

WEST LAFAYETTE MUNICIPAL WASTEWATER UTILITY

SPECIAL PURPOSE REPORT

SEPTEMBER 28, 2015



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HISTORICAL SUPPLEMENTARY INFORMATION

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ACCOUNTANT'S COMPILATION REPORT

September 28, 2015

Board of Works
West Lafayette Municipal Wastewater Utility
711 West Navajo Street
West Lafayette, IN 47906

In connection with the proposed rate adjustment in the West Lafayette Municipal Wastewater Utility's schedule of rates and charges, we have, at your request, compiled this special purpose report.

This report has been compiled by us in accordance with standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants for the purpose of requesting approval of a new schedule of rates and charges and should not be used for any other purpose. We have not audited or reviewed the accompanying pro forma financial information and, accordingly, do not express an opinion or provide any assurance about whether the pro forma financial information is in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the pro forma financial information in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the pro forma financial information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of pro forma financial information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the pro forma financial information.

Further, the pro forma financial information in this report is based upon unaudited financial information for the twelve months ended May 31, 2015 which was compiled by us, and assumptions provided by management or obtained from other sources. This pro forma financial information is prepared for the purpose of showing the estimated financial effects on the utility's revenue and revenue requirements of an increase in the rates and charges for service and other charges that may be reasonably fixed, known or measured. The actual results achieved may vary from the pro forma information and the variations may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

West Lafayette Municipal Wastewater Utility
September 28, 2015

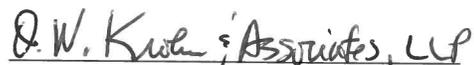
We have also compiled the accompanying Comparative Statements of Net Position and Comparative Statements of Revenue, Expenses, and Changes in Net Position, and Statement of Cash Flows of the West Lafayette Municipal Wastewater Utility as of May 31, 2015 and December 31, 2014 for the years then ended and the accompanying supplementary information contained in pages 6-31, which is presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with accounting principles generally accepted in the United States of America.

The financial statements are presented on the accrual basis of accounting used by the West Lafayette Municipal Wastewater Utility. Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

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

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


O.W. Krohn & Associates, LLP

WEST LAFAYETTE MUNICIPAL WASTEWATER UTILITY

HISTORICAL FINANCIAL INFORMATION

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF NET POSITION

<u>ASSETS</u>	<u>5/31/2015</u>	<u>12/31/2014</u>
CURRENT AND ACCRUED ASSETS:		
OPERATING FUND	\$ 790,560.62	\$ 1,002,126.75
STORMWATER OPERATING FUND	794,538.13	469,833.60
ACCOUNTS RECEIVABLE - WASTEWATER	652,516.14	591,621.55
ACCOUNTS RECEIVABLE - STORMWATER	102,482.83	75,442.69
ACCOUNTS RECEIVABLE - SANITATION	73,018.76	72,393.54
ACCOUNTS RECEIVABLE - LIENS	66,036.34	25,020.82
OTHER ACCOUNTS RECEIVABLE	1,392,949.14	37,588.48
ACCRUED INTEREST RECEIVABLE	310.44	7,477.45
INVENTORY	137,249.13	137,249.13
	<hr/>	<hr/>
TOTAL CURRENT AND ACCRUED ASSETS	4,009,661.53	2,418,754.01
NON-CURRENT ASSETS:		
RESTRICTED ASSETS:		
IMPROVEMENT FUND	1,583,886.71	3,605,764.87
BOND AND INTEREST FUND	2,677,852.86	1,585,891.26
DEBT SERVICE RESERVE FUND	3,292,336.05	3,257,371.62
CONSTRUCTION FUND	1,282,678.39	2,247,720.35
CONSTRUCTION RETAINAGE FUND	400,309.34	381,711.80
	<hr/>	<hr/>
TOTAL RESTRICTED ASSETS	9,237,063.35	11,078,459.90
CAPITAL ASSETS:		
LAND	604,119.90	604,119.90
INFRASTRUCTURE	52,679,403.68	52,679,403.68
BUILDINGS	37,123,630.71	37,123,630.71
IMPROVEMENTS OTHER THAN BUILDINGS	33,336.00	33,336.00
MACHINERY & EQUIPMENT	7,511,015.30	7,486,064.30
ACCUMULATED DEPRECIATION	(28,815,110.29)	(27,921,673.85)
CONSTRUCTION IN PROGRESS	8,174,288.57	6,633,056.06
	<hr/>	<hr/>
NET CAPITAL ASSETS	77,310,683.87	76,637,936.80
	<hr/>	<hr/>
TOTAL ASSETS	90,557,408.75	90,135,150.71
DEFERRED OUTFLOWS OF RESOURCES:		
DEFERRED LOSSES ON REFUNDING	330,396.67	330,396.67
	<hr/>	<hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 90,887,805.42	\$ 90,465,547.38
	<hr/>	<hr/>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF NET POSITION
(CONTINUED)

	<u>5/31/2015</u>	<u>12/31/2014</u>
<u>LIABILITIES AND NET POSITION</u>		
CURRENT AND ACCRUED LIABILITIES:		
ACCOUNTS PAYABLE	\$ 20,000.00	\$ 162,170.27
ACCRUED WAGES AND BENEFITS PAYABLE	-	81,177.45
COMPENSATED ABSENCES	279,381.01	279,381.01
ACCRUED INTEREST PAYABLE	404,282.64	376,042.33
RETAINAGE PAYABLE	400,309.34	381,711.80
CAPITAL LEASE OBLIGATIONS	39,287.87	76,803.27
CURRENT PORTION OF LONG-TERM DEBT		
2004 SRF BONDS	-	-
2006 SRF BONDS	10,000.00	10,000.00
2012 SRF BONDS	5,000.00	5,000.00
2013 REFUNDING BONDS	2,155,000.00	2,155,000.00
2014 BONDS	225,000.00	225,000.00
2014 REFUNDING BONDS	28,000.00	28,000.00
2014 B SRF BONDS	55,000.00	55,000.00
	<u>3,621,260.86</u>	<u>3,835,286.13</u>
NON-CURRENT LIABILITIES:		
NET PENSION OBLIGATION	15,385.50	15,385.50
CAPITAL LEASE OBLIGATIONS	86,164.65	77,306.52
2004 SRF BONDS	-	-
2006 SRF BONDS	8,265,000.00	8,265,000.00
2012 SRF BONDS	3,810,627.00	3,801,080.00
2013 REFUNDING BONDS	6,935,000.00	6,935,000.00
2014 BONDS	3,775,000.00	3,775,000.00
2014 REFUNDING BONDS	12,796,000.00	12,796,000.00
2014 B SRF BONDS	180,595.00	153,089.00
	<u>35,863,772.15</u>	<u>35,817,861.02</u>
TOTAL LIABILITIES	<u>\$ 39,485,033.01</u>	<u>\$ 39,653,147.15</u>
NET POSITION		
INVESTMENT IN CAPITAL ASSETS	\$ 40,558,084.41	\$ 40,858,775.03
RESTRICTED	7,149,792.98	8,072,985.42
UNRESTRICTED	<u>3,694,895.02</u>	<u>1,880,639.78</u>
TOTAL NET POSITION	<u>\$ 51,402,772.41</u>	<u>\$ 50,812,400.23</u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

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

	<u>5/31/2015</u>	<u>12/31/2014</u>
OPERATING REVENUES:		
WASTEWATER USER FEES	\$ 8,092,420.32	\$ 7,960,718.20
STORM WATER FEES	1,427,211.68	1,190,877.26
PENALTIES	62,653.59	32,999.74
SANITATION TRASH FEES	1,021,073.15	957,722.39
RECYCLABLE SALES	26,877.59	31,021.39
RECYCLING GRANT	62,250.00	41,500.00
TOTERS AND BINS	9,478.60	9,478.60
OTHER OPERATING REVENUE	20,886.65	24,334.73
	<u>10,722,851.58</u>	<u>10,248,652.31</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
TREATMENT PLANT	1,729,600.84	1,660,285.04
COLLECTION SYSTEM	694,666.90	727,120.08
SANITATION	857,533.95	852,958.07
STORM WATER	558,825.35	574,987.77
CUSTOMER ACCOUNTS	310,877.73	280,633.52
ADMINISTRATION AND GENERAL	1,360,595.64	1,325,955.99
	<u>5,512,100.41</u>	<u>5,421,940.47</u>
SUB-TOTAL		
DEPRECIATION	<u>2,085,000.37</u>	<u>2,164,062.72</u>
NET OPERATING INCOME	<u>3,125,750.80</u>	<u>2,662,649.12</u>
NON-OPERATING REVENUES (EXPENSES):		
INTEREST INCOME	29,720.97	29,464.11
TAP FEES	58,533.58	82,034.06
GAIN/LOSS ON SALE OF ASSET	(1,875.30)	-
MISCELLANEOUS NON-OPERATION REVENUE	5,887.59	5,887.59
PAYMENT IN LIEU OF TAXES	(704,266.68)	(528,200.00)
BOND ISSUE EXPENSES	(63,013.95)	(104,751.20)
CAPITAL LEASE INTEREST	(3,055.79)	(3,545.45)
INTEREST ON 1994 BONDS	-	-
INTEREST ON 1998 BONDS	-	-
INTEREST ON 2001 BONDS	-	-
INTEREST ON 2004 SRF BONDS	(192,162.68)	(379,395.18)
INTEREST ON 2006 SRF BONDS	(292,136.90)	(292,284.00)
INTEREST ON 2012 SRF BONDS	(51,891.79)	(51,923.04)
INTEREST ON 2013 REFUNDING BONDS	(170,537.33)	(186,943.98)
INTEREST ON 2014 BONDS	(117,040.00)	(73,040.00)
INTEREST ON 2014 REFUNDING BONDS	(161,439.93)	(43,886.58)
INTEREST ON 2014 B SRF BONDS	(25,109.11)	(241.61)
	<u>(1,688,387.32)</u>	<u>(1,546,825.28)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)		
NET INCOME BEFORE CONTRIBUTIONS	1,437,363.48	1,115,823.84
CONTRIBUTIONS	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	1,437,363.48	1,115,823.84
NET POSITION - BEGINNING	<u>49,965,408.93</u>	<u>49,696,576.39</u>
NET POSITION - ENDING	<u>\$ 51,402,772.41</u>	<u>\$ 50,812,400.23</u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED

	<u>5/31/2015</u>	<u>12/31/2014</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM CUSTOMERS	9,451,227.30	10,061,017.10
CASH PAID TO SUPPLIERS, EMPLOYERS AND OTHERS	<u>(5,624,163.72)</u>	<u>(5,347,339.74)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>3,827,063.58</u>	<u>4,713,677.36</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
PAYMENT IN LIEU OF TAXES	(704,266.68)	(528,200.00)
BOND ISSUANCE EXPENSE	(63,013.95)	(104,751.20)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>(767,280.63)</u>	<u>(632,951.20)</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES:		
ACQUISITION AND CONSTRUCTION OF CAPITAL ASSETS	(4,619,104.70)	(4,514,424.84)
CAPITAL LEASE FINANCING	-	-
CHANGE IN RETAINAGE PAYABLE	205,986.55	257,928.80
SRF PROCEEDS - 2012 REVENUE BONDS	356,658.00	1,224,582.00
BOND PROCEEDS - 2014 REVENUE BONDS	-	4,000,000.00
BOND PROCEEDS - 2014 REFUNDING REVENUE BONDS	12,824,000.00	12,824,000.00
BOND PROCEEDS - 2014B REVENUE BONDS	235,595.00	208,089.00
PRINCIPAL PAID ON 2004 REVENUE BONDS	(5,000.00)	(5,000.00)
PRINCIPAL PAID ON 2006 REVENUE BONDS	(10,000.00)	(10,000.00)
PRINCIPAL PAID ON 2012 REVENUE BONDS	(5,000.00)	(5,000.00)
PRINCIPAL PAID ON 2013 REFUNDING REVENUE BONDS	(2,140,000.00)	(2,140,000.00)
INTEREST PAID ON 2004 REVENUE BONDS	(449,267.00)	(449,358.00)
INTEREST PAID ON 2006 REVENUE BONDS	(292,284.00)	(292,460.00)
INTEREST PAID ON 2012 REVENUE BONDS	(51,923.04)	(36,845.42)
INTEREST PAID ON 2013 REFUNDING REVENUE BONDS	(186,944.00)	(181,376.98)
INTEREST PAID ON CAPITAL LEASES	(2,978.92)	(4,425.05)
PRINCIPAL PAID ON CAPITAL LEASES	(109,069.94)	(139,888.11)
PAYMENT TO ESCROW FOR 2004 BOND REFUNDING	(12,815,131.13)	(12,815,131.13)
TAP FEES COLLECTED	58,533.58	82,034.06
NET CASH FROM CAPITAL AND FINANCING ACTIVITIES	<u>(7,005,929.60)</u>	<u>(1,997,275.67)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
INTEREST ON INVESTMENTS	<u>29,654.24</u>	<u>32,997.66</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,916,492.41)	2,116,448.15
CASH, BEGINNING OF YEAR	<u>14,622,025.24</u>	<u>10,433,972.10</u>
CASH, END OF YEAR	<u>\$ 10,705,532.83</u>	<u>\$ 12,550,420.25</u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

