u>1,300,000</u>	3.00%	<u>19,500.00</u>	<u>1,319,500.00</u>	<u>1,339,000.00</u>
TOTALS		<u>\$8,355,000</u>		<u>\$906,825.00</u>	<u>\$9,261,825.00</u>	<u>\$9,261,825.00</u>

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE

\$5,680,000 SEWAGE WORKS REVENUE BONDS OF 1998

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2010	\$5,680,000	\$445,000	2.90%	\$82,360.00	\$527,360.00	\$527,360.00
1/1/2011				75,907.50	75,907.50	
7/1/2011	5,235,000	460,000	2.90%	75,907.50	535,907.50	611,815.00
1/1/2012				69,237.50	69,237.50	
7/1/2012	4,775,000	470,000	2.90%	69,237.50	539,237.50	608,475.00
1/1/2013				62,422.50	62,422.50	
7/1/2013	4,305,000	485,000	2.90%	62,422.50	547,422.50	609,845.00
1/1/2014				55,390.00	55,390.00	
7/1/2014	3,820,000	500,000	2.90%	55,390.00	555,390.00	610,780.00
1/1/2015				48,140.00	48,140.00	
7/1/2015	3,320,000	515,000	2.90%	48,140.00	563,140.00	611,280.00
1/1/2016				40,672.50	40,672.50	
7/1/2016	2,805,000	530,000	2.90%	40,672.50	570,672.50	611,345.00
1/1/2017				32,987.50	32,987.50	
7/1/2017	2,275,000	545,000	2.90%	32,987.50	577,987.50	610,975.00
1/1/2018				25,085.00	25,085.00	
7/1/2018	1,730,000	560,000	2.90%	25,085.00	585,085.00	610,170.00
1/1/2019				16,965.00	16,965.00	
7/1/2019	1,170,000	575,000	2.90%	16,965.00	591,965.00	608,930.00
01/01/20				8,627.50	8,627.50	
07/01/20	595,000	595,000	2.90%	8,627.50	603,627.50	612,255.00
TOTALS		<u>\$5,680,000</u>		<u>\$953,230.00</u>	<u>\$6,633,230.00</u>	<u>\$6,633,230.00</u>

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE

\$4,990,000 SEWAGE WORKS REVENUE BONDS OF 2001

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2010	\$4,990,000	\$320,000	2.90%	\$72,355.00	\$392,355.00	\$392,355.00
1/1/2011				67,715.00	67,715.00	
7/1/2011	4,670,000	330,000	2.90%	67,715.00	397,715.00	465,430.00
1/1/2012				62,930.00	62,930.00	
7/1/2012	4,340,000	340,000	2.90%	62,930.00	402,930.00	465,860.00
1/1/2013				58,000.00	58,000.00	
7/1/2013	4,000,000	350,000	2.90%	58,000.00	408,000.00	466,000.00
1/1/2014				52,925.00	52,925.00	
7/1/2014	3,650,000	360,000	2.90%	52,925.00	412,925.00	465,850.00
1/1/2015				47,705.00	47,705.00	
7/1/2015	3,290,000	370,000	2.90%	47,705.00	417,705.00	465,410.00
1/1/2016				42,340.00	42,340.00	
7/1/2016	2,920,000	380,000	2.90%	42,340.00	422,340.00	464,680.00
1/1/2017				36,830.00	36,830.00	
7/1/2017	2,540,000	395,000	2.90%	36,830.00	431,830.00	468,660.00
1/1/2018				31,102.50	31,102.50	
7/1/2018	2,145,000	405,000	2.90%	31,102.50	436,102.50	467,205.00
1/1/2019				25,230.00	25,230.00	
7/1/2019	1,740,000	415,000	2.90%	25,230.00	440,230.00	465,460.00
01/01/20				19,212.50	19,212.50	
07/01/20	1,325,000	430,000	2.90%	19,212.50	449,212.50	468,425.00
01/01/21				12,977.50	12,977.50	
07/01/21	895,000	440,000	2.90%	12,977.50	452,977.50	465,955.00
01/01/22				6,597.50	6,597.50	
07/01/22	455,000	<u>455,000</u>	2.90%	<u>6,597.50</u>	<u>461,597.50</u>	<u>468,195.00</u>
TOTALS		<u>\$4,990,000</u>		<u>\$999,485.00</u>	<u>\$5,989,485.00</u>	<u>\$5,989,485.00</u>

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
\$12,365,000 SEWAGE WORKS REVENUE BONDS OF 2004, SERIES A

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2010	\$12,365,000	\$5,000	3.64%	\$225,043.00	\$230,043.00	\$230,043.00
1/1/2011				224,952.00	224,952.00	
7/1/2011	12,360,000	5,000	3.64%	224,952.00	229,952.00	454,904.00
1/1/2012				224,861.00	224,861.00	
7/1/2012	12,355,000	5,000	3.64%	224,861.00	229,861.00	454,722.00
1/1/2013				224,770.00	224,770.00	
7/1/2013	12,350,000	5,000	3.64%	224,770.00	229,770.00	454,540.00
1/1/2014				224,679.00	224,679.00	
7/1/2014	12,345,000	5,000	3.64%	224,679.00	229,679.00	454,358.00
1/1/2015				224,588.00	224,588.00	
7/1/2015	12,340,000	5,000	3.64%	224,588.00	229,588.00	454,176.00
1/1/2016				224,497.00	224,497.00	
7/1/2016	12,335,000	5,000	3.64%	224,497.00	229,497.00	453,994.00
1/1/2017				224,406.00	224,406.00	
7/1/2017	12,330,000	530,000	3.64%	224,406.00	754,406.00	978,812.00
1/1/2018				214,760.00	214,760.00	
7/1/2018	11,800,000	555,000	3.64%	214,760.00	769,760.00	984,520.00
1/1/2019				204,659.00	204,659.00	
7/1/2019	11,245,000	575,000	3.64%	204,659.00	779,659.00	984,318.00
01/01/20				194,194.00	194,194.00	
07/01/20	10,670,000	590,000	3.64%	194,194.00	784,194.00	978,388.00
01/01/21				183,456.00	183,456.00	
07/01/21	10,080,000	1,230,000	3.64%	183,456.00	1,413,456.00	1,596,912.00
01/01/22				161,070.00	161,070.00	
07/01/22	8,850,000	1,275,000	3.64%	161,070.00	1,436,070.00	1,597,140.00
01/01/23				137,865.00	137,865.00	
07/01/23	7,575,000	1,790,000	3.64%	137,865.00	1,927,865.00	2,065,730.00
01/01/24				105,287.00	105,287.00	
07/01/24	5,785,000	1,860,000	3.64%	105,287.00	1,965,287.00	2,070,574.00
01/01/25				71,435.00	71,435.00	
07/01/25	3,925,000	1,925,000	3.64%	71,435.00	1,996,435.00	2,067,870.00
01/01/26				36,400.00	36,400.00	
07/01/26	2,000,000	2,000,000	3.64%	36,400.00	2,036,400.00	2,072,800.00
TOTALS		<u>\$12,365,000</u>		<u>\$5,988,801.00</u>	<u>\$18,353,801.00</u>	<u>\$18,353,801.00</u>

Note: As of December 31, 2009 \$9,872,578 had been drawn out of the total authorized of \$12,380,000 for this SRF Loan.

