

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

ANNUAL FINANCIAL REPORT

2010

CITY OF WEST LAFAYETTE

TIPPECANOE COUNTY, INDIANA



**FILED**

07/06/2011



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Judith C. Rhodes	01-01-08 to 12-31-11
Mayor	John Dennis	01-01-08 to 12-31-11
President of the Board of Public Works	John Dennis	01-01-08 to 12-31-11
President of the Common Council	Ann H. Hunt	01-01-10 to 12-31-11



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of West Lafayette (City), as of and for the year ended December 31, 2010, which collectively comprise the City's primary government basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

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

The City has not presented Management Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and other budgetary comparison schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual nonmajor fund financial statements and other budgetary comparison schedules have been subjected to the auditing procedures applied in the basic financial statements and, in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated June 1, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

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

STATE BOARD OF ACCOUNTS

June 1, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Lafayette (City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 1, 2011. 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.

Internal Control Over Financial Reporting

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

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

Compliance

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

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

STATE BOARD OF ACCOUNTS

June 1, 2011

# **BASIC FINANCIAL STATEMENTS**

CITY OF WEST LAFAYETTE  
STATEMENT OF NET ASSETS  
December 31, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 14,441,780	\$ 14,234,519	\$ 28,676,299
Cash with fiscal agent	6,303,198	154,758	6,457,956
Investments	-	1,498,290	1,498,290
Receivables (net of allowances for uncollectibles):			
Interest	4,377	-	4,377
Taxes	360,730	-	360,730
Accounts	485,316	361,531	846,847
Intergovernmental	719,509		719,509
Inventories	179,794	116,497	296,291
Deferred debits	255,032		255,032
Capital assets:			-
Land and construction in progress	20,718,324	12,336,908	33,055,232
Other capital assets, net of depreciation	42,839,383	57,025,077	99,864,460
Net pension asset	167,073	71,603	238,676
<b>Total assets</b>	<b>86,474,516</b>	<b>85,799,183</b>	<b>172,273,699</b>
<u>Liabilities</u>			
Accounts payable	835,581	81,568	917,149
Accrued payroll and withholdings payable	179,198	38,055	217,253
Accrued interest payable	216,884	1,051	217,935
Retainage payable		10,004	10,004
Noncurrent liabilities:			
Amounts due within one year:			
Capital leases payable	186,213	118,102	304,315
Revenue bonds - due within one year	1,585,000	-	1,585,000
Notes and loan payable	-	1,930,000	1,930,000
Compensated absences	726,732	156,913	883,645
Amounts due beyond one year:			
Capital leases payable	138,124	149,050	287,174
Revenue bonds payable (net of discount)	14,520,422	-	14,520,422
Notes and loan payable	-	33,540,337	33,540,337
Compensated absences	126,791	71,890	198,681
Net pension obligation	9,579,888	-	9,579,888
<b>Total liabilities</b>	<b>28,094,833</b>	<b>36,096,970</b>	<b>64,191,803</b>
<u>Net Assets</u>			
Invested in capital assets, net of related debt	47,298,402	33,624,496	80,922,898
Restricted for:			
Highways and streets	11,101,572		11,101,572
Culture and recreation	3,111,421		3,111,421
Debt service	1,914,489		1,914,489
Other purposes	302,350	15,130,977	15,433,327
Unrestricted	(5,348,551)	946,740	(4,401,811)
<b>Total net assets</b>	<b>\$ 58,379,683</b>	<b>\$ 49,702,213</b>	<b>\$ 108,081,896</b>

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

CITY OF WEST LAFAYETTE  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 3,448,054	\$ 3,035,169	\$ -	\$ -	\$ (412,885)	\$ -	\$ (412,885)
Public safety	7,894,728	61,924	46,889	13,400	(7,772,515)	-	(7,772,515)
Highways and streets	5,045,433	1,593,655	-	124,603	(3,327,175)	-	(3,327,175)
Economic development	1,778,808	24,864	345,520	-	(1,408,424)	-	(1,408,424)
Culture and recreation	1,564,911	663,661	51,780	-	(849,470)	-	(849,470)
Interest expense	779,431	-	-	-	(779,431)	-	(779,431)
Total governmental activities	20,511,365	5,379,273	444,189	138,003	(14,549,900)	-	(14,549,900)
Business-type activities:							
Wastewater	7,548,252	9,161,987	-	-	-	1,613,735	1,613,735
Total business-type activities	7,548,252	9,161,987	-	-	-	1,613,735	1,613,735
Total primary government	\$ 28,059,617	\$ 14,541,260	\$ 444,189	\$ 138,003	(14,549,900)	1,613,735	(12,936,165)
General revenues:							
Property taxes					12,489,107	-	12,489,107
General state distributions					2,288,540	-	2,288,540
Transfers of funds - from enterprise funds					-	-	-
Contributions and gifts					558,745	17,191	575,936
Miscellaneous receipts (net of interest)					369,659	-	369,659
Unrestricted investment earnings					79,359	115,549	194,908
Special Items:							
Loss on Refunding Bonds					(384,042)	-	(384,042)
Total general revenues and special items					15,401,368	132,740	15,534,108
Change in net assets					851,468	1,746,475	2,597,943
Net assets - beginning					57,528,215	47,955,738	105,483,953
Net assets - ending					\$ 58,379,683	\$ 49,702,213	\$ 108,081,896

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

CITY OF WEST LAFAYETTE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2010

	General	Roads Funds	Parks and Recreation Funds	Wabash Landing Parking Garage Bonds	2010 Refunding Bonds Wabash Landing Parking Garage	Nonmajor Governmental Funds	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 2,636,776	\$ 1,433,744	\$ 939,683	\$ -	\$ -	\$ 9,427,142	\$ 14,437,345
Cash with fiscal agent	-	-	-	-	585,982	5,717,216	6,303,198
Receivables (net of allowances for uncollectibles):							
Interest	428	526	286	-	20	3,117	4,377
Taxes	119,001	-	15,378	-	-	226,351	360,730
Accounts	428,015	6,719	-	-	-	25,198	459,932
Intergovernmental	315,465	171,715	7,877	-	-	224,452	719,509
<b>Total assets</b>	<b>\$ 3,499,685</b>	<b>\$ 1,612,704</b>	<b>\$ 963,224</b>	<b>\$ -</b>	<b>\$ 586,002</b>	<b>\$ 15,623,476</b>	<b>\$ 22,285,091</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 389,494	\$ 65,660	\$ 75,328	\$ -	\$ -	\$ 276,882	\$ 807,364
Accrued payroll and withholdings payable	147,793	8,028	18,387	-	-	4,990	179,198
Accrued interest payable	1,891	55	125	-	1,311	213,502	216,884
Deferred revenue:							
Unavailable	154,079	-	18,282	-	-	282,323	454,684
<b>Total liabilities</b>	<b>693,257</b>	<b>73,743</b>	<b>112,122</b>	<b>-</b>	<b>1,311</b>	<b>777,697</b>	<b>1,658,130</b>
<b>Fund balances:</b>							
Unreserved, reported in:							
General fund	2,806,428	-	-	-	-	-	2,806,428
Special revenue funds	-	1,538,961	851,102	-	-	4,547,442	6,937,505
Debt service funds	-	-	-	-	584,691	9,528,334	10,113,025
Capital projects funds	-	-	-	-	-	770,003	770,003
<b>Total fund balances</b>	<b>2,806,428</b>	<b>1,538,961</b>	<b>851,102</b>	<b>-</b>	<b>584,691</b>	<b>14,845,779</b>	<b>20,626,961</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,499,685</b>	<b>\$ 1,612,704</b>	<b>\$ 963,224</b>	<b>\$ -</b>	<b>\$ 586,002</b>	<b>\$ 15,623,476</b>	<b>\$ 22,285,091</b>

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

CITY OF WEST LAFAYETTE  
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS  
GOVERNMENTAL FUNDS  
December 31, 2010

Total fund balances for governmental funds	\$		\$ 20,626,961
Amounts reported for governmental activities in the Statement of Net Assets are different because:			
Inventories of materials and supplies held at year end are recorded on the Statement of Activities as expenditures when consumed rather than when purchased. Inventories are recorded as expenditures when purchased rather than consumed in the fund statements.			170,568
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			
Those assets consist of:			
Land		14,670,566	
Construction in progress		6,047,758	
Buildings, net of \$6,459,181 accumulated depreciation		10,988,445	
Improvements other than buildings, net of \$1,935,943 accumulated depreciation		2,922,297	
Machinery and equipment, net of \$4,493,407 accumulated depreciation		2,496,304	
Infrastructure being depreciated, net of \$17,384,590 accumulated depreciation		<u>26,432,337</u>	
Total capital assets			63,557,707
Bond issuance costs associated with debt issued by the City were reported as expenditures in the governmental funds when the debt was issued, whereas bond issuance costs are deferred in the Statement of Net Assets. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the Statement of Activities.			255,032
Some City tax collections related to 2010 that will be collected beyond the 60 day period used to record revenues are reported as deferred revenues in the fund statements. Revenue and a corresponding receivable for this amount are included in the government-wide statements.			166,998
State shared revenue appropriated during the State of Indiana's fiscal year ended June 30, 2010, will be collected by the City in calendar year 2011. Revenue and a corresponding receivable for the amount appropriated but not received by December 31, 2010, are included in the government-wide statements. These amounts are reported as receivables in the fund statements but the revenues are deferred.			287,686
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.			10,828
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, therefore, are not reported in the funds. All liabilities, both current and long-term, are reported in the Statement of Net Assets. The discount or premium received when the City issued debt was reported in the governmental funds when the debt was issued, whereas these amounts are deferred and amortized, over the remaining life of the new debt, as an adjustment to interest expense in the Statement of Activities.			
Balances at December 31, 2010, are:			
Bonds payable		(16,190,000)	
Unamortized premium		84,578	
Capital leases payable		(324,337)	
Compensated absences payable		<u>(853,523)</u>	
Total long-term liabilities			(17,283,282)
Net pension assets and obligations, including the 1925 Police Officers' Pension Plan, 1937 Firefighters' Pension Plan and the Public Employees' Retirement Fund are not due and payable in the current period and, therefore, are not reported in the funds, but are included in the government-wide statements.			<u>(9,412,815)</u>
Total net assets of governmental activities			<u>\$ 58,379,683</u>

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

CITY OF WEST LAFAYETTE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2010

	2010						
	General	Roads Funds	Parks and Recreation Funds	Wabash Landing Parking Garage Bonds	Refunding Bonds Wabash Landing Parking Garage	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes	\$ 6,180,485	\$ -	\$ 798,656	\$ -	\$ -	\$ 5,862,728	\$ 12,841,869
Licenses and permits	70,545	-	-	-	-	2,900	73,445
Intergovernmental	2,296,822	1,454,874	62,468	-	-	1,937,350	5,751,514
Charges for services	821,314	-	603,781	-	-	50,955	1,476,050
Fines and forfeits	637,631	-	-	-	-	10,706	648,337
Other	192,125	31,787	104,569	71	20	192,558	521,130
<b>Total revenues</b>	<b>10,198,922</b>	<b>1,486,661</b>	<b>1,569,474</b>	<b>71</b>	<b>20</b>	<b>8,057,197</b>	<b>21,312,345</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	2,424,340	-	-	-	-	312,885	2,737,225
Public safety	7,076,160	-	-	-	-	486,541	7,562,701
Highways and streets	272,622	1,462,405	-	-	-	150,125	1,885,152
Economic development	112,339	-	-	4,455	94,194	1,678,689	1,889,677
Culture and recreation	-	-	1,620,680	-	-	-	1,620,680
<b>Debt service:</b>							
Principal	-	-	-	5,752,259	-	1,095,000	6,847,259
Interest	11,783	622	821	263,748	1,311	501,146	779,431
Capital outlay	-	-	-	-	-	6,204,058	6,204,058
<b>Total expenditures</b>	<b>9,897,244</b>	<b>1,463,027</b>	<b>1,621,501</b>	<b>6,020,462</b>	<b>95,505</b>	<b>10,428,444</b>	<b>29,526,183</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>301,678</b>	<b>23,634</b>	<b>(52,027)</b>	<b>(6,020,391)</b>	<b>(95,485)</b>	<b>(2,371,247)</b>	<b>(8,213,838)</b>
<b>Other financing sources (uses):</b>							
Transfers in	100,000	2,546	5,000	5,529,420	26,482	12,280,705	17,944,153
Transfers out	-	-	-	(26,482)	(4,925,070)	(12,992,601)	(17,944,153)
Bond Issue Proceeds	-	-	-	-	5,578,764	-	5,578,764
Capital leases	97,709	13,807	-	-	-	-	111,516
<b>Total other financing sources (uses)</b>	<b>197,709</b>	<b>16,353</b>	<b>5,000</b>	<b>5,502,938</b>	<b>680,176</b>	<b>(711,896)</b>	<b>5,690,280</b>
<b>Net change in fund balances</b>	<b>499,387</b>	<b>39,987</b>	<b>(47,027)</b>	<b>(517,453)</b>	<b>584,691</b>	<b>(3,083,143)</b>	<b>(2,523,558)</b>
<b>Fund balances - beginning</b>	<b>2,307,041</b>	<b>1,498,974</b>	<b>898,129</b>	<b>517,453</b>	<b>-</b>	<b>17,928,922</b>	<b>23,150,519</b>
<b>Fund balances - ending</b>	<b>\$ 2,806,428</b>	<b>\$ 1,538,961</b>	<b>\$ 851,102</b>	<b>\$ -</b>	<b>\$ 584,691</b>	<b>\$ 14,845,779</b>	<b>\$ 20,626,961</b>