STATEMENT OF CASH FLOWS
FOR THE TWELVE MONTHS ENDED
(CONTINUED)

	<u>5/31/2015</u>	<u>12/31/2014</u>
RECONCILIATION OF NET OPERATING INCOME TO CASH PROVIDED FROM OPERATIONS:		
NET OPERATING REVENUES	\$ 3,125,750.80	\$ 2,662,649.12
ADJUSTMENTS TO RECONCILE NET OPERATING REVENUES TO NET CASH PROVIDED BY OPERATIONS :		
DEPRECIATION	2,085,000.37	2,164,062.72
(INCREASE) DECREASE IN:		
ACCOUNTS RECEIVABLE	(114,750.89)	(57,430.55)
ACCOUNTS RECEIVABLE - STORMWATER	(43,684.41)	(75,442.69)
ACCOUNTS RECEIVABLE - SANITATION	(12,617.49)	(15,427.54)
ACCOUNTS RECEIVABLE - LIENS	(37,470.97)	(7,413.82)
OTHER ACCOUNTS RECEIVABLE	(1,043,302.69)	(27,508.48)
INVENTORY	(4,412.33)	(4,412.13)
INCREASE (DECREASE) IN:		
ACCOUNTS PAYABLE	(58,857.93)	34,598.27
ACCRUED WAGES PAYABLE	(78,063.00)	15,145.45
COMPENSATED ABSENCES	24,857.62	24,857.01
NET CASH PROVIDED FROM OPERATIONS	<u>\$3,827,063.58</u>	<u>\$4,713,677.36</u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE MUNICIPAL WASTEWATER UTILITY

PRO FORMA SUPPLEMENTARY INFORMATION

WEST LAFAYETTE MUNICIPAL WASTEWATER UTILITY

GENERAL COMMENTS – PRO FORMA SUPPLEMENTARY INFORMATION

Sources and Uses of Funds – Page 6

In accordance with the agreed order between the City of West Lafayette and IDEM, the Wastewater Utility will address its Long Term Control Plan (“LTCP”) through the planning, designing and construction of a Combined Sewer Overflow (“CSO”) relief interceptor. The project will include the construction along River Road of approximately 4,300 feet of 60-inch to 96-inch combined sewer interceptor, sewer separation, road improvements, and all associated work. The project is more specifically described in the engineering plans and specifications prepared by Wessler Engineering, the engineers employed by the City for the project. Based upon engineering estimates total construction costs including contingencies are \$21,111,000; engineering costs total \$1,050,000; and bond issuance costs together with a fully funded debt service reserve add another \$1,925,738 to the total estimated costs.

The Utility has elected to construct the project with a Guaranteed Savings Contract procurement. They are currently working with the selected provider in development of plans. The final plans, guaranteed maximum price and contract is expected to be completed before the end of 2015. Construction would begin in spring of 2016 and be completed in about 12 months. In addition to the \$1,086,738 of construction funds remaining on hand from the 2014 Revenue Bonds which will be used to pay preliminary engineering costs, the Utility will issue sewage works revenue bonds in the amount of approximately \$23,000,000 to fund the project.

In order to repay the bonds, a CSO Surcharge has been developed to address the fixed debt service requirements for financing and repayment of this obligation. The remaining schedules in this section include the calculation of the CSO Surcharge, the identification of Equivalent Dwelling Units (EDU’s) by which the Surcharge is applied each month and additional phased in rate adjustments to ensure sufficient income for the operations of the sewage works including working capital, extensions and replacements, payment in lieu of taxes and repayment of currently outstanding debt obligations.

Amortization Schedule for Proposed \$23,000,000 Sewage Works Revenue Bonds, Series 2016 – Page 7

The Utility plans to issue sewage works revenue bonds, preliminarily in the amount of \$23,000,000, payable from the net revenues of the Utility on a parity with the outstanding 2006 Bonds, 2012 Bonds, 2013 Refunding Bonds, 2014 Bonds, 2014 Refunding Bonds and 2014B Bonds. The proposed 2016 Bonds will be structured with level debt service, maturing annually on July 1 with a final maturity no later than 25 years after the date of issuance. We have assumed an average coupon rate of 4.25%, however, the actual coupon rates will be based on the negotiated bond sale terms.

Adjusted Statement of Revenues, Expenditures and Changes in Net Position – Page 8

This schedule displays actual Revenues, Expenditures and Change in Net Position for the year ended 12/31/2014 and 12 months ended 5/31/2015 (Test Year). Various adjustments have been made to the Test Year amounts to arrive at pro forma revenue and expenses. Operating Revenues were normalized through Adjustments 1-4. Adjustment 1 recognizes changes in flows as a result of a large facility on the Purdue campus being taken offline in the spring of 2015 resulting in a reduction of projected revenue. A portion of this reduction has been recovered through the new billing software which enables the production of minimum monthly bills when applicable for any of the University's metered connections. Adjustment 2 is intended to normalize test year revenue to reflect 12 months of trash billings based upon current monthly billings. Adjustments 3 and 4 are per management's estimates and recognize reductions in the recoverable amounts from sale of recycled materials. Adjustment 5 establishes a new level of payment in lieu of taxes to the City and is calculated on page 13 of this report. Operating Expense adjustments are detailed by line item on page 9 of this report.

Schedule of Pro Forma Operating Expenses – Page 9

This schedule presents operating expenses by department and category for the 12 months ended 12/31/2014 and the test year ended 5/31/2015. The Test Year operation and maintenance expenses have been adjusted to pro forma operating and maintenance expenses based upon known and measurable changes in the next 12 months. Most of the adjustments are inflationary increases and/or adjustments to reflect 2015 budget. Some of the more significant adjustments include a \$200,000 increase in bulk chemicals per management's estimates of the cost of meeting the lower phosphorus level limits in the latest treatment plant permit. There are also provisions for three additional employees including one in the lab area of treatment plant operations, one in collection system operation and maintenance and the other for an additional collector/processor in sanitation. Along with anticipated wages for each of these new positions, a provision was made for \$20,000 per employee in payroll taxes, insurance, retirement and other benefit costs. Overall, annual operating and maintenance expenses were increased \$245,925.

Schedule of Capital Expenditure Requirements – Page 10

This schedule presents the Utility's current five year capital plan. The capital plan was compiled in conjunction with management and their consulting engineers to identify future project needs by functional area. The Long Term Control Plan CSO Interceptor project is by far the most significant project that has been identified. The timing of this project has been accelerated so that the roadways being disturbed that overlap the State Street project are completed before the State Street project occurs. It will be funded with bond proceeds which are expected to be provided in early 2016. All remaining projects and capital equipment needs that were not already started in 2015 are anticipated to be funded on a pay go basis. Based upon the pay go projects planned for future years (2016-2019), the average annual requirement is approximately \$1.9 million including wastewater projects, storm water improvements and capital equipment needs. The amount of average annual capital projects (\$1,904,667) was used in establishing the

ongoing revenue requirements for replacements and extensions in determining the utility rates.

Schedule of Total Calculated EDU'S – Page 11

This schedule provides a breakdown as of the end of 2014 of meter connections and equivalent dwelling units (“EDU’s”) served by the Utility. An EDU is defined as the equivalent of a single family residential household. Approximately 90% of the Utility’s metered connections are 5/8” meters which is the size typically used for a residential household. For non-residential customer classes with oversized meters, we have converted those services to EDU’s based upon the engineering area ratio of flows for the oversized meter versus a standard 5/8” meter. For example a 1” meter has the capacity to handle 2.5 times the flow of a 5/8” meter, therefore each 1” non-residential meter is counted as 2.5 EDU’s.

Multi-family residential units represent 24% of billed flows. The Utility serves over 1200 apartment buildings which based upon City records include total of 7,836 apartment units. In the past there has been no standard for the number of meters to serve a certain building size/unit count. The meter connections for multi-family residential range from 5/8” for some locations up to 4”. Water meters and service are provided by Indiana American Water and not under the control of the City. Because of this inconsistency, a different standard was applied in order to fairly determine EDU’s for multi-family residential. Indiana Administrative Code (IAC) Title 327 “Water Pollution Control Division” in Article 3. “Wastewater Treatment Facilities Construction and Permit Requirements” establishes the standards for construction, modification and expansion of sanitary collection and treatment systems. To ensure adequate capacity under average and peak daily flow conditions, 327 IAC 3-6-11 establishes flow rate requirements for the customer base to be served. The average daily flow for a single family home is 310 gallons. Correspondingly the average daily flow for multi-family dwellings is prescribed in this section as follows: one bedroom apartment/condo 200 gallons per day; two bedroom apartment/condo 300 gallons per day; three bedroom apartment/condo 350 gallons per day. The actual living unit count by bedroom was not readily available, so we conservatively assumed that a typical apartment unit had 200 gpd flows which is approximately 66% of the level for a single family home. Using this State standard as applied to the 7,836 apartment units produces an equivalent count of 5,171 EDU’s.

The remaining customers including Purdue University convert to 13,213 EDU’s which is a total for the Utility of 18,384 EDUs. The cost of constructing the CSO Interceptor and the related annual payments are fixed costs benefiting each sanitary sewer customer. These costs do not vary with usage or flows so they are being spread evenly over the Utility’s customer base. The CSO charge is a monthly rate per EDU which will be billed to the property owner.

Schedule of Calculated EDU's – Purdue University – Page 12

Purdue University has a total of 289 connections to the Utility's collection system with meter sizes ranging from 5/8" to 8" as shown on this schedule. The facilities served include a wide range of uses including offices, classrooms, labs, sports facilities, dormitories and other. For the most part they are not residential in nature and as such the most appropriate way to determine equivalency was based upon meter sizes and area ratios. Their 289 meters represent 5,174 EDU's.

Calculation of Payment In Lieu of Taxes – Page 13

This schedule calculates the proposed payment in lieu of taxes. The value of total plant in service at the end of the test year was \$97,951,506. We have also assumed that the net assessed value of these assets is 80% of the historical cost value before applying the 2015 West Lafayette City property tax rate of \$0.8661. This results in a proposed payment in lieu of taxes of \$675,865. The budgeted annual payment is currently \$528,200 and has not been increased for a number of years. Due to certain timing issues, total PILT paid in the test year was \$704,267, so we have reduced that amount to this calculated value for our revenue requirements.

Schedule of Pro Forma Revenue and Revenue Requirements – Page 14

Revenue requirements are those items which the Utility should provide for in its rates and charges. They include cash operating and maintenance expenditures, capital improvements, payment in lieu of taxes and debt service. Prior to adding in the impact of the CSO Project, we have compared the existing adjusted test year revenues of \$10,593,405 to the revenue requirements including repayment of outstanding debt which totals \$11,913,610. The existing deficit is \$1,320,205 and if this additional amount was generated through sanitary sewer charges would necessitate a 16.61% increase in sewer rates.

Under the columns labeled "With CSO Project", we have added the estimated annual debt service payment for the proposed \$23,000,000 of sewage works revenue bonds ("2016 Bond") with a term of approximately 24 years. The estimated additional debt payment is \$1,547,355 which must be included in the new rates together with adequate bond coverage to market the bonds. The total revenue requirements are now \$13,460,965 and the resulting deficit is \$2,867,560.

For comparative purposes we have shown the following three options for recovering this additional revenue requirement:

Option 1 – Apply a 36% across the board increase to the current flow rates and charges and maintain existing rate structure.

Option 2 - Introduce new CSO Surcharge designed as a fixed monthly charge per EDU which covers the estimated annual debt payment on the proposed 2016 Bonds and 140% bond coverage. The CSO Surcharge annual revenue requirement is \$2,166,297 which on a monthly basis spread over a total of 18,384 EDU's is \$9.82. The remaining deficit after

the CSO Surcharge is \$701,263 which could be generated with only an 8.82% increase in existing flow rates.

Option 3 - Calculates the CSO Surcharge as described above except includes the entire revenue deficit of \$2,867,560. The monthly per EDU charge is \$13 but there is no additional adjustment to existing sewer flow rates.

In all three options the rates will produce sufficient revenue to meet the revenue requirements and provide approximately 150% bond coverage on all outstanding bonds and the proposed 2016 Bonds. We recommend consideration of **Option 2**.