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
\$8,335,000 SEWAGE WORKS REVENUE BONDS OF 2006, SERIES B

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2010	\$8,335,000	\$10,000	3.53%	\$147,112.75	\$157,112.75	\$157,112.75
1/1/2011				146,936.25	146,936.25	
7/1/2011	8,325,000	10,000	3.53%	146,936.25	156,936.25	303,872.50
1/1/2012				146,759.75	146,759.75	
7/1/2012	8,315,000	15,000	3.53%	146,759.75	161,759.75	308,519.50
1/1/2013				146,495.00	146,495.00	
7/1/2013	8,300,000	15,000	3.53%	146,495.00	161,495.00	307,990.00
1/1/2014				146,230.25	146,230.25	
7/1/2014	8,285,000	10,000	3.53%	146,230.25	156,230.25	302,460.50
1/1/2015				146,053.75	146,053.75	
7/1/2015	8,275,000	10,000	3.53%	146,053.75	156,053.75	302,107.50
1/1/2016				145,877.25	145,877.25	
7/1/2016	8,265,000	15,000	3.53%	145,877.25	160,877.25	306,754.50
1/1/2017				145,612.50	145,612.50	
7/1/2017	8,250,000	570,000	3.53%	145,612.50	715,612.50	861,225.00
1/1/2018				135,552.00	135,552.00	
7/1/2018	7,680,000	585,000	3.53%	135,552.00	720,552.00	856,104.00
1/1/2019				125,226.75	125,226.75	
7/1/2019	7,095,000	610,000	3.53%	125,226.75	735,226.75	860,453.50
01/01/20				114,460.25	114,460.25	
07/01/20	6,485,000	635,000	3.53%	114,460.25	749,460.25	863,920.50
01/01/21				103,252.50	103,252.50	
07/01/21	5,850,000	650,000	3.53%	103,252.50	753,252.50	856,505.00
01/01/22				91,780.00	91,780.00	
07/01/22	5,200,000	670,000	3.53%	91,780.00	761,780.00	853,560.00
01/01/23				79,954.50	79,954.50	
07/01/23	4,530,000	695,000	3.53%	79,954.50	774,954.50	854,909.00
01/01/24				67,687.75	67,687.75	
07/01/24	3,835,000	715,000	3.53%	67,687.75	782,687.75	850,375.50
01/01/25				55,068.00	55,068.00	
07/01/25	3,120,000	745,000	3.53%	55,068.00	800,068.00	855,136.00
01/01/26				41,918.75	41,918.75	
07/01/26	2,375,000	765,000	3.53%	41,918.75	806,918.75	848,837.50
01/01/27				28,416.50	28,416.50	
07/01/27	1,610,000	790,000	3.53%	28,416.50	818,416.50	846,833.00
01/01/28				14,473.00	14,473.00	
07/01/28	820,000	820,000	3.53%	14,473.00	834,473.00	848,946.00
TOTALS		<u>\$8,335,000</u>		<u>\$3,910,622.25</u>	<u>\$12,245,622.25</u>	<u>\$12,245,622.25</u>

(The Accountant's compilation report is an integral part of the statement.)