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

CITY OF WEST LAFAYETTE  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2010

Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ (2,523,558)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is not reported as an expenditure, rather as an increase to the capital assets. This is the amount of capital outlays.	5,369,046
The Statement of Activities reports the costs of capital outlay as an allocation over their estimated useful lives (depreciation expense). This depreciation expense is reported within the governmental activity to which it relates.	(2,766,674)
Net change in revenues that do not provide current financial resources. Revenues are reported on the Statement of Activities in the year accrued and in the funds when the financial resources are provided.	(383,564)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,110,393
Governmental funds do not report the gains or losses resulting from the retirement or deletion of capital assets. However, in the Statement of Activities, these gains or losses are computed as the net difference between the net book value of the asset (original cost of the asset less accumulated depreciation) and the value received for the deleted asset. This amount is the net loss on the assets deleted during the year.	(86,685)
The Statement of Activities does not report the acquisition of capital assets through capital leases. However, the governmental funds reports these acquisitions as other financing sources.	111,516
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	11,960
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>9,034</u>
Change in net assets of governmental activities (Statement of Activities)	<u>\$ 851,468</u>

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

CITY OF WEST LAFAYETTE  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
December 31, 2010

	Business-type Activity - <u>Enterprise Fund</u>	Internal
	<u>Wastewater</u>	<u>Service Fund</u>
<u>Assets</u>	<u>Utility</u>	
<u>Assets</u>		
Current assets:		
Cash and cash equivalents - unrestricted	\$ 818,189	4,435
Accounts receivable (net of allowance for uncollectibles)		
Wastewater	289,705	-
Sanitation	35,494	-
Liens	31,852	-
Other	4,480	25,384
Inventories	116,497	9,226
Restricted assets:		
Cash and cash equivalents - Cash With Fiscal Agent	154,758	-
Cash and cash equivalents - Improvement Fund	10,806,958	-
Cash and cash equivalents - Bond and Interest Fund	965,409	-
Cash and cash equivalents - Debt Service Reserve Fund	1,633,959	-
Investments - Debt Service Reserve Fund	1,498,290	-
Cash and cash equivalents - Construction Retainage Fund	<u>10,004</u>	<u>-</u>
Total current assets	<u>16,365,595</u>	<u>39,045</u>
Noncurrent assets:		
Capital assets:		
Land	604,120	-
Plant	36,063,058	-
Interceptor Sewers	24,661,001	-
Lift Stations	7,107,650	-
Vehicles and Other Equipment	5,644,487	-
Accumulated Depreciation	(16,451,119)	-
Construction in Progress	11,732,788	-
Net pension asset	<u>71,603</u>	<u>-</u>
Total noncurrent assets	<u>69,433,588</u>	<u>-</u>
Total assets	<u>85,799,183</u>	<u>39,045</u>

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

Continued on next page

CITY OF WEST LAFAYETTE  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
December 31, 2010  
(Continued)

	Business-type Activity - <u>Enterprise Fund</u>	Internal <u>Service Fund</u>
	<u>Wastewater Utility</u>	
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	81,568	28,217
Accrued payroll and withholdings payable	38,055	-
Interest payable	1,051	-
Retainage payable	<u>10,004</u>	<u>-</u>
Total current liabilities	<u>130,678</u>	<u>28,217</u>
Noncurrent liabilities:		
Amounts due within one year:		
Capital leases payable	118,102	-
Notes and loans payable	1,930,000	-
Compensated absences	156,913	-
Amounts due beyond one year:		
Capital leases payable	149,050	-
Notes and loans payable	33,540,337	-
Compensated absences payable	<u>71,890</u>	<u>-</u>
Total noncurrent liabilities	<u>35,966,292</u>	<u>-</u>
Total liabilities	<u>36,096,970</u>	<u>28,217</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	33,624,496	-
Restricted for:		
Debt service	15,120,973	-
Retainage payable	10,004	-
Unrestricted	<u>946,740</u>	<u>10,828</u>
Total net assets	<u>\$ 49,702,213</u>	<u>\$ 10,828</u>

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

CITY OF WEST LAFAYETTE  
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
For The Year Ended December 31, 2010

	Business-type Activity - Enterprise Fund	
	Wastewater Utility	Internal Service Fund
Operating revenues:		
Residential and commercial sales	\$ 4,996,099	\$ -
Purdue university sales	3,325,220	-
Penalties	55,075	-
Sanitation trash fees	531,030	-
Recyclable sales	53,641	-
Recycling grant	41,500	-
Toters and bins	7,180	-
FOG Fees	27,398	-
Other	<u>23,868</u>	<u>259,353</u>
Total operating revenues	<u>9,061,011</u>	<u>259,353</u>
Operating expenses:		
Laboratory	148,192	-
Collection system	383,833	-
Plant operation	1,334,632	-
Plant Maintenance	97,321	-
Billing expense	194,077	-
Sanitation solid waste removal	611,922	-
Pollution prevention system maintenance	305,807	-
Administration and general	1,073,383	250,319
Undistributed	111,384	-
Depreciation and amortization	<u>1,386,433</u>	<u>-</u>
Total operating expenses	<u>5,646,984</u>	<u>250,319</u>
Operating income	<u>3,414,027</u>	<u>9,034</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	115,549	-
Tap fees	100,976	-
Loss on sale of assets	(576,482)	-
Payment in lieu of taxes	(505,500)	-
Capital lease interest	(6,757)	-
Interest expense - 1994 Bonds	(234,300)	-
Interest expense - 1998 Bonds	(158,267)	-
Interest expense - 2001 Bonds	(140,070)	-
Interest expense - 2006 Bonds	<u>(279,892)</u>	<u>-</u>
Total nonoperating revenue (expenses)	<u>(1,684,743)</u>	<u>-</u>
Income before contributions	1,729,284	9,034
Capital contributions	<u>17,191</u>	<u>-</u>
Change in net assets	1,746,475	9,034
Total net assets - beginning	<u>47,955,738</u>	<u>1,794</u>
Total net assets - ending	<u>\$ 49,702,213</u>	<u>\$ 10,828</u>

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

CITY OF WEST LAFAYETTE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For The Year Ended December 31, 2010

	Business-type Activity - <u>Enterprise Fund</u>	
	Wastewater Utility	Internal Service Fund
Cash flows from operating activities:		
Receipts from customers and users	\$ 11,243,829	\$ 254,212
Payments to suppliers, employers and others	<u>(4,383,948)</u>	<u>(251,950)</u>
Net cash provided by operating activities	<u>6,859,881</u>	<u>2,262</u>
Cash flows from noncapital financing activities:		
Payments in lieu of taxes	<u>(505,500)</u>	-
Cash flows from capital and related financing activities:		
Capital contributions	17,191	-
Acquisition and construction of capital assets	(852,741)	-
Capital lease financing	204,032	-
Change in retainage payable	(376,495)	-
SRF proceeds - 2004 and 2006 revenue bonds	107,759	-
Principal paid on 1994 revenue bonds	(1,090,000)	-
Principal paid on 1998 revenue bonds	(445,000)	-
Principal paid on 2001 revenue bonds	(320,000)	-
Principal paid on 2004 revenue bonds	(5,000)	-
Principal paid on 2006 revenue bonds	(10,000)	-
Principal paid on capital leases	(119,733)	-
Interest paid on 1994 revenue bonds	(234,300)	-
Interest paid on 1998 revenue bonds	(158,267)	-
Interest paid on 2001 revenue bonds	(140,070)	-
Interest paid on 2004 revenue bonds	(361,157)	-
Interest paid on 2006 revenue bonds	(294,048)	-
Interest paid on capital leases	(7,461)	-
Tap fees collected	<u>100,976</u>	-
Net cash used by capital and related financing activities	<u>(3,984,314)</u>	-
Cash flows from investing activities:		
Purchase of Investments	(1,498,290)	-
Interest received	<u>146,681</u>	-
Net cash provided by investing activities	<u>(1,351,609)</u>	-
Net increase in cash and cash equivalents	1,018,458	2,262
Cash and cash equivalents, January 1 (Including \$4,357,417 for debt service requirements reported in restricted accounts.)	<u>13,370,819</u>	<u>2,173</u>
Cash and cash equivalents, December 31 (Including \$2,602,368 for debt service requirements reported in restricted accounts.)	<u>\$ 14,389,277</u>	<u>\$ 4,435</u>

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

Continued on next page

CITY OF WEST LAFAYETTE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
For The Year Ended December 31, 2010  
(Continued)

	Business-type Activity - <u>Enterprise Fund</u>	
	<u>Wastewater Utility</u>	<u>Internal Service Fund</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 3,414,027	\$ 9,034
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,386,433	-
(Increase) decrease in assets:		
Accounts receivable	(112,656)	(5,141)
Accounts receivable - sanitation	779	-
Accounts receivable - liens	(20,154)	-
Other receivables	2,308,537	-
Inventories	7,620	(9,226)
Net pension assets	(1,308)	-
Increase (decrease) in liabilities:		
Accounts payable	(69,885)	7,595
Accrued payroll and withholdings payable	(64,142)	-
Compensated absence payable	<u>10,630</u>	<u>-</u>
Total adjustments	<u>3,445,854</u>	<u>(6,772)</u>
Net cash provided by operating activities	<u>\$ 6,859,881</u>	<u>\$ 2,262</u>

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

CITY OF WEST LAFAYETTE  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
December 31, 2010

	Pension Trust Funds	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 584,785	\$ 269,320
Receivables:		
Interest and dividends	117	-
Total assets	584,902	\$ 269,320
<u>Liabilities</u>		
Payroll withholdings payable	\$ -	\$ 251,367
Trust payable	-	17,953
Total liabilities	-	\$ 269,320
<u>Net Assets</u>		
Held in trust for:		
Employees' pension benefits	\$ 584,902	

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

CITY OF WEST LAFAYETTE  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2010

<u>Additions</u>	<u>Pension Trust Funds</u>
Contributions:	
Intergovernmental	\$ 1,267,112
Net investment income:	
Interest	<u>1,271</u>
Total additions	<u>1,268,383</u>
 <u>Deductions</u>	
Benefits and refunds paid to plan members and beneficiaries	1,276,974
Administrative expenses	<u>5,609</u>
Total deductions	<u>1,282,583</u>
Changes in net assets	(14,200)
Net assets - beginning	<u>599,102</u>
Net assets - ending	<u>\$ 584,902</u>

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

# **NOTES TO THE FINANCIAL STATEMENTS**

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Blended Component Units

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

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

B. Government-Wide and Fund Financial Statements

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

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

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

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

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The primary government reports the following major governmental funds:

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

The roads funds (special revenue) account for the financial resources and expenses for construction, operation and maintenance of the local road and street system, and sidewalks and curbs. The motor vehicle highway, local roads and streets, perimeter parkway, Lindberg-McCormick Road, and Kalberer Road improvement funds have been combined to form the roads funds.

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

Wabash Landing Parking Garage Bonds fund (debt service) accounts for the accumulation of resources for and payment of revenue bonds issued by the West Lafayette Redevelopment Authority in 2001. Bond proceeds were used for the acquisition and construction of a parking garage.

2010 Refunding Bonds Wabash Landing Parking Garage fund (debt service) accounts for the accumulation of resources and payment of revenue bonds issued by the Redevelopment Authority in 2010. Bond proceeds were used to refund the Wabash Landing Parking Garage bonds and obtain reduced debt service costs.

The primary government reports the following major proprietary fund:

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

Additionally, the primary government reports the following fund types:

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

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

The internal service fund accounts for fuel purchasing services provided to other departments on a cost-reimbursement basis.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

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

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

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

2. Interfund Transactions and Balances

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

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were not distributed to the primary government prior to December 31 of the year collected. The property taxes that were not distributed by December 31 are reported as receivable and are recognized as revenue on all financial statements. The taxes were completely received by March 22, 2011. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable on the statement of net assets and are recognized as tax revenue on the statement of activities. The net amounts are recognized as receivables on the funds financial statements with an offset to deferred revenue, since these amounts are not considered available.

4. Inventories and Prepaid Items

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

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

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

5. Restricted Assets

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

6. Capital Assets

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

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

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

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

N/A = Not Applicable

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

7. Compensated Absences

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

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

8. Long-Term Obligations

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

9. Fund Equity

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

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

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may be at risk. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a formal deposit policy for custodial credit risk. As of December 31, 2010, the City had deposit balances in the amount of \$29,685,162. All bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. As of December 31, 2010, the City had \$6,303,198 held by the trustee pursuant to bond trust indenture requirements.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

As of December 31, 2010, the City had \$1,495,290 invested with TrustINDiana, a local government investment pool. The investment pool is authorized by Indiana Code 5-13-9-11 and only invests public sector funds in securities and other investments which are legally permitted pursuant to Indiana law and in the manner further defined by the TrustINDiana investment policy.

Investment Policies

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

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

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

The City has entered into an agreement to invest with TrustINDiana, a local government investment pool administered by the Treasurer of State.

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments.

The investment of \$1,498,290 with TrustIndiana held by the City was exposed to custodial risk because it was uninsured and unregistered with securities held by the counterparty's trust department or agent but not in the government's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years. The City does not have a formal investment policy for interest rate risk other than to follow state statute.