Current and Proposed Rates and Charges – Page 18

This table summarizes the Utility's rates and charges for wastewater treatment services with proposed multi step adjustments to adopt Option 2 of the rate analysis. Wastewater user rates were last amended effective July 1, 2006. The only adjustment to the treatment rate is a three step rate increase to the existing flow rates. The adjustments represent a 3% annual increase on January 1st of 2016, 2017 and 2018. The minimum gallons by meter size remain the same and the increase in minimum charges only reflects the change in the flow rates.

The monthly CSO Surcharge of \$9.81 per EDU will be implemented in two phases. Phase I will include half the rate beginning January 1st 2016 and Phase II will be billed beginning July 1st 2016 at the full rate. The proposed phase in lines up with the timing of partial and full debt service in the 2016 Bond structure.

The current monthly solid waste fees adopted July 1, 2013 are presented here. In 2013, the City adopted storm water rates of \$8.00 per ERU which became effective January 1, 2014.

WEST LAFAYETTE WASTEWATER UTILITY

ESTIMATED SOURCES AND USES OF FUNDS - CSO PROJECT

USES OF FUNDS:

CONSTRUCTION COST ESTIMATES	\$ 19,000,000
CONSTRUCTION CONTINGENCY	<u>2,111,000</u>
SUB TOTAL	21,111,000
ENGINEERING:	
DESIGN AND GSC COORDINATION	1,050,000
BOND ISSUANCE COSTS	375,738
DEBT SERVICE RESERVE	<u>1,550,000</u>
TOTAL ESTIMATED USES	<u><u>\$ 24,086,738</u></u>

SOURCES OF FUNDS:

SEWAGE WORKS REVENUE BONDS OF 2015	\$ 23,000,000
FUNDS ON HAND	<u>1,086,738</u>
TOTAL ESTIMATED SOURCES	<u><u>\$ 24,086,738</u></u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
PROPOSED \$23,000,000 SEWAGE WORKS REVENUE BONDS, SERIES 2016

ASSUMED DATING AND DATE OF DELIVERY - JANUARY 15, 2016

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>ASSUMED COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
7/1/2016	\$ 23,000,000			\$ 450,736.11	\$ 450,736.11	\$ 450,736.11
1/1/2017				488,750.00	488,750.00	
7/1/2017	23,000,000	\$ 570,000	4.25%	488,750.00	1,058,750.00	1,547,500.00
1/1/2018				476,637.50	476,637.50	
7/1/2018	22,430,000	595,000	4.25%	476,637.50	1,071,637.50	1,548,275.00
1/1/2019				463,993.75	463,993.75	
7/1/2019	21,835,000	620,000	4.25%	463,993.75	1,083,993.75	1,547,987.50
1/1/2020				450,818.75	450,818.75	
7/1/2020	21,215,000	645,000	4.25%	450,818.75	1,095,818.75	1,546,637.50
1/1/2021				437,112.50	437,112.50	
7/1/2021	20,570,000	675,000	4.25%	437,112.50	1,112,112.50	1,549,225.00
1/1/2022				422,768.75	422,768.75	
7/1/2022	19,895,000	700,000	4.25%	422,768.75	1,122,768.75	1,545,537.50
1/1/2023				407,893.75	407,893.75	
7/1/2023	19,195,000	730,000	4.25%	407,893.75	1,137,893.75	1,545,787.50
1/1/2024				392,381.25	392,381.25	
7/1/2024	18,465,000	760,000	4.25%	392,381.25	1,152,381.25	1,544,762.50
1/1/2025				376,231.25	376,231.25	
7/1/2025	17,705,000	795,000	4.25%	376,231.25	1,171,231.25	1,547,462.50
1/1/2026				359,337.50	359,337.50	
7/1/2026	16,910,000	830,000	4.25%	359,337.50	1,189,337.50	1,548,675.00
1/1/2027				341,700.00	341,700.00	
7/1/2027	16,080,000	865,000	4.25%	341,700.00	1,206,700.00	1,548,400.00
1/1/2028				323,318.75	323,318.75	
7/1/2028	15,215,000	900,000	4.25%	323,318.75	1,223,318.75	1,546,637.50
1/1/2029				304,193.75	304,193.75	
7/1/2029	14,315,000	940,000	4.25%	304,193.75	1,244,193.75	1,548,387.50
1/1/2030				284,218.75	284,218.75	
7/1/2030	13,375,000	980,000	4.25%	284,218.75	1,264,218.75	1,548,437.50
1/1/2031				263,393.75	263,393.75	
7/1/2031	12,395,000	1,020,000	4.25%	263,393.75	1,283,393.75	1,546,787.50
1/1/2032				241,718.75	241,718.75	
7/1/2032	11,375,000	1,065,000	4.25%	241,718.75	1,306,718.75	1,548,437.50
1/1/2033				219,087.50	219,087.50	
7/1/2033	10,310,000	1,110,000	4.25%	219,087.50	1,329,087.50	1,548,175.00
1/1/2034				195,500.00	195,500.00	
7/1/2034	9,200,000	1,155,000	4.25%	195,500.00	1,350,500.00	1,546,000.00
1/1/2035				170,956.25	170,956.25	
7/1/2035	8,045,000	1,205,000	4.25%	170,956.25	1,375,956.25	1,546,912.50
1/1/2036				145,350.00	145,350.00	
7/1/2036	6,840,000	1,255,000	4.25%	145,350.00	1,400,350.00	1,545,700.00
1/1/2037				118,681.25	118,681.25	
7/1/2037	5,585,000	1,310,000	4.25%	118,681.25	1,428,681.25	1,547,362.50
1/1/2038				90,843.75	90,843.75	
7/1/2038	4,275,000	1,365,000	4.25%	90,843.75	1,455,843.75	1,546,687.50
1/1/2039				61,837.50	61,837.50	
7/1/2039	2,910,000	1,425,000	4.25%	61,837.50	1,486,837.50	1,548,675.00
1/1/2040				31,556.25	31,556.25	
7/1/2040	1,485,000	1,485,000	4.25%	31,556.25	1,516,556.25	1,548,112.50
TOTALS		<u>\$ 23,000,000</u>		<u>\$ 14,587,298.61</u>	<u>\$ 37,587,298.61</u>	<u>\$ 37,587,298.61</u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

ADJUSTED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
FOR THE TWELVE MONTHS ENDED

	12/31/2014	TEST YEAR 5/31/2015	ADJUSTMENT	ADJUSTED TEST YEAR
OPERATING REVENUES:				
WASTEWATER USER FEES	\$ 7,960,718.20	\$ 8,092,420.32	\$ (144,000.00) (1)	\$ 7,948,420.32
STORM WATER FEES	1,190,877.26	1,427,211.68		1,427,211.68
PENALTIES	32,999.74	62,653.59		62,653.59
SANITATION TRASH FEES	957,722.39	1,021,073.15	(46,073.15) (2)	975,000.00
RECYCLABLE SALES	31,021.39	26,877.59	(6,877.59) (3)	20,000.00
RECYCLING GRANT	41,500.00	62,250.00	(20,750.00) (4)	41,500.00
TOTERS AND BINS	9,478.60	9,478.60		9,478.60
OTHER OPERATING REVENUE	24,334.73	20,886.65		20,886.65
TOTAL OPERATING REVENUES	10,248,652.31	10,722,851.58		10,505,150.84
OPERATING EXPENSES:				
TREATMENT PLANT	1,660,285.04	1,729,600.84	208,195.71 (6)	1,937,796.55
COLLECTION SYSTEM	727,120.08	694,666.90	48,235.53 (6)	742,902.43
SANITATION	852,958.07	857,533.95	60,427.45 (6)	917,961.40
STORM WATER	574,987.77	558,825.35	4,180.15 (6)	563,005.50
CUSTOMER ACCOUNTS	280,633.52	310,877.73	(1,865.36) (6)	309,012.37
ADMINISTRATION AND GENERAL	1,325,955.99	1,360,595.64	(73,248.62) (6)	1,287,347.02
SUB-TOTAL	5,421,940.47	5,512,100.41		5,758,025.27
DEPRECIATION	2,164,062.72	2,085,000.37		2,085,000.37
NET OPERATING INCOME	2,662,649.12	3,125,750.80		2,662,125.20
NON-OPERATING REVENUES (EXPENSES):				
INTEREST INCOME	29,464.11	29,720.97		29,720.97
TAP FEES	82,034.06	58,533.58		58,533.58
GAIN/LOSS ON SALE OF ASSET	-	(1,875.30)		(1,875.30)
MISCELLANEOUS NON-OPERATION REVENUE	5,887.59	5,887.59		5,887.59
PAYMENT IN LIEU OF TAXES	(528,200.00)	(704,266.68)	28,401.68 (5)	(675,865.00)
BOND ISSUE EXPENSES	(104,751.20)	(63,013.95)		(63,013.95)
CAPITAL LEASE INTEREST	(3,545.45)	(3,055.79)		(3,055.79)
INTEREST ON 1994 BONDS	-	-		-
INTEREST ON 1998 BONDS	-	-		-
INTEREST ON 2001 BONDS	-	-		-
INTEREST ON 2004 SRF BONDS	(379,395.18)	(192,162.68)		(192,162.68)
INTEREST ON 2006 SRF BONDS	(292,284.00)	(292,136.90)		(292,136.90)
INTEREST ON 2012 SRF BONDS	(51,923.04)	(51,891.79)		(51,891.79)
INTEREST ON 2013 REFUNDING BONDS	(186,943.98)	(170,537.33)		(170,537.33)
INTEREST ON 2014 BONDS	(73,040.00)	(117,040.00)		(117,040.00)
INTEREST ON 2014 REFUNDING BONDS	(43,886.58)	(161,439.93)		(161,439.93)
INTEREST ON 2014 B SRF BONDS	(241.61)	(25,109.11)		(25,109.11)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,546,825.28)	(1,688,387.32)		(1,659,985.64)
CHANGE IN NET POSITION	\$ 1,115,823.84	\$ 1,437,363.48		\$ 1,002,139.56

(1) REVENUE HAS BEEN ADJUSTED TO REFLECT THE LOSS OF THE PURDUE BIOCHEM BUILDING RESULTING IN A REDUCTION OF \$27K/MONTH. THE NEW BILLING SOFTWARE IS NOW CORRECTLY ASSESSING THE MINIMUM CHARGES BY METER SIZE FOR PURDUE. BASED UPON THE MAY 2015 BILLINGS THIS REPRESENTS AN INCREASE OF \$15K/MONTH. THE NET RESULT IS A PROJECTED DECREASE IN REVENUE OF \$12K/MONTH.

(2) ADJUSTED TO CURRENT AVERAGE MONTHLY BILLINGS OF \$81,250.

(3) ADJUSTED TO REFLECT MANagements ESTIMATES OF PROJECTED RECYCLING REVENUE.

(4) NORMALIZED TO REFLECT ANNUAL REVENUES OF \$41,500.

(5) ADJUSTED TO REFLECT CALCULATED PAYMENT IN LIEU OF TAXES FOR PROJECTED YEARS. REFER TO PAGE 13.

(6) ADJUSTED PER MANAGEMENT. REFER TO PAGE 9.