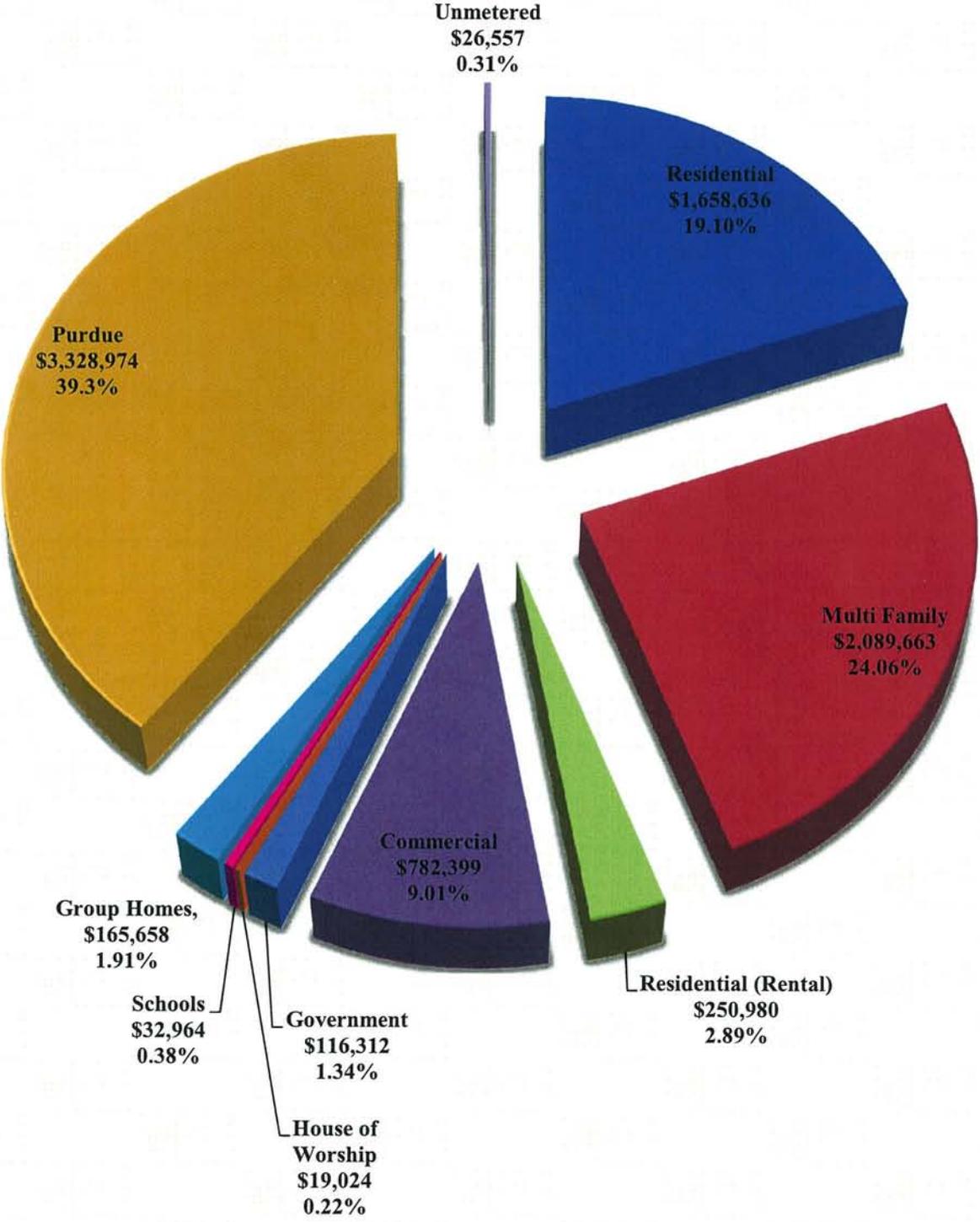
WEST LAFAYETTE WASTEWATER UTILITY

COMBINED DEBT SERVICE SCHEDULE

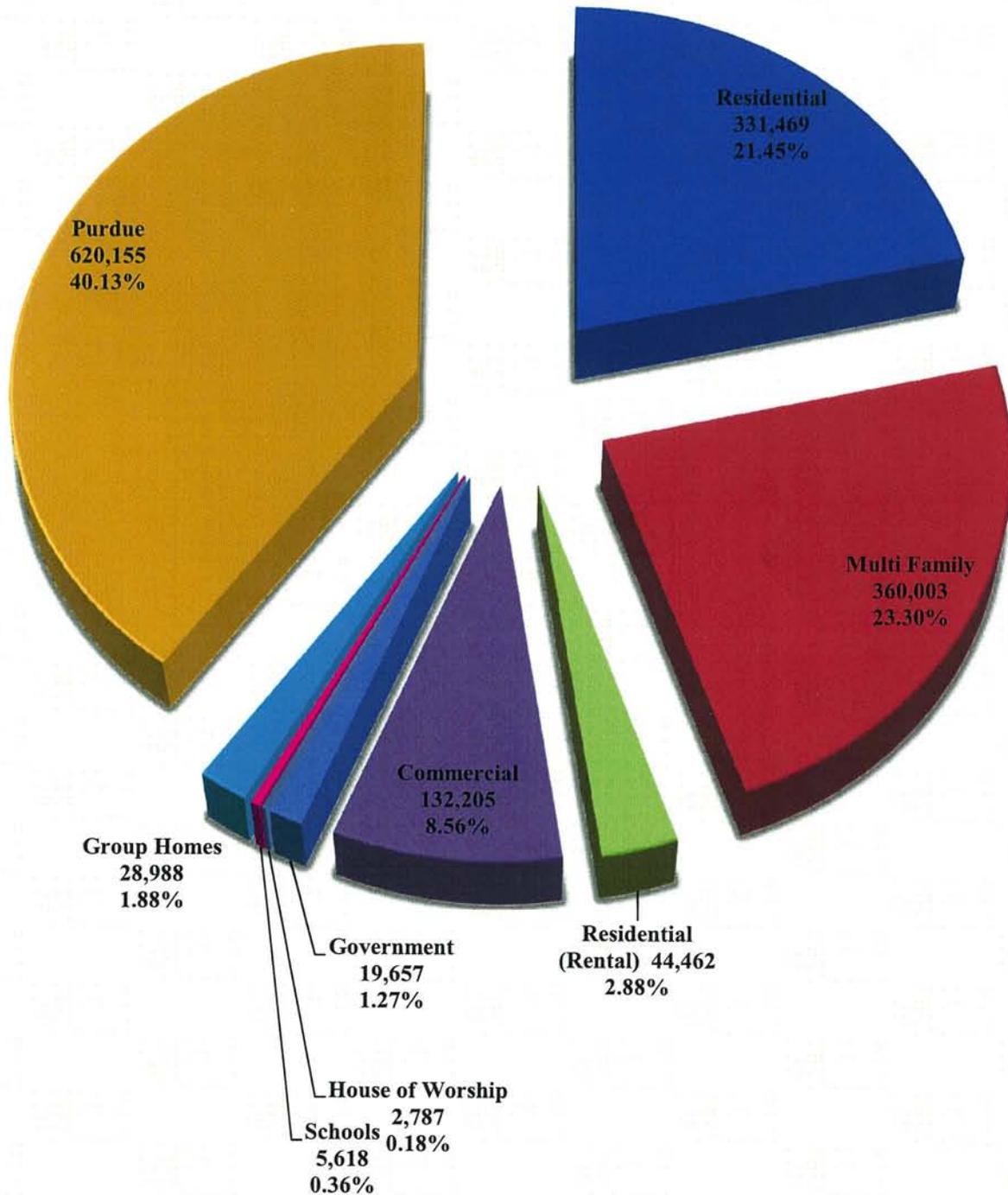
PAYMENT DATE	DEBT SERVICE						PERIOD TOTAL	BOND YEAR TOTAL
	1994 BONDS	1998 BONDS	2001 BONDS	2004A BONDS	2006B BONDS			
7/1/10	\$ 1,215,325.00	\$ 527,360.00	\$ 392,355.00	\$ 230,043.00	\$ 157,112.75	\$ 2,522,195.75	\$ 2,522,195.75	
1/1/11	108,975.00	75,907.50	67,715.00	224,952.00	146,936.25	624,485.75		
7/1/11	1,233,975.00	535,907.50	397,715.00	229,952.00	156,936.25	2,554,485.75	3,178,971.50	
1/1/12	92,100.00	69,237.50	62,930.00	224,861.00	146,759.75	595,888.25		
7/1/12	1,247,100.00	539,237.50	402,930.00	229,861.00	161,759.75	2,580,888.25	3,176,776.50	
1/1/13	74,775.00	62,422.50	58,000.00	224,770.00	146,495.00	566,462.50		
7/1/13	1,264,775.00	547,422.50	408,000.00	229,770.00	161,495.00	2,611,462.50	3,177,925.00	
1/1/14	56,925.00	55,390.00	52,925.00	224,679.00	146,230.25	536,149.25		
7/1/14	1,286,925.00	555,390.00	412,925.00	229,679.00	156,230.25	2,641,149.25	3,177,298.50	
1/1/15	38,475.00	48,140.00	47,705.00	224,588.00	146,053.75	504,961.75		
7/1/15	1,303,475.00	563,140.00	417,705.00	229,588.00	156,053.75	2,669,961.75	3,174,923.50	
1/1/16	19,500.00	40,672.50	42,340.00	224,497.00	145,877.25	472,886.75		
7/1/16	1,319,500.00	570,672.50	422,340.00	229,497.00	160,877.25	2,702,886.75	3,175,773.50	
1/1/17		32,987.50	36,830.00	224,406.00	145,612.50	439,836.00		
7/1/17		577,987.50	431,830.00	754,406.00	715,612.50	2,479,836.00	2,919,672.00	
1/1/18		25,085.00	31,102.50	214,760.00	135,552.00	406,499.50		
7/1/18		585,085.00	436,102.50	769,760.00	720,552.00	2,511,499.50	2,917,999.00	
1/1/19		16,965.00	25,230.00	204,659.00	125,226.75	372,080.75		
7/1/19		591,965.00	440,230.00	779,659.00	735,226.75	2,547,080.75	2,919,161.50	
1/1/20		8,627.50	19,212.50	194,194.00	114,460.25	336,494.25		
7/1/20		603,627.50	449,212.50	784,194.00	749,460.25	2,586,494.25	2,922,988.50	
1/1/21			12,977.50	183,456.00	103,252.50	299,686.00		
7/1/21			452,977.50	1,413,456.00	753,252.50	2,619,686.00	2,919,372.00	
1/1/22			6,597.50	161,070.00	91,780.00	259,447.50		
7/1/22			461,597.50	1,436,070.00	761,780.00	2,659,447.50	2,918,895.00	
1/1/23				137,865.00	79,954.50	217,819.50		
7/1/23				1,927,865.00	774,954.50	2,702,819.50	2,920,639.00	
1/1/24				105,287.00	67,687.75	172,974.75		
7/1/24				1,965,287.00	782,687.75	2,747,974.75	2,920,949.50	
1/1/25				71,435.00	55,068.00	126,503.00		
7/1/25				1,996,435.00	800,068.00	2,796,503.00	2,923,006.00	
1/1/26				36,400.00	41,918.75	78,318.75		
7/1/26				2,036,400.00	806,918.75	2,843,318.75	2,921,637.50	
1/1/27					28,416.50	28,416.50		
7/1/27					818,416.50	818,416.50	846,833.00	
1/1/28					14,473.00	14,473.00		
7/1/28					834,473.00	834,473.00	848,946.00	
TOTALS	\$ 9,261,825.00	\$ 6,633,230.00	\$ 5,989,485.00	\$ 18,353,801.00	\$ 12,245,622.25	\$ 52,483,963.25	\$ 52,483,963.25	

(The Accountant's compilation report is an integral part of the statement.)