Primary Government:

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
External Investment Pool	\$ 1,498,290	\$ -	\$ -
Totals	\$ 1,498,290	\$ -	\$ -

Credit Risk

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

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Primary Government:

Standard & Poor's Rating	Moody's Rating	City's Investments			
		Mutual Funds	Corporate Bonds	Government Sponsored Enterprise	Investment Pools
Unrated	Unrated	-	-	-	\$ 1,498,290
Totals		\$ -	\$ -	\$ -	\$ 1,498,290

Concentration of Credit Risk

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

Foreign Currency Risk

The City does not have a formal investment policy in regards to foreign currency risk.

C. Capital Assets

Capital asset activity for the year ended December 31, 2010, was as follows:

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activity:				
Capital assets, not being depreciated:				
Land	\$ 14,593,565	\$ 78,001	\$ 1,000	\$ 14,670,566
Construction in progress	<u>4,476,614</u>	<u>5,166,701</u>	<u>3,595,557</u>	<u>6,047,758</u>
Total capital assets, not being depreciated	<u>19,070,179</u>	<u>5,244,702</u>	<u>3,596,557</u>	<u>20,718,324</u>
Capital assets, being depreciated:				
Buildings	17,042,353	505,273	100,000	17,447,626
Improvements other than buildings	4,812,544	173,747	128,051	4,858,240
Machinery and equipment	6,934,818	339,134	284,241	6,989,711
Roads being depreciated	<u>40,763,103</u>	<u>3,053,830</u>	<u>5</u>	<u>43,816,928</u>
Totals	<u>69,552,818</u>	<u>4,071,984</u>	<u>512,297</u>	<u>73,112,505</u>
Less accumulated depreciation for:				
Buildings	5,842,577	635,605	19,000	6,459,182
Improvements other than buildings	1,706,352	229,591	-	1,935,943
Machinery and equipment	4,304,837	467,131	278,561	4,493,407
Roads being depreciated	<u>15,950,243</u>	<u>1,434,347</u>	<u>-</u>	<u>17,384,590</u>
Totals	<u>27,804,009</u>	<u>2,766,674</u>	<u>297,561</u>	<u>30,273,122</u>
Total capital assets, being depreciated, net	<u>41,748,809</u>	<u>1,305,310</u>	<u>214,736</u>	<u>42,839,383</u>
Total governmental activity capital assets, net	<u>\$ 60,818,988</u>	<u>\$ 6,550,012</u>	<u>\$ 3,811,293</u>	<u>\$ 63,557,707</u>

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activity:				
Capital assets, not being depreciated:				
Land	\$ 604,120	\$ -	\$ -	\$ 604,120
Construction in progress	<u>22,388,954</u>	<u>1,077,478</u>	<u>11,733,644</u>	<u>11,732,788</u>
Total capital assets, not being depreciated	<u>22,993,074</u>	<u>1,077,478</u>	<u>11,733,644</u>	<u>12,336,908</u>
Capital assets, being depreciated:				
Buildings	21,158,876	11,017,738	620,991	31,555,623
Improvements other than buildings	35,305,766	753,090	-	36,058,856
Machinery and equipment	<u>6,008,324</u>	<u>113,392</u>	<u>260,000</u>	<u>5,861,716</u>
Totals	<u>62,472,966</u>	<u>11,884,220</u>	<u>880,991</u>	<u>73,476,195</u>
Less accumulated depreciation for:				
Buildings	3,109,370	329,069	148,508	3,289,931
Improvements other than buildings	8,391,364	759,028	-	9,150,392
Machinery and equipment	<u>3,868,459</u>	<u>298,336</u>	<u>156,000</u>	<u>4,010,795</u>
Totals	<u>15,369,193</u>	<u>1,386,433</u>	<u>304,508</u>	<u>16,451,118</u>
Total capital assets, being depreciated, net	<u>47,103,773</u>	<u>10,497,787</u>	<u>576,483</u>	<u>57,025,077</u>
Total business-type activity capital assets, net	<u>\$ 70,096,847</u>	<u>\$ 11,575,265</u>	<u>\$ 12,310,127</u>	<u>\$ 69,361,985</u>

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Governmental activities:	
General government	\$ 399,529
Public safety	468,067
Public works, including depreciation of general infrastructure assets	1,274,707
Culture and recreation	613,493
Community development	<u>10,878</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 2,766,674</u></u>
 Business-type activities:	
Wastewater	<u>\$ 1,386,433</u>
 Total depreciation expense - business-type activities	 <u><u>\$ 1,386,433</u></u>

D. Construction Commitments

Construction work in progress is composed of the following:

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Project</u>	<u>Expended to December 31, 2010</u>	<u>Committed</u>
Governmental Activities:		
Lindberg Road	\$ 265,437	\$ 114,939
Perimeter Parkway	523,583	132,411
Wabash Heritage Trolley Trail	736,843	123,227
Yeager Road Phase I	813,890	882,319
Yeager Road Phase II	93,859	33,741
Chauncey Square Phase II	9,669	14,651
Cumberland Avenue Reconstruction	3,042,652	934,935
Safe Routes to School	153,420	286,395
Fitness Trail Improvements	195,773	4,539
Happy Hollow Road	101,887	262,468
CDBG Sidewalk Replacement	86,555	17,945
Greenway Trail Corridor Prairie	11,923	9,822
KCB Water Quality Improvements	<u>12,267</u>	<u>34,443</u>
 Totals	 <u>\$ 6,047,758</u>	 <u>\$ 2,851,835</u>
Business-Type Activities:		
Wastewater:		
Western Interceptor	\$ 11,252,568	\$ 174,542
Wet Weather Disinfection System	12,165	2,835
Northside Regional Lift Station	313,160	48,140
Yeager Road Sewer Study	83,948	57,352
North River Road Interceptor	51,000	24,000
Food Waste Receiving Station	14,745	15,755
Combined Sewer Overflow Plan	<u>5,202</u>	<u>169,798</u>
 Totals	 <u>\$ 11,732,788</u>	 <u>\$ 492,422</u>

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Interfund Transfers

Interfund transfers at December 31, 2010, were as follows:

Transfer From	Transfer To						Totals
	General Fund	Roads Funds	Parks and Recreation	Wabash Landing Parking Garage Bonds	2010 Refunding Wabash Landing Parking Garage Bonds	Nonmajor Governmental	
Wabash Landing Parking Garage Bonds	\$ -	\$ -	\$ -	\$ -	\$ 26,482	\$ -	\$ 26,482
2010 Refunding Bonds Wabash Landing Parking Garage	-	-		4,925,070	-		4,925,070
Nonmajor Governmental	<u>100,000</u>	<u>2,546</u>	<u>5,000</u>	<u>604,350</u>	<u>-</u>	<u>12,280,705</u>	<u>12,992,601</u>
Total	<u>\$ 100,000</u>	<u>\$ 2,546</u>	<u>\$ 5,000</u>	<u>\$ 5,529,420</u>	<u>\$ 26,482</u>	<u>\$ 12,280,705</u>	<u>\$ 17,944,153</u>

The primary government typically uses transfers to correct errors and to comply with requirements of debt service instruments.

F. Capital Leases

The primary government has entered into capital leases for vehicles and other equipment. Future minimum lease payments and present values of the net minimum lease payments under the capital lease as of December 31, 2010, are as follows:

2011	\$ 318,309
2012	238,921
2013	<u>54,645</u>
Total minimum lease payments	611,875
Less amount representing interest	<u>20,386</u>
Present value of net minimum lease payments	<u>\$ 591,489</u>

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ -	\$ 49,032
Transportation Equipment	661,369	171,611
Totals	661,369	220,643
Accumulated depreciation	(135,178)	(23,708)
Totals	\$ 526,191	\$ 196,935

G. Long-Term Liabilities

1. Revenue Bonds

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Purpose	Interest Rates	Balance at December 31	Less: Unamortized (Premium) Discount	Amount
Refunding Wabash Landing Parking Garage Bonds- WL Redevelopment Authority	2.00% to 4.00%	\$ 5,595,000	\$ 16,236	5,578,764
Fire Truck - WL Equipment Leasing Corporation	3.2% to 4.5%	45,000	926	44,074
Infrastructure - WL Redevelopment Authority	3.375% to 4.75%	3,405,000	28,741	3,376,259
Police Station - WL Building Corporation	4.00% to 5.10%	4,385,000	38,675	4,346,325
Ross Enterprise Center - Redevelopment Commission	4.00%	2,760,000	-	2,760,000
		<u>\$ 16,190,000</u>	<u>\$ 84,578</u>	<u>\$ 16,105,422</u>

Revenue bonds debt service requirements to maturity are as follows:

	Governmental Activities	
	Principal	Interest
2011	1,585,000	563,268
2012	1,515,000	575,103
2013	1,580,000	512,443
2014	1,645,000	449,400
2015	1,700,000	386,013
2016-2020	6,220,000	1,045,855
2021-2024	1,945,000	119,524
Totals	<u>\$ 16,190,000</u>	<u>\$ 3,651,606</u>

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

2. Loans Payable

The City has entered into five loans from the State Revolving Loan Fund for the expansion and renovation of wastewater facilities. Under the terms of the loans, funds are loaned to the City as planned construction costs are accrued to the maximum allowed under the loan. The 1994 loan established a maximum draw of \$19,950,000, the 1998 loan established a maximum draw of \$9,170,000, the 2001 loan established a maximum draw of \$7,000,000, the 2004 loan established a maximum draw of \$12,380,000, and the 2006(B) loan established a maximum draw of \$8,345,000. At December 31, 2010, the 1994 loan had been fully drawn and had an outstanding principal balance of \$7,265,000, the 1998 loan had been fully drawn and had an outstanding principal balance of \$5,235,000, the 2001 loan had been fully drawn and had an outstanding principal balance of \$4,670,000, the 2006(B) loan had been fully drawn and had an outstanding principal balance of \$8,325,000, and the 2004 loan had drawn \$9,995,337 and had an outstanding principal balance of \$9,975,337. Annual debt service requirements for the 1994, 1998, 2001, and 2006 (B) loans are as follows. Annual debt service requirements for the 2004 loan will not be determined until planned construction projects are completed.

	Principal	Interest
2011	1,925,000	399,534
2012	1,980,000	742,055
2013	2,040,000	683,385
2014	2,100,000	622,940
2015	2,160,000	560,747
2016-2020	8,545,000	1,930,563
2021-2025	4,370,000	1,226,730
2026-2030	2,375,000	169,617
Totals	\$25,495,000	\$ 6,335,571

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2010, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Revenue	\$ 17,185,000	\$ 5,595,000	\$ 6,590,000	\$ 16,190,000	\$ 1,585,000
Total revenue bonds payable	17,185,000	5,595,000	6,590,000	16,190,000	1,585,000
Capital leases	424,470	111,517	211,650	324,337	186,213
Compensated absences	779,410	623,956	549,843	853,523	726,732
Pension Obligation	9,598,013	1,283,600	1,301,725	9,579,888	-
Total governmental activities long-term liabilities	<u>\$ 27,986,893</u>	<u>\$ 7,614,073</u>	<u>\$ 8,653,218</u>	<u>\$ 26,947,748</u>	<u>\$ 2,497,945</u>
Business-type activities:					
Capital leases	\$ 182,854	\$ 204,032	\$ 119,734	\$ 267,152	\$ 118,102
Notes and loans	37,232,578	107,759	1,870,000	35,470,337	1,930,000
Compensated absences	218,173	171,653	161,023	228,803	156,913
Total business-type activities long-term liabilities	<u>\$ 37,633,605</u>	<u>\$ 483,444</u>	<u>\$ 2,150,757</u>	<u>\$ 35,966,292</u>	<u>\$ 2,205,015</u>

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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

4. Advance Refunding

The primary government defeased the Lease Rental Bonds of 2001 by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the primary government's financial statements. The following outstanding bonds, at December 31, 2010 were considered defeased:

	Amount
Primary government	\$ 5,165,000

H. Contingent Receivable – Forgivable Loans

The City has contingent receivables resulting from down payment assistance and home rehabilitation made through various Community Development Block Grants. The loans become receivable only if recipients do not meet occupancy or other requirements. Loan balances are systematically "forgiven" (reduced without cash payment) each year the recipient meets the requirements. The receivable is contingent upon not meeting the requirements and the amount of the receivable is not known until that time. The following schedule shows the changes in this contingent receivable for 2010:

Beginning Balance, January 1	\$	124,547
New loans		7,981
Amounts forgiven		(12,682)
Principal amounts paid on loans		(17,500)
Ending Balance, December 31	\$	102,346

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

I. Restricted Assets

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

Cash with fiscal agent	\$ 154,758
Improvement - cash and cash equivalents	10,806,958
Bond and interest - cash and cash equivalents	965,409
Reserve - cash and cash equivalents	1,633,959
Reserve - investments	1,498,290
Construction retainage - cash and cash equivalents	<u>10,004</u>
Total restricted assets	<u><u>\$ 15,069,378</u></u>

J. Refunding Bond Issues

On December 29, 2010, the City of West Lafayette issued \$5,595,000 in refunding revenue bonds with an average interest rate of 3.09% to advance refund \$5,165,000 of outstanding Lease Rental Bonds of 2001 with an average interest rate of 4.49%. The net proceeds of \$4,925,070 (after payment of \$94,194 in issuance costs, \$16,236 in bond discount, and establishing debt reserve of \$559,500) and local contributions of \$603,277 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Lease Rental Bonds of 2001. As a result, these bonds are considered to be defeased and the liability for those bonds has been removed from the Balance Sheet and Statement of Net Assets. The refunding resulted in the accounting loss of \$384,042 which has been recognized on the Statement of Activities as a special item. The City of West Lafayette in effect reduced its aggregate debt service payment by \$206,566 over the next 12 years and realized an economic gain (the difference between the present values of the old and new debt service payments) of \$131,151.