CITY OF WEST LAFAYETTE WASTEWATER UTILITY

SCHEDULE OF PRO FORMA OPERATING EXPENSES

	12/31/2014	TEST YEAR 5/31/2015	ADJUSTMENT	PROFORMA EXPENSE
TREATMENT PLANT				
WAGES	\$ 454,618.87	\$ 423,732.73	\$ 53,474.65 (1)(2)	\$ 477,207.38
INSURANCE AND BENEFITS	200,781.70	206,279.78	20,000.00 (2)	226,279.78
SUPPLIES	120,158.36	127,327.86		127,327.86
BULK CHEMICALS	46,643.42	46,063.97	203,936.03 (4)	250,000.00
SERVICES AND OTHER CHARGES	275,877.87	262,861.69		262,861.69
UTILITIES	373,324.37	350,577.82		350,577.82
SLUDGE REMOVAL	169,743.50	294,214.97	(69,214.97) (4)	225,000.00
WASTE DISPOSAL FEES	19,136.95	18,542.02		18,542.02
	<u>1,660,285.04</u>	<u>1,729,600.84</u>		<u>1,937,796.55</u>
COLLECTION SYSTEM				
WAGES	334,835.55	320,995.58	51,419.91 (1)(2)	372,415.49
INSURANCE AND BENEFITS	166,788.77	173,728.45	20,000.00 (2)	193,728.45
SUPPLIES	13,366.09	14,503.95		14,503.95
SERVICES AND OTHER CHARGES	34,406.94	33,884.22		33,884.22
PROFESSIONAL SERVICES	-	540.00		540.00
UTILITIES	71,140.32	67,830.32		67,830.32
REPAIRS	106,582.41	83,184.38	(23,184.38) (3)	60,000.00
	<u>727,120.08</u>	<u>694,666.90</u>		<u>742,902.43</u>
SANITATION				
WAGES	321,333.60	321,372.65	40,427.45 (1)(2)	361,800.10
INSURANCE AND BENEFITS	162,916.93	180,360.93	20,000.00 (2)	200,360.93
SUPPLIES	133,849.47	123,813.66		123,813.66
SERVICES AND OTHER CHARGES	43,154.71	50,511.76		50,511.76
WASTE DISPOSAL FEES	191,703.36	181,474.95		181,474.95
	<u>852,958.07</u>	<u>857,533.95</u>		<u>917,961.40</u>
STORM WATER				
WAGES	213,804.22	209,007.72	4,180.15 (1)	213,187.87
INSURANCE AND BENEFITS	86,358.63	88,812.52		88,812.52
SUPPLIES	40,190.88	40,673.88		40,673.88
SERVICES AND OTHER CHARGES	122,454.32	121,262.28		121,262.28
PROFESSIONAL SERVICES	112,179.72	99,068.95		99,068.95
	<u>574,987.77</u>	<u>558,825.35</u>		<u>563,005.50</u>
CUSTOMER ACCOUNTS				
WAGES	102,179.71	103,753.83	2,075.08 (1)	105,828.91
INSURANCE AND BENEFITS	37,843.06	42,345.78		42,345.78
SUPPLIES	51,321.52	52,337.68		52,337.68
SERVICES AND OTHER CHARGES	89,289.23	112,440.44	(3,940.44) (4)	108,500.00
	<u>280,633.52</u>	<u>310,877.73</u>		<u>309,012.37</u>
ADMINISTRATION AND GENERAL				
UTILITY ADMINISTRATION WAGES	238,976.96	208,678.89	4,173.58 (1)	212,852.47
UTILITY ADMINISTRATION INS/BENI	77,858.59	80,624.66		80,624.66
CITY ADMINISTRATION WAGES	411,531.18	416,410.40	8,328.21 (1)	424,738.61
CITY ADMINISTRATION INS/BENIFITS	143,706.14	156,431.66		156,431.66
SUPPLIES	5,787.85	2,099.62		2,099.62
SERVICES AND OTHER CHARGES	224,399.37	277,423.49	(56,823.49) (5)	220,600.00
PROFESSIONAL SERVICES	223,695.90	218,926.92	(28,926.92) (6)	190,000.00
	<u>1,325,955.99</u>	<u>1,360,595.64</u>		<u>1,287,347.02</u>
TOTAL OPERATION AND MAINTENANCE EXPENSE	<u>\$ 5,421,940.47</u>	<u>\$ 5,512,100.41</u>		<u>\$ 5,758,025.27</u>

- (1) ADJUSTED TO REFLECT A 2% INCREASE IN SALARIES AND WAGES.
- (2) INCLUDES ADJUSTMENT TO REFLECT AN ADDITIONAL EMPLOYEE.
- (3) ADJUSTED TO REFLECT 2015 BUDGET.
- (4) ADJUSTED PER MANAGEMENT EXPECTATIONS.
- (5) ADJUSTED TO REFLECT 2015 BUDGET. ALSO AN INCREASE FOR IT SERVICES AND GIS.
- (6) ADJUSTED TO REFLECT 2015 BUDGET WHICH INCLUDED RECLASSIFYING \$45,000 OF PROFESSIONAL SERVICES FROM COLLECTIONS SYSTEM TO ADMINISTRATION.

CITY OF WEST LAFAYETTE WASTEWATER UTILITY

SCHEDULE OF CAPITAL EXPENDITURE REQUIREMENTS

	2015	2016	2017	2018	2019	CUMULATIVE TOTALS
LIFT STATION:						
PRP REGION LIFT STATION PROJECT (2012 SRF BONDS)	\$ 388,920	\$ 200,000				\$ 588,920
SHERATON LIFT STATION REPLACEMENT (2014B SRF BONDS)	1,300,000					1,300,000
FAIRWAY KNOLL LIFT STATION REPLACEMENT (2014B SRF BONDS)	1,000,000					1,000,000
AUBURN MEADOWS LIFT STATION PROJECT		1,300,000				1,300,000
COLLECTION SYSTEM:						
WET WEATHER FACILITY IMPROVEMENTS	310,000					310,000
CUMBERLAND AVENUE - SEWER EXTENSION (2014 BONDS)	1,100,000					1,100,000
LTCP - NEW CSO INTERCEPTOR (2014 & 2015 BONDS)		22,050,000				22,050,000
SEWER LINING		250,000	250,000	250,000	250,000	1,000,000
TREATMENT PLANT IMPROVEMENTS:						
NUTRIENT REMOVAL (PHOSPHORUS)(2014 BONDS) PHASE I	915,000					915,000
NUTRIENT REMOVAL (PHOSPHORUS) PHASE II			250,000	1,000,000		1,250,000
MICROTURBINE ENGINE REPLACEMENTS		56,000		56,000		112,000
PRIMARY CLARIFIER REHABILITATION			300,000			300,000
NEW LAB/ADMIN BUILDING						-
STORM WATER & DRAINAGE:						
STORM WATER CAPITAL IMPROVEMENT MASTER PLAN	98,000					98,000
HAPPY HOLLOW SEWER ACCESS/TRAIL ADA	50,000					50,000
SALISBURY-PARKRIDGE BASIN BMP		80,300				80,300
CUPPY-MCCLURE DITCH IMPROVEMENTS			450,000	674,300		1,124,300
BOES DITCH REGRADING		358,500				358,500
PURDUE RESEARCH PARK OUTLET REPLACEMENT					399,600	399,600
EQUIPMENT:						
WASTEWATER GENERAL	97,548	186,886	176,886	156,886	51,886	670,092
SANITATION	78,150	131,093	157,943	210,443	157,943	735,572
STORM WATER	60,000	94,000	68,000	68,000	34,000	324,000
SUB TOTALS	5,397,618	24,706,779	1,652,829	2,415,629	893,429	35,066,284
LESS: SRF LOAN DRAWS - 2012 BONDS	(388,920)					(388,920)
LESS: SRF LOAN DRAWS - 2014B BONDS	(2,300,000)					(2,300,000)
LESS: 2014 OPEN MARKET BONDS	(2,015,000)	(1,086,738)				(3,101,738)
LESS: GSC FINANCING		(20,963,262)				(20,963,262)
NET TOTALS	\$ 693,698	\$ 2,656,779	\$ 1,652,829	\$ 2,415,629	\$ 893,429	\$ 8,312,364
ANNUAL PAY-GO CAPITAL BUDGET						
WASTEWATER NET TOTALS	485,698	2,123,979	1,134,829	1,673,329	459,829	5,877,664
STORMWATER NET TOTALS	208,000	532,800	518,000	742,300	433,600	2,434,700
						COMBINED ANNUAL AVERAGE (2016-2019) 1,904,667

SEE ACCOUNTANT'S REPORT.

CITY OF WEST LAFAYETTE WASTEWATER UTILITY

SCHEDULE OF TOTAL CALCULATED EDU'S

<u>WATER METER SIZE</u>	<u>AREA RATIO</u>	<u>TOTAL METERS</u>	<u>LESS: APARTMENTS</u>	<u>NET METERS</u>	<u>EDU's</u>
5/8	1	7,179	912	6,267	6,267
3/4	1	5	-	5	5
1	2.5	257	145	112	280
1 1/2	5.8	185	96	89	516
2	10	287	70	217	2,170
3	23	56	8	48	1,104
4	40	25	-	25	1,000
6	91	17	-	17	1,547
8	161.8	2	-	2	<u>324</u>
				EDU'S	13,213
			APARTMENT EDU'S (0.66 EDU/APARTMENT)		<u>5,171</u>
			TOTAL EDU'S		<u><u>18,384</u></u>

NOTE: BASED UPON DATA PROVIDED BY THE DEPARTMENT OF DEVELOPMENT THERE ARE APPROXIMATELY 7,836 APARTMENT UNITS SERVED BY THE UTILITY. ASSUMING AN AVERAGE DAILY FLOW OF 200 GALLONS PER DAY PER APARTMENT UNIT AND 300 GALLONS PER DAY PER RESIDENTIAL HOUSEHOLD, THIS PRODUCES AN EDU FACTOR OF 0.66 PER APARTMENT.

SEE ACCOUNTANT'S REPORT.

CITY OF WEST LAFAYETTE WASTEWATER UTILITY
SCHEDULE OF CALCULATED EDU'S - PURDUE UNIVERSITY

<u>WATER METER SIZE</u>	<u>AREA RATIO</u>	<u>TOTAL METERS</u>	<u>EDU's</u>
5/8	1	12	12
3/4	1	5	5
1	2.5	26	65
1 1/2	5.8	48	278
2	10	123	1,230
3	23	31	713
4	40	25	1,000
6	91	17	1,547
8	161.8	<u>2</u>	<u>324</u>
TOTAL		<u><u>289</u></u>	<u><u>5,174</u></u>

SEE ACCOUNTANT'S REPORT.

CITY OF WEST LAFAYETTE WASTEWATER UTILITY

CALCULATION OF PAYMENT IN LIEU OF TAXES

UTILITY PLANT VALUE:

EXISTING PLANT @ 5/31/2015	\$ 97,951,506
DIVIDED BY 100	979,515
TIMES 80% OF CITY TAX RATE (\$.8661)	<u>\$ 0.69</u>
CALCULATED PAYMENT IN LIEU OF TAXES	<u><u>\$ 675,865</u></u>

CITY OF WEST LAFAYETTE WASTEWATER UTILITY
SCHEDULE OF PRO FORMA REVENUE & REVENUE REQUIREMENTS

BASED UPON THE TWELVE MONTHS ENDED MAY 31, 2015

<u>REVENUE REQUIREMENTS:</u>	CURRENT NO CSO PROJECT	WITH CSO PROJECT		
		ACROSS THE BOARD ONLY	WITH ACROSS THE BOARD	CSO SURCHARGE ONLY
		<i>OPTION 1</i>	<i>OPTION 2</i>	<i>OPTION 3</i>
PRO FORMA OPERATING EXPENSES	(1) \$ 5,758,025.27	\$ 5,758,025.27	\$ 5,758,025.27	\$ 5,758,025.27
CAPITAL EXPENDITURES - EXTENSIONS & REPLACEMENTS	(2) 1,904,666.50	1,904,666.50	1,904,666.50	1,904,666.50
PAYMENT IN LIEU OF TAXES	(3) 675,865.00	675,865.00	675,865.00	675,865.00
DEBT SERVICE:				
EXISTING BONDS (MAX ANNUAL DEBT SERVICE)	3,575,053.85	3,575,053.85	3,575,053.85	3,575,053.85
PROPOSED BONDS \$ 23,000,000 PAR AMOUNT		\$1,547,355.15	1,547,355.15	1,547,355.15
TERM 24 YRS 4.25% INTEREST				
TOTAL REVENUE REQUIREMENTS	11,913,610.62	13,460,965.77	13,460,965.77	13,460,965.77
ADJUSTED TEST YEAR OPERATING REVENUE:				
WASTEWATER USER FEES	(4) 7,948,420.32	7,948,420.32	7,948,420.32	7,948,420.32
STORM WATER FEES	(4) 1,427,211.68	1,427,211.68	1,427,211.68	1,427,211.68
OTHER PLEDGED REVENUE	(4) 1,217,773.39	1,217,773.39	1,217,773.39	1,217,773.39
TOTAL TEST YEAR REVENUE	10,593,405.39	10,593,405.39	10,593,405.39	10,593,405.39
REVENUE DEFICIT - AMOUNT	\$ 1,320,205.23	\$ 2,867,560.38	\$ 2,867,560.38	\$ 2,867,560.38
MONTHLY SURCHARGE - DEBT SERVICE	(5) \$ -	\$ -	\$ 7.01	\$ 13.00
MONTHLY SURCHARGE - BOND COVERAGE 140%	(5) -	-	2.81	-
TOTAL MONTHLY SURCHARGE AMOUNT	-	-	9.82	13.00
	TOTAL EDU'S			
TOTAL SURCHARGE REVENUE	18,384	-	2,166,297.21	2,867,560.38
DEFICIT AFTER SURCHARGE	\$ 1,320,205.23	\$ 2,867,560.38	\$ 701,263.17	\$ -
% ACROSS THE BOARD WASTEWATER RATE INCREASE	16.61%	36.08%	8.82%	0.00%
CALCULATED BOND COVERAGE (EXCLUDING PILT)	172%	150%	150%	150%
	CURRENT BILLS			
ESTIMATED RATE IMPACT: MIN 3,000 \$ 16.83	\$ 19.62	\$ 22.89	\$ 28.12	\$ 29.83
4,000 22.44	26.16	30.52	34.22	35.44
5,000 28.05	32.70	38.15	40.32	41.05
7,000 39.27	45.78	53.41	52.52	52.27
10,000 56.10	65.40	76.30	70.82	69.10

SEE ACCOUNTANT'S REPORT.