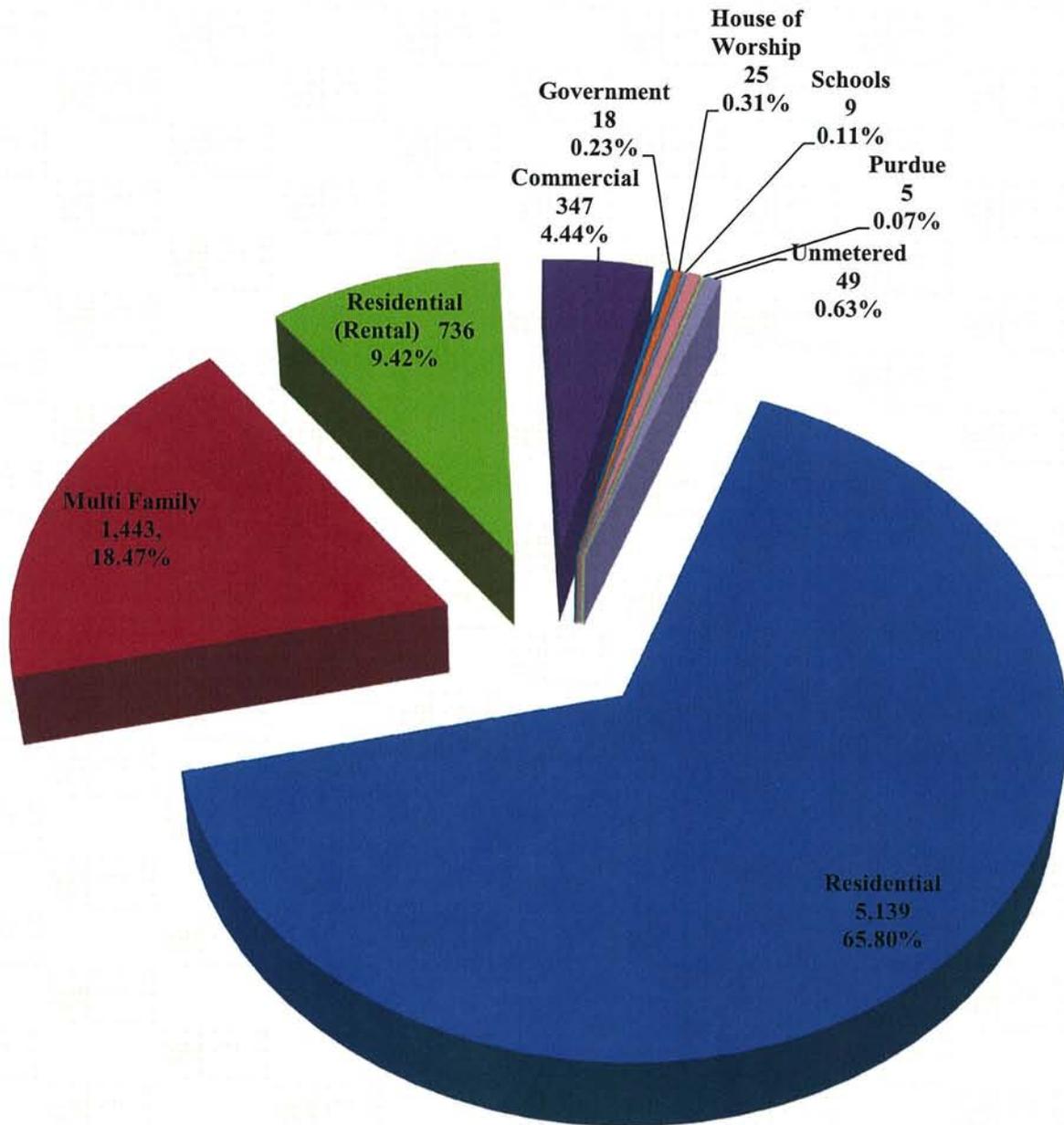
West Lafayette Wastewater Utility Dollars Billed by Customer Type for 2009



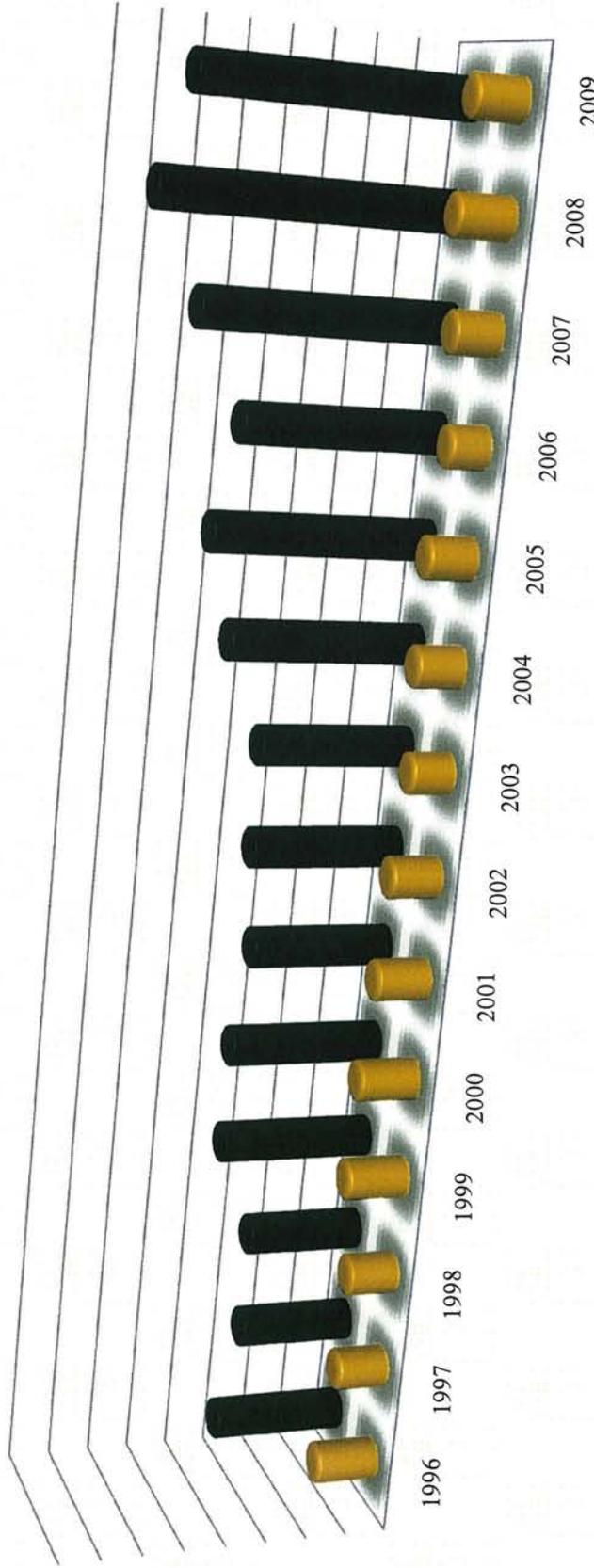
West Lafayette Wastewater Utility Gallons Billed by Customer Type for 2009



West Lafayette Wastewater Utility Count by Customer Type for 2009



West Lafayette Wastewater Utility Purdue University Billing History



	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
■ 1,000 Gal.	777,386	637,824	619,030	770,152	748,201	665,793	625,955	524,486	591,435	599,758	488,915	576,157	686,255	620,155
■ Dollars	\$1,662,208	\$1,447,969	\$1,459,387	\$1,908,280	\$1,914,896	\$1,766,189	\$1,887,059	\$1,910,276	\$2,394,273	\$2,716,292	\$2,474,222	\$3,076,729	\$3,664,651	\$3,328,974