K. Restatements and Reclassifications

For the year ended December 31, 2010, certain changes have been made to the financial statements to more appropriately reflect financial activity of the primary government. The following schedule presents a summary of restated beginning balances by fund type. Prior period adjustments represent new functions of certain funds.

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund	Balance as Reported December 31, 2009	Fund Reclassification	New Funds	Prior Period Adjustments	Balance as Restated January 1, 2010
Wabash Landing Parking Garage Bonds	\$ 1,625,872	\$ (1,108,419)	\$ -	\$ -	\$ 517,453
Levee/Village Allocation	1,819,111	1,108,419	-	-	2,927,530
Infrastructure Bonds	2,169,170	(1,597,907)	-	-	571,263
KCB Allocation	2,516,692	1,597,907	-	-	4,114,599

IV. Other Information

A. Risk Management

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

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

B. Holding Corporation

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

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

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

C. Postemployment Benefits

In addition to the pension benefits described below, effective January 1, 2004, the primary government provides postemployment health insurance benefits, as authorized by IC 5-10-8, to all employees who retire from primary government at age 55 with 20 or more years of service with a public employer, including at least 10 years immediately preceding retirement and at least 15 years participation in the Indiana Public Employees' Retirement Fund (PERF). Participants are eligible to purchase the City's group comprehensive major medical benefit policy at 100% of the City's premium cost. The City makes no contribution. Coverage continues with the spouse after the death of the retiree. Coverage ceases at age 65.

An initial actuarial study of the postemployment benefit plan pursuant to GASB 45 was performed. The 2009 annual required contribution and net OPEB obligation is \$120,153. This amount is not material to the City's financial statements.

The Initial Transition Liability determined as of 12/31/2008 was \$852,363. The unfunded actuarial liability as of 12/31/2009 is \$938,344.

Actuarial Information for the Above Plans

Annual required contribution	\$	120,153
Interest on net OPEB obligation		-
Adjustment to annual required contribution		-
		-
Annual OPEB cost		120,153
Contributions made		-
		-
Increase (decrease) in net OPEB obligation		120,153
Net OPEB obligation, beginning of year		-
		-
Net OPEB obligation, end of year	\$	120,153

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12-31-09	\$ 120,153	0%	\$ 120,153

D. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

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

b. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

c. 1937 Firefighters' Pension Plan

Plan Description

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Annual required contribution	\$ 259,170	\$ 754,800	\$ 691,300
Interest on net pension obligation	(16,881)	210,700	365,200
Adjustment to annual required contribution	<u>19,237</u>	<u>(270,200)</u>	<u>(468,200)</u>
Annual pension cost	261,526	695,300	588,300
Contributions made	<u>267,364</u>	<u>728,745</u>	<u>572,980</u>
Increase (decrease) in net pension obligation	(5,838)	(33,445)	15,320
Net pension obligation, beginning of year	<u>(232,838)</u>	<u>3,512,024</u>	<u>6,085,989</u>
Net pension obligation, end of year	<u>\$ (238,676)</u>	<u>\$ 3,478,579</u>	<u>\$ 6,101,309</u>

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
Government	6.75%	19.5%	19.5%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-08	01-01-08	01-01-08
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-06	01-01-06
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market
Actuarial Assumptions	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	4%

2.75% converted members; 4% nonconverted members

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	6-30-2007	247,113	96%	\$ (230,785)
	6-30-2008	247,333	101%	(232,838)
	6-30-2009	261,526	102%	(238,676)
1925 Police Officers' Pension Plan	12-31-2007	599,800	110%	3,230,833
	12-31-2008	608,000	54%	3,512,024
	12-31-2009	695,300	105%	3,478,579
1937 Firefighters' Pension Plan	12-31-2007	675,800	87%	5,851,698
	12-31-2008	489,100	52%	6,085,989
	12-31-2009	588,300	97%	6,101,309

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

d. Financial Statements for Defined Benefit Plans

**Statements of Fiduciary Net Assets:**

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Assets</u>		
Cash and cash equivalents	\$ 290,856	\$ 293,929
Receivables:		
Interest and dividends	59	58
Total Assets	290,915	293,987
<u>Net Assets</u>		
Held in trust for pension benefit obligations	\$ 290,915	\$ 290,915

**Statements of Changes in Fiduciary Net Assets:**

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Additions</u>		
Contributions:		
Employer	\$ 716,212	\$ 550,900
Investment Income:		
Interest	591	680
Total additions	716,803	551,580

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	1925 Police Officers' Pension	1937 Firefighters' Pension
<u>Deductions</u>		
Benefits and refunds paid to plan members and beneficiaries	702,889	574,085
Administrative expenses	2,784	2,825
Total deductions	705,673	576,910
Changes in net assets	11,130	(25,330)
Net assets - beginning	279,785	319,317
Net assets - ending	\$ 290,915	\$ 293,987

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2009, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	28	22
Current active employees	0	2

CITY OF WEST LAFAYETTE  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Funded Status and Funding Progress for the Above Plans

The funded status of each plan as of June 30, 2009, the most recent actuarial valuation date (except police officers and firefighters pension funds which are as of December 31, 2009) is as follows:

<u>Retirement Plan</u>	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL or (Funding Excess) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL or (Funding Excess) as a Percentage of Covered Payroll ((b-a)/c)
PERF	\$ 4,233,153	\$ 5,206,761	\$ (973,608)	81%	\$ 4,089,000	24%
1925 Police Officers' Pension Plan	269,689	10,100,200	(9,830,511)	3%	-	0%
1937 Firefighters' Pension Plan	34,234	9,250,900	(9,216,666)	0%	-	0%

The schedule of funding progress, presented as RSI for the above plans following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

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

CITY OF WEST LAFAYETTE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate is 19.5% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of PERF. The primary government's contributions to the plan for the years ending December 31, 2010, 2009, and 2008, were \$869,724, \$849,019, and \$864,908, respectively, equal to the required contributions for each year.

# **REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF WEST LAFAYETTE  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For The Year Ended December 31, 2010

	General Fund			
	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:				
Taxes	\$ 6,699,755	\$ 7,880,344	\$ 7,722,432	\$ (157,912)
Licenses and permits	58,005	58,007	70,482	12,475
Intergovernmental	2,451,353	2,437,705	2,575,026	137,321
Charges for services	791,000	790,183	814,379	24,196
Fines and forfeits	559,000	533,100	511,285	(21,815)
Other	107,970	151,936	216,201	64,265
Total revenues	<u>10,667,083</u>	<u>11,851,275</u>	<u>11,909,805</u>	<u>58,530</u>
Expenditures:				
Current:				
General government	2,877,600	2,935,362	2,355,105	580,257
Public safety	7,519,958	7,543,722	7,237,053	306,669
Highways and streets	264,376	260,890	233,287	27,603
Urban redevelopment and housing	156,835	156,857	76,184	80,673
Total expenditures	<u>10,818,769</u>	<u>10,896,831</u>	<u>9,901,629</u>	<u>995,202</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,686)</u>	<u>954,444</u>	<u>2,008,176</u>	<u>1,053,732</u>
Other financing sources (uses)				
Transfers in	100,000	100,000	100,000	-
Transfers out		(4,004)	(4,004)	-
Temporary loan receipts		1,485,000	1,485,000	-
Temporary loan repayments	-	(3,485,000)	(3,485,000)	-
Total other financing sources (uses)	<u>100,000</u>	<u>(1,904,004)</u>	<u>(1,904,004)</u>	<u>-</u>
Net change in fund balance	(51,686)	(949,560)	104,172	1,053,732
Fund balance - beginning	<u>2,532,604</u>	<u>2,532,604</u>	<u>2,532,604</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,480,918</u>	<u>\$ 1,583,044</u>	<u>\$ 2,636,776</u>	<u>\$ 1,053,732</u>

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

CITY OF WEST LAFAYETTE  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
MAJOR SPECIAL REVENUE FUNDS  
For The Year Ended December 31, 2010

	Roads Funds				Parks and Recreation Funds			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 864,858	\$ 1,018,892	\$ 998,486	\$ (20,406)
Intergovernmental	1,659,662	1,680,155	1,466,161	(213,994)	61,366	61,306	63,424	2,118
Charges for services	7,770	-	-	-	554,500	604,331	603,781	(550)
Other	14,700	36,957	41,194	4,237	36,950	12,234	105,168	92,934
<b>Total revenues</b>	<b>1,682,132</b>	<b>1,717,112</b>	<b>1,507,355</b>	<b>(209,757)</b>	<b>1,517,674</b>	<b>1,696,763</b>	<b>1,770,859</b>	<b>74,096</b>
Expenditures:								
Current:								
Highways and streets:								
Personal services	374,957	376,913	340,445	36,468	-	-	-	-
Supplies	381,130	386,068	206,862	179,206	-	-	-	-
Other services and charges	920,395	1,424,472	1,009,123	415,349	-	-	-	-
Capital outlay	33,107	42,107	39,281	2,826	-	-	-	-
Culture and recreation:								
Personal services	-	-	-	-	1,076,217	1,076,756	1,024,075	52,681
Supplies	-	-	-	-	114,945	117,079	64,095	52,984
Other services and charges	-	-	-	-	494,724	764,553	417,496	347,057
Capital outlay	-	-	-	-	15,170	21,370	20,088	1,282
Other disbursements	-	-	-	-	-	74,805	74,805	-
<b>Total expenditures</b>	<b>1,709,589</b>	<b>2,229,560</b>	<b>1,595,711</b>	<b>633,849</b>	<b>1,701,056</b>	<b>2,054,563</b>	<b>1,600,559</b>	<b>454,004</b>
Excess (deficiency) of revenues over (under) expenditures	(27,457)	(512,448)	(88,356)	424,092	(183,382)	(357,800)	170,300	(379,908)
Other financing sources (uses)								
Transfers in	-	2,546	2,546	-	-	5,000	5,000	-
Temporary loan receipts	-	-	-	-	-	365,000	365,000	-
Temporary loan repayments	-	-	-	-	-	(665,000)	(665,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>2,546</b>	<b>2,546</b>	<b>-</b>	<b>-</b>	<b>(295,000)</b>	<b>(295,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(27,457)</b>	<b>(509,902)</b>	<b>(85,810)</b>	<b>424,092</b>	<b>(183,382)</b>	<b>(652,800)</b>	<b>(124,700)</b>	<b>(379,908)</b>
Fund balances - beginning	1,519,554	1,519,554	1,519,554	-	1,064,383	1,064,383	1,064,383	-
<b>Fund balances - ending</b>	<b>\$ 1,492,097</b>	<b>\$ 1,009,652</b>	<b>\$ 1,433,744</b>	<b>\$ 424,092</b>	<b>\$ 881,001</b>	<b>\$ 411,583</b>	<b>\$ 939,683</b>	<b>\$ (379,908)</b>

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

CITY OF WEST LAFAYETTE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 4,279,495	\$ 4,500,614	\$ (221,119)	95%	\$ 3,869,083	(6%)
07-01-08	4,870,169	5,260,826	(390,657)	93%	3,839,560	(10%)
07-01-09	4,233,153	5,206,761	(973,608)	81%	4,089,000	(24%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 728,217	\$ 9,287,200	(8,558,983)	8%	\$ 43,000	(19,905%)
01-01-05	559,340	9,164,100	(8,604,760)	6%	44,400	(19,380%)
01-01-06	449,488	8,987,500	(8,538,012)	5%	-	0%
01-01-07	590,450	8,936,300	(8,345,850)	7%	-	0%
01-01-08	620,875	8,956,000	(8,335,125)	7%	-	0%
01-01-09	269,689	10,100,200	(9,830,511)	3%	-	0%

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 523,030	\$ 10,120,100	(9,597,070)	5%	\$ 302,000	(3,178%)
01-01-05	337,773	10,128,500	(9,790,727)	3%	311,100	(3,147%)
01-01-06	323,324	9,641,900	(9,318,576)	3%	272,000	(3,426%)
01-01-07	721,074	9,569,500	(8,848,426)	8%	277,400	(3,190%)
01-01-08	903,622	7,537,900	(6,634,278)	12%	95,200	(6,969%)
01-01-09	317,028	9,250,900	(8,933,872)	3%	-	0%

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

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

1925 Police Officers' Pension Plan				
Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed		
		City	State	
12-31-04	\$ 1,071,600	12%	30%	
12-31-05	661,000	25%	56%	
12-31-06	642,600	38%	59%	
12-31-07	647,800	8%	102%	
12-31-08	658,800	0%	54%	
12-31-09	754,800	0%	97%	

1937 Firefighters' Pension Plan				
Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed		
		City	State	
12-31-04	\$ 1,234,800	3%	19%	
12-31-05	790,700	20%	34%	
12-31-06	765,700	31%	36%	
12-31-07	759,800	25%	52%	
12-31-08	581,000	2%	42%	
12-31-09	691,300	0%	83%	