CITY OF WEST LAFAYETTE WASTEWATER UTILITY

SCHEDULE OF PRO FORMA REVENUE & REVENUE REQUIREMENTS - NOTES

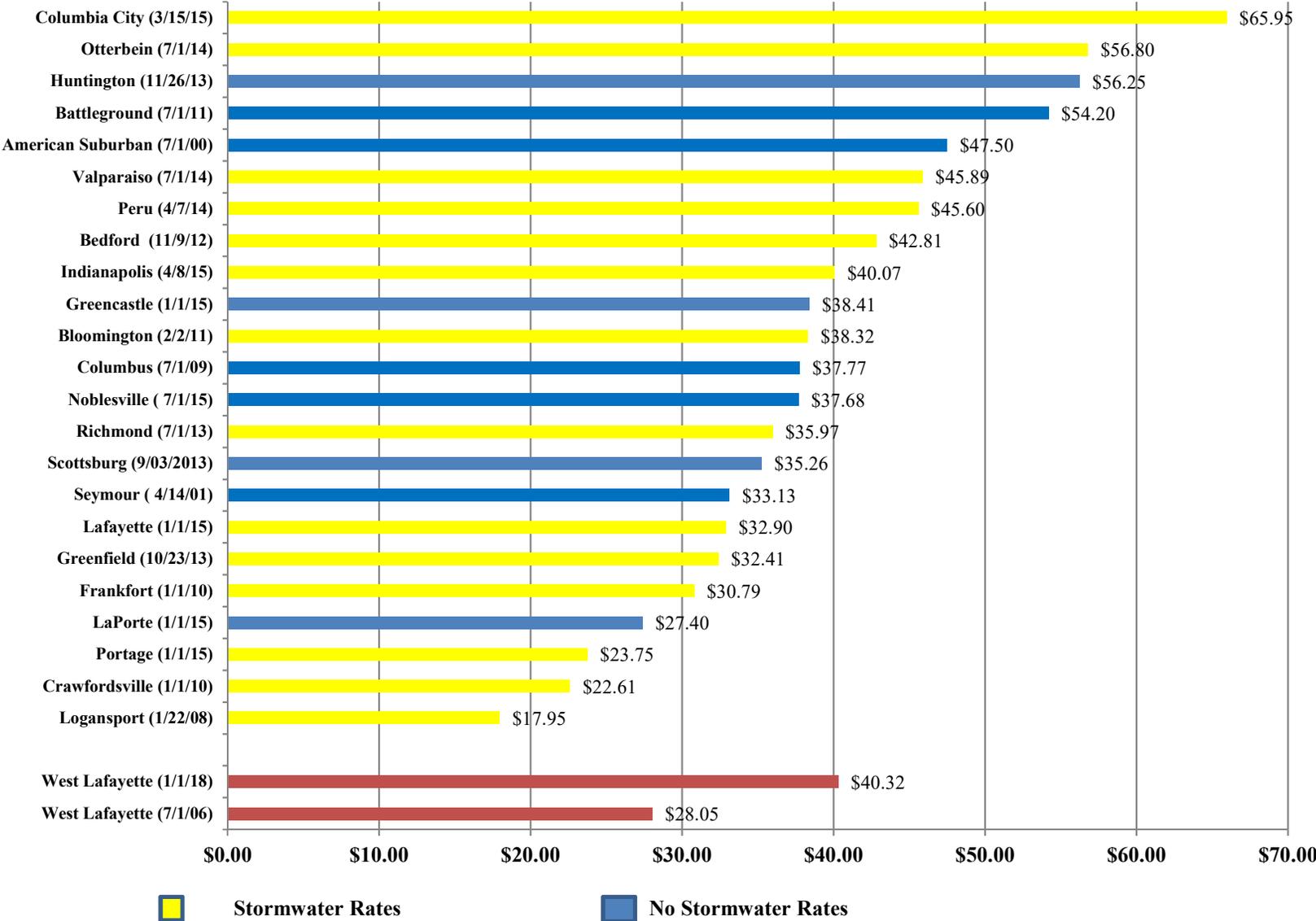
- (1) REFER TO SCHEDULE OF PRO FORMA OPERATING EXPENSE. (PAGE 9)
- (2) REFER TO SCHEDULE OF CAPITAL EXPENDITURE REQUIREMENTS. REPRESENTS AVERAGE ANNUAL ANTICIPATED EXPENDITURE FOR 2016-2019. (PAGE 10)
- (3) REFER TO CALCULATION OF PAYMENT IN LIEU OF TAXES SCHEDULE. INCREASED FROM CURRENT LEVEL OF \$528,200. (PAGE 13)
- (4) REFER TO ADJUSTED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION. (PAGE 8)
- (5) CALCULATION OF MONTHLY CSO SURCHARGE:

TOTAL CALCULATED EDU'S-	18,384		
		ANNUAL REQUIREMENT	MONTHLY PER EDU
ESTIMATED ANNUAL DEBT SERVICE - PROPOSED 2015 BONDS		\$ 1,547,355.15	\$ 7.01
PAR AMOUNT-	\$ 23,000,000		
INTEREST RATE-	4.25%		
TERM-	25 YEARS		
BOND COVERAGE	140%	618,942.06	2.81
		<u>\$ 2,166,297.21</u>	<u>\$ 9.82</u>

SEE ACCOUNTANT'S REPORT.

West Lafayette Wastewater Rate Comparisons

Monthly Bill for 5,000 gallons



SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

SCHEDULE OF CURRENT AND PROPOSED WASTEWATER RATES AND CHARGES

<u>FLOW RATE CHARGE</u>	EFFECTIVE	CURRENT	PHASE I	PHASE II	PHASE III
		RATES	1/1/2016	1/1/2017	1/1/2018
PER 1,000 GALLONS - ALL USERS EXCEPT PURDUE		\$ 5.61	\$ 5.78	\$ 5.95	\$ 6.13
PER 1,000 GALLONS - PURDUE		\$ 5.34	\$ 5.50	\$ 5.67	\$ 5.84
<u>MINIMUM TOTAL MONTHLY CHARGE *</u>					
5/8" WATER METER (3,000 GAL)		\$ 16.83	\$ 17.34	\$ 17.85	\$ 18.39
3/4" WATER METER (4,000 GAL)		22.44	23.12	23.80	24.52
1" WATER METER (7,000 GAL)		39.27	40.46	41.65	42.91
1 1/4" WATER METER (12,000 GAL)		67.32	69.36	71.40	73.56
1 1/2" WATER METER (15,000 GAL)		84.15	86.70	89.25	91.95
2" WATER METER (24,000 GAL)		134.64	138.72	142.80	147.12
3" WATER METER (45,000 GAL)		252.45	260.10	267.75	275.85
4" WATER METER (75,000 GAL)		420.75	433.50	446.25	459.75
6" WATER METER (150,000 GAL)		841.50	867.00	892.50	919.50
8" WATER METER (240,000 GAL)		1,346.40	1,387.20	1,428.00	1,471.20
10" WATER METER (345,000 GAL)		1,935.45	1,994.10	2,052.75	2,114.85
12" WATER METER (645,000 GAL)		3,618.45	3,728.10	3,837.75	3,953.85
* Dollar amounts for minimum charges on Purdue connections are based upon same gallons applied to Purdue flow rates.					
<u>UNMETERED RESIDENTIAL</u>					
PER MONTH (8,000 GAL)		\$ 44.86	\$ 46.24	\$ 47.60	\$ 49.04
<u>PURDUE MONTHLY BILLING CHARGE</u>		\$ 4.25	\$ 4.40	\$ 4.55	\$ 4.70
<u>CSO SURCHARGE - ALL CUSTOMERS</u>					
	EFFECTIVE	CURRENT	PHASE I	PHASE II	
MONTHLY PER EDU		\$ -	1/1/2016	7/1/2016	
			\$ 4.91	\$ 9.82	
<u>TAP FEES</u>					
5/8" - 3/4" METER		\$ 200.00			
1" METER		280.00			
1 1/2" METER		520.00			
2" METER		670.00			
3" METER		900.00			
4" METER		1,130.00			
6" METER		1,270.00			
<u>SOLID WASTE REMOVAL</u>					
MONTHLY RESIDENTIAL CHARGE		\$ 16.00			
MONTHLY DUMPSTER CHARGE		64.00			
<u>STORMWATER</u>					
PER ERU		\$ 8.00			

WEST LAFAYETTE MUNICIPAL WASTEWATER UTILITY

HISTORICAL SUPPLEMENTARY INFORMATION

CITY OF WEST LAFAYETTE WASTEWATER UTILITY

DETAIL OF OPERATION AND MAINTENANCE EXPENSES
FOR THE TWELVE MONTHS ENDED

	<u>5/31/2015</u>	<u>12/31/2014</u>
TREATMENT PLANT		
WAGES	\$ 423,732.73	\$ 454,618.87
INSURANCE AND BENEFITS	206,279.78	200,781.70
SUPPLIES	127,327.86	120,158.36
BULK CHEMICALS	46,063.97	46,643.42
SERVICES AND OTHER CHARGES	262,861.69	275,877.87
UTILITIES	350,577.82	373,324.37
SLUDGE REMOVAL	294,214.97	169,743.50
WASTE DISPOSAL FEES	18,542.02	19,136.95
	<u>1,729,600.84</u>	<u>1,660,285.04</u>
COLLECTION SYSTEM		
WAGES	320,995.58	334,835.55
INSURANCE AND BENEFITS	173,728.45	166,788.77
SUPPLIES	14,503.95	13,366.09
SERVICES AND OTHER CHARGES	33,884.22	34,406.94
PROFESSIONAL SERVICES	540.00	-
UTILITIES	67,830.32	71,140.32
REPAIRS	83,184.38	106,582.41
	<u>694,666.90</u>	<u>727,120.08</u>
SANITATION		
WAGES	321,372.65	321,333.60
INSURANCE AND BENEFITS	180,360.93	162,916.93
SUPPLIES	123,813.66	133,849.47
SERVICES AND OTHER CHARGES	50,511.76	43,154.71
WASTE DISPOSAL FEES	181,474.95	191,703.36
	<u>857,533.95</u>	<u>852,958.07</u>
STORM WATER		
WAGES	209,007.72	213,804.22
INSURANCE AND BENEFITS	88,812.52	86,358.63
SUPPLIES	40,673.88	40,190.88
SERVICES AND OTHER CHARGES	121,262.28	122,454.32
PROFESSIONAL SERVICES	99,068.95	112,179.72
	<u>558,825.35</u>	<u>574,987.77</u>

SEE ACCOUNTANT'S REPORT.

CITY OF WEST LAFAYETTE WASTEWATER UTILITY
DETAIL OF OPERATION AND MAINTENANCE EXPENSES
 FOR THE TWELVE MONTHS ENDED

	5/31/2015	12/31/2014
CUSTOMER ACCOUNTS		
WAGES	103,753.83	102,179.71
INSURANCE AND BENEFITS	42,345.78	37,843.06
SUPPLIES	52,337.68	51,321.52
SERVICES AND OTHER CHARGES	112,440.44	89,289.23
	310,877.73	280,633.52
ADMINISTRATION AND GENERAL		
UTILITY ADMINISTRATION WAGES	208,678.89	238,976.96
UTILITY ADMINISTRATION INS/BENEFITS	80,624.66	77,858.59
CITY ADMINISTRATION WAGES	416,410.40	411,531.18
CITY ADMINISTRATION INS/BENFITS	156,431.66	143,706.14
SUPPLIES	2,099.62	5,787.85
SERVICES AND OTHER CHARGES	277,423.49	224,399.37
PROFESSIONAL SERVICES	218,926.92	223,695.90
	1,360,595.64	1,325,955.99
TOTAL OPERATION AND MAINTENANCE EXPENSE	\$ 5,512,100.41	\$ 5,421,940.47

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

COMPARISON OF ACCOUNT BALANCES WITH MINIMUM REQUIREMENTS
AT MAY 31, 2015

	BALANCE AT 5/31/2015	MINIMUM RESERVE REQUIRED		AVAILABLE FOR TRANSFER
OPERATING FUND	\$ 790,560.62	\$ 918,683.40	(1)	\$ (128,122.78)
STORMWATER FUND	794,538.13	-	(2)	794,538.13
BOND & INTEREST FUND	2,677,852.86	2,669,791.03	(3)	8,061.83
DEBT SERVICE RESERVE FUND	3,292,336.05	3,284,172.47	(4)	8,163.58
IMPROVEMENT FUND	1,583,886.71	-	(5)	1,583,886.71
CONSTRUCTION FUND	1,282,678.39	1,282,678.39	(6)	-
CONSTRUCTION RETAINAGE FUND	<u>400,309.34</u>	<u>400,309.34</u>	(7)	<u>-</u>
TOTALS	<u>\$ 10,822,162.10</u>	<u>\$ 8,555,634.63</u>		<u>\$ 2,266,527.47</u>

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

(2) NO RESTRICTIONS ON TRANSFERS FROM THESE FUNDS. HOWEVER THESE FUNDS ARE DESIGNATED TO PAY COSTS RELATED TO STORMWATER EXPENSES.