WEST LAFAYETTE WASTEWATER UTILITY

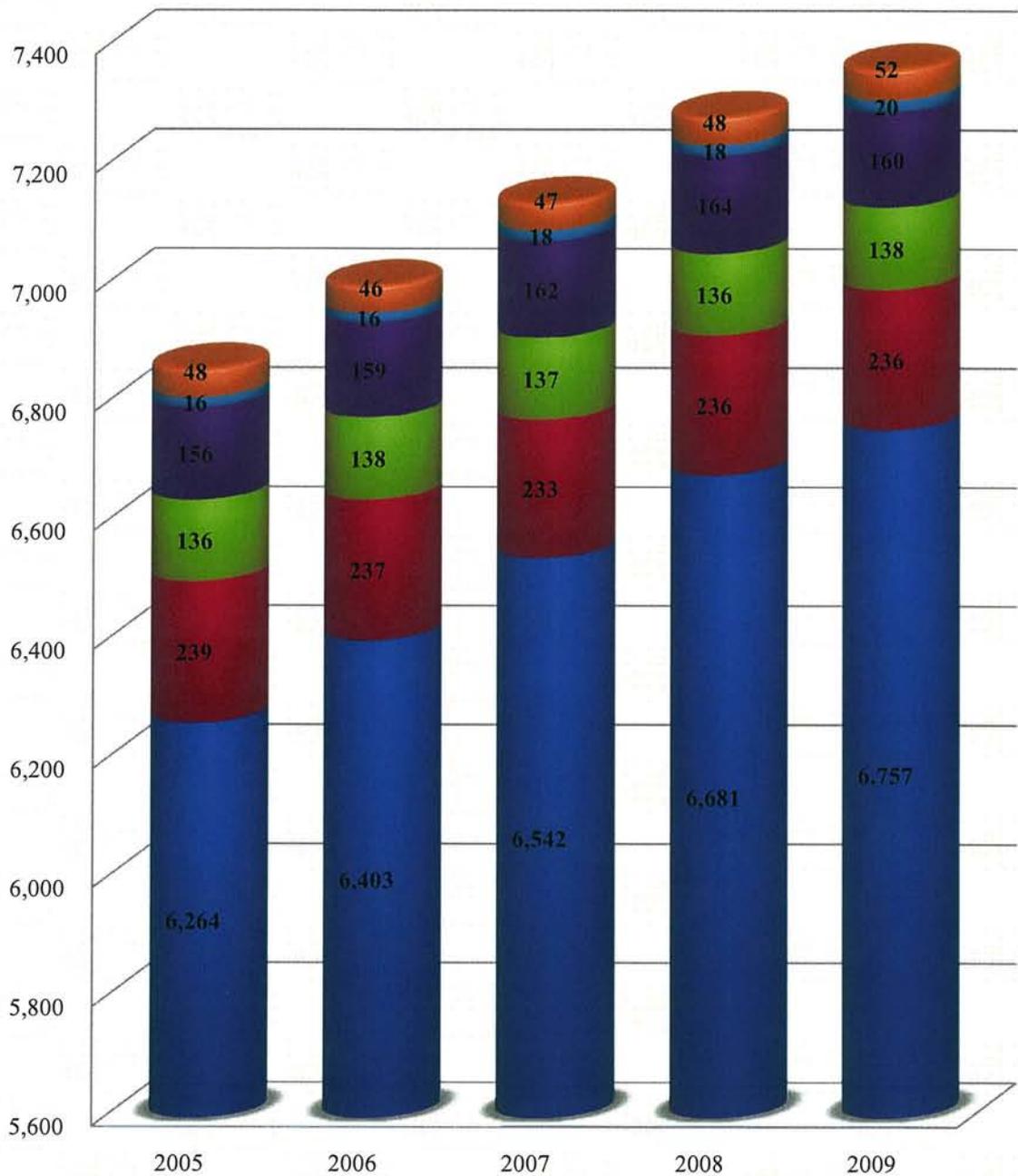
SCHEDULE OF GALLONS TREATED AND BILLED

FOR THE YEAR ENDED DECEMBER 31, 2009

MONTH	GALLONS TREATED	GALLONS BILLED		TOTAL	VARIANCE	TOTAL DOLLARS BILLED
		RESIDENTIAL/COMML.	PURDUE			
JANUARY 2009	231,980,000	69,816,000	48,444,932	118,260,932	113,719,068	\$670,785
FEBRUARY	265,370,000	70,033,000	41,666,209	111,699,209	153,670,791	626,325
MARCH	272,700,000	69,940,000	52,033,936	121,973,936	150,726,064	684,566
APRIL	306,800,000	71,779,000	52,894,836	124,673,836	182,126,164	705,002
MAY	249,930,000	68,047,000	56,533,323	124,580,323	125,349,677	702,859
JUNE	230,400,000	92,753,000	43,140,404	135,893,404	94,506,596	776,729
JULY	164,810,000	78,006,000	43,406,919	121,412,919	43,397,081	627,682
AUGUST	184,480,000	74,440,000	46,830,842	121,270,842	63,209,158	598,074
SEPTEMBER	210,160,000	96,607,000	56,935,473	153,542,473	56,617,527	763,310
OCTOBER	262,800,000	89,779,000	64,413,303	154,192,303	108,607,697	798,655
NOVEMBER	223,190,000	75,506,000	57,940,062	133,446,062	89,743,938	758,476
DECEMBER	262,110,000	68,483,000	55,914,280	124,397,280	137,712,720	716,379
TOTALS	2,864,730,000	925,189,000	620,154,519	1,545,343,519	1,319,386,481	\$8,428,842
PERCENT	100.00%	32.30%	21.65%	53.95%	46.05%	
AVERAGE DAILY GALLONS	7,848,575	2,534,764	1,699,053	4,233,818		

(The Accountant's compilation report is an integral part of the statement.)

West Lafayette Wastewater Utility History of Customer Connections (excludes Purdue)



■ Unmetered
 ■ Larger
 ■ 2"
 ■ 1 1/2"
 ■ 1"
 ■ 5/8"

WEST LAFAYETTE WASTEWATER UTILITY

BILLING STATISTICS BY METER SIZE

FOR THE YEAR ENDED DECEMBER 31, 2009

Dollar Amount	5/8 INCH	1 INCH	1 1/2 INCH	2 INCH	3-4 INCH	U.M.	PURDUE	TOTAL
January	\$ 202,987	\$ 37,694	\$ 41,217	\$ 83,898	\$ 43,966	\$ 2,125	\$ 258,700	\$ 670,587
February	214,027	36,364	37,733	78,557	46,075	2,170	222,502	637,428
March	201,651	38,372	42,148	84,941	44,791	2,125	277,865	691,893
April	202,370	40,313	45,093	86,304	47,949	2,265	282,463	706,757
May	199,688	35,730	39,438	81,738	45,587	2,310	301,892	706,383
June	252,198	60,184	66,838	122,348	45,940	2,372	230,374	780,254
July	205,068	37,452	33,699	72,790	47,045	2,439	231,797	630,290
August	161,568	33,851	32,095	67,023	52,027	2,282	250,081	598,927
September	203,643	37,133	43,966	89,328	84,240	2,310	304,040	764,660
October	198,325	46,120	53,054	103,005	53,228	2,310	343,971	800,013
November	212,860	46,069	46,092	91,707	45,693	3,521	326,282	772,224
December	196,260	39,938	41,278	79,460	53,497	2,310	299,007	711,750
Total	<u>\$ 2,450,645</u>	<u>\$ 489,220</u>	<u>\$ 522,651</u>	<u>\$ 1,041,099</u>	<u>\$ 610,038</u>	<u>\$ 28,539</u>	<u>\$ 3,328,974</u>	<u>\$ 8,471,166</u>