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

CITY OF WEST LAFAYETTE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2010

Note I. Legal Compliance – Budgets

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

- A. The City Clerk-Treasurer submits to the Common Council a proposed operating budget for all city budgeted funds, except the Park Nonreverting Operating, the Sagamore Parkway TIF, the Levee/Village Redevelopment Commission, the KCB Redevelopment Commission, the Certified Technology Park, and the Certified Technology Grant funds, for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Prior to adoption, the city budgeted funds are advertised and public hearings are conducted by the Common Council to obtain taxpayer comments.
- C. No later than November 1, the city budgeted funds for the next year are approved by the Common Council through the passage of an ordinance.
- D. In November of each year, the Park Board approves the budget of the Park Nonreverting Operating Fund.
- E. The Redevelopment Commission authorizes the expenditures of the Sagamore Parkway TIF, Levee/Village Redevelopment Commission, KCB Redevelopment Commission, the Certified Technology Park, and Certified Technology Grant funds through additional appropriations adopted throughout the ensuing year.
- F. Copies of the budget ordinance for the city budgeted funds and the advertisements for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Clerk-Treasurer receives approval of the Indiana Department of Local Governmental Finance. The City's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy may be granted by the Indiana Department of Local Government Finance upon appeal by the City.
- G. The legal level of budgetary control is by object and department within the fund for the General Fund, and by object within the fund for all other budgeted funds. The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the relevant governing board. Any revisions to the appropriations for any fund or any department of the General Fund must be approved by the Common Council and, in some instances, by the Indiana Department of Local Government Finance.
- H. Formal budgetary integration is required by state statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

CITY OF WEST LAFAYETTE  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2010  
(Continued)

Major funds:

General Fund

Special revenue funds:

Roads Funds, Parks and Recreation Funds

Debt Service Funds:

Wabash Landing Parking Garage Bonds, 2010 Refunding Bonds Wabash Landing Parking Garage

Nonmajor funds:

Special revenue funds:

Fire Fighting, Law Enforcement Continuing Education, Community Development Block Grant, Rainy Day, Economic Development Income Tax

Debt service funds:

Fire Truck Acquisition

Capital projects funds:

Cumulative Capital Development, Cumulative Building and Fire Fighting Equipment, Cumulative Capital Improvement, Sagamore Parkway TIF, Levee/Village Redevelopment Commission, KCB Redevelopment Commission,

Pension trust funds:

Police Officers' Pension, Firefighters' Pension

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

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

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

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

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

CITY OF WEST LAFAYETTE  
 NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
 December 31, 2010  
 (Continued)

	<u>General</u>	<u>Roads Funds</u>	<u>Parks and Recreation Funds</u>	<u>Wabash Landing Parking Garage Bonds</u>	<u>2010 Refunding Bonds Wabash Landing Parking Garage</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (budgetary basis)	\$ 104,172	\$ (85,810)	\$ (124,700)	\$ (630,863)	\$ 585,982
Adjustments:					
To adjust revenues for accruals	(3,098,174)	(6,887)	(566,385)	(91)	20
To adjust expenditures for accruals	<u>3,493,389</u>	<u>132,684</u>	<u>644,058</u>	<u>113,501</u>	<u>(1,311)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis)	<u>\$ 499,387</u>	<u>\$ 39,987</u>	<u>\$ (47,027)</u>	<u>\$ (517,453)</u>	<u>\$ 584,691</u>

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

# **SUPPLEMENTARY INFORMATION**

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# Major Governmental Funds

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

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

**General Government:**

Mayor  
Clerk-Treasurer  
City Council  
City Hall  
City Court  
City Attorney  
City Services

**Public Safety:**

Fire Department  
Police Department  
Police Merit Commission

**Highways and Streets:**

City Engineer

**Urban Redevelopment and Housing:**

Economic Development

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

**Roads** – to account for resources and expenses for construction, operation and maintenance of the local road and street system, and sidewalks and curbs.

**Parks and Recreation**– to account for resources and expenses for construction, operation and maintenance of the City park system.

**Debt service funds** – used to account for the accumulation of resources for and the payment of general long-term debt principal and interest

**Wabash Landing Parking Garage Bonds** – to account for the accumulation of resources for and payment of revenue bonds issued by the West Lafayette Redevelopment Authority in 2001. Bond proceeds were used for the acquisition and construction of a parking garage.

**2010 Refunding Bonds Wabash Landing Parking Garage** – to account for the accumulation of resources for and payment of revenue bonds issued by the West Lafayette Redevelopment Authority in 2010. Bond proceeds were used for the advanced refunding of the Wabash Landing Parking Garage bonds for the purpose of reducing debt service expense.

CITY OF WEST LAFAYETTE  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -  
GENERAL FUND  
For The Year Ended December 31, 2010

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance- Positive (Negative)</u>
General government:				
Mayor:				
Personal services	\$ 119,642	\$ 119,642	\$ 119,282	\$ 360
City Council:				
Personal services	34,080	34,080	34,080	-
Other services and charges	2,800	2,650	277	2,373
Clerk-Treasurer:				
Personal services	1,740,176	1,763,523	1,508,290	255,233
Supplies	23,000	22,022	17,658	4,364
Other services and charges	472,824	494,645	361,040	133,605
City Hall:				
Supplies	4,100	3,917	3,012	905
Other services and charges	112,784	130,021	117,893	12,128
City Court:				
Personal services	19,347	19,347	19,346	1
Other services and charges	400	400	70	330
City Attorney:				
Other services and charges	80,275	80,275	76,868	3,407
City Services:				
Other services and charges	268,172	268,172	82,245	185,927
Other General:				
Other disbursements	-	15,044	15,044	-
Total general government	<u>2,877,600</u>	<u>2,953,738</u>	<u>2,355,105</u>	<u>598,633</u>
Public safety:				
Fire Department:				
Personal services	2,661,028	2,660,608	2,611,832	48,776
Supplies	79,000	75,830	46,808	29,022
Other services and charges	116,930	115,639	74,652	40,987
Capital outlay	-	1,166	1,166	-

Continued on next page

CITY OF WEST LAFAYETE  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -  
GENERAL FUND  
For The Year Ended December 31, 2010  
(Continued)

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance- Positive (Negative)</u>
Public safety (continued):				
Police Department:				
Personal services	4,059,585	4,081,382	3,996,280	85,102
Supplies	304,450	291,623	212,476	79,147
Other services and charges	285,765	289,379	273,871	15,508
Capital outlay	-	8,896	8,896	-
Police Merit Commission:				
Personal services	1,000	1,000	940	60
Other services and charges	12,200	18,200	10,132	8,068
	<u>7,519,958</u>	<u>7,543,723</u>	<u>7,237,053</u>	<u>306,670</u>
Total public safety				
Highways and streets:				
City Engineer:				
Personal services	229,026	229,026	213,622	15,404
Supplies	13,140	13,140	7,902	5,238
Other services and charges	21,210	17,724	11,763	5,961
Capital outlay	1,000	1,000	-	1,000
	<u>264,376</u>	<u>260,890</u>	<u>233,287</u>	<u>27,603</u>
Total highways and streets				
Urban redevelopment and housing:				
Economic Development				
Supplies	11,150	11,150	7,590	3,560
Other services and charges	145,685	145,707	68,594	77,113
	<u>156,835</u>	<u>156,857</u>	<u>76,184</u>	<u>80,673</u>
Total urban redevelopment and housing				
Temporary loan repayments	-	3,485,000	3,485,000	-
Transfers to other funds	-	4,004	4,004	-
	<u>-</u>	<u>4,004</u>	<u>4,004</u>	<u>-</u>
Total general fund	<u>\$ 10,818,769</u>	<u>\$ 14,404,212</u>	<u>\$ 13,390,633</u>	<u>\$ 1,013,579</u>

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CITY OF WEST LAFAYETTE  
 BUDGETARY COMPARISON SCHEDULES  
 OTHER BUDGETED MAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010

	Wabash Landing Parking Garage Bonds				2010 Refunding Bonds Wabash Landing Parking Garage			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Other	-	162	162	-	-	5,578,764	5,578,764	-
Total revenues	-	162	162	-	-	5,578,764	5,578,764	-
Expenditures:								
Economic development								
Other services and charges	-	6,133,962	6,133,962	-	-	94,194	94,194	-
Total expenditures	-	6,133,962	6,133,962	-	-	94,194	94,194	-
Excess (deficiency) of revenues over (under) expenditures	-	(6,133,800)	(6,133,800)	-	-	5,484,570	5,484,570	-
Other financing sources (uses):								
Transfers in	-	5,529,420	5,529,420	-	-	26,482	26,482	-
Transfers out	-	(26,483)	(26,483)	-	-	(4,925,070)	(4,925,070)	-
Total other financing sources (uses)	-	5,502,937	5,502,937	-	-	(4,898,588)	(4,898,588)	-
Net change in fund balances	-	(630,863)	(630,863)	-	-	585,982	585,982	-
Fund balances - beginning	630,863	630,863	630,863	-	-	-	-	-
Fund balances - ending	\$ 630,863	\$ -	\$ -	\$ -	\$ -	\$ 585,982	\$ 585,982	\$ -

## Nonmajor Governmental Funds

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

**Asset Forfeiture** – to account for proceeds remitted to the West Lafayette Police Department for law enforcement purposes under the Department of Justice Equitable Sharing Program.

**Clerk's Record Perpetuation** – to account for fees used for the preservation and improvement of the city court record keeping system.

**Fire Fighting** – to account for additional capital costs related to providing fire protection to the City. Funding is provided by contractual arrangements with specific areas outside the contiguous city limits for fire protection.

**Certified Technology Park** – to account for the state certified technology park distributions for funding improvements at the Purdue Research Park.

**Community Development Block Grant** – to account for funds granted to the City by the U.S. Department of Housing and Urban Development under the Community Development Block Grant entitlement programs.

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

**DHS Firefighter Assistance Grant** – to account for funds granted by the Department of Homeland Security for the firefighter assistance program for the purpose of fire equipment acquisition.

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

**Economic Development Income Tax** – to account for revenues received from the Economic Development Income Tax (CEDIT) and used for city service operations and economic development projects.

**Fire Safety** – to account for donations for fire prevention and fire educational activities.

**Go Greener Commission** – to account for donations for the activities of the Go Greener Commission.

**Levy Excess** – to account for property tax receipts certified by the Department of Local Government Finance as in excess of one hundred percent (100%) of the levy.

**KCB Allocation** – to account for property tax proceeds of the KCB TIF district held by the trustee pursuant to the trust indentures of the infrastructure and Ross Enterprise Center bonds.

**Law Enforcement Continuing Education** – to account for court fees and the sale of reports and permits used for the continuing education and training of law enforcement officers.

**Levee/Village Allocation** – to account for property tax proceeds of the Levee/Village TIF district held by the trustee pursuant to the trust indenture of the Wabash Landing Parking Garage bond issue.

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

**Police Station Nonreverting** – to account for proceeds of the sale of real property to the West Lafayette Building Corporation related to the construction of the new police station. Funds are to be used for revitalization of vacated public space.

**Police Unclaimed Property** – to account for funds retained by police action and unclaimed after a set amount of time. Funds are required to be used for public safety expenditures.

**Public Safety** – to account for donations and awards designated for law enforcement activities and equipment.

**Rainy Day** – to account for transfers of unused and unencumbered funds under IC 36-1-8-5 and other deposits as have been directed by statute. The funds may be used for any purpose permitted by state statutes for other revenues of the City.

# Nonmajor Governmental Funds

(Continued)

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

**Fire Truck Acquisition** – to account for the accumulation of resources for and payment of a revenue bond issue of the West Lafayette Equipment Leasing Corporation. Bond proceeds were used for the purchase of a new fire truck.

**Infrastructure Bonds** – to account for revenues received from the sale of revenue bonds by the West Lafayette Redevelopment Authority and for the construction of Purdue Research Park infrastructure and Greenway Trails projects funded by these revenues.

**Redevelopment Commission 2005 Fund** – to account for revenues received from the sale of the Redevelopment District Tax Incremental Revenue Bonds of 2005 and is used for the purchase a capital asset to promote economic development.

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

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

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

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

**Cumulative Capital Improvement** – to account for state cigarette tax distributions which may be transferred to the General Fund by Common Council approval, and may be used for acquisition and maintenance of capital assets and computer technology acquisition and support.

**Cumulative Capital Development** – to account for expenditures relating to the acquisition of capital assets and computer technology acquisition and support.

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

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

**2010 Levee Village Allocation** – to account for to account for property tax proceeds of the Levee/Village TIF district pursuant to the trust indenture of the 2010 Refunding Bonds Wabash Landing Parking Garage bond issue and for expenditures for public improvements in the Levee/Village tax incremental financing district. Financing is provided by property tax proceeds in excess of those attributable to the assessed value of property in the district before redevelopment (tax increment).

**PNC/National Lease Escrow** – to account for funds deposited by leaseholder (PNC Equipment Finance, LLC) in anticipation of capital expenditures.