(3) AMOUNT EQUAL TO THE NEXT TWELVE MONTHS PRINCIPAL AND NEXT SIX MONTHS INTEREST.

(4) AN AMOUNT EQUAL TO THE MAXIMUM ANNUAL COMBINED DEBT SERVICE ON ALL OUTSTANDING BONDS WHICH TOTALS \$3,573,621 INCLUDING THE 2006 BONDS, 2012 BONDS, 2013 BONDS, 2014 BONDS, 2014 REFUNDING BONDS AND 2014B BONDS. CURRENT MONTHLY TRANSFERS WILL ACCUMULATE THIS BALANCE BY MID 2014.

(5) NO RESTRICTIONS ON TRANSFERS FROM THESE FUNDS WHICH ARE BOARD DESIGNATED FOR FUTURE PLANT EXPANSION AND IMPROVEMENTS, REPLACEMENTS AND EXTENSION OF THE SEWAGE WORKS.

(6) NOT AVAILABLE FOR TRANSFER; FUNDS ARE RESTRICTED FOR CAPITAL PROJECTS RELATED TO THE ISSUANCE ON THE 2014 BOND.

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

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
\$8,265,000 SEWAGE WORKS REVENUE BONDS OF 2006, SERIES B

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
1/1/2016				\$ 145,877.25	\$ 145,877.25	
7/1/2016	\$ 8,265,000	\$ 15,000	3.53%	145,877.25	160,877.25	\$ 306,754.50
1/1/2017				145,612.50	145,612.50	
7/1/2017	8,250,000	570,000	3.53%	145,612.50	715,612.50	861,225.00
1/1/2018				135,552.00	135,552.00	
7/1/2018	7,680,000	585,000	3.53%	135,552.00	720,552.00	856,104.00
1/1/2019				125,226.75	125,226.75	
7/1/2019	7,095,000	610,000	3.53%	125,226.75	735,226.75	860,453.50
01/01/20				114,460.25	114,460.25	
07/01/20	6,485,000	635,000	3.53%	114,460.25	749,460.25	863,920.50
01/01/21				103,252.50	103,252.50	
07/01/21	5,850,000	650,000	3.53%	103,252.50	753,252.50	856,505.00
01/01/22				91,780.00	91,780.00	
07/01/22	5,200,000	670,000	3.53%	91,780.00	761,780.00	853,560.00
01/01/23				79,954.50	79,954.50	
07/01/23	4,530,000	695,000	3.53%	79,954.50	774,954.50	854,909.00
01/01/24				67,687.75	67,687.75	
07/01/24	3,835,000	715,000	3.53%	67,687.75	782,687.75	850,375.50
01/01/25				55,068.00	55,068.00	
07/01/25	3,120,000	745,000	3.53%	55,068.00	800,068.00	855,136.00
01/01/26				41,918.75	41,918.75	
07/01/26	2,375,000	765,000	3.53%	41,918.75	806,918.75	848,837.50
01/01/27				28,416.50	28,416.50	
07/01/27	1,610,000	790,000	3.53%	28,416.50	818,416.50	846,833.00
01/01/28				14,473.00	14,473.00	
07/01/28	820,000	820,000	3.53%	14,473.00	834,473.00	848,946.00
TOTALS		<u>\$ 8,265,000</u>		<u>\$ 2,298,559.50</u>	<u>\$ 10,563,559.50</u>	<u>\$ 10,563,559.50</u>

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
\$4,190,000 SEWAGE WORKS REVENUE BONDS OF 2012

DATING AND DATE OF DELIVERY - OCTOBER 31, 2012

PAYMENT DATE	PRINCIPAL BALANCE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	BOND YEAR TOTAL
1/1/2016				\$ 31,425.00	\$ 31,425.00	
7/1/2016	\$ 4,190,000	\$ 5,000	1.50%	31,425.00	36,425.00	\$ 67,850.00
1/1/2017				31,387.50	31,387.50	
7/1/2017	4,185,000	220,000	1.50%	31,387.50	251,387.50	282,775.00
1/1/2018				29,737.50	29,737.50	
7/1/2018	3,965,000	220,000	1.50%	29,737.50	249,737.50	279,475.00
1/1/2019				28,087.50	28,087.50	
7/1/2019	3,745,000	225,000	1.50%	28,087.50	253,087.50	281,175.00
1/1/2020				26,400.00	26,400.00	
7/1/2020	3,520,000	230,000	1.50%	26,400.00	256,400.00	282,800.00
1/1/2021				24,675.00	24,675.00	
7/1/2021	3,290,000	230,000	1.50%	24,675.00	254,675.00	279,350.00
1/1/2022				22,950.00	22,950.00	
7/1/2022	3,060,000	235,000	1.50%	22,950.00	257,950.00	280,900.00
1/1/2023				21,187.50	21,187.50	
7/1/2023	2,825,000	240,000	1.50%	21,187.50	261,187.50	282,375.00
1/1/2024				19,387.50	19,387.50	
7/1/2024	2,585,000	240,000	1.50%	19,387.50	259,387.50	278,775.00
1/1/2025				17,587.50	17,587.50	
7/1/2025	2,345,000	245,000	1.50%	17,587.50	262,587.50	280,175.00
1/1/2026				15,750.00	15,750.00	
7/1/2026	2,100,000	250,000	1.50%	15,750.00	265,750.00	281,500.00
1/1/2027				13,875.00	13,875.00	
7/1/2027	1,850,000	255,000	1.50%	13,875.00	268,875.00	282,750.00
1/1/2028				11,962.50	11,962.50	
7/1/2028	1,595,000	255,000	1.50%	11,962.50	266,962.50	278,925.00
1/1/2029				10,050.00	10,050.00	
7/1/2029	1,340,000	260,000	1.50%	10,050.00	270,050.00	280,100.00
1/1/2030				8,100.00	8,100.00	
7/1/2030	1,080,000	265,000	1.50%	8,100.00	273,100.00	281,200.00
1/1/2031				6,112.50	6,112.50	
7/1/2031	815,000	270,000	1.50%	6,112.50	276,112.50	282,225.00
1/1/2032				4,087.50	4,087.50	
7/1/2032	545,000	270,000	1.50%	4,087.50	274,087.50	278,175.00
1/1/2033				2,062.50	2,062.50	
7/1/2033	275,000	<u>275,000</u>	1.50%	<u>2,062.50</u>	<u>277,062.50</u>	<u>279,125.00</u>
TOTALS		<u>\$ 4,190,000</u>		<u>\$649,650.00</u>	<u>\$4,839,650.00</u>	<u>\$4,839,650.00</u>

NOTE: A total of \$3,811,080 has been drawn as of December 31, 2014.

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
\$6,935,000 SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 2013

DATING AND DATE OF DELIVERY - AUGUST 15, 2013

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
1/1/2016				\$ 63,802.00	\$ 63,802.00	
7/1/2016	\$ 6,935,000	\$ 2,190,000	1.84%	63,802.00	2,253,802.00	\$ 2,317,604.00
1/1/2017				43,654.00	43,654.00	
7/1/2017	4,745,000	945,000	1.84%	43,654.00	988,654.00	1,032,308.00
1/1/2018				34,960.00	34,960.00	
7/1/2018	3,800,000	960,000	1.84%	34,960.00	994,960.00	1,029,920.00
1/1/2019				26,128.00	26,128.00	
7/1/2019	2,840,000	975,000	1.84%	26,128.00	1,001,128.00	1,027,256.00
1/1/2020				17,158.00	17,158.00	
7/1/2020	1,865,000	1,000,000	1.84%	17,158.00	1,017,158.00	1,034,316.00
1/1/2021				7,958.00	7,958.00	
7/1/2021	865,000	425,000	1.84%	7,958.00	432,958.00	440,916.00
1/1/2022				4,048.00	4,048.00	
7/1/2022	440,000	440,000	1.84%	4,048.00	444,048.00	448,096.00
TOTALS		<u>\$ 6,935,000</u>		<u>\$ 395,416.00</u>	<u>\$ 7,330,416.00</u>	<u>\$ 7,330,416.00</u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
\$3,775,000 SEWAGE WORKS REVENUE BONDS, SERIES 2014

DATING AND DATE OF DELIVERY - APRIL 22, 2014

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>ASSUMED COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
1/1/2016				\$ 49,830.00	\$ 49,830.00	
7/1/2016	\$ 3,775,000	\$ 235,000	2.64%	49,830.00	284,830.00	\$ 334,660.00
1/1/2017				46,728.00	46,728.00	
7/1/2017	3,540,000	235,000	2.64%	46,728.00	281,728.00	328,456.00
1/1/2018				43,626.00	43,626.00	
7/1/2018	3,305,000	250,000	2.64%	43,626.00	293,626.00	337,252.00
1/1/2019				40,326.00	40,326.00	
7/1/2019	3,055,000	250,000	2.64%	40,326.00	290,326.00	330,652.00
1/1/2020				37,026.00	37,026.00	
7/1/2020	2,805,000	255,000	2.64%	37,026.00	292,026.00	329,052.00
1/1/2021				33,660.00	33,660.00	
7/1/2021	2,550,000	250,000	2.64%	33,660.00	283,660.00	317,320.00
1/1/2022				30,360.00	30,360.00	
7/1/2022	2,300,000	250,000	2.64%	30,360.00	280,360.00	310,720.00
1/1/2023				27,060.00	27,060.00	
7/1/2023	2,050,000	235,000	2.64%	27,060.00	262,060.00	289,120.00
1/1/2024				23,958.00	23,958.00	
7/1/2024	1,815,000	245,000	2.64%	23,958.00	268,958.00	292,916.00
1/1/2025				20,724.00	20,724.00	
7/1/2025	1,570,000	250,000	2.64%	20,724.00	270,724.00	291,448.00
1/1/2026				17,424.00	17,424.00	
7/1/2026	1,320,000	260,000	2.64%	17,424.00	277,424.00	294,848.00
1/1/2027				13,992.00	13,992.00	
7/1/2027	1,060,000	335,000	2.64%	13,992.00	348,992.00	362,984.00
1/1/2028				9,570.00	9,570.00	
7/1/2028	725,000	350,000	2.64%	9,570.00	359,570.00	369,140.00
1/1/2029				4,950.00	4,950.00	
7/1/2029	375,000	375,000	2.64%	4,950.00	379,950.00	384,900.00
TOTALS		<u>\$ 3,775,000</u>		<u>\$ 798,468.00</u>	<u>\$ 4,573,468.00</u>	<u>\$ 4,573,468.00</u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
\$12,796,000 SEWAGE WORKS REFUNDING REVENUE BONDS, SERIES 2014

DATING AND DATE OF DELIVERY - NOVEMBER 5, 2014

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>ASSUMED COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
1/1/2016				\$ 140,756.00	\$ 140,756.00	
7/1/2016	\$ 12,796,000	\$ 99,000	2.20%	140,756.00	239,756.00	\$ 380,512.00
1/1/2017				139,667.00	139,667.00	
7/1/2017	12,697,000	623,000	2.20%	139,667.00	762,667.00	902,334.00
1/1/2018				132,814.00	132,814.00	
7/1/2018	12,074,000	639,000	2.20%	132,814.00	771,814.00	904,628.00
1/1/2019				125,785.00	125,785.00	
7/1/2019	11,435,000	656,000	2.20%	125,785.00	781,785.00	907,570.00
1/1/2020				118,569.00	118,569.00	
7/1/2020	10,779,000	660,000	2.20%	118,569.00	778,569.00	897,138.00
1/1/2021				111,309.00	111,309.00	
7/1/2021	10,119,000	1,290,000	2.20%	111,309.00	1,401,309.00	1,512,618.00
1/1/2022				97,119.00	97,119.00	
7/1/2022	8,829,000	1,319,000	2.20%	97,119.00	1,416,119.00	1,513,238.00
1/1/2023				82,610.00	82,610.00	
7/1/2023	7,510,000	1,815,000	2.20%	82,610.00	1,897,610.00	1,980,220.00
1/1/2024				62,645.00	62,645.00	
7/1/2024	5,695,000	1,860,000	2.20%	62,645.00	1,922,645.00	1,985,290.00
1/1/2025				42,185.00	42,185.00	
7/1/2025	3,835,000	1,896,000	2.20%	42,185.00	1,938,185.00	1,980,370.00
1/1/2026				21,329.00	21,329.00	
7/1/2026	1,939,000	1,939,000	2.20%	21,329.00	1,960,329.00	1,981,658.00
TOTALS		<u>\$ 12,796,000</u>		<u>\$ 2,149,576.00</u>	<u>\$ 14,945,576.00</u>	<u>\$ 14,945,576.00</u>