Gallons (1,000's) of Consumption	5/8 INCH	1 INCH	1 1/2 INCH	2 INCH	3-4 INCH	U.M.	PURDUE	TOTAL
January	33,655	6,548	7,238	14,618	7,757		48,445	118,261
February	35,365	6,319	6,583	13,636	8,130		41,666	111,699
March	33,160	6,690	7,392	14,822	7,876		52,034	121,974
April	33,343	7,036	7,900	15,084	8,416		52,895	124,674
May	32,646	6,214	6,915	14,342	7,930		56,533	124,580
June	41,043	10,508	11,766	21,415	8,021		43,140	135,893
July	45,086	6,511	5,801	12,342	8,266		43,407	121,413
August	42,378	5,922	5,500	11,461	9,179		46,831	121,271
September	51,782	6,573	7,709	15,630	14,913		56,935	153,542
October	44,681	8,164	9,375	18,188	9,371		64,413	154,192
November	35,293	8,043	8,093	16,061	8,016		57,940	133,446
December	31,105	6,943	7,214	13,862	9,359		55,914	124,397
Total	<u>459,537</u>	<u>85,471</u>	<u>91,486</u>	<u>181,461</u>	<u>107,234</u>	<u>-</u>	<u>620,153</u>	<u>1,545,342</u>

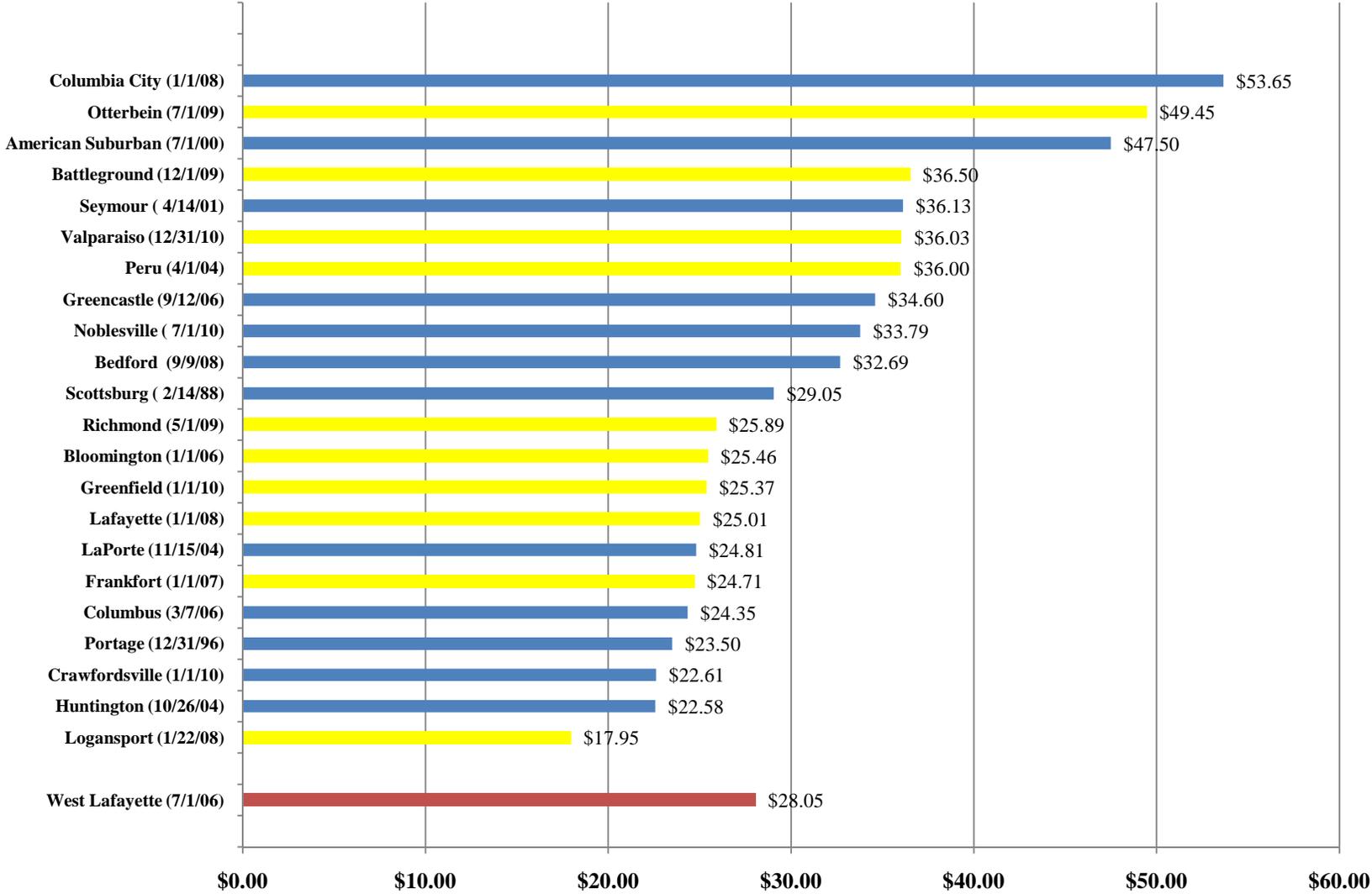
Customer Count	5/8 INCH	1 INCH	1 1/2 INCH	2 INCH	3-4 INCH	U.M.	PURDUE	TOTAL
January	6,672	238	135	164	19	48	5	7,281
February	6,678	232	136	164	19	49	5	7,283
March	6,672	235	137	165	20	48	5	7,282
April	6,680	235	138	162	20	51	5	7,291
May	6,799	235	138	161	21	52	5	7,411
June (1)	8,187	352	214	250	23	55	5	9,086
July (1)	8,238	282	148	179	21	55	5	8,928
August (1)	7,040	239	138	162	20	52	5	7,656
September (1)	8,677	253	151	182	29	52	5	9,349
October	6,767	239	138	162	20	52	5	7,383
November	6,745	237	138	160	20	79	6	7,385
December	6,757	236	138	160	20	52	6	7,369

(1) Customer count data represents number of bills sent each month by meter size. In June of 2009, the Utility began the process of shifting the timing of customer billing cycles to better match consumption periods with billing periods. This resulted in additional interim period bills over this period. Count data for fourth quarter includes normal cycles only and is more representative of customer base served.

(The Accountant's compilation report is an integral part of the statement.)