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

CITY OF WEST LAFAYETTE  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 2,255,846	\$ 45,813	\$ 7,125,483	\$ 9,427,142
Cash with fiscal agent	2,192,479	937,300	2,587,437	5,717,216
Receivables (net of allowances for uncollectibles):				
Interest	1,406	121	1,590	3,117
Taxes	176,680	838	48,833	226,351
Accounts	23,837	-	1,361	25,198
Intergovernmental	214,327	113	10,012	224,452
	<u>\$ 4,864,575</u>	<u>\$ 984,185</u>	<u>\$ 9,774,716</u>	<u>\$ 15,623,476</u>
Total assets				
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 82,088	\$ -	\$ 194,794	\$ 276,882
Accrued payroll and withholdings payable	4,990	-	-	4,990
Accrued interest payable	-	213,502	-	213,502
Deferred revenue:				
Unavailable	230,055	680	51,588	282,323
	<u>317,133</u>	<u>214,182</u>	<u>246,382</u>	<u>777,697</u>
Total liabilities				
Fund balances:				
Unreserved, reported in:				
Special revenue funds	4,547,442	-	-	4,547,442
Debt service funds	-	770,003	-	770,003
Capital projects funds	-	-	9,528,334	9,528,334
	<u>4,547,442</u>	<u>770,003</u>	<u>9,528,334</u>	<u>14,845,779</u>
Total fund balances				
Total liabilities and fund balances	<u>\$ 4,864,575</u>	<u>\$ 984,185</u>	<u>\$ 9,774,716</u>	<u>\$ 15,623,476</u>

CITY OF WEST LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Totals
Revenues:				
Taxes	\$ 4,222,454	\$ 43,531	\$ 1,596,743	\$ 5,862,728
Licenses and permits	2,900	-	-	2,900
Intergovernmental	1,798,957	3,350	135,043	1,937,350
Charges for services	50,955	-	-	50,955
Fines and forfeits	10,706	-	-	10,706
Other	90,908	561	101,089	192,558
Total revenues	<u>6,176,880</u>	<u>47,442</u>	<u>1,832,875</u>	<u>8,057,197</u>
Expenditures:				
Current:				
General government	312,885	-	-	312,885
Public safety	484,641	1,900	-	486,541
Highways and Streets	150,125	-	-	150,125
Economic development	1,673,019	5,670	-	1,678,689
Debt service:				
Principal	-	1,095,000	-	1,095,000
Interest	-	501,146	-	501,146
Capital outlay	-	-	6,204,058	6,204,058
Total expenditures	<u>2,620,670</u>	<u>1,603,716</u>	<u>6,204,058</u>	<u>10,428,444</u>
Excess (deficiency) of revenues (over) under expenditures	<u>3,556,210</u>	<u>(1,556,274)</u>	<u>(4,371,183)</u>	<u>(2,371,247)</u>
Other financing sources (uses):				
Transfers in	-	1,523,897	10,756,808	12,280,705
Transfers out	<u>(9,394,908)</u>	<u>-</u>	<u>(3,597,693)</u>	<u>(12,992,601)</u>
Total other financing sources (uses)	<u>(9,394,908)</u>	<u>1,523,897</u>	<u>7,159,115</u>	<u>(711,896)</u>
Net change in fund balances	(5,838,698)	(32,377)	2,787,932	(3,083,143)
Fund balances - beginning	<u>10,386,140</u>	<u>802,380</u>	<u>6,740,402</u>	<u>17,928,922</u>
Fund balances - ending	<u>\$ 4,547,442</u>	<u>\$ 770,003</u>	<u>\$ 9,528,334</u>	<u>\$ 14,845,779</u>

CITY OF WEST LAFAYETTE  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2010

	Clerk's Record Perpetuation	Fire Fighting	Community Development Block Grant	Levy Excess	CEDIT	Public Safety	Law Enforcement Continuing Education	Police Unclaimed Property	Donation	Credit Card Fees
<u>Assets</u>										
Cash and cash equivalents	\$ 19,067	\$ 33,035	\$ 17,346	\$ 23,748	\$ 1,265,412	\$ 8,769	\$ 8,885	\$ 6,098	\$ 1,213	\$ 2,102
Cash with fiscal agent	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles):										
Interest	6	11	-	-	490	2	3	1	-	-
Taxes	-	-	-	-	-	-	-	-	-	-
Accounts	6,591	-	-	-	14,900	-	2,346	-	-	-
Intergovernmental	-	-	-	-	201,031	10,403	-	-	-	-
<b>Total assets</b>	<b>\$ 25,664</b>	<b>\$ 33,046</b>	<b>\$ 17,346</b>	<b>\$ 23,748</b>	<b>\$ 1,481,833</b>	<b>\$ 19,174</b>	<b>\$ 11,234</b>	<b>\$ 6,099</b>	<b>\$ 1,213</b>	<b>\$ 2,102</b>
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	\$ -	\$ -	\$ 33,068	\$ -	\$ 37,936	\$ 10,400	\$ 684	\$ -	\$ -	\$ -
Accrued payroll and withholdings payable	-	-	-	-	4,371	-	-	-	-	-
Deferred revenues - unavailable	-	-	-	-	196,126	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>33,068</b>	<b>-</b>	<b>238,433</b>	<b>10,400</b>	<b>684</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:										
Unreserved, reported in:										
Special revenue funds	25,664	33,046	(15,722)	23,748	1,243,400	8,774	10,550	6,099	1,213	2,102
<b>Total liabilities and fund balances</b>	<b>\$ 25,664</b>	<b>\$ 33,046</b>	<b>\$ 17,346</b>	<b>\$ 23,748</b>	<b>\$ 1,481,833</b>	<b>\$ 19,174</b>	<b>\$ 11,234</b>	<b>\$ 6,099</b>	<b>\$ 1,213</b>	<b>\$ 2,102</b>

Continued on next page

CITY OF WEST LAFAYETTE  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 December 31, 2010  
 (Continued)

	Rainy Day	Asset Forfeiture	Police Station Nonreverting	Levee/Village Allocation	KCB Allocation	Certified Technology Park	Fire Safety	DHS Firefighter Grant	Police Grants Projects	Go Greener	Totals
<b>Assets</b>											
Cash and cash equivalents	\$ 728,824	\$ 5	\$ -	\$ -	\$ -	\$ 125,688	\$ 1,050	\$ 50	\$ 13,388	\$ 1,166	\$ 2,255,846
Cash with fiscal agent	-	-	-	-	2,192,479	-	-	-	-	-	2,192,479
Receivables (net of allowances for uncollectibles):											
Interest	838	-	-	-	12	43	-	-	-	-	1,406
Taxes	-	-	-	-	176,680	-	-	-	-	-	176,680
Accounts	-	-	-	-	-	-	-	-	-	-	23,837
Intergovernmental	-	-	-	-	-	-	-	-	2,893	-	214,327
<b>Total assets</b>	<b>\$ 729,662</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,369,171</b>	<b>\$ 125,731</b>	<b>\$ 1,050</b>	<b>\$ 50</b>	<b>\$ 16,281</b>	<b>\$ 1,166</b>	<b>\$ 4,864,575</b>
<b>Liabilities and Fund Balances</b>											
<b>Liabilities:</b>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,088
Accrued payroll and withholdings payable	-	-	-	-	-	-	-	-	619	-	4,990
Deferred revenues - unavailable	-	-	-	-	33,929	-	-	-	-	-	230,055
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,929</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619</b>	<b>-</b>	<b>317,133</b>
<b>Fund balances:</b>											
Unreserved, reported in:											
Special revenue funds	729,662	5	-	-	2,335,242	125,731	1,050	50	15,662	1,166	4,547,442
<b>Total liabilities and fund balances</b>	<b>\$ 729,662</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,369,171</b>	<b>\$ 125,731</b>	<b>\$ 1,050</b>	<b>\$ 50</b>	<b>\$ 16,281</b>	<b>\$ 1,166</b>	<b>\$ 4,864,575</b>

CITY OF WEST LAFAYETTE  
 COMBINING BALANCE SHEET  
 NONMAJOR DEBT SERVICE FUNDS  
 December 31, 2010

<u>Assets</u>	<u>Fire Truck Acquisition</u>	<u>Redevelopment Commission 2005</u>	<u>Infrastructure Bonds</u>	<u>West Lafayette Building Corporation</u>	<u>Totals</u>
Cash and cash equivalents	\$ 45,813	\$ -	\$ -	\$ -	\$ 45,813
Cash with fiscal agent	12,100	-	641,575	283,625	937,300
Receivables (net of allowances for uncollectibles):					
Interest	26	87	7	1	121
Taxes	838	-	-	-	838
Intergovernmental	113	-	-	-	113
	<u>113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113</u>
Total assets	<u>\$ 58,890</u>	<u>\$ 87</u>	<u>\$ 641,582</u>	<u>\$ 283,626</u>	<u>\$ 984,185</u>
<u>Liabilities and Fund Balances</u>					
Liabilities:					
Accrued interest payable	\$ 928	\$ 50,600	\$ 64,154	\$ 97,820	\$ 213,502
Deferred revenue:					
Unavailable	680	-	-	-	680
	<u>680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>680</u>
Total liabilities	<u>1,608</u>	<u>50,600</u>	<u>64,154</u>	<u>97,820</u>	<u>214,182</u>
Fund balances:					
Unreserved, reported in:					
Debt service funds	57,282	(50,513)	577,428	185,806	770,003
	<u>57,282</u>	<u>(50,513)</u>	<u>577,428</u>	<u>185,806</u>	<u>770,003</u>
Total liabilities and fund balances	<u>\$ 58,890</u>	<u>\$ 87</u>	<u>\$ 641,582</u>	<u>\$ 283,626</u>	<u>\$ 984,185</u>

CITY OF WEST LAFAYETTE  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 December 31, 2010

	Sagamore Parkway TIF	Build Indiana Wabash Landing	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	Cumulative Capital Development	PNC/National Lease Escrow	Levee /Village Redevelopment Commission	2010 Levee/Village Allocation	KCB Redevelopment Commission	Totals
<u>Assets</u>										
Cash and cash equivalents	\$ 372,697	\$ 9,234	\$ 31,821	\$ 21,842	\$ 1,532,719	\$ -	\$ -	\$ 5,157,170	\$ -	\$ 7,125,483
Cash with fiscal agent	-	-	-	-	-	-	-	-	2,587,437	2,587,437
Receivables (net of allowances for uncollectibles):										
Interest	292	8	9	33	1,214	-	-	-	34	1,590
Taxes	3,420	-	427	-	4,858	-	-	40,128	-	48,833
Accounts	-	-	-	-	1,361	-	-	-	-	1,361
Intergovernmental	-	-	219	7,305	2,488	-	-	-	-	10,012
<b>Total assets</b>	<b>\$ 376,409</b>	<b>\$ 9,242</b>	<b>\$ 32,476</b>	<b>\$ 29,180</b>	<b>\$ 1,542,640</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,197,298</b>	<b>\$ 2,587,471</b>	<b>\$ 9,774,716</b>
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	\$ 111,165	\$ -	\$ 174	\$ -	\$ 14,153	\$ -	\$ -	\$ 7,040	\$ 62,262	\$ 194,794
Deferred revenue:										
Unavailable	3,420	-	508	7,305	5,775	-	-	34,580	-	51,588
<b>Total liabilities</b>	<b>114,585</b>	<b>-</b>	<b>682</b>	<b>7,305</b>	<b>19,928</b>	<b>-</b>	<b>-</b>	<b>41,620</b>	<b>62,262</b>	<b>246,382</b>
Fund balances:										
Unreserved, reported in:										
Capital projects funds	261,824	9,242	31,794	21,875	1,522,712	-	-	5,155,678	2,525,209	9,528,334
<b>Total liabilities and fund balances</b>	<b>\$ 376,409</b>	<b>\$ 9,242</b>	<b>\$ 32,476</b>	<b>\$ 29,180</b>	<b>\$ 1,542,640</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,197,298</b>	<b>\$ 2,587,471</b>	<b>\$ 9,774,716</b>

CITY OF WEST LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2010

	Clerk's Records Perpetuation	Fire Fighting	Community Development Block Grant	Levy Excess	CEDIT	Public Safety	Law Enforcement Continuing Education	Police Unclaimed Property	Donation	Credit Card Fees
Revenues:										
Property taxes	\$ -	\$ -	\$ -	\$ 23,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	2,900	-	-	-
Intergovernmental	-	-	331,654	-	1,404,961	20,002	-	-	-	-
Charges for services	-	16,249	17,500	-	-	-	8,481	-	-	8,725
Fines and forfeits	7,903	-	-	-	-	-	2,803	-	-	-
Other	133	275	-	-	52,089	4,824	61	3,561	13,886	2
<b>Total revenues</b>	<b>8,036</b>	<b>16,524</b>	<b>349,154</b>	<b>23,748</b>	<b>1,457,050</b>	<b>24,826</b>	<b>14,245</b>	<b>3,561</b>	<b>13,886</b>	<b>8,727</b>
Expenditures:										
Current:										
General government	-	-	-	-	302,562	-	-	-	-	8,682
Public safety	-	25,126	-	-	-	47,012	12,426	-	-	-
Highways and Streets	-	-	-	-	150,125	-	-	-	-	-
Economic development	-	-	296,140	-	569,154	-	-	-	13,600	-
<b>Total expenditures</b>	<b>-</b>	<b>25,126</b>	<b>296,140</b>	<b>-</b>	<b>1,021,841</b>	<b>47,012</b>	<b>12,426</b>	<b>-</b>	<b>13,600</b>	<b>8,682</b>
Excess (deficiency) of revenues over (under) expenditures	8,036	(8,602)	53,014	23,748	435,209	(22,186)	1,819	3,561	286	45
Other financing sources:										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(480,000)	-	-	-	-	-
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(480,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	8,036	(8,602)	53,014	23,748	(44,791)	(22,186)	1,819	3,561	286	45
Fund balances - beginning	17,628	41,648	(68,736)	-	1,288,191	30,960	8,731	2,538	927	2,057
Fund balances - ending	\$ 25,664	\$ 33,046	\$ (15,722)	\$ 23,748	\$ 1,243,400	\$ 8,774	\$ 10,550	\$ 6,099	\$ 1,213	\$ 2,102