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

AMORTIZATION SCHEDULE
\$2,555,000 SEWAGE WORKS REVENUE BONDS, SERIES 2014B

ASSUMED DATING AND DATE OF DELIVERY - DECEMBER 15, 2014

<u>PAYMENT DATE</u>	<u>PRINCIPAL BALANCE</u>	<u>PRINCIPAL</u>	<u>ASSUMED COUPON</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>BOND YEAR TOTAL</u>
1/1/2016				\$ 26,827.50	\$ 26,827.50	
7/1/2016	\$ 2,555,000	\$ 110,000	2.10%	26,827.50	136,827.50	\$ 163,655.00
1/1/2017				25,672.50	25,672.50	
7/1/2017	2,445,000	115,000	2.10%	25,672.50	140,672.50	166,345.00
1/1/2018				24,465.00	24,465.00	
7/1/2018	2,330,000	115,000	2.10%	24,465.00	139,465.00	163,930.00
1/1/2019				23,257.50	23,257.50	
7/1/2019	2,215,000	120,000	2.10%	23,257.50	143,257.50	166,515.00
1/1/2020				21,997.50	21,997.50	
7/1/2020	2,095,000	120,000	2.10%	21,997.50	141,997.50	163,995.00
1/1/2021				20,737.50	20,737.50	
7/1/2021	1,975,000	125,000	2.10%	20,737.50	145,737.50	166,475.00
1/1/2022				19,425.00	19,425.00	
7/1/2022	1,850,000	125,000	2.10%	19,425.00	144,425.00	163,850.00
1/1/2023				18,112.50	18,112.50	
7/1/2023	1,725,000	130,000	2.10%	18,112.50	148,112.50	166,225.00
1/1/2024				16,747.50	16,747.50	
7/1/2024	1,595,000	130,000	2.10%	16,747.50	146,747.50	163,495.00
1/1/2025				15,382.50	15,382.50	
7/1/2025	1,465,000	135,000	2.10%	15,382.50	150,382.50	165,765.00
1/1/2026				13,965.00	13,965.00	
7/1/2026	1,330,000	135,000	2.10%	13,965.00	148,965.00	162,930.00
1/1/2027				12,547.50	12,547.50	
7/1/2027	1,195,000	140,000	2.10%	12,547.50	152,547.50	165,095.00
1/1/2028				11,077.50	11,077.50	
7/1/2028	1,055,000	140,000	2.10%	11,077.50	151,077.50	162,155.00
1/1/2029				9,607.50	9,607.50	
7/1/2029	915,000	145,000	2.10%	9,607.50	154,607.50	164,215.00
1/1/2030				8,085.00	8,085.00	
7/1/2030	770,000	150,000	2.10%	8,085.00	158,085.00	166,170.00
1/1/2031				6,510.00	6,510.00	
7/1/2031	620,000	150,000	2.10%	6,510.00	156,510.00	163,020.00
1/1/2032				4,935.00	4,935.00	
7/1/2032	470,000	155,000	2.10%	4,935.00	159,935.00	164,870.00
1/1/2033				3,307.50	3,307.50	
7/1/2033	315,000	155,000	2.10%	3,307.50	158,307.50	161,615.00
1/1/2034				1,680.00	1,680.00	
7/1/2034	160,000	160,000	2.10%	1,680.00	161,680.00	163,360.00
TOTALS		<u>\$ 2,555,000</u>		<u>\$ 568,680.00</u>	<u>\$ 3,123,680.00</u>	<u>\$ 3,123,680.00</u>

NOTE: A total of \$208,089 has been drawn as of December 31, 2014.

WEST LAFAYETTE WASTEWATER UTILITY

COMBINED DEBT SERVICE SCHEDULE

PAYMENT DATE	2006B BONDS	2012 BONDS	2013 REF. BONDS	2014			PROPOSED 2016 BONDS	PERIOD TOTAL	BOND YEAR TOTAL
				2014 BONDS	REFUNDING BONDS	2014B BONDS			
1/1/16	\$ 145,877.25	\$ 31,425.00	\$ 63,802.00	\$ 49,830.00	\$ 140,756.00	\$ 26,827.50	\$ 458,517.75	\$ 4,021,771.61	
7/1/16	160,877.25	36,425.00	2,253,802.00	284,830.00	239,756.00	136,827.50	3,563,253.86		
1/1/17	145,612.50	31,387.50	43,654.00	46,728.00	139,667.00	25,672.50	921,471.50		
7/1/17	715,612.50	251,387.50	988,654.00	281,728.00	762,667.00	140,672.50	4,199,471.50	5,120,943.00	
1/1/18	135,552.00	29,737.50	34,960.00	43,626.00	132,814.00	24,465.00	877,792.00		
7/1/18	720,552.00	249,737.50	994,960.00	293,626.00	771,814.00	139,465.00	4,241,792.00	5,119,584.00	
1/1/19	125,226.75	28,087.50	26,128.00	40,326.00	125,785.00	23,257.50	832,804.50		
7/1/19	735,226.75	253,087.50	1,001,128.00	290,326.00	781,785.00	143,257.50	4,288,804.50	5,121,609.00	
1/1/20	114,460.25	26,400.00	17,158.00	37,026.00	118,569.00	21,997.50	786,429.50		
7/1/20	749,460.25	256,400.00	1,017,158.00	292,026.00	778,569.00	141,997.50	4,331,429.50	5,117,859.00	
1/1/21	103,252.50	24,675.00	7,958.00	33,660.00	111,309.00	20,737.50	738,704.50		
7/1/21	753,252.50	254,675.00	432,958.00	283,660.00	1,401,309.00	145,737.50	4,383,704.50	5,122,409.00	
1/1/22	91,780.00	22,950.00	4,048.00	30,360.00	97,119.00	19,425.00	688,450.75		
7/1/22	761,780.00	257,950.00	444,048.00	280,360.00	1,416,119.00	144,425.00	4,427,450.75	5,115,901.50	
1/1/23	79,954.50	21,187.50	27,060.00	27,060.00	82,610.00	18,112.50	636,818.25		
7/1/23	774,954.50	261,187.50	262,060.00	262,060.00	1,897,610.00	148,112.50	4,481,818.25	5,118,636.50	
1/1/24	67,687.75	19,387.50	23,958.00	23,958.00	62,645.00	16,747.50	582,807.00		
7/1/24	782,687.75	259,387.50	268,958.00	268,958.00	1,922,645.00	146,747.50	4,532,807.00	5,115,614.00	
1/1/25	55,068.00	17,587.50	20,724.00	20,724.00	42,185.00	15,382.50	527,178.25		
7/1/25	800,068.00	262,587.50	270,724.00	270,724.00	1,938,185.00	150,382.50	4,593,178.25	5,120,356.50	
1/1/26	41,918.75	15,750.00	17,424.00	17,424.00	21,329.00	13,965.00	469,724.25		
7/1/26	806,918.75	265,750.00	277,424.00	277,424.00	1,960,329.00	148,965.00	4,648,724.25	5,118,448.50	
1/1/27	28,416.50	13,875.00	13,992.00	13,992.00	12,547.50	341,700.00	410,531.00		
7/1/27	818,416.50	268,875.00	348,992.00	348,992.00	152,547.50	1,206,700.00	2,795,531.00	3,206,062.00	
1/1/28	14,473.00	11,962.50	9,570.00	9,570.00	11,077.50	323,318.75	370,401.75		
7/1/28	834,473.00	266,962.50	359,570.00	359,570.00	151,077.50	1,223,318.75	2,835,401.75	3,205,803.50	
1/1/29		10,050.00	4,950.00	4,950.00	9,607.50	304,193.75	328,801.25		
7/1/29		270,050.00	379,950.00	379,950.00	154,607.50	1,244,193.75	2,048,801.25	2,377,602.50	
1/1/30		8,100.00			8,085.00	284,218.75	300,403.75		
7/1/30		273,100.00			158,085.00	1,264,218.75	1,695,403.75	1,995,807.50	
1/1/31		6,112.50			6,510.00	263,393.75	276,016.25		
7/1/31		276,112.50			156,510.00	1,283,393.75	1,716,016.25	1,992,032.50	
1/1/32		4,087.50			4,935.00	241,718.75	250,741.25		
7/1/32		274,087.50			159,935.00	1,306,718.75	1,740,741.25	1,991,482.50	
1/1/33		2,062.50			3,307.50	219,087.50	224,457.50		
7/1/33		277,062.50			158,307.50	1,329,087.50	1,764,457.50	1,988,915.00	
1/1/34					1,680.00	195,500.00	197,180.00		
7/1/34					161,680.00	1,350,500.00	1,512,180.00	1,709,360.00	
1/1/35						170,956.25	170,956.25		
7/1/35						1,375,956.25	1,375,956.25	1,546,912.50	
1/1/36						145,350.00	145,350.00		
7/1/36						1,400,350.00	1,400,350.00	1,545,700.00	
1/1/37						118,681.25	118,681.25		
7/1/37						1,428,681.25	1,428,681.25	1,547,362.50	
1/1/38						90,843.75	90,843.75		
7/1/38						1,455,843.75	1,455,843.75	1,546,687.50	
1/1/39						61,837.50	61,837.50		
7/1/39						1,486,837.50	1,486,837.50	1,548,675.00	
1/1/40						31,556.25	31,556.25		
7/1/40						1,516,556.25	1,516,556.25	1,548,112.50	
TOTALS	\$ 10,563,559.50	\$ 4,839,650.00	\$ 7,330,416.00	\$ 4,573,468.00	\$ 14,945,576.00	\$ 3,123,680.00	\$ 37,587,298.61	\$ 82,963,648.11	\$ 82,963,648.11

SEE ACCOUNTANT'S REPORT.

WEST LAFAYETTE WASTEWATER UTILITY

BILLING STATISTICS BY METER SIZE

FOR THE YEAR ENDED DECEMBER 31, 2014

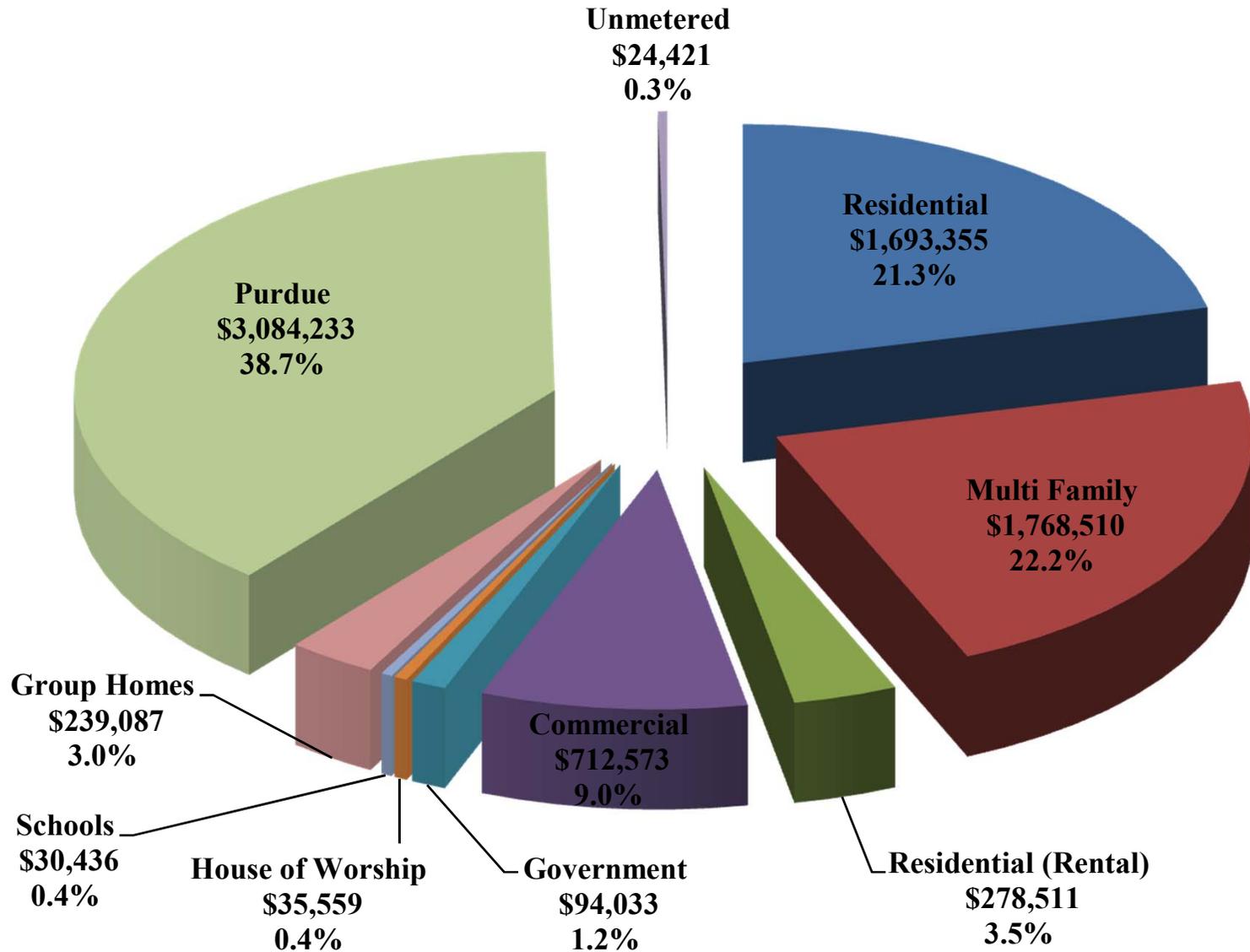
Dollar Amount	<u>5/8 INCH</u>	<u>1 INCH</u>	<u>1 1/2 INCH</u>	<u>2 INCH</u>	<u>3-4 INCH</u>	<u>U.M.</u>	<u>PURDUE</u>	<u>TOTAL</u>
January	\$ 101,434	\$ 12,370	\$ 18,418	\$ 56,751	\$ 14,586	\$ 140	\$ 231,699	\$ 435,398
February	163,222	10,530	13,436	35,478	38,995	2,036	236,290	499,987
March	160,608	46,950	53,615	105,810	35,315	73	250,364	652,735
April	324,745	39,971	46,636	98,966	68,789	2,176	259,871	841,154
May	197,107	33,295	38,978	80,649	44,594	2,198	295,649	692,470
June	331,887	39,697	46,855	106,528	92,980	2,327	230,802	851,076
July	181,731	25,576	27,180	61,856	51,186	2,266	216,312	566,107
August	187,519	25,744	28,981	64,734	50,457	4,284	235,605	597,324
September	194,352	30,199	36,269	80,504	58,748	2,714	239,925	642,711
October	220,769	33,357	40,964	84,346	50,815	2,013	337,677	769,941
November	229,347	34,771	43,236	85,126	51,382	2,310	303,441	749,613
December	212,663	32,448	40,325	82,366	45,514	2,288	246,598	662,202
Total	<u>\$ 2,505,384</u>	<u>\$ 364,908</u>	<u>\$ 434,893</u>	<u>\$ 943,114</u>	<u>\$ 603,361</u>	<u>\$ 24,825</u>	<u>\$ 3,084,233</u>	<u>\$ 7,960,718</u>