West Lafayette Wastewater Rate Comparisons

Monthly Bill for 5,000 gallons



WEST LAFAYETTE WASTEWATER UTILITY

SCHEDULE OF CURRENT WASTEWATER RATES AND CHARGES

<u>FLOW RATE CHARGE</u>	<u>CURRENT RATES</u> (1)
PER 1,000 GALLONS	\$5.61
 <u>MINIMUM TOTAL MONTHLY CHARGE</u>	
5/8" WATER METER (3,000 GAL)	\$16.83
3/4" WATER METER (4,000 GAL)	22.44
1" WATER METER (7,000 GAL)	39.27
1 1/4" WATER METER (12,000 GAL)	67.32
1 1/2" WATER METER (15,000 GAL)	84.15
2" WATER METER (24,000 GAL)	134.64
3" WATER METER (45,000 GAL)	252.45
4" WATER METER (75,000 GAL)	420.75
6" WATER METER (150,000 GAL)	841.50
8" WATER METER (240,000 GAL)	1,346.40
10" WATER METER (345,000 GAL)	1,935.45
12" WATER METER (645,000 GAL)	3,618.45
 <u>UNMETERED RESIDENTIAL</u>	
PER MONTH (8,000 GAL)	\$44.86
 <u>PURDUE UNIVERSITY</u>	
FLOW RATE CHARGE - PER 1,000 GALLONS	\$5.34
MONTHLY BILLING CHARGE	\$4.25
 <u>TAP FEES</u>	
5/8" - 3/4" METER	\$200.00
1" METER	280.00
1 1/2" METER	520.00
2" METER	670.00
3" METER	900.00
4" METER	1,130.00
6" METER	1,270.00
 <u>SOLID WASTE REMOVAL</u>	
MONTHLY RESIDENTIAL CHARGE	\$9.00
MONTHLY DUMPSTER CHARGE	\$36.00

(1) THESE REPRESENT SEWER RATES AND CHARGES AS APPROVED ON MAY 3, 2004 AND EFFECTIVE JULY 1, 2006.

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

PROJECTED FINANCIAL INFORMATION

CITY OF WEST LAFAYETTE WASTEWATER UTILITY

PROJECTED OPERATING REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDING DECEMBER 31

	ACTUAL 2009	BUDGET 2010	PROJECTED				Notes
			2011	2012	2013	2014	
PROJECTED OPERATING REVENUES:							
WASTEWATER USER FEES	\$ 8,428,842	\$ 8,600,000	\$ 8,600,000	\$ 8,600,000	\$ 8,600,000	\$ 8,600,000	(1)
PENALTIES	67,996	60,000	60,000	60,000	60,000	60,000	(1)
SANITATION TRASH FEES	525,002	520,000	520,000	520,000	520,000	520,000	(1)
RECYCLING GRANT	41,500	41,500	41,500	41,500	41,500	41,500	(1)
RECYCLABLE SALES	51,773	45,000	45,000	45,000	45,000	45,000	(1)
TOTERS AND BINS	6,553	4,000	4,000	4,000	4,000	4,000	(1)
FOG	-	150,000	150,000	150,000	150,000	150,000	(2)
TOTAL OPERATING REVENUES	9,121,666	9,420,500	9,420,500	9,420,500	9,420,500	9,420,500	
PROJECTED OPERATING EXPENSES:							
ADMINISTRATIVE AND GENERAL LABORATORY	1,183,486	1,108,596	1,138,507	1,169,426	1,201,393	1,234,441	(3)
COLLECTION SYSTEM	137,386	125,796	129,088	132,477	135,968	139,562	(3)
PLANT OPERATION	384,661	428,344	441,495	455,075	469,097	483,580	(3)
PLANT MAINTENANCE	1,627,032	1,347,069	1,368,410	1,390,461	1,413,251	1,436,803	(3)
BILLING EXPENSE	66,241	62,000	62,000	62,000	62,000	62,000	(1)
SANITATION SOLID WASTE REMOVAL	207,324	211,771	217,132	222,664	228,370	234,258	(3)
POLLUTION PREVENTION SYSTEM MAINTENANCE	610,808	713,289	727,686	742,546	757,884	773,718	(3)
UNDISTRIBUTED	235,992	274,884	283,434	292,266	301,390	310,816	(3)
	84,176	93,400	97,235	101,251	105,456	109,859	(3)
TOTAL OPERATING EXPENSES	4,537,106	4,365,149	4,464,987	4,568,166	4,674,809	4,785,037	
NET OPERATING REVENUES	\$ 4,584,560	\$ 5,055,351	\$ 4,955,513	\$ 4,852,334	\$ 4,745,691	\$ 4,635,463	

NOTES:

- (1) No growth or other adjustment from 2010 Budget.
- (2) Based upon management's estimate of treatment revenue for fat, oil and grease.
- (3) Operating expenses were trended using 2010 budget as baseline. Annual increases assumed generally ranged from 2% to 5% depending on type of expenditure. For example all wage categories were increased 3% per year.

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

FIVE YEAR CAPITAL PLAN

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
LIFT STATION					
North Service - PRP Lift Station	\$ 1,595,000				
Soldiers Home Lift Station Improvements		\$ 850,000			
Sheraton Lift Station Replacement					\$ 710,000
COLLECTION SYSTEM					
PRP Main Extensions (approx 14,150 LF)	1,135,000				
Western Interceptor Division IV		3,800,000			
North River Rd. Interceptor	326,500				
TREATMENT PLANT IMPROVEMENTS					
Facility Improvements	62,000				
Wet Weather Facility Improvements	500,000				
Microturbine #3 Installation (APE grant for equip. cos	150,000		\$ 3,000,000		
Capacity Expansion				\$ 3,000,000	
Biosolids Handling Facilities					
EQUIPMENT	75,000	75,000	75,000	75,000	75,000
SANITATION	172,035	123,700	177,388	158,432	150,000
POLLUTION PREVENTION	89,756	119,724	149,692	120,228	120,000
SUB TOTALS	4,105,291	4,968,424	3,402,080	3,353,660	1,055,000
LESS: ESTIMATED SRF LOAN DRAWS	-	(2,492,422)			
Proposed SRF Bond	(2,730,000)	(850,000)			
NET TOTALS	<u>\$ 1,375,291</u>	<u>\$ 1,626,002</u>	<u>\$ 3,402,080</u>	<u>\$ 3,353,660</u>	<u>\$ 1,055,000</u>

(The Accountant's compilation report is an integral part of the statement.)