Continued on next page

CITY OF WEST LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	Rainy Day	Asset Forfeiture	Police Station Nonreverting	Levee/Village Allocation	KCB Allocation	Certified Technology Park	Fire Safety	DHS Firefighter Grant	Police Grant	Go Greener	Totals
Revenues:											
Property taxes	\$ -	\$ -	\$ -	\$ 1,594,479	\$ 2,604,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,222,454
Licenses and permits	-	-	-	-	-	-	-	-	-	-	2,900
Intergovernmental	-	8,949	-	-	-	-	-	2,997	30,394	-	1,798,957
Charges for services	-	-	-	-	-	-	-	-	-	-	50,955
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	10,706
Other	11,820	20	-	697	747	1,228	7	903	-	655	90,908
Total revenues	11,820	8,969	-	1,595,176	2,604,974	1,228	7	3,900	30,394	655	6,176,880
Expenditures:											
Current:											
General government	-	-	-	-	-	-	-	-	-	1,641	312,885
Public safety	355,265	8,964	4	-	-	-	2,208	3,898	29,738	-	484,641
Highways and Streets	-	-	-	-	-	-	-	-	-	-	150,125
Economic development	-	-	-	-	-	794,125	-	-	-	-	1,673,019
Total expenditures	355,265	8,964	4	-	-	794,125	2,208	3,898	29,738	1,641	2,620,670
Excess (deficiency) of revenues over (under) expenditures	(343,445)	5	(4)	1,595,176	2,604,974	(792,897)	(2,201)	2	656	(986)	3,556,210
Other financing sources:											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers out	(7,871)	-	-	(4,522,706)	(4,384,331)	-	-	-	-	-	(9,394,908)
Total other financing sources	(7,871)	-	-	(4,522,706)	(4,384,331)	-	-	-	-	-	(9,394,908)
Net change in fund balances	(351,316)	5	(4)	(2,927,530)	(1,779,357)	(792,897)	(2,201)	2	656	(986)	(5,838,698)
Fund balances - beginning	1,080,978	-	4	2,927,530	4,114,599	918,628	3,251	48	15,006	2,152	10,386,140
Fund balances - ending	\$ 729,662	\$ 5	\$ -	\$ -	\$ 2,335,242	\$ 125,731	\$ 1,050	\$ 50	\$ 15,662	\$ 1,166	\$ 4,547,442

CITY OF WEST LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 For The Year Ended December 31, 2010

	Fire Truck Acquisition	Redevelopment Commission 2005	Infrastructure	West Lafayette Building Corporation	Totals
<b>Revenues:</b>					
Taxes	\$ 43,531	\$ -	\$ -	\$ -	\$ 43,531
Intergovernmental	3,350	-	-	-	3,350
Other	<u>355</u>	<u>87</u>	<u>109</u>	<u>10</u>	<u>561</u>
Total revenues	<u>47,236</u>	<u>87</u>	<u>109</u>	<u>10</u>	<u>47,442</u>
<b>Expenditures:</b>					
Current:					
Public safety	1,900	-	-	-	1,900
Economic development	-	-	1,970	3,700	5,670
Debt service:					
Principal	85,000	310,000	445,000	255,000	1,095,000
Interest	<u>3,180</u>	<u>117,042</u>	<u>161,171</u>	<u>219,753</u>	<u>501,146</u>
Total expenditures	<u>90,080</u>	<u>427,042</u>	<u>608,141</u>	<u>478,453</u>	<u>1,603,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,844)</u>	<u>(426,955)</u>	<u>(608,032)</u>	<u>(478,443)</u>	<u>(1,556,274)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	<u>429,700</u>	<u>614,197</u>	<u>480,000</u>	<u>1,523,897</u>
Total other financing sources (uses)	-	<u>429,700</u>	<u>614,197</u>	<u>480,000</u>	<u>1,523,897</u>
Net change in fund balances	(42,844)	2,745	6,165	1,557	(32,377)
Fund balances - beginning	<u>100,126</u>	<u>(53,258)</u>	<u>571,263</u>	<u>184,249</u>	<u>802,380</u>
Fund balances - ending	<u>\$ 57,282</u>	<u>\$ (50,513)</u>	<u>\$ 577,428</u>	<u>\$ 185,806</u>	<u>\$ 770,003</u>

CITY OF WEST LAFAYETTE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND OTHER CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 For The Year Ended December 31, 2010

	Sagamore Parkway TIF	Build Indiana Wabash Landing	Cumulative Building and Fire Fighting Equipment	Cumulative Capital Improvement	Cumulative Capital Development	PNC/National Lease Escrow	Levee /Village Redevelopment Commission	2010 Levee/Village Allocation	KCB Redevelopment Commission	Totals
Revenues:										
Taxes	\$ 262,525	\$ -	\$ 22,209	\$ -	\$ 252,303	\$ -	\$ -	\$ 1,059,706	\$ -	\$ 1,596,743
Intergovernmental	29,655	-	1,709	84,261	19,418	-	-	-	-	135,043
Other	7,929	150	141	392	22,816	43	67,958	-	1,660	101,089
Total revenues	<u>300,109</u>	<u>150</u>	<u>24,059</u>	<u>84,653</u>	<u>294,537</u>	<u>43</u>	<u>67,958</u>	<u>1,059,706</u>	<u>1,660</u>	<u>1,832,875</u>
Expenditures:										
Capital outlay	715,683	-	11,874	-	296,307	122,480	1,534,438	7,040	3,516,236	6,204,058
Total expenditures	<u>715,683</u>	<u>-</u>	<u>11,874</u>	<u>-</u>	<u>296,307</u>	<u>122,480</u>	<u>1,534,438</u>	<u>7,040</u>	<u>3,516,236</u>	<u>6,204,058</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(415,574)</u>	<u>150</u>	<u>12,185</u>	<u>84,653</u>	<u>(1,770)</u>	<u>(122,437)</u>	<u>(1,466,480)</u>	<u>1,052,666</u>	<u>(3,514,576)</u>	<u>(4,371,183)</u>
Other financing sources:										
Transfers in	-	-	-	-	325	-	3,313,038	4,103,012	3,340,433	10,756,808
Transfers out	-	-	-	(100,000)	-	-	(3,497,693)	-	-	(3,597,693)
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>325</u>	<u>-</u>	<u>(184,655)</u>	<u>4,103,012</u>	<u>3,340,433</u>	<u>7,159,115</u>
Net change in fund balances	<u>(415,574)</u>	<u>150</u>	<u>12,185</u>	<u>(15,347)</u>	<u>(1,445)</u>	<u>(122,437)</u>	<u>(1,651,135)</u>	<u>5,155,678</u>	<u>(174,143)</u>	<u>2,787,932</u>
Fund balances - beginning	<u>677,398</u>	<u>9,092</u>	<u>19,609</u>	<u>37,222</u>	<u>1,524,157</u>	<u>122,437</u>	<u>1,651,135</u>	<u>-</u>	<u>2,699,352</u>	<u>6,740,402</u>
Fund balances - ending	<u>\$ 261,824</u>	<u>\$ 9,242</u>	<u>\$ 31,794</u>	<u>\$ 21,875</u>	<u>\$ 1,522,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,155,678</u>	<u>\$ 2,525,209</u>	<u>\$ 9,528,334</u>

CITY OF WEST LAFAYETTE  
BUDGETARY COMPARISON SCHEDULES  
OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2010

	Fire Fighting				Fire Truck Acquisition				Law Enforcement Continuing Education			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 47,188	\$ 64,622	\$ 63,511	\$ (1,111)	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	2,700	2,700	2,900	200
Intergovernmental	-	-	-	-	3,071	3,071	3,350	279	-	-	-	-
Charges for services	16,250	16,250	16,250	-	-	-	-	-	6,700	8,500	8,417	(83)
Fines and forfeits	-	-	-	-	-	-	-	-	7,100	3,350	2,566	(784)
Other	500	350	300	(50)	400	400	335	(65)	-	60	65	5
Total revenues	16,750	16,600	16,550	(50)	50,659	68,093	67,196	(897)	16,500	14,610	13,948	(662)
Expenditures:												
Current:												
Public safety:												
Supplies	-	-	-	-	-	-	-	-	500	500	99	401
Other services and charges	20,000	21,080	16,296	4,784	-	-	-	-	15,000	14,292	11,996	2,296
Capital outlay	12,060	12,060	10,480	1,580	-	-	-	-	-	-	30	(30)
Other disbursements	-	-	-	-	93,965	93,965	91,785	2,180	-	-	-	-
Total expenditures	32,060	33,140	26,776	6,364	93,965	93,965	91,785	2,180	15,500	14,792	12,125	2,667
Net change in fund balances	(15,310)	(16,540)	(10,226)	6,314	(43,306)	(25,872)	(24,589)	1,283	1,000	(182)	1,823	2,005
Fund balances - beginning	43,261	43,261	43,261	-	82,502	82,502	82,502	-	7,062	7,062	7,062	-
Fund balances - ending	\$ 27,951	\$ 26,721	\$ 33,035	\$ 6,314	\$ 39,196	\$ 56,630	\$ 57,913	\$ 1,283	\$ 8,062	\$ 6,880	\$ 8,885	\$ 2,005

	Community Development Block Grant				Rainy Day Fund				Economic Development Income Tax			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:												
Intergovernmental	\$ 473,162	\$ 949,836	\$ 331,654	\$ (618,182)	\$ -	\$ 340,383	\$ 340,383	\$ -	\$ 1,664,909	\$ 1,664,909	\$ 1,463,471	\$ (201,438)
Charges for services	-	17,500	17,500	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	35,000	41,735	41,735	-
Other	-	-	-	-	9,000	14,000	11,931	(2,069)	-	-	474	474
Total revenues	473,162	967,336	349,154	(618,182)	9,000	354,383	352,314	(2,069)	1,699,909	1,706,644	1,505,680	(200,964)
Expenditures:												
Current:												
Public safety:												
Personal services	-	-	-	-	325,650	333,022	325,545	7,477	-	-	-	-
Supplies	-	-	-	-	-	806	806	-	-	-	-	-
Other services and charges	-	-	-	-	-	325	-	325	-	-	-	-
Economic Development:												
Personal services	-	-	-	-	-	-	-	-	348,685	350,641	312,056	38,585
Other services and charges	473,162	969,336	333,808	635,528	-	-	-	-	1,393,200	1,611,911	674,694	937,217
Capital outlay	-	-	-	-	-	-	-	-	106,413	92,252	55,038	37,214
Total expenditures	473,162	969,336	333,808	635,528	325,650	334,153	334,222	(69)	1,848,298	2,054,804	1,041,788	1,013,016
Other financing sources (uses):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(21,915)	(33,915)	(28,915)	5,000	-	(480,000)	(480,000)	-
Total other financing sources (uses)	-	-	-	-	(21,915)	(33,915)	(28,915)	5,000	-	(480,000)	(480,000)	-
Net changes in fund balances	-	(2,000)	15,346	17,346	(338,565)	(13,685)	(10,823)	2,862	(148,389)	(828,160)	(16,108)	812,052
Fund balances - beginning	2,000	2,000	2,000	-	739,647	739,647	739,647	-	1,281,520	1,281,520	1,281,520	-
Fund balances - ending	\$ 2,000	\$ -	\$ 17,346	\$ 17,346	\$ 401,082	\$ 725,962	\$ 728,824	\$ 2,862	\$ 1,133,131	\$ 453,360	\$ 1,265,412	\$ 812,052

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CITY OF WEST LAFAYETTE  
BUDGETARY COMPARISON SCHEDULES  
OTHER NONMAJOR BUDGETED GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2010  
(Continued)

	Cumulative Capital Development				Cumulative Building and Fire Fighting Equipment				Cumulative Capital Improvement			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		Original	Final			Original	Final			
Revenues:												
Taxes	\$ 273,499	\$ 324,830	\$ 318,384	\$ (6,446)	\$ 24,076	\$ 28,392	\$ 27,824	\$ (568)	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,387	19,368	19,418	50	1,707	1,705	1,709	4	89,500	81,585	84,261	2,676
Other	20,000	30,275	26,532	(3,743)	500	140	150	10	200	470	468	(2)
Total revenues	312,886	374,473	364,334	(10,139)	26,283	30,237	29,683	(554)	89,700	82,055	84,729	2,674
Expenditures:												
Current:												
General government:												
Supplies	65,000	62,255	39,751	22,504	-	-	-	-	-	-	-	-
Other services and charges	223,560	157,616	156,870	746	-	-	-	-	-	-	-	-
Capital outlay	759,074	753,064	294,938	458,126	-	-	-	-	-	-	-	-
Public safety:												
Other services and charges	-	-	-	-	20,000	30,054	21,774	8,280	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,047,634	972,935	491,559	481,376	20,000	30,054	21,774	8,280	-	-	-	-
Other financing sources (uses):												
Transfers in	-	325	325	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	-	325	325	-	-	-	-	-	(100,000)	(100,000)	(100,000)	-
Net change in fund balances	(734,748)	(598,137)	(126,900)	471,237	6,283	183	7,909	7,726	(10,300)	(17,945)	(15,271)	2,674
Fund balances - beginning	1,659,619	1,659,619	1,659,619	-	23,912	23,912	23,912	-	37,113	37,113	37,113	-
Fund balances - ending	\$ 924,871	\$ 1,061,482	\$ 1,532,719	\$ 471,237	\$ 30,195	\$ 24,095	\$ 31,821	\$ 7,726	\$ 26,813	\$ 19,168	\$ 21,842	\$ 2,674