Gallons (1,000's) of Consumption	<u>5/8 INCH</u>	<u>1 INCH</u>	<u>1 1/2 INCH</u>	<u>2 INCH</u>	<u>3-4 INCH</u>	<u>U.M.</u>	<u>PURDUE</u>	<u>TOTAL</u>
January	13,546	2,121	3,182	9,878	2,501		43,389	74,617
February	24,215	1,710	2,281	6,054	6,907		44,248	85,415
March	23,200	8,158	9,455	18,682	6,174		46,884	112,553
April	52,102	6,966	8,224	17,507	12,201		48,664	145,664
May	29,085	5,746	6,808	14,126	7,871		48,664	112,300
June	51,290	6,782	8,145	18,506	16,426		43,221	144,370
July	32,530	4,307	4,555	10,339	8,993		40,507	101,231
August	33,734	4,338	4,878	10,940	8,865		44,120	106,875
September	33,033	5,194	6,311	14,085	10,187		44,929	113,739
October	32,927	5,760	7,131	14,763	8,971		63,234	132,786
November	34,617	6,019	7,531	14,903	9,087		56,823	128,980
December	31,247	5,559	6,999	14,354	8,001		46,179	112,339
Total	<u>391,526</u>	<u>62,660</u>	<u>75,500</u>	<u>164,137</u>	<u>106,184</u>	<u>-</u>	<u>570,862</u>	<u>1,370,869</u>

Bill Count	<u>5/8 INCH</u>	<u>1 INCH</u>	<u>1 1/2 INCH</u>	<u>2 INCH</u>	<u>3-4 INCH</u>	<u>U.M.</u>	<u>PURDUE</u>	<u>TOTAL</u>
January	2,952	105	94	108	13	6	3	3,281
February	4,801	112	61	67	18	47	3	5,109
March	4,610	260	159	190	18	47	3	5,287
April	7,236	229	133	153	26	47	3	7,827
May	6,209	216	132	151	25	47	3	6,783
June	10,436	325	192	221	43	47	3	11,267
July	6,471	219	132	160	25	47	3	7,057
August	6,666	224	132	159	26	47	3	7,257
September	7,058	231	136	162	27	47	3	7,664
October	7,142	231	137	161	27	47	5	7,750
November	7,144	232	138	165	26	47	4	7,756
December	7,167	231	137	164	25	47	3	7,774

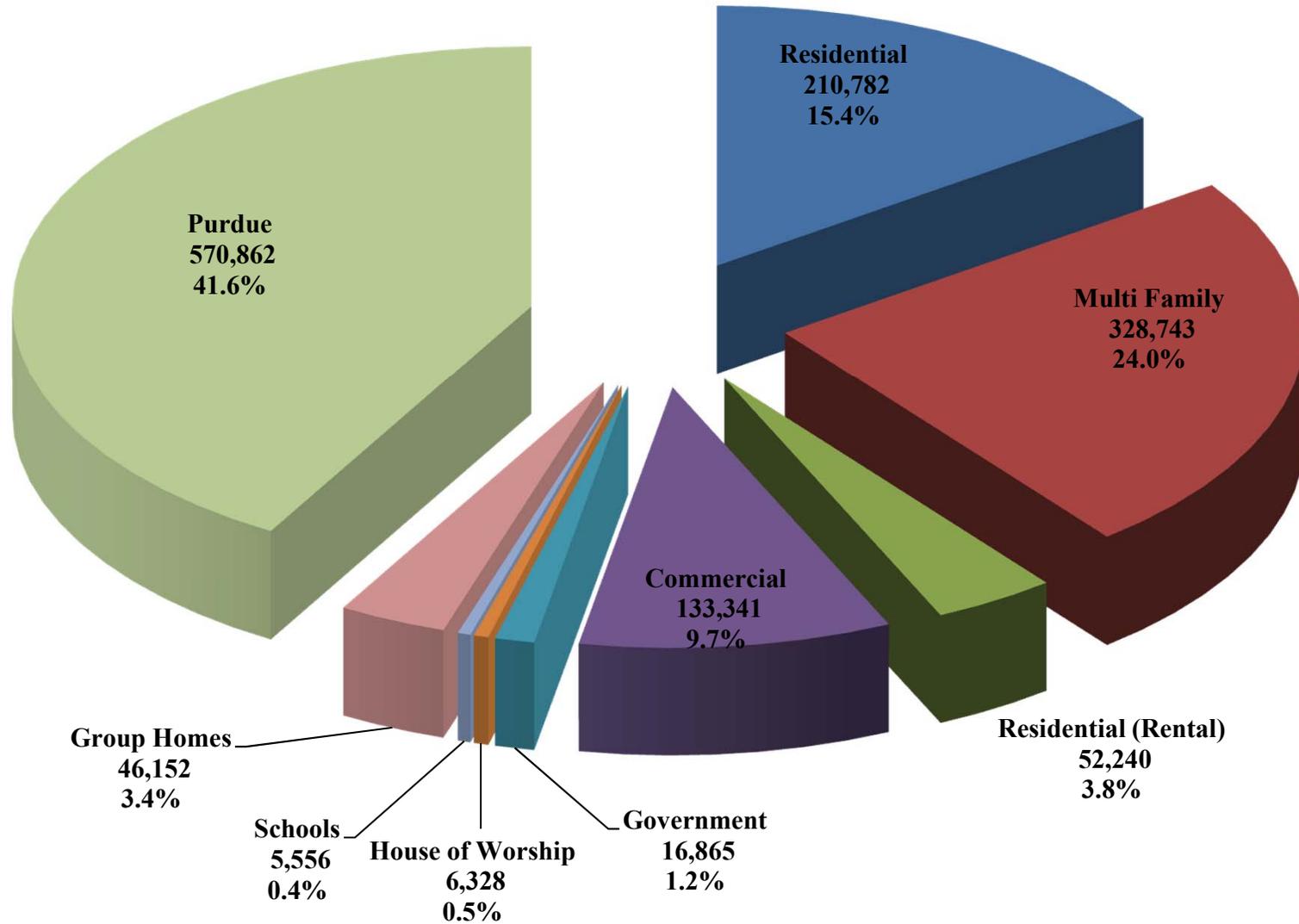
SEE ACCOUNTANT'S REPORT.

West Lafayette Wastewater Utility Revenues by Customer Type for 2014



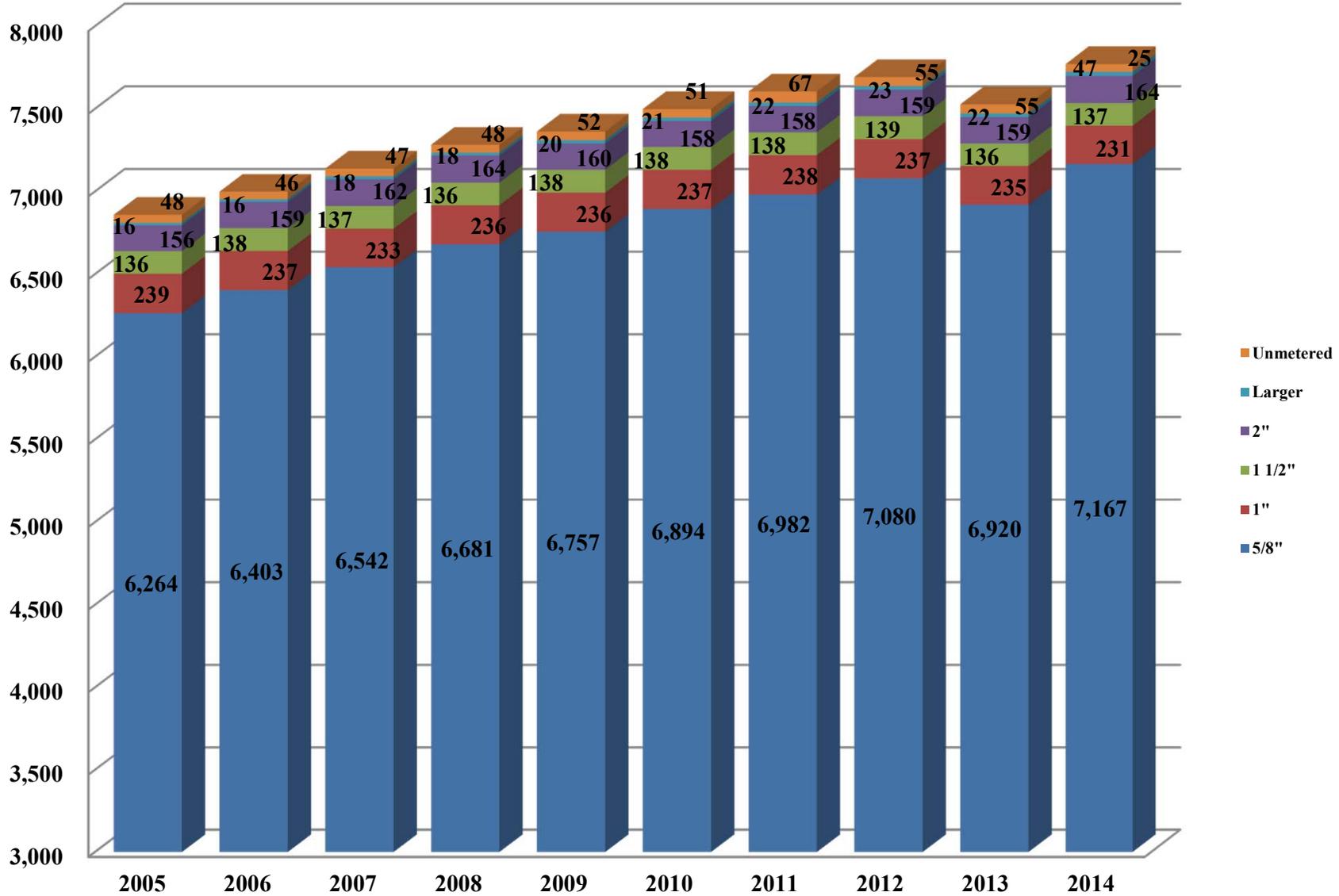
SEE ACCOUNTANT'S REPORT.

West Lafayette Wastewater Utility Gallons Billed by Customer Type for 2014



SEE ACCOUNTANT'S REPORT.

West Lafayette Wastewater Utility History of Customer Billing Counts (Excludes Purdue)



SEE ACCOUNTANT'S REPORT.