WEST LAFAYETTE WASTEWATER UTILITY

PROJECTED CASH FLOWS AND BOND COVERAGE
FOR THE TWELVE MONTHS ENDED DECEMBER 31

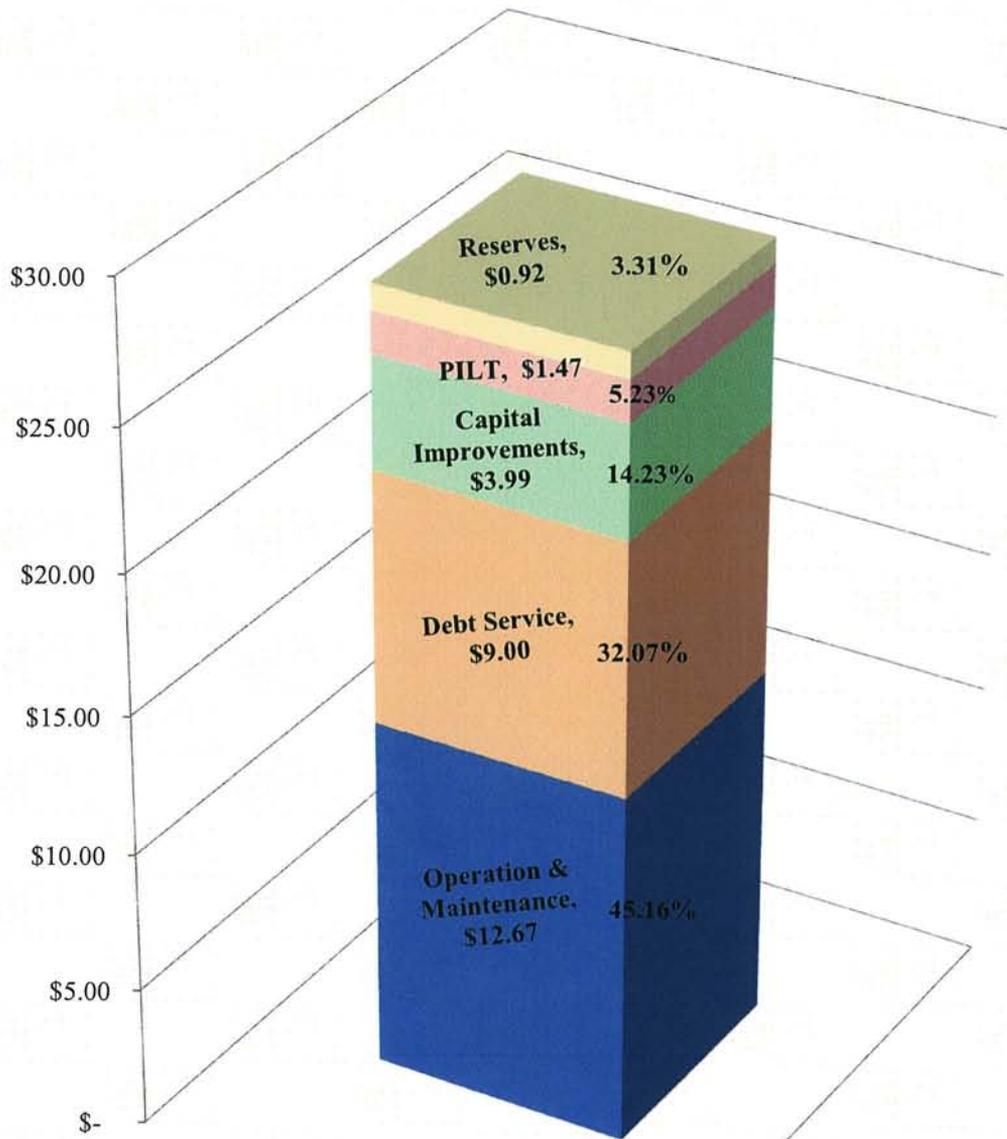
	2010	2011	2012	2013	2014
PROJECTED OPERATING REVENUES	(1) \$ 9,420,500	\$ 9,420,500	\$ 9,420,500	\$ 9,420,500	\$ 9,420,500
PROJECTED OPERATING EXPENDITURES	(1) 4,365,149	4,464,987	4,568,166	4,674,809	4,785,037
PROJECTED NET OPERATING REVENUES	5,055,351	4,955,513	4,852,334	4,745,691	4,635,463
PROJECTED NON OPERATING REVENUE					
INTEREST INCOME	(2) 150,000	160,000	150,000	130,000	110,000
TAP FEES	(3) 115,000	115,000	115,000	115,000	115,000
TOTAL PLEDGED NET REVENUES	5,320,351	5,230,513	5,117,334	4,990,691	4,860,463
PAYMENT IN LIEU OF TAXES	(3) (505,500)	(505,500)	(505,500)	(505,500)	(505,500)
COMBINED ANNUAL DEBT SERVICE	(4) (3,099,999)	(3,423,972)	(3,421,777)	(3,422,925)	(3,422,299)
CAPITAL EXPENDITURES, NET OF DEBT FINANCING	(5) (1,375,291)	(1,626,002)	(3,402,080)	(3,353,660)	(1,055,000)
PROJECTED CASH INCREASE (DECREASE)	339,561	(324,961)	(2,212,023)	(2,291,394)	(122,336)
BEGINNING CASH BALANCE	15,683,836	16,023,397	15,698,436	13,486,413	11,195,019
ENDING CASH BALANCE	\$ 16,023,397	\$ 15,698,436	\$ 13,486,413	\$ 11,195,019	\$ 11,072,683
PROJECTED BOND COVERAGE	(6) 172%	153%	150%	146%	142%

NOTES:

- (1) See schedule of Projected Operating Revenues and Expenditures on page 18.
- (2) Based upon projected cash balances and average rate of 1% based on current market conditions.
- (3) Level with 2010 Budget.
- (4) Per Combined Debt Service Schedule on page 14. Actual interest cost will be slightly lower in 2010 and 2011 than shown here depending on actual timing of remaining \$2.4 million in draws from the 2004 Bonds. Assumes new SRF bond for \$3,650,000 at 2.81% which adds \$245,000 additional debt service beginning in 2011.
- (5) See Five Year Capital Plan on page 19.
- (6) Represents Total Pledged Net Revenues divided by Combined Annual Debt Service. Minimum standard generally 125%.

(The Accountant's compilation report is an integral part of the statement.)

**West Lafayette Wastewater Utility
Revenue Requirements from an Average Monthly Bill of
\$28.05 (5,000 Gallons)**



WEST LAFAYETTE WASTEWATER UTILITY

COMPARISON OF BUDGETED AND ACTUAL REVENUES,
REVENUE REQUIREMENTS AND BOND COVERAGE

	<u>2009 BUDGETED</u>	<u>2009 ACTUAL</u>	<u>2010 BUDGETED</u>
PROJECTED REVENUES:			
WASTEWATER USER FEES	\$ 8,675,000	\$8,428,842	\$ 8,600,000
PENALTIES	78,000	67,996	60,000
SANITATION TRASH FEES	512,000	525,002	520,000
RECYCLING REVENUES	125,500	99,826	90,500
FOG FEES	-	-	150,000
TAP AND CONNECTION FEES	115,000	104,291	115,000
INTEREST INCOME	130,000	142,615	130,000
TOTAL PROJECTED REVENUES	<u>\$ 9,635,500</u>	<u>\$ 9,368,572</u>	<u>\$ 9,665,500</u>
PROJECTED REVENUE REQUIREMENTS:			
CASH OPERATING AND MAINTENANCE EXPENDITURES	\$ 4,258,574	\$ 4,537,106	\$ 4,365,149
COMBINED DEBT SERVICE (B)	2,993,226	3,010,485	3,099,999
CAPITAL IMPROVEMENTS	1,819,891	2,577,425	1,375,291
PAYMENT IN LIEU OF TAXES	428,400	428,400	505,500
TOTAL REVENUE REQUIREMENTS	<u>\$ 9,500,091</u>	<u>\$ 10,553,416</u>	<u>\$ 9,345,939</u>
NET AVAILABLE FOR RESERVES AND CONTINGENCIES	<u>\$ 135,409</u>	<u>\$ (1,184,844)</u>	<u>\$ 319,561</u>

<u>BOND COVERAGE CALCULATION:</u>			
TOTAL PROJECTED REVENUES	\$ 9,635,500	\$ 9,368,572	\$ 9,665,500
LESS: CASH O & M EXPENDITURES	<u>4,258,574</u>	<u>4,537,106</u>	<u>4,365,149</u>
NET REVENUES AVAILABLE FOR DEBT SERVICE (A)	<u>\$ 5,376,926</u>	<u>\$ 4,831,466</u>	<u>\$ 5,300,351</u>
BOND COVERAGE (A / B)	<u>180%</u>	<u>160%</u>	<u>171%</u>

(The Accountant's compilation report is an integral part of the statement.)