	Sagamore Parkway TIF				Levee Village Redevelopment Commission				KCB Redevelopment Commission			
	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)	Budgeted Amounts		Actual (Budgetary Basis)	Variance Positive (Negative)
	Original	Final		Original	Final			Original	Final			
Revenues:												
Taxes	\$ 394,538	\$ 608,521	\$ 386,337	\$ (222,184)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	880,000	880,000	42,137	(837,863)	159,200	-	-	-	-	-	-	-
Other	3,000	3,000	8,269	5,269	317	67,669	68,062	393	1,405	1,405	1,785	380
Total revenues	1,277,538	1,491,521	436,743	(1,054,778)	159,517	67,669	68,062	393	1,405	1,405	1,785	380
Expenditures:												
General government:												
Other services and charges	1,100,000	1,208,195	108,195	1,100,000	-	-	-	-	-	-	-	-
Capital outlay	-	-	496,324	(496,324)	-	-	-	-	-	-	-	-
Economic development:												
Other services and charges	-	-	-	-	1,384,000	1,258,360	130,280	1,128,080	-	-	-	-
Capital outlay	-	-	-	-	900,000	1,135,952	1,404,158	(268,206)	-	-	-	-
Culture and recreation:												
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	675,000	651,394	-	651,394
Capital outlay	-	-	-	-	-	-	-	-	2,275,000	4,672,965	3,453,974	1,218,991
Total expenditures	1,100,000	1,208,195	604,519	603,676	2,284,000	2,394,312	1,534,438	859,874	2,950,000	5,324,359	3,453,974	1,870,385
Other financing sources:												
Transfers in	-	-	-	-	4,655,661	4,655,661	3,313,037	(1,342,624)	134,087	4,697,369	3,340,434	(1,356,935)
Transfers out	-	-	-	-	(3,497,693)	(3,497,693)	(3,497,693)	-	-	-	-	-
Total other financing sources	-	-	-	-	1,157,968	1,157,968	(184,656)	(1,342,624)	134,087	4,697,369	3,340,434	(1,356,935)
Net change in fund balances	177,538	283,326	(167,776)	(1,658,454)	(966,515)	(1,168,675)	(1,651,032)	(2,202,105)	(2,814,508)	(625,585)	(111,755)	(3,226,940)
Fund balances - beginning	540,473	540,473	540,473	-	1,651,032	1,651,032	1,651,032	-	2,699,192	2,699,192	2,699,192	-
Fund balances - ending	\$ 718,011	\$ 823,799	\$ 372,697	\$ (1,658,454)	\$ 684,517	\$ 482,357	\$ -	\$ (2,202,105)	\$ (115,316)	\$ 2,073,607	\$ 2,587,437	\$ (3,226,940)

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## Fiduciary Funds

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

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

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

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

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

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

**Insurance Payments** – to account for post-employment provision of health benefits under COBRA and PERF requirements paid by eligible terminated employees.

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

**Court Collections** – to account for the receipt of fines, costs and trust items collected by the operations of the West Lafayette City Court

CITY OF WEST LAFAYETTE  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 December 31, 2010

	Pension Trust Funds		
	Police Pension	Firefighters' Pension	Totals
<u>Assets</u>			
Cash and cash equivalents	\$ 290,856	\$ 293,929	\$ 584,785
Receivables:			
Interest and dividends	59	58	117
Total assets	290,915	293,987	584,902
<u>Net Assets</u>			
Held in trust for:			
Employees' pension benefits	\$ 290,915	\$ 293,987	\$ 584,902

CITY OF WEST LAFAYETTE  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 AGENCY FUNDS  
 December 31, 2010

	Agency Funds					
	Payroll	Sales Tax	Insurance Payments	City Court Costs	Court Collections	Totals
<u>Assets</u>						
Cash and cash equivalents	\$ 251,367	\$ 1,478	\$ 2,903	\$ 9,789	\$ 3,783	\$ 269,320
<u>Liabilities</u>						
Payroll withholdings	\$ 251,367	\$ -	\$ -	\$ -	\$ -	\$ 251,367
Trust payable	-	1,478	2,903	9,789	3,783	17,953
Total liabilities	\$ 251,367	\$ 1,478	\$ 2,903	\$ 9,789	\$ 3,783	\$ 269,320

CITY OF WEST LAFAYETTE  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2010

<u>Additions</u>	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
Contributions:			
Employer	\$ 716,212	\$ 550,900	\$ 1,267,112
Investment income:			
Interest	<u>591</u>	<u>680</u>	<u>1,271</u>
Total additions	<u>716,803</u>	<u>551,580</u>	<u>1,268,383</u>
 <u>Deductions</u>			
Benefits and refunds paid to plan members and beneficiaries	702,889	574,085	1,276,974
Administrative expenses	<u>2,784</u>	<u>2,825</u>	<u>5,609</u>
Total deductions	<u>705,673</u>	<u>576,910</u>	<u>1,282,583</u>
Changes in net assets	11,130	(25,330)	(14,200)
Net assets - beginning	<u>279,785</u>	<u>319,317</u>	<u>599,102</u>
Net assets - ending	<u>\$ 290,915</u>	<u>\$ 293,987</u>	<u>\$ 584,902</u>

CITY OF WEST LAFAYETTE  
 BUDGETARY COMPARISON SCHEDULES  
 BUDGETED PENSION TRUST FUNDS  
 For The Year Ended December 31, 2010

	Police Pension				Firefighters' Pension			
	Budgeted Amounts		Actual	Variance	Budgeted Amounts		Actual	Variance
	Original	Final	(Budgetary Basis)	Positive (Negative)	Original	Final	(Budgetary Basis)	Positive (Negative)
Revenues:								
Intergovernmental	\$ 708,610	\$ 716,212	\$ 716,212	\$ -	\$ 566,396	\$ 550,900	\$ 550,900	\$ -
Other	1,000	450	597	147	1,200	600	692	92
Total revenues	<u>709,610</u>	<u>716,662</u>	<u>716,809</u>	<u>147</u>	<u>567,596</u>	<u>551,500</u>	<u>551,592</u>	<u>92</u>
Expenditures:								
Personal services	2,785	2,785	2,784	1	2,826	2,826	2,825	1
Other services and charges	<u>716,850</u>	<u>716,850</u>	<u>702,889</u>	<u>13,961</u>	<u>579,951</u>	<u>579,951</u>	<u>574,085</u>	<u>5,866</u>
Total expenditures	<u>719,635</u>	<u>719,635</u>	<u>705,673</u>	<u>13,962</u>	<u>582,777</u>	<u>582,777</u>	<u>576,910</u>	<u>5,867</u>
Net change in fund balances	(10,025)	(2,973)	11,136	14,109	(15,181)	(31,277)	(25,318)	5,959
Fund balances - beginning	<u>279,720</u>	<u>279,720</u>	<u>279,720</u>	-	<u>319,247</u>	<u>319,247</u>	<u>319,247</u>	-
Fund balances - ending	<u>\$ 269,695</u>	<u>\$ 276,747</u>	<u>\$ 290,856</u>	<u>\$ 14,109</u>	<u>\$ 304,066</u>	<u>\$ 287,970</u>	<u>\$ 293,929</u>	<u>\$ 5,959</u>

CITY OF WEST LAFAYETTE  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
For The Year Ended December 31, 2010

	Payroll	Sales Tax	Insurance Payments	City Court Costs	Court Collections	Totals
<b>Assets:</b>						
Cash and cash equivalents - January 1, 2009	\$ 217,266	\$ 1,274	\$ 405	\$ 8,304	\$ 2,438	\$ 229,687
Additions	3,327,430	5,711	21,387	137,746	40,352	3,532,626
Deductions	<u>3,293,329</u>	<u>5,507</u>	<u>18,889</u>	<u>136,261</u>	<u>39,007</u>	<u>3,492,993</u>
Cash and cash equivalents - December 31, 2009	<u>251,367</u>	<u>1,478</u>	<u>2,903</u>	<u>9,789</u>	<u>3,783</u>	<u>269,320</u>
Total assets - December 31, 2009	<u>\$ 251,367</u>	<u>\$ 1,478</u>	<u>\$ 2,903</u>	<u>\$ 9,789</u>	<u>\$ 3,783</u>	<u>\$ 269,320</u>
<b>Liabilities:</b>						
Payroll withholdings - January 1, 2009	\$ 217,266	\$ -	\$ -	\$ -	\$ -	\$ 217,266
Additions	3,327,430	-	-	-	-	3,327,430
Deductions	<u>3,293,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,293,329</u>
Payroll withholdings - December 31, 2009	<u>251,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,367</u>
Trust payable - January 1, 2009	-	1,274	405	8,304	2,438	12,421
Additions	-	5,711	21,387	137,746	40,352	205,196
Deductions	<u>-</u>	<u>5,507</u>	<u>18,889</u>	<u>136,261</u>	<u>39,007</u>	<u>199,664</u>
Trust payable - December 31, 2009	<u>-</u>	<u>1,478</u>	<u>2,903</u>	<u>9,789</u>	<u>3,783</u>	<u>17,953</u>
Total liabilities - December 31, 2009	<u>\$ 251,367</u>	<u>\$ 1,478</u>	<u>\$ 2,903</u>	<u>\$ 9,789</u>	<u>\$ 3,783</u>	<u>\$ 269,320</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

Compliance

We have audited the compliance of the City of West Lafayette (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010.

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

Internal Control Over Compliance

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

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

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

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

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

STATE BOARD OF ACCOUNTS

June 1, 2011

CITY OF WEST LAFAYETTE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Direct Grant			
Wildlife Habitat Incentive Program	10.914	7252KY070B3	\$ 1,956
Total for federal grantor agency			<u>1,956</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-08-MC-18-0009 B-09-MC-18-0009 B-10-MC18-0009	3,355 220,266 <u>26,348</u>
Total for program			<u>249,969</u>
ARRA - Community Development Block Grant ARRA Entitlement Grants (CDBG-R)	14.253	B-09-MY-18-0010	<u>83,839</u>
Total for cluster			<u>333,808</u>
Total for federal grantor agency			<u>333,808</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Asset Forfeiture and Money Laundering Proceeds	16.999	09-FBI-005722	<u>8,965</u>
Pass-Through City of Lafayette			
Bulletproof Vest Partnership Program	16.607	05B05029417 06B06134831 IB09048169	1,372 2,727 <u>2,913</u>
Total for program			<u>7,012</u>
Pass-Through City of Lafayette			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0694 2009-G9083-IN-DJ	10,403 <u>10,475</u>
Total for program			<u>20,878</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-1634	<u>9,829</u>
Total for federal grantor agency			<u>46,684</u>

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

CITY OF WEST LAFAYETTE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2010  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Yeager Road Engineering		STP-600696	42,137
Perimeter Parkway Phase I		PRJT H0501 (163)	95,711
Happy Hollow		STP-0900002	51,066
Sycamore Lane Traffic Calming		STP-0600792	77,324
Safe Routes to School		PRJT 080009	5,046
Total for cluster			<u>271,284</u>
Pass-Through City of Lafayette			
Highway Safety Cluster			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		
Fatal Alcohol Crash Team		K4-2010-03-02-09	532
DUI Task Force		K8-2010-03-03-29	5,541
DUI Task Force		K8-2011-03-03-29	2,821
Aggressive Driving Enforcement Program		K4-2010-08-01-20	5,385
Big City/Big County Enforcement Program		PT-10-04-04-31	12,011
Big City/Big County Enforcement Program		PT-11-04-04-30	3,123
Total for cluster			<u>29,413</u>
Total for federal grantor agency			<u>300,697</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Congressionally Mandated Projects	66.202		
Barbary Heights Project		XP-97560501 01	17,191
Pass-Through Indiana Finance Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS 182400-02	39,629
Total for federal grantor agency			<u>56,820</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW-2008-FO-12162	3,897
Total for federal grantor agency			<u>3,897</u>
Total federal awards expended			<u>\$ 743,862</u>

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

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

Note I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of West Lafayette (primary government) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required.

Note II. Subrecipients

Of the federal expenditures presented in the schedule, the primary government provided federal awards to subrecipients as follows for the year ended December 31, 2010:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Community development block grants	14.218	<u>\$ 170,725</u>

CITY OF WEST LAFAYETTE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

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

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

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

CFDA Number	Name of Federal Program or Cluster
16.804	CDBG - Entitlement Grants Cluster ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government

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

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF WEST LAFAYETTE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF WEST LAFAYETTE  
EXIT CONFERENCE

The contents of this report were discussed on June 1, 2011, with Judith C. Rhodes, Clerk-Treasurer; John Dennis, Mayor; and Ann H. Hunt, President of the Common Council. Our audit disclosed no material items that warrant comment at this